The Sharing of Culture: Global Consumerism

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ABSTRACT

This project examines how the relationship between globalization and multinational corporations has created a marketplace that is very conducive for selling global brands. In this marketplace, communication technologies have spread cultural values related to consumption across international borders and as a result, many consumers worldwide share similar needs and wants for products. The international exposure of these multinational corporations presents them with great powers as well as the challenge to create and maintain compelling brands. To accomplish this objective, multinational corporations need to implement marketing strategies that aim to increase the brand loyalty of their consumers around the globe.

INTRODUCTION

In a world that is becoming more technologically advanced everyday, people are able to learn about other cultures in ways and at speeds that were once inconceivable (Anderson 123; Storey 107). Widespread communications are changing how consumers shape their values and how they choose to spend their money. This is leading to the emergence of global citizens who actively participate in a global marketplace where multinational corporations offer brands that meet their evolving needs and wants (Gregory 121). Many people taking part in this ‘global consumer culture’ value global brands (Lee). A brand is intangible; yet, it signals value and is a very important asset for companies to be competitive in the marketplace (Lury 1; Gregory 3). Therefore, centralized approaches to marketing that appeal to global citizens are becoming more essential (Freedman). The consistency a global brand around the world helps multinational corporations stand out from the competition as well as develop strong brand loyalty across international borders (Berner). The success of a global brand depends on the ability to create these important bonds and incorporate their products into the daily lives of consumers.

ERA OF GLOBALIZATION

The combination of global connectivity and a global consumer culture can be called globalization. While this word has been around for at least 500 years, Theodore Levitt is famous for coining this term in a Harvard Business Review article that boldly stated, “The globalization of markets is at hand” (Gregory 2; Levitt 92). For Levitt, globalization had created a market where uniform products and services could be sold to the masses; however, globalization is now defined as “the worldwide diffusion of practices, expansion of relations across continents, organization of social life on a global scale, and growth of a shared global consciousness” (Holt 69; Ritzer 160). This cultural evolution has had and continues to have a significant business-related impact. The global marketplace presents a forum for interactions and exchanges to take place at a level never experienced before (Hannerz 58). The consequential growth is driven by many powerful forces, yet the global brand is one of particular interest. Since global brands are “available in all major markets and most minor markets”, multinational corporations have the power to influence global citizens while also providing them with the access to consume their products (Gregory 1).

Global Connectivity

The term ‘global village’ has been used to describe the society in which we live (Hannerz 58). Cultures that were once confined by large bodies of water or national borders now influence and are influenced by other regions of the world (Storey 108). “Culture is no longer tied to a place or a body of people” because more people than ever have access to a global network of information (Rojek 66). Through a vast number of sources – such as the media, technology, internet, advertising, and travel – people discover what it means to be a global citizen. Being a global citizen has many connotations, but in this context, it is a person who lives in this world of converging cultures. People worldwide are connecting with other people as well as with other foreign cultures through this global connectivity, which as a result has shaped global culture (Storey 117).

Communication is what has created and evolved cultures over time (Anderson 123). It is a source for conveying cultural values that in modern times has been revolutionized by technology – forever changing the process of communication. From the television to the internet to mobile phones, a global flow of information is
constantly traveling at rapid speeds and creating a “time-space compression” (Storey 107). This compression is produced by the lack of barriers, which traditionally dictated how ideas were spread across great distances. As a result, the world seems to be shrinking because people know more about the differences and similarities between them and other people around the world (108,115). With this knowledge, attributes of foreign cultures are constantly being adopted and/or adapted by their counterparts throughout the globe (Anderson 90). The intertwining of cultures has produced a global culture where people have the tendency to exhibit increasingly similar consumption behaviors and preferences (Johansson). This social phenomenon is one that has intrigued many scholars as well as corporations worldwide (Goodman 2).

Global connectivity simulates interest for information from around the world. Before the extensive networks were formed by technology, news events and foreign cultures were less likely to be experienced beyond city, regional, or even national borders (Lull 2). This aspect has both positive and negative effects. On the positive side, many people have a greater appreciation and awareness for what is happening in the world around them. This greater awareness has also led to new issues. The multinational corporations that have helped create this global network are subjected to higher standards than their competitors who only operate on a local level (Holt 72). From the accusations of Nike utilizing sweatshop labor to British Petroleum having a hand in global warming, large corporations are expected to live up to a double standard as communications alert the global citizen of their wrongdoings (Gregory 183; Holt 72). Multinational corporations must learn how to counteract the negative publicity because they cannot afford to alienate those consumers who value society responsibility (Holt 74,75). Ultimately, it is becoming more important to manage how global sources of information portray a company in the marketplace.

**Consumer Culture**

Consumption is an activity that evolves over time and varies from one culture to another (Goodman 4). One universal truth is that people consume because they find meaning in material goods, which vary from being a necessity to being a form of self-expression (2). It is also true that products carry different meanings depending upon the individual person; for instance, the common aphorism ‘one person’s trash is another person’s treasure’. This also relates to McDonald’s because in the United States it is seen as a fast, cheap, and convenient food, whereas in countries like Argentina and China, it takes on another meaning (Asgary). People in Argentina and China view McDonald’s as a cultural experience that presents an American ambiance as well as souvenirs – like napkins, straws, and packaging – that are often kept upon finishing a meal. Therefore, illustrating how important it is to understand the meanings behind consumption in order to understand a culture.

In the Westernized world, consumption is a part of everyday life that has led to a ‘consumer culture’ (Goodman 4). A ‘consumer culture’ is a relatively new concept that not only defines how to satisfy one’s needs and wants, but has also been successful in redefining one’s needs and wants (5). As Theodore Levitt stated in 1983, “Almost everyone everywhere wants all the things they have heard about, seen, or experienced via the new technology” (92). The heightened level of global connectivity no longer limits this dimension of culture to Western society. Having more knowledge of what exists worldwide has led global citizens to experience a form of transculturation. Fernando Ortiz, a Cuban author, first applied this term in 1947 to the convergence of cultures in Cuba (Lake). He claimed the diverse cultures present in Cuba enriched one another rather than cannibalized one another. This concept of cannibalization is expressed in the concept of acculturation, which is when the aspects of one culture are forced onto another culture. Ortiz also stated that transculturation is more favorable because it suggests that cultures borrow and adapt various elements of foreign cultures instead of replacing the earlier culture. The values related to consumption in modern times are an example of elements that have traveled from industrialized society to developing countries around the globe via transculturation.

The result of adopting consumption related values on a worldwide scale has been referred to as a ‘global consumer culture’ (Lee). Yet in this ‘global consumer culture’, not everyone shares the same values, even in relation to consumption as was predicted by Levitt. He believed that “technology has [had] homogenized the globe”, thus producing various market segments with “close cousins everywhere” in the world (Levitt 94). Levitt assumed that products would no longer have to be customized for regional markets, because people would share similar tastes and preferences. However, a ‘global consumer culture’ is now defined by the “shared sets of consumption-related symbols such as product categories, brands, and common consumption activities” (Lee). It has become possible to satisfy these redefined needs and wants since a decline in trade barriers has created a more liberalized flow of products throughout the world (Lee). This wider distribution of products has proved to be profitable for successful brands that have entered markets around the globe because of the economies of scale that can be reached (Johansson). The consumer segments that make this ‘global consumer cultural’ a reality can be labeled ‘global citizens’ and ‘global dreamers’ (Holt 73). In a study completed by Holt, Quelch, and Taylor, these two segments of
people represented 78 percent of the world population – based on the data collected in the countries where the research was done. Both ‘global citizens’ and ‘global dreamers’ greatly value global brands, while ‘global citizens’ also judge the level of social responsibility exhibited by a corporation (Holt 73). For this reason, multinationals that choose global markets to fuel their growth must remember to manage the image presented by their company in addition to their brand (70).

ERA OF MULTINATIONALS

In the world of business, there is always a race to the top while accumulating a large share of the market along the way. It is estimated that each week hundreds of mergers and buy-outs are initiated (Gregory 141). According to the United Nations, cross-border mergers and acquisitions grew one-hundred fold between 1991 and 1999. Multinational corporations like Unilever and Nestlé – prime examples for this type of expansion strategy – have taken advantage of their power to create immediate global networks rather than taking the time to establish new offices and brands around the world (147). As a result of numerous acquisitions, Nestlé now features a product mix of 45 global brands, 100 regional brands, and another 7,000 local brands (150). This may seem overwhelming for some corporations, but these large-scale operations lead to global revenues that often exceed the GDPs of many small countries. The powerful influence required for such operations help multinational corporations promote the unifying of consumer tastes and values to cultures around the world (Lee). Thus, it is possible to capitalize on global brands – especially as they increasingly become “symbols of membership in the globally cosmopolitan segment”.

Brand Power

For something that is intangible, a brand is one of a corporation’s most valuable assets (Lury 1; Gregory 3). It is the link of trust that carries an unspoken promise of value from sellers to buyers (Gregory 5). For Royal Dutch/Shell, the trustworthiness of their brand is exhibited through a shell logo that must always appear uniform (131). The corporation depends on this consistency to connect its 40,000 retail locations in more than 100 countries and to set it apart from competitors. The shell logo signals to consumers that quality is an attribute that can be expected from Royal Dutch/Shell regardless of where the store is located. Increasing preference is being given to a brand that is universally recognizable. Global prominence is attractive to consumers as well as retailers, which is made evident through the powerful leverage of multinational corporations (7). The emergence of a global citizen requires this level of dedication to branding because people are relying on brands more than ever before to guide their purchase decisions (121).

Although people’s opinions on global brands differ, it has been discovered that there is little variation in the way the people evaluate them during the purchasing process (Holt 70). After Holt, Quelch, and Taylor completed a two-stage research project that included reactions from 41 countries, they determined three significant dimensions of global brands. Being a signal of quality was the most important dimension because it explained 44% of brand preference (72). In the past, the nation of origin determined quality; however, now the number of people who buy a product signals quality and because of sheer numbers, the product will likely bear a global brand (71). A second dimension that accounted for 12% of brand preference was the global myth created by global brands (72). It is essential to choose a myth that symbolizes cultural ideals while still maintaining a global appeal. Appealing to a variety of consumers is what makes global brands successful. The third dimension was social responsibility and it explained 8% of brand preference (Holt 72). In the marketplace, it can be said that consumers vote with their checkbooks because the increased global connectivity has made them more aware of the world around them. Ultimately, all three dimensions will have to be satisfied for global brands to experience international success.

When entering worldwide markets, it is also important to remember that while local brands exist, global brands compete against other global brands (Holt 73). In some parts of the world, consumers prefer local brands when it comes to everyday products because they coincide with local expectations and requirements (Johansson). Local brands also benefit from having an air of familiarity; yet, as multinational corporations integrate themselves into cultures around the world, their country of origin becomes less evident to consumers. It has been noted, “Distinctiveness fades to the point where young Japanese tourists in America have marveled, upon visiting a McDonald’s, ‘that America also has Japanese food’” (Asgary). Such cross-cultural success opens the door for other corporations to join the international ranks. Therefore, it essential to differentiate brands by maintaining a consistent marketing program worldwide that develops global brands into symbols of a cosmopolitan, sophisticated, and modern era (Johansson).
Star Power

The clout of multinational corporations makes it easy to attract Hollywood celebrities like Sarah Jessica Parker and world-class athletes like David Beckham to promote their products. It has been said, “The famous know they will be rewarded with political, material, and cultural influence”; yet, the emergence of modern communications technology is what has led to the “contemporary brands of stardom” (Hinerman 199, 203). Media moguls such as CNN and MTV have helped pave the way for this type of promotion by conditioning a global audience that is attuned to worldwide news and entertainment stories. People around the world now talk about the same celebrities, athletes, and politicians (Holt 70). This aspect of global culture was never more evident than it was during a semester spent studying in Spain and traveling around Europe. From living with a host mom who loved to watch TV shows similar to E! News to riding on a train to Paris with a Mexican girl who told people that Britney Spears was pregnant, the power exuded by popular culture is obvious. Stars with an international presence through movies, music, or television shows are perfect for promoting brands around the world because they generate a feeling of familiarity that is effortlessly translated across borders (Hinerman 197). There is no need to introduce someone like Arnold Schwarzenegger to a global citizen, because he is already a household name. This uniformity not only promotes efficiency, but also aids in promoting a consistent message (206).

Promotion Power

There is the age-old debate as to whether a multinational corporation should use localized marketing communications or use a global strategy. In recent times, it seems as though the consensus is to use a creative – yet consistent – image that can be easily translated across borders (Berner). In other words, a centralized approach to marketing is what builds the brands with greatest recognition around the world today (Freedman). There are corporations ranging from IKEA to Starbucks that have been “able to defy cultural and linguistic differences and appeal to people in numerous locations and societies” by promoting a single worldwide identity (Freedman; Berner). While this may be true, only about 10 percent of multinationals with home bases in the United States focus on a single brand identity around the globe (Wei). Accordingly, there are some variations to this rule such as Proctor & Gamble’s cleaning product Mr. Clean (Johansson). Depending on where it is being sold, the name has other variations such as Mr. Proper or Maestro Limpio; however, the overall brand still benefits by utilizing a common marketing program. Strategic global branding decisions like this are what keep some brands afloat and leave others in the dust.

Looking deeper into the discussion of a centralized versus decentralized marketing program, there was a study completed by Ran Wei and Jing Jiang. These two researchers analyzed Nokia advertising materials to determine how cultural cues – like images and symbols – affect the manner in which creative strategy varies with the execution of a brand’s image (Wei). Nokia was chosen for two reasons because it has 40% of the cell phone market and it has implemented aggressive worldwide advertising campaigns in the two countries of focus: United States and China. Upon comparing and contrasting the communications from both countries, it was decided that Nokia uses a glocal strategy to reach different audiences. This means that there is “a highly standardized creative strategy” with alterations being made to the execution of the message so it will correspond better with a particular culture. Essentially “what is said” (creative strategy) is universal, while “how it is said” varies. Of U.S. multinational corporations, 54% claim to use this strategy because they realize how important the level of brand acceptance is to the success of global brand. It is obvious that Nokia has figured out how to create streamlined marketing communications that promote both efficiency (one brand) and effectiveness (catering to different needs and wants), while maintaining a focus on “Connecting People”.

It is vital to set aside some differences in order to connect people based on their similarities to other people around the world (Freedman). By doing so, consistent communication materials can be used to promote global brands in the world marketplace. Even Wisconsin based companies such as Oshkosh B’Gosh depend on centralized marketing for the success of their brand (Gregory 131). This company sells licenses to manufacturers worldwide so that they can produce and sell Oshkosh B’Gosh brand clothing (130). Oshkosh B’Gosh has between 40 and 50 licensees and many of them would prefer to adapt products for their home markets, therefore facing president and CEO Douglas Hyde with the challenge of global brand management (130-131). He has been quoted saying, “I make sure that the brand is communicated the way it needs to be, and that it’s done consistently around the world” (130). Hyde admits that for Oshkosh B’Gosh to be presented uniformly in the global marketplace, its product advertising to its marketing to its retail stores, all must reflect the same brand image (131).
ERA OF COMPELLING BRANDS

In a day and age when the competition is constantly growing in the global marketplace, it is a time for multinational companies to focus on the brands that they consider compelling (van Gelder). A ‘compelling brand’ is defined as “one that offers exceptional value to its various stakeholders who have to live in very different countries, under different circumstances, in different cultures and often with different needs”. While three keys to success for the next decade include strategy, creativity, and leadership, a global brand must work towards creating relationships with consumers if it is to also be a compelling brand.

Building the Relationship

As the numbers of global brands proliferate, a multinational corporation must decide how it will strategically market its products to coincide with the values of global citizens. An important consumer behavior concept titled the ‘self-image congruence model’ can be applied to help with this issue (Solomon 156). This model states that “products will be chosen when their attributes match some aspect of self”; basically meaning that people want consistency to exist between their values and the products that they buy (156). While everyone’s values and self-image vary significantly, especially since most people exhibit signs of having an ideal and an actual self-image, global brands must be presented with a personality that consumers can relate to around the world (151).

It has been written that “the global brand’s personality and style, along with its reputation for quality performance, help the customer differentiate company products from those of its competitors, and encourage customer loyalty in the process” (Gregory 7). The creation of a relationship with a brand is as essential as the creation of a relationship with a client in the business-to-business setting. This allows people to feel the product and make an emotional connection (Lury 87). Keys to a solid relationship include quality, credibility, and responsibility (Holt 71). Consumers worldwide who can relate to at least one of the values a brand exhibits will often choose to buy that brand. Such factors are very influential during the purchasing process because as the ‘symbolic self-completion theory’ states, “people who have an incomplete self-definition in some context will compensate by acquiring symbols associated with a desired social identity” (Solomon 155). In recent times, the social identity desired by many is that of someone who belongs to a cosmopolitan society because there is a level of prestige linked to this type of association (Johansson).

“A Brand Like A Friend”

The increased level of connectivity is helping spread advertising messages around the world and as a result, people are shaping their brand preferences using more resources than ever before (Asgary). Therefore, multinational corporations must figure out how they will stand out in today’s marketplace. It is becoming more essential to take advantage of the vast arrays of communication to create brand awareness and strengthen the relationship between the brand and the consumer (Lury 79). To attract the attention that global brands need to create brand loyalty, they must find “ways to get consumers to invite brands into their lives” (Berner). There are a variety of methods for accomplishing this objective and the German company Henkel provides one good example. Known for its laundry and home care products, cosmetics and toiletries, and adhesives technologies, Henkel’s slogan is “A Brand like a Friend” (“About”). Henkel wants consumers to create a lifelong relationship with their brand and it attempts to do so by positioning its brand as “a friend”. Such strategies are becoming more important as global brands compete against rival global brands in the international marketplace (Holt 73). Multinational corporations are going to have to take this challenge head on to ensure that their brand is the one with which consumers want to form a relationship.

Another way companies are integrating their brands into consumers’ daily lives is through nontraditional advertising methods. Advertising used to only be a game of reach and frequency; however, now the rules are changing while blurring the lines between advertisements and entertainment along the way (Berner). Multinational corporations must think outside the box bursting with traditional marketing techniques to discover innovative ways that reinforce the connection between their brand and their customers. Proctor & Gamble pioneered this concept in 1933 when it introduced the soap opera, which was intended to be “a serial daytime TV entertainment program, interspersed with brand advertising” (Berner, “Beginnings”). Since this time, the number of marketing channels has multiplied. From interactive websites to internet films and video games to song lyrics, the right product placement is key to leading consumers to invite a global brand into their life (Berner). Reality television shows like American Idol are taking part in this trend by featuring stylish red cups with the Coca-Cola name in its signature script writing. In addition, the music industry is getting involved through a company called Maven Strategies, which is known for creating “the ideal relationship” between artists and major corporations (Williams). While hip-hop artists have been including their favorite brands in their lyrics for years, now deals with multinational corporations like McDonald’s are being made to profit both sides. In the end, no matter how companies choose to place their products, “all are trying to create a stronger bond with the consumer” (Berner).
**Going Above and Beyond**

Once a relationship is established, it is essential to keep in mind the best interests of everyone involved. The image of a global brand is a composite of “corporate advertising, product brand advertising, investor relations, employee communications, government and media relations, and much, much more” (Gregory 26). The time has come for multinational corporations to diversify their objectives. Initially most wanted to enhance growth possibilities and achieve greater economies of scale; however, now a focus should also be put on taking care of all stakeholders through corporate social responsibility (Holt 70). People think of multinational corporations as “powerful institutions – capable of doing great good and causing considerable harm” (Holt 70). More than ever before the global network of information is providing consumers with an idea of what is going on behind the scenes of multinational corporations. For this reason, they must exceed expectations if they want to attract and retain customers as well as enhance their image and bottom line (Amato 1,2). Global brands must go above and beyond just selling a product in the world marketplace since consumers simply expect more from these corporations (Holt 72).

Purchasing one brand over another brand works to satisfy personal and social needs (Marin 10). In some social circles, choosing products branded by companies who do not exhibit a level of social responsibility is considered taboo. Referring back to the ‘self-image congruence model’, people want to buy products from companies that share their same values (Solomon 156). That is why this era is gradually becoming more about exhibiting social responsibility. Corporations such as Proctor & Gamble have realized, “Improving the lives of consumers worldwide is about more than just great products. It’s about taking responsibility for improving our communities around the world through the work we do, as a Company and as individuals” (“Company”). As a result, it has developed water purification systems that can be inexpensively and easily implemented in poor countries (Holt 75). Through this initiative, Proctor & Gamble is helping those people who are benefiting from the technological innovation, while also helping the company and its stockholders. Socially responsible motives differentiate a company from other companies that choose not be socially responsible (Amato 2). This strategic advantage is important in order to position their brand as one that values the world community. Consumers who share these similar values can identify with this goal to make the world a better place; therefore, strengthening the relationship between the brand and the consumer – an important concept, especially in today’s competitive marketplace (Marin 1).

**CONCLUSION**

During the past five centuries, the concept of globalization has evolved dramatically. The world used to be a place where cultures were only shared from generation to generation; however, the ability to be globally connected has significantly changed the way people around the world interact (Hannerz 54,57). Innovations in technology have provided many new ways to share cultural values, some of which include the meanings associated with consumption (Anderson 123; Goodman 2). The communication of these values worldwide has led to the Westernized world’s ‘consumer culture’ to transpire into a ‘global consumer culture’ (Goodman 4; Lee). This ‘global consumer culture’ has provided the perfect environment for corporations to become multinational corporations. Many have powerful brands as well as the resources to create immediate global networks in which to market their products (Gregory 147). The brand is an important element of their success in the global marketplace, because consumers see it as a signal of both quality and trust (Holt 72; Gregory 5). Consistency of the brand image is also a key factor since familiarity is essential when establishing a relationship with consumers and maintaining competitiveness in the marketplace (Freedman; Berner). For this reason, more multinational corporations are realizing the importance of sharing certain values held by their customers, such as social responsibility (Amato 2). Ultimately, it is now an era for global brands to make the global markets a better place than when they first entered.

**REFERENCES**


Hinerman, Stephen. “Star Culture.” Lull 193-211.


