CHAPTER 13

Cross-Cultural Consumer Behavior: An International Perspective

LEARNING OBJECTIVES

After studying this chapter students should be able to:

1. Understand the importance of formulating an appropriate multinational or global marketing strategy.
2. Understand how to study the differences among cultures while developing marketing strategies.
3. Understand how consumer-related factors impact a firm’s decision to select a global, local or mixed marketing strategy.
4. Understand how lifestyle and psychographic segmentation can be used in developing global or local marketing strategies.

CHAPTER SUMMARY

With so much diversity present among the members of just one nation (as in the United States), it is easy to appreciate that numerous larger differences may exist between citizens of different nations having different cultures, values, beliefs, and languages. If international marketers are to satisfy the needs of consumers in potentially very distinct markets effectively, they must understand the relevant similarities and differences that exist between the peoples of the countries they decide to target.

When consumers make purchase decisions, they seem to take into consideration the countries of origin of the brands that they are assessing. Consumers frequently have specific attitudes or even preferences for products made in particular countries. These country-of-origin effects influence how consumers rate quality, and sometimes, which brands they will ultimately select.

As increasing numbers of consumers from all over the world come in contact with the material goods and lifestyles of people living in other countries, and as the number of middle-class consumers grows in developing countries, marketers are eager to locate these new customers and to offer them their products. The rapidly expanding middle class in countries of Asia, South American and Eastern Europe possess relatively substantial buying power because their incomes are largely discretionary (for necessities like housing and medical care are often provided by the state, at little or no cost).

For some international marketers, acculturation is a dual process: First, they must learn everything that is relevant to the product and product category in the society in which they plan to market, and then they must persuade the members of that society to break with their traditional ways of doing things to adopt the new product. The more similar a foreign target market is to a
marketer’s home market, the easier the process of acculturation. Conversely, the more different a foreign target market is, the more difficult the process of acculturation. Some of the problems involved in cross-cultural analysis include differences in language, consumption patterns, needs, product usage, economic and social conditions, marketing conditions, and market research opportunities. There is an urgent need for more systematic and conceptual cross-cultural analyses of the psychological, social, and cultural characteristics concerning the consumption habits of foreign consumers. Such analyses would identify increased marketing opportunities that would benefit both international marketers and their targeted consumers.

CHAPTER OUTLINE

INTRODUCTION

1. To succeed, international marketers must understand the nature and extent of differences between the consumers of different societies—“cross cultural” differences—so that they can determine whether they can basically use a similar marketing strategy across different countries, or alternatively that they need to develop somewhat different or even rather unique and differentiated marketing strategies for specific foreign markets.

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THE IMPERATIVE TO BE MULTINATIONAL

1. Today the issue is generally not whether to market a brand in other countries, but rather how to do it (e.g., the same product, the same “global” advertising campaign, or “tailored” products and localized ads for each country).
2. Because of this emphasis on operating as a multinational entity, the vocabulary of marketing now includes terms such as glocal, which refers to companies that are both “global” and “local”; that is, they include in their marketing efforts a blend of standardized and local elements in order to secure the benefits of each strategy.
3. This challenge has been given special meaning by the efforts of the European Union (EU) to forming a single market.
   a) It is unclear whether this diverse market will be transformed into a single market of homogeneous “Euroconsumers” with the same or very similar wants and needs.
   b) Many people hope that the introduction of the “euro” as a common currency among a number of EU members will help shape Europe into a huge, powerful, unified market.
4. The North American Free Trade Agreement (NAFTA), which currently consists of the United States, Canada, and Mexico, provides free-market access to 440 million consumers.
   a) Other important trade associations include the Association of Southeast Asian Nations (ASEAN), Mercosur (the largest Latin American trade agreement) and the Central America Trade agreement (CAFTA).
5. Many firms are developing strategies to take advantage of these and other emerging economic opportunities.
6. Firms are selling their products worldwide for a variety of reasons.
   a) Overseas markets represent the single most important opportunity for future growth as home markets reach maturity.
   b) Products or services originating in one country are increasingly being sought out by consumers in other parts of the world.

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### Winning Emerging Markets

1. In 2006, for the first time, the GDP of emerging markets equaled the GDP of advanced nations.
2. Much of the growth came from Brazil, Russia, India, China, Eastern Europe and Turkey.

### Acquiring Exposure to Other Cultures

1. How consumers in one culture secure exposure to the goods of other people living in other cultures is an important part of consumer behavior.
2. A portion of consumers’ exposure to different cultures tends to come about through consumers’ own initiatives—their travel, their living and working in foreign countries, or even their immigration to a different country.
3. Consumers often obtain a “taste” of different cultures from contact with foreign movies, theater, art and artifact, and, most certainly, exposure to unfamiliar and different products.
   a) Within this context, international marketing provides a form of “culture transfer.”

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### Country-of-Origin Effects

1. Researchers have shown that consumers use their knowledge of where products are made in the evaluation of their purchase options.
2. Such a country-of-origin effect seems to come about because consumers are often aware that a particular firm- or brand-name is associated with a particular country.
3. A study decomposed country of origin into three separate entities: country of design, country of assembly, and country of parts.
   a) Of the three, country of parts had the strongest influence on product evaluations.
Animosity and Country of Manufacturer

1. Research evidence exists that suggests that some consumers may refrain from purchasing products from particular countries due to animosity.

CROSS-CULTURAL CONSUMER ANALYSIS

1. **Cross-cultural consumer analysis** is defined as the effort to determine to what extent the consumers of two or more nations are similar or different.
2. Such analysis can provide marketers with an understanding of the psychological, social, and cultural characteristics of the foreign consumers they wish to target, so that they can design effective marketing strategies for the specific national marks involved.
   a) In a broader context it might include a comparison of subcultural groups within a single country.
   b) Our text will limit discussion of cross-cultural consumer analysis to comparisons of consumers of different countries.

Similarities and Differences Among People

1. A major objective of cross-cultural consumer analysis is to determine how consumers in two or more societies are similar and how they are different.
2. Such an understanding of the similarities and differences that exist between nations is critical to the multinational marketer, who must devise appropriate strategies to reach consumers in specific foreign markets.
3. The greater the similarity between nations, the more feasible it is to use relatively similar strategies in each nation.
   a) On the other hand, if the cultural beliefs, values, and customs of specific target countries are found to differ widely, then a highly *individualized* marketing strategy is indicated for each country.
4. A firm’s success in marketing a product or service in a number of foreign countries is likely to be influenced by how similar the beliefs, values, and customs are that govern the use of the product in the various countries.

The Growing Global Middle Class

1. The growing middle class in developing countries is a phenomenon that is very attractive to global marketers who are often eager to identify new customers for their products.
2. The news media has given considerable coverage to the idea that the rapidly expanding middle class in countries of Asia, South America, and Eastern Europe is based on the reality
that although per capita income may be low, there is nevertheless considerable buying power in a country like China, where most income is largely discretionary income.

3. The rather rapid expansion of middle-class consumers, over the past 50 years, have attracted the attention of many well-established marketing powerhouses, who were already finding their home markets to be rather mature and reaching what was felt to be a saturation point in terms of sale opportunities.

4. Although a growing middle class may provide a market for products like Big Macs and fries, it should always be remembered that the same product might have different meanings in different countries.
   a) A U.S. consumer wants his or her “fast food” to be fast; a Korean consumer is more likely to view a meal as a social or family-related experience.

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### The Global Teenage Market

1. As part of growth of the world middle class, there has been a parallel growth in the affluent global teenage and young adult markets, catching the attention of marketers.

2. Teenagers appear to have quite similar interests, desires, and consumption behavior no matter where they live.

3. Consumer researchers have explored the make up, composition and behavior of this segment(s).

4. Energy BBDO Chicago’s recent “GenWorld Global Teen Study” reported a significant change in the world’s teenagers.
   a) During the 1990’s, according to the research, the “coolest” teens were found in the United States.
   b) Currently, the “coolest” teens, the Creatives, can be found in all of the 13 countries examined in the research.

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### Acculturation Is a Needed Marketing Viewpoint

1. Many marketers make a strategic error when contemplating an international expansion, thinking that if domestic consumers like it, international consumers will like it.

2. Marketers need to go through an acculturation process, learning everything that is relevant to their product usage in the foreign countries in which they plan to operate.

3. Cross-cultural **acculturation** is a dual process for marketers.
   a) First, marketers must thoroughly orient themselves to the values, beliefs, and customs of the new society.
   b) Second, marketers must persuade the members of that society to modify or break with their own traditions.

4. A social marketing effort designed to encourage consumers in developing nations to secure polio vaccinations for their children would require a two-step acculturation process.
a) First, the marketer must obtain an in-depth picture of a society’s present attitudes and customs with regard to preventive medicine and related concepts.

b) Then, the marketer must devise promotional strategies that will convince the members of a target market to have their children vaccinated, even if doing so requires a change in current attitudes.

Distinctive Characteristics of Cross-Cultural Analysis

1. It is often difficult for a company planning to do business in foreign countries to undertake cross-cultural consumer research.

2. In many countries there is a limited amount of information regarding consumer and market statistics.

Applying Research Techniques

1. Although domestic research methods are useful in foreign countries, language, word usage, scales of measurement and research facilities often differ from nation to nation, causing some difficulties.

2. To avoid research measurement problems, consumer researchers should familiarize themselves with the research services in the countries where they are evaluating markets and learn to design marketing research studies that will yield useful data.

3. Researchers must also keep in mind that cultural differences may make “standard” research methodologies inappropriate.

ALTERNATIVE MULTINATIONAL STRATEGIES: GLOBAL VERSUS LOCAL

1. Marketers are arguing for one of two approaches.
   a) The world markets are becoming more similar, and therefore standardized marketing strategies is appropriate.
   b) The variations among nations are too great for a standardized marketing strategy.

2. The challenge is deciding whether to use shared needs and values as a segmentation strategy or to use national borders as a segmentation strategy.
Favoring a “World Brand”

1. **World brands** are those products that are manufactured, packaged, and positioned the same way regardless of the country in which they are sold.
2. Marketers of products with a wide or almost mass-market appeal have embraced a world branding strategy.
   a) Still other marketers selectively use a world branding strategy.
3. It has been suggested that one reason why global brands often do not survive is due to tribal differences.
4. The following five ideas may help in establishing a global brand:
   a) Begin by bringing together representatives from all key markets and disciplines – involve them early and often
   b) Conduct marketing research in all key markets
   c) Create a foundation for the brand based on what global communities share, not on their differences, and then permit local markets to adapt the strategy to meet local conditions
   d) Use inputs from all countries to develop creative concepts
   e) Talk over all country-specific issues to find commonalities

Are Global Brands Different?

1. According to a 12 nation consumer research project, global brands are viewed differently than local brands, and consumers, worldwide, associate global brands with three characteristics: quality signal, global myth, and social responsibility.
2. Consumers believe that the more people who purchase a brand, the higher the brand’s quality.
3. Consumers believe that global brands develop new products and breakthrough technologies at a faster pace than local brands.
4. While there was not much variation across the 12 nations studied, there were intracountry differences, resulting in the conclusion that there were four major segments in each country with respect to how its citizens view global brands:
   a) Global citizens
   b) Global dreamers
   c) Antiglobals
   d) Global agnostics

Multinational Reactions to Brand Extensions

1. Just because a brand may be global in character does not mean that consumers around the world will necessarily respond similarly to a brand extension.
Adaptive Global Marketing

1. Some firms embrace a strategy that adapts their advertising messages to the specific values of particular cultures because they feel that the world brand concept may be going too far.
   a) In some cases the differences are sufficient to make localized advertising more appropriate than a global approach.
   b) Some marketers feel that the world-brand concept goes too far.

Combining Global and Local Marketing Strategies

1. Sometimes marketers use a mixed or combination strategy.
2. In taking such an adaptive approach, global advertisers with knowledge of cross-cultural differences can tailor their supplemental messages more effectively to suit individual local markets.
3. It is also important to note that consumers in different countries of the world have vastly different amounts of exposure to advertisements.

Frameworks for Assessing Multinational Strategies

1. Multinational marketers face the challenge of creating marketing and advertising programs capable of communicating with a diversity of target markets.
   a) Various frameworks have been developed to determine the degree to which marketing and advertising efforts should be either globalized or localized, or mixed or combined.
2. A firm might decide either to standardize or localize its product and either standardize or localize its communications program.
3. The four possibilities that this decision framework considers range from a company incorporating a global strategy (i.e., standardizing both product and communications program) to developing a completely local strategy (i.e., customizing both the product and communications program) for each unique market.
   a) In the middle there are two mixed strategies.
4. Another orientation for assessing whether to use a global versus local marketing strategy concentrates on a high-tech to high-touch continuum.
   a) Product standardization appears to be most successful for high-involvement products that approach either end of the high-tech/high-touch continuum.
   b) When marketing high-tech products abroad, it is important to note that many industrialized nations lag far behind the United States in computer usage.
   c) In contrast, low-involvement products in the midrange of the high-tech/high-touch continuum are more suitably marketed as local brands, using market-by-market executions.
5. Some researchers have written that globalization (or standardization) and localization should be viewed as two ends of a continuum and that often the key to success is to “be global but to act local.”

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6. It is generally an error to assume that demographic segments in other nations would want to be or act like Americans.

Global Web Sites

1. When it comes to the design of e-commerce Web sites, a five-nation research study suggests that consumers react best when content is adapted to their local needs.
2. It is felt that special attention should be paid to factors such as local time and date formats, units of measurement, addresses and telephone numbers, layout and orientation of Web pages, icons, symbols, color, and aesthetics.
3. Perhaps because of the dominance of English-language pages on the Internet, non-English-speaking European nations appear to be out to distinguish themselves and their cultures by designing Web sites that in some way or other reflect their countries and specific cultures.
4. Consumers relate best to Web sites that have a local feel because it reduces the anxiety associated with the Internet and makes navigation easier.

CROSS-CULTURAL PSYCHOGRAPHIC SEGMENTATION

1. Although worldwide consumers may be similar in many ways, any differences in attitudes or behavior can be crucial in determining satisfaction and may provide an opportunity for segmenting consumers in terms of cultural differences.
   a) This problem has resulted in the need for cross-cultural psychographic segmentation.
2. Some firms might attempt to establish a global branding strategy, whereas others would design an individual or local marketing strategy.
   a) “The only ultimate truth possible is that humans are both deeply the same and obviously different…..”
3. This book is based on the same thesis.
   a) If we believe in tailoring marketing strategies to specific segments of the American market; it follows then that we also believe in tailoring marketing strategies to the needs—psychological, social, cultural, and functional—of specific foreign segments.
4. Global psychographic research often reveals cultural differences of great importance to marketers.
DISCUSSION QUESTIONS

1. With all the problems facing companies that go global, why are so many companies choosing to expand internationally? What are the advantages of expanding beyond the domestic market?

   American companies are increasingly deriving the majority of their sales and profits from overseas operations. For example, 64 percent of Coke’s total sales and over 40 percent of Procter & Gamble’s total sales are derived from international sales. The reasons for companies expanding internationally include: taking advantage of emerging markets; escaping recessions in the United States; keeping up with or escaping competition; taking advantage of liberal tax laws; disposing of inventories of older products; extending the life cycles of products which had reached their peaks in the United States; and trying to establish a global image. Some companies may choose to “go global” because they would like to keep up with technology or test their products in foreign markets first.

2. In terms of consumer behavior are the cultures of the world becoming more similar or more different? Discuss.

   This question provides a vehicle for an interesting class discussion. Marketers are arguing both sides of the issue. Some see an increase in people’s distinctive tastes and standards based on nationalism, regionalism, or culture. Others see the influence of media and pop culture as blending cultures and blurring national boundaries. Your authors argue that the cultures of the world are not becoming more similar. In spite of this fact, it is apparent that America’s pop culture, that is, our movies, TV shows, and pop music, is popular all around the globe. Will recent world events and conflicts change this popularity?

3. What is cross-cultural consumer analysis? How can a multinational company use cross-cultural research to design each factor in its marketing mix? Illustrate your answer with examples.

   Cross-cultural consumer analysis is defined as the effort to determine to what extent the consumers of two or more nations are similar or different. Such an analysis provides marketers with an understanding of the differences and similarities in psychological, social, cultural, and environmental factors, and permits the design of effective marketing strategies for each of the specific countries involved. Table 13-2 shows what multinational marketers found when they studied Chinese and American cultures.

4. What are the advantages and disadvantages of global promotional strategies?

   The major advantage of a global promotional strategy is cost savings across the board in designing and implementing a marketing mix. Thus, the manufacturer of Aramis, a well-established brand of men’s fragrance sold in more than 120 countries, has been running a worldwide advertising campaign depicting a blurred form of a hurrying businessman that prevents the viewer from fully identifying the model’s ethnic group. Gillette uses a global...
approach (i.e., the same ads running in different countries/languages) for its Sensor Shaving System. Although local marketing strategies are clearly more expensive and complex than global ones, in many cases, differences between the needs and wants of consumers in different countries are strong enough to preclude the use of global promotional approaches. Thus, McDonald’s localizes its advertising to consumers in different countries, and Procter & Gamble and Colgate-Palmolive create different versions of their products as well as localized promotions in targeting world-wide consumers.

5. **Should Head & Shoulders shampoo be sold worldwide with the same formulation? In the same package? With the same advertising theme? Explain your answers.**

Product standardization works best with high-involvement products that approach either end of the high-tech/high-touch continuum. Low involvement products in the mid-range of high-tech/high-touch continuum are best as local brands using market-by-market executions. Procter & Gamble has four brands that are marketed under the same name worldwide (Camay soap, Crest toothpaste, Head & Shoulders shampoo, and Pampers diapers), but the formulas, package sizes, and scents of each product vary from country to country. The company believes that globally standardized products are not desirable. Although Colgate-Palmolive sells Palmolive soap in 43 countries, at one time the company marketed it in 9 different shapes, 22 fragrances, and 17 packages. Although the brand was offered on a global basis, the soap’s many different versions did not allow Colgate-Palmolive to enjoy the efficiencies of global advertising and manufacturing. The firm implemented a program to move toward a global brand by conducting research with consumer-user groups. Consequently, Palmolive soap was re-launched with only 3 shapes, 7 fragrances, and 3 packages. Table 13.10 and 13.11 present two frameworks that may be used to evaluate the degree of global standardization feasible for a particular product or service.

6. **a. If you wanted to name a new product that would be acceptable to consumers throughout the world, what cultural factors would you consider?**

Multinational firms have had some difficulty in using the domestic brand names of their products in foreign markets. Some of the key questions that a multinational firm must ask itself with respect to naming its new products in other countries are: Is the name easily translated? Does the name have the same positive connotation in various languages? Would an obviously “American” name add or detract from the product’s image? Does the name imply a specific use that might not be congruent with usage patterns in other cultures?

**b. What factors might inhibit an attempt by Apple to position a new laptop computer as a world brand?**

Although some American products are positioned as world brands (e.g., Coca Cola, Marlboro), Apple might be blocked by language differences that would mean changes in keyboards, word processing software, power source differences, and differences in telephone communication systems for transmission of information via computer. In Asia, long commutes on public transportation are typical, and business people need laptops.
commutes are not nearly as long in Europe and more often involve personal vehicles rather than public transportation.

7. **An American company is introducing a line of canned soups in Poland. (a) How should the company use cross-cultural research? (b) Should the company use the same marketing mix it uses in the United States to target Polish consumers? (c) Which, if any, marketing mix components should be designed specifically for marketing canned soups in Poland? Explain your answers.**

Among the formerly Communist countries, Poland’s growing economy probably represents the most promising market for Western consumer goods. The American company must take note of the following factors, however, that represent both opportunities and barriers for marketing canned soups in Poland: (1) Although Poles consume a lot of soup, 98 percent of Polish soups are homemade. Thus the company must introduce varieties that resemble homemade soups and carefully position them. (2) As Poland’s economy continues to grow, women will continue joining the workforce. Thus, advertising canned soups to working women looking for convenience represents a marketing opportunity. (3) Polish consumers often purchase foods in small stores and tend to rely on the advice of storekeepers. Thus, the company must make a special effort to gain the support of shop owners so that these merchants will stock the product in their stores and recommend it to consumers. (4) Many Poles still associate mass media with Communist propaganda. Thus, a huge advertising blitz on TV is unlikely to be effective. (5) Some English on the label and an advertising theme stating that the product is sold throughout the world are good strategies to use in Poland because its citizens aspire to disassociate themselves from Communism and the “Eastern European” label. (6) Poles regard free samples with suspicion because they figure that if the product is free, something is wrong with it.

8. **Mercedes-Benz, a German car manufacturer, is using cross-cultural psychographic segmentation to develop marketing campaigns for a new two-seater sports car model directed at consumers in different countries. How should the company market the car in the United States? How should it market the car in Japan?**

Students’ answers will vary. They may need to do some outside research on Japan in order to answer this question. Global psychographic research often reveals cultural differences of great importance to marketers. Marketers need to be sensitive to differences in their cross-cultural marketing efforts.

9. **What advice would you give to an American retailer who wants to sell women’s clothing in Japan?**

Again, students’ answers will vary. This question could be used to create a class assignment helping students familiarize themselves with a major Asian market. The American retailer should utilize cross-cultural analysis to study the Japanese in designing the marketing strategies aimed at Japanese consumers. In addition, the American company should consider language differences, and other socioeconomic psychographic information. The marketer
should be careful to avoid typical product promotion, price, and distribution problems that sometimes plague cross-cultural marketing.

10. Select two of the marketing mistakes discussed in the text. Discuss how these mistakes could have been avoided if the companies involved had adequately researched some of the issues listed in Table 13.8.

The purpose of this question is to demonstrate how the lack of cross-cultural analysis often leads to blunders in international marketing.

EXERCISES

1. Have you ever traveled outside the United States? If so, please identify some differences in values, behavior, and consumption patterns you noted between people in a country you visited and Americans.

Instructor’s Discussion

Responses to this exercise will vary based on the sophistication of your students. Its purpose is to lead the students to conduct small-scale, firsthand cross-cultural analysis. Help students to think and not make stereotypical, superficial observations. You can also rent a current foreign film on video, watch it, and note places where these behaviors are demonstrated. Then show selected clips of the film and have the students notice the differences depicted in the film.

2. Interview a student from another culture about his or her use of (a) credit cards, (b) fast-food restaurants, (c) shampoo, and (d) sneakers. Compare your consumption behavior to that of the person you interviewed and discuss any similarities and differences you found.

Instructor’s Discussion

Prepare students with a caution. Some international students will be offended by this kind of questioning. A variation on this exercise would be for you to bring into class and interview selected international students or faculty and have the students take notes. This exercise is designed to illustrate to students the importance of cross-cultural consumer analysis and the need to adapt marketing programs to the values, customs, and needs of consumers in various countries.

3. Select one of the following countries: Mexico, Brazil, Germany, Italy, Israel, Kuwait, Japan, or Australia. Assume that a significant number of people in the country you chose would like to visit the United States and have the financial means to do so. Now, imagine you are a consultant for your state’s tourism agency and you have been charged with developing a promotional strategy to attract tourists from the country you

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chose. Conduct a computerized literature search of the databases in your school’s library and select and read several articles about the lifestyles, customs, and consumption behavior of people in the country you chose. Prepare an analysis of the articles and, on the basis of what you read, develop a promotional strategy designed to persuade tourists from that country to visit your state.

Instructor’s Discussion

This exercise utilizes the analysis of secondary data in studying the values and lifestyles of consumers in another culture.

S.T.A.R. PROJECTS

Ethical Issues in Consumer Behavior

S.T.A.R. Project #1
Probably no trade arrangements have had bigger impacts on the United States in recent years than the initiation of North American Free Trade Agreement (NAFTA) or the creation of the European Union (EU). Your assignment is to pick one of these two major trade arrangements or agreements and conduct secondary research on the ethical statements, areas, or arrangements that impact consumers found within your chosen agreement or arrangement. For example, does your chosen trade arrangement or agreement have an ethics statement? If so, what does it mandate for signatories? How are consumers treated within the framework of the trade arrangement or agreement (what recourse with respect to complaints do consumers have)? Write a short summary paper outlining your findings.

Instructor’s Discussion

The best place to start to accomplish this assignment is to review the material found in the chapter. Next, library or Internet sources can be used to explore NAFTA or the EU. Students should remember that current periodicals such as Business Week or Fortune often carry articles about NAFTA or the EU. Pick one or two of the best student summaries and read the material to the class or have the student authors describe their findings. Use this as a springboard to more complete discussion of the ethical issues found in either or both of these trade arrangements or agreements.

S.T.A.R. Project #2
Assume that you are the marketing manager for a food products company that has just developed a new frozen “French fry” product. This new “French fry” product comes in small microwavable pouches and is noted for its crispiness. The product has been test marketed in New England and has shown favorable results. Your task is to attempt to sell the product idea to Canadian consumers. This might be a difficult task because of Canadian resistance to some United States products. The decision, however, has been made to go forward. Write a short position and strategy paper that outlines how you would attempt to introduce the product into Canada.
Remember that English and French speaking Canadians might receive the product differently. Be sure to identify in your paper any cultural or ethical issues that must be addressed by such an introduction. Lastly, evaluate the likelihood of success of the product in the Canadian market. Explain your conclusions.

Instructor’s Discussion

Description of the product was kept to a minimum on purpose. In this way students can create their own product by making assumptions. Encourage them to do so. Students can research the Canadian market by using the library or the Internet. Students should certainly comment on Canadian resistance to becoming Americanized. Students should also see that a product such as this might not be popular in the French Canadian markets because the descriptor “French fry” might be offensive. How could the company overcome this difficulty? In the English speaking Canadian market, “French fries” might also be referred to as “chips.” Would this be a problem? What stigma might be associated with a microwavable product (i.e., would it be limp or soggy)? This project is a good one to use for discussion with respect to product introductions.

Small Group Projects

S.T.A.R. Project #3
In this chapter, your group’s assignment is to go on a magazine fact-finding mission. Using the six segments described in Table 14-10, look for foreign magazines (or magazines directed toward foreign consumers) in your university or college library. Find ads that would seem to appeal to each of the designated market segments described in the Table. Photocopy the ads and match them to the segments. Provide a short rationale that explains and justifies your choices. Write a short report that summaries your research, findings, and conclusions. Discuss your work and ads with the class.

Instructor’s Discussion

It might be a wise idea to read the associated material in the chapter before beginning this project. Note the source of material for Table 14-10. Please remind students not to tear out magazine ads, as photocopying is relatively easy to do. Have a discussion in which all groups can share their findings and conclusions. Be sure to conclude the discussion with a summary of how foreign ads are different from domestic ads.

S.T.A.R. Project #4
Your group should research two to three companies that are reportedly doing an excellent job of recognizing the various cross-cultural similarities and differences among the consumers of different societies. Your group should focus on company marketing strategies. What marketing strategies have these companies employed in order to meet the needs of the consumers in these foreign cultures? How do these marketing strategies differ from the marketing strategies used for the American culture? Select at least one company that has been unsuccessful at recognizing cross-cultural similarities and differences. What did this company do wrong? What could this company have done better in order to be successful in its attempt? (Note: Coca Cola could
qualify for both categories. Their early attempts at cross-cultural marketing were disastrous, especially in Asia. Now they are one of the premier international marketers.)

Instructor’s Discussion

As an instructor, you can select the companies for the students or allow them to be creative with their own selection. Remember to have them explain or justify their picks. The focus of this assignment is on how companies recognize and deal with cross-cultural similarities and differences. Students should reference the material in the chapter before beginning this assignment. If students have a difficult time getting started, recommend that the section on Marketing Mistakes be read.

Using the Internet to Study Consumer Behavior

S.T.A.R. Project #5

How would you like to plan your own cruise to an exotic foreign port or island paradise? Carnival Cruise Line (see www.carnival.com) is betting that just such a dream is one that you would like to realize. Carnival, a leader in the foreign travel and cruise industry, has constructed a Web site that allows the aspiring traveler to become his or her own travel agent. Your assignment is to plan and tentatively book your own cruise. You will be able to do so without commitment. As you plan your cruise make note of the consumer decisions that you must reach, the ease or difficulty in doing this, and choices that are allowed. Once you have completed the process, write a short report that summarizes your experience. Was the Web site an aid to your booking objective? What were the Web site’s strong and weak points? How could it be improved? What did you learn about booking travel online? As a consumer, would you use this method if you were doing it for real?

Instructor’s Discussion

Nothing is quite as much fun as booking a dream vacation (especially if money is no object). Students will be exposed to a consumer-friendly Web site that has been evaluated as one of the best. To extend this project, the instructor might select some of the other cruise Web sites and create a comparison for Carnival. Or, the instructor might invite a travel agent to speak to the class about the advantages of using a travel agent over self-booking or Web site booking.

S.T.A.R. Project #6

At any given time the world is in turmoil somewhere. This turmoil often impacts global business and commerce. If business and commerce are affected, consumers are also affected. Your assignment is to use the Internet to research how global events impact global consumers. A good place to start your Internet search is to review the latest stories and headlines found on either CNN (see www.cnn.com) or U.S. News and World Report (see www.usnews.com). Other sources can be used, however, these two news-oriented Web sites do an adequate job of reporting global events and consumer issues that are impacted by world events. For example, does war in the Middle-East impact gasoline prices or automobile sales? Does disagreement among members of the United Nations (especially the powerful members) hurt trade and...
consumer purchasing? Are American consumers welcomed around the world if anti-Americanism is high? Write a summary report about your findings and conclusions.

Instructor’s Discussion

Students are free to be creative with this assignment. As was indicated in the assignment, world events are constantly changing and these events impact consumers and consumption. Each student should create his or her own illustrations. These illustrations should be supported by world events and secondary material. Have a discussion that involves not only contemporary news stories but the human side as well. International students can usually provide good insight into this area. The only real danger of this assignment is that it might degrade to a political discussion rather than one that centers on consumers and consumption. Watch this danger and keep students focused and on track.

CASE COMMENTS

Case One: Japan to Apple’s iPhone: “No Thanks!”

1. It could be argued that Apple did make somewhat of a mistake. While its brand name and products are well known and well liked in Japan, Apple failed to do its homework. The iPhone lacks many of the features that Japanese consumers like and expect in their cellphones.
2. Japan’s cellphone market is light years ahead of what is available in the United States. So while the iPhone might be touted as a great leap forward in cellphone technology in most countries of the world, in Japan its ability to use the 3G network just puts it in the same class as all the other cellphones sold in Japan. In other nations, though, the iPhone is considered to be a great leap forward in cellphone technology.

Case Two: Would Mickey Mouse Eat Shark’s Fin Soup?

Student responses to this question should vary. Some may feel that if a U.S. company is operating abroad, it must understand the culture of the nation it is doing business in, and should adapt its operation to that culture. Others, though, may feel that environmental issues concern all citizens of Planet Earth, and therefore supersede local customs.