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Thesis Title: Cultural differences applied in international marketing: cases of McDonald’s and Red Bull.

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**Declaration:**

I hereby declare that I am the sole author of the thesis entitled “Cultural differences applied in international marketing: cases of McDonald’s and Red Bull”. I duly marked out all quotations. The used literature and sources are stated in the attached list of references.

In Prague on ....................

Signature

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Acknowledgement

I hereby wish to express my appreciation and gratitude to the supervisor of my thesis, Ing., Ph.D Marketa Lhotakova, and to my parents.
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Abbreviations used:

- (CVS), Chinese Value Survey
- (WVS), The World Values Survey
- PDI – Power Distance Index
- IDV- Individualism vs. Collectivism Index
- MAS – Masculinity Index
- FEM – Femininity Index
- UAI – Uncertainty Avoidance Index
- 7-D- Seven Dimensions
Introduction

The main goal of this thesis is to analyze, identify and describe how intercultural differences influence international marketing in all respects, including in terms of marketing communication. This research will be done by applying Hofstede’s, Trompenaars’ and other cultural dimensions models. Obviously, the differences in cultures have significant importance in the performance of marketing activities all over the world. On the other hand, local adaptation is not always necessary, and those cases will be analyzed too. Also, the thesis will touch upon other questions, namely the following:

1. What impact does culture have on the marketing mix?
2. What impact does culture have on international marketing activities such as segmentation, targeting, positioning, etc.?
3. How does culture affect international marketing communications?

Also, the thesis will demonstrate particular examples of McDonald’s and Red Bull. It will describe how these companies operate in different countries and how they adapt to the local cultures. It will be demonstrated how this adaptation contributes to their business success.

So, the main argument of this thesis is that companies, under certain conditions, should take into consideration the existing cultural differences before entering new markets, and should be able to adapt to them. Successful adaptation will lead to increased profits, increased brand awareness, and to the overall success of the company in the new market.

In general, the main aim of this thesis is to investigate how cross-cultural specificities affect marketing activities of companies on the international scale.

The main objectives of the thesis are the following: to provide a theoretical overview of the most widely used models of cultural dimensions and to reveal how they treat the importance of cross-cultural marketing; to investigate thoroughly the specificities of marketing activities run by international corporations such as McDonalds and Red Bull in the context of how they manage to address cross-cultural issues; to reveal the main issues which international corporations face in terms of their cross-cultural marketing on the examples of the abovementioned companies and to draw appropriate conclusions.

The main methodological tools to be applied for carrying out this analysis will include secondary research based on the investigation of secondary bibliographic sources, and case study for the purpose of investigating in detail the differences between McDonald’s’ marketing activities in the US and in China, and Red Bull’s marketing activities in Austria and in India. Also, deductive thinking will be used for providing the thesis author’s own opinion on the investigated issues, thereby raising the added value of the thesis.

The main contribution of this research should be the advantages and drawbacks of particular companies’ cross-cultural marketing activities revealed throughout the case study, and recommendations developed for
those companies to succeed. This should also provide valuable information for any subsequent analysis of other multinational corporations’ activities in the field of international marketing.

Nowadays, more and more companies decide to go global. The reasons for that could be different: generating more profit, gaining more customers, getting greater brand awareness, etc. However, there are many obstacles for going abroad, and the national culture is one of them. Without understanding effectively cross-cultural differences, companies might struggle to survive in foreign markets or even fail in their business. Thus, it is important to identify and to understand the intercultural differences between countries, especially for international marketing activities. Otherwise, the company would be unable to determine correctly which combination of product, price, place and promotion to set, what the customer wants, how to reach or how to target him, how to segment the market, which type of communication to use, etc. So, intercultural differences and their impact on international marketing will be determined and analyzed in this research.
1 Analysis of Geert Hofstede’s and Fons Trompenaars’ Cultural Dimensions Models and Their Influence on International Marketing

Contribution of Culture in International Marketing

Prior to proceeding directly to the research, it is worth outlining the contribution of culture to international marketing. Burton (2009, p. 317) points out that the role of culture is essential in the performance of marketing activities by any company. Thus, when designing their marketing activities, marketers need to adapt the contents they deliver to their target audiences. The communication is built up in a way to fit the target audience’s cultural specifications, deliver the right marketing messages, thus ensuring the best commercial effects in the long run.

In international marketing, the role of culture becomes particularly important. As noted by Donaldson (2009, p. 201), in terms of marketing, culture shapes how a customer perceives a particular target message delivered to him or her. Therefore, when international companies expand their activities to foreign states, they start dealing with other cultures where the marketing messages used in their home country might be ineffective, or might even provoke negative reaction on the part of customers, thereby bringing major damage to corporate business. As a result, it becomes essential for such companies to adapt their marketing activities to the culture of each particular state so as to achieve the desired business results.

Onkvisit and Shaw (2004, p. 154) further emphasize that when dealing with foreign audiences, marketers need to thoroughly analyze and rake into consideration a broad range of factors, including the belonging to a particular religious confession, relation to specific attributes of social life, prevalence of particular dogmas and stereotypes, and so on. All these factors are of topmost importance as they precondition the ultimate outcome of marketing activities through forming customer perception and customer response.

Therefore, it can be stated that culture plays a major role in international marketing. This thesis will aim to investigate more in detail the ways in which culture affects the practice of multinational corporations’ marketing activities.

1.1 Hofstede’s Cultural Dimensions Model: Description, Analysis and Influence on International Marketing

At present day, culture in different countries is playing an ever-growing role in international business. Because of globalization, people from different countries with different cultural backgrounds need to interact with each other, which might sometimes cause misunderstandings and conflicts between them. Therefore, it is very important to gain wider knowledge about cultures and
their differences for the sake of understanding them. It is especially important in international marketing and in marketing communications, and namely in advertising.

For example, it would be problematic for European or US companies to use revealing images in advertising in Arab or some Asian countries. There are many examples when international companies faced problems caused by intercultural differences.

In addition, knowledge about culture is essential for decision-making. It helps decide on the product mix and understand the needs and wishes of customers in a particular country, and allows identifying how to target them. In other words, this knowledge is very helpful for understanding customer behavior.

Various research has been conducted in order to define how differences in culture influence international business. Also, various studies have been done to define how those differences affect the way in which different marketing tools and techniques are used. Let’s take a look at the most widespread of them.

The most popular research on cultural differences was conducted by Dutch social psychologist Professor Geert Hofstede and Dutch–French theorist and management consultant Fons Trompenaars. Geert Hofstede and his team of researchers developed what is now called the Cultural Dimensions model. This model is well-known and is lectured in universities. This model will be explicitly discussed later in this chapter.

As Geert Hofstede (2003, p. 4) wrote himself, that he “became interested in cultural differences in the late 1960’s.” Later “in 1980 his research resulted in the publication of a book called Culture’s Consequences. This book was written at a time when interest in cultural differences was rapidly increasing, and there was a lack of reliable information on the subject.(Hofstede, 2003, p. 159).”

It reflects that intercultural differences started affecting more people all over the world.

Now, it should be defined what culture is from different perspectives, including Geert Hofstede’s point of view.

**Definition of culture**

According to Falvo (2004, p. 126), from the sociological perspective culture represents “common beliefs, customs, behaviors and attitudes which are shared and accepted by people in particular societies, and in particular groups and organizations.”
From the anthropological perspective, culture also represents “the system of shared beliefs, values, customs and behaviors that are used by members of society and that are transmitted from generation to generation through the process of learning (De Knop, 2010, 158 p.).”. So, obviously, these two definitions are similar, and they represent basic and common knowledge and understanding of this topic.

On the other hand, Geert Hofstede (2003, p. 26) defines national culture as “the collective programming of the mind, which distinguishes the members of one group or category of people from another.”. In other words, he conducted a deeper kind of research on culture. According to Hofstede (2003, p. 32) “culture is something that is learned from the childhood, and it is a person’s social environment and personality that determines culture for him or her”. Thus, Hofstede identified that culture is something more than just system of shared values and beliefs in society.

It is particularly important to note here the role of culture in the formation of personality emphasized by Hofstede. As can be found in Donaldson (2009, p. 201), culture is what shapes the effectiveness of marketing messages delivered by companies and perceived by their target audiences. Thus, it can be stated that the personality formation aspect of culture noted by Hofstede is of major importance for marketing: by investigating thoroughly cultural specifications, marketers might target well their audiences.

In addition, Hofstede in his book identified three items according to which culture can be distinguished, as shown in Figure.1.1:

Fig. 1.1 Three levels of uniqueness in human mental programming
In this figure, “human nature is something what all human beings have in common. On the other hand, the personality of a person represents his/her unique personal set of mental programs which he or she doesn’t share with anybody else” (Hofstede, 2003, p. 6). So, as we can see from the figure, personality, culture and human nature are the most important items in identifying people and their behavior.

It is important to emphasize that in the pyramid illustrated above, personality stands above culture. This means that culture and personality are not identical. Being placed on top of culture means that personality is individual traits of a person formed under the influence of common cultural preconditions. This is very important to take into account in marketing activities. As claimed by Pride and Ferrell (2010, p. 170), on the current stage of development, marketers may analyze not only the broader concept of culture, but also delve deeper in the personality analysis of individual customers using psychographic and other similar tools. However, this is most often ineffective when speaking of mass markets, and therefore understanding the cultural differences between people is what predetermines the marketing activities of companies undertaken on the international scale.

Also, according to Hofstede (2003, p. 7) “such terms as symbols, heroes, rituals and values are good for describing cultural differences. The cultural meaning of these practices is invisible and it lies only
in the way they are interpreted and understood by people.” Hofstede also identified several layers of culture:

“1. National level according to the country or countries.

2. Regional, ethnic, religious and linguistic affiliation level, as nations consist of different regions, and of different ethnic, religious or language groups.

3. Generation level which demonstrates differences between generations.

4. Social class level, which is connected with people’s level of education and profession.

5. Organizational or corporate level for people who are employed. (Hofstede, 2003, p. 10).”

Thus, these layers are useful to demonstrate the cultural differences between people. They demonstrate how people with different cultural backgrounds differ from each other in the national, regional, generation, social class and organizational contexts.

Pointing out the different levels of culture is important for marketers to make their ultimate decisions on how to target companies’ target audiences. Thus, Baines et al. (2017, p. 407) note that when building effective marketing communications, marketers need to be able to adapt the communication channels appropriately to each particular level of culture as identified by Hofstede. On the one hand, this illustrates that there are differences between how marketing should be applied when used on the national, regional or social class level, which proves the high degree of sophistication and the importance of cultural attributes. On the other hand, this proves the practical value of Hofstede’s theoretical findings and its importance in the performance of marketing activities.

In general, Geert Hofstede identified differences in culture and compared cultures by applying the concept of “cultural relativism” (Hofstede, 2003, p. 7). In his book, he mentioned Claude Levi-Strauss, a famous French anthropologist, who stated that “cultural relativism confirms that one culture has no absolute criteria for judging the activities of another culture as “low” or “noble” (Hofstede, 2003, p. 7). So, Hofstede agreed with Claude Levi-Strauss’ statement about cultural relativism.

What implications does cultural relativism have for international marketing? According to Hunt (2016, p. 117), key elements of cultural relativism include the facts that on the one hand, no culture can be claimed advanced or degenerated, and on the other hand, the elements pertaining to a culture are shaped by the norms of that culture. Thus, in the context of marketing, this can be construed as the fact that the existence of different cultures has objective preconditions, and people belonging to different cultures have their specific characteristics which cannot be deemed either good or bad. As a
result, companies need to adapt their activities to a certain degree to such customer specificities in order to meet effectively the existing cultural challenges.

Hofstede’s research also correlated with the survey conducted by American sociologist Alex Inkeles and psychologist Daniel Levinson. They assumed that issues such as a person’s relation to authority, concept of self, or, particularly, the relationship between individual and society, concept of masculinity and femininity and the ways of dealing with conflicts determine the main problems with cultural differences around the globe (Hofstede, 2003, p. 13).

So, obviously, Hofstede’s research has a lot of things in common with other studies which were conducted and written by different authors. Later in this research, the focus will be put on illustrating the importance of Hofstede’s theoretical legacy in shaping the directions and findings of other research works.

In general, it should be mentioned that Geert Hofstede conducted “deep and detailed research about the values of people by analyzing a large database of employee score values which he collected in IBM corporation between 1967 and 1973. The study was conducted in more than 70 countries. Firstly he conducted research in 40 countries with the largest group of respondents. Then he extended the analysis to 50 countries. Analysis involved such respondent groups as airline pilots, students, civil service managers, ‘up-market consumers and ‘elites’ (Geert-hofstede.com, 2016).” The goal of this research was to demonstrate that “culture can only be learned and used meaningfully by comparison (Geert-hofstede.com, 2016)”. Also, he wanted to demonstrate the “differences in national value systems. His research revealed that respondents are similar in all aspects except nationality.”(Hofstede, 2003, p. 13). So, the analysis and the survey of IBM employees in different countries represent the basis of Hofstede’s study and also serve as a basis for the comparison of people belonging to different cultures.

Hofstede’s “statistical analysis demonstrated common problems in the following areas :

1. Social inequality, or relationship with authority;
2. The relationship between individual and the group;
3. Concepts of masculinity and femininity;
4. Ways of dealing with uncertainty(Hofstede, 2003, pp. 13-14).”

As we can see, all those problems arise from cultural differences as well. They could be solved through a deeper understanding of culture.
Hofstede also developed the idea that these problems represent the dimensions of cultures or aspects of culture that can be measured relatively to other cultures. He named them “Power Distance, Individualism versus Collectivism, Masculinity versus Femininity, and Uncertainty Avoidance (Hofstede, 2003, p. 14).” Thus, a four-dimensional (4D) model of differences among cultures was developed. This was the first form of Hofstede’s Model.

Later, Hofstede added two more dimensions, namely “Long Term Life Orientation versus Short Term Orientation and Indulgence versus Restraint (Geert-hofstede.com, 2016).” Long term orientation versus short term orientation dimension “was discovered by Michael Harris Ford, who conducted the questionnaire which was composed by “Eastern” or, in particular, Chinese minds. Ford not only added a new dimension, but also demonstrated that even the minds of researchers are programmed according to their specific cultural framework (Hofstede, 2003, p. 15).”

The Indulgence versus Restraint dimension “was added in 2010 by Bulgarian sociologist Michael Minkov. This dimension is based on extensive World Values Survey (MacLachlan, November 1st, 2013), which he conducted in 93 countries (Geert-hofstede.com, 2016).” So, these new dimensions were discovered by other authors, and there is a possibility to add more dimensions in the future.

Thus, Hofstede’s Cultural Dimensions model was developed. As it has been mentioned before, it correlated with previous studies, including Inkeles’ and Levinson’s studies (Hofstede., 2003, p. 36).

Now, it is worth investigating the different dimensions identified by Hofstede more in detail, namely from the perspective of their effects for the performance of marketing activities on the international level.

**Power Distance Dimension**

Hofstede identified that the power distance dimension “represents the extent to which less powerful members of a society accept and expect that power is distributed unequally. The most important issue is how a society handles these inequalities among people (Geert-hofstede.com, 2016).” As Geert Hofstede discovered during his research, people who live in societies with a high Power Distance Index “accept a hierarchical order in which everybody has a place, and which needs no further justification (Geert-hofstede.com, 2016).” In other words, as Hofstede wrote, “in countries with high power distance index, there is a strong dependence of subordinates on bosses. Subordinates could prefer or accept such dependence or reject it completely. In psychology, it is known as counter dependence, or dependence with a negative sign. The emotional distance between subordinates and their bosses is large: subordinates are unlikely to approach and contradict their bosses directly (Hofstede G., 1991, p. 27).”
Interpreting the assumptions of Hofstede, it can be stated that, according to him, in countries with high power distance index, people tend to favor the centralization of power, which is true when speaking of different fields of social life: starting from the formation of political powers, and up to the construction of hierarchy at work.

On the other hand, “in societies with low Power Distance Index people consider that distribution of power should be equalized and inequalities of power need to be justified (Geert-hofstede.com, 2016).” Hofstede wrote that “in countries with low power distance index there limited dependence of subordinates on bosses” (Hofstede, 2003, p. 27). “Subordinates prefer consultation more, in other words there is an interdependence between boss and subordinate.” (Hofstede, 2010, p. 61). “The emotional distance between boss and subordinate is small: subordinate can easily approach and contradict his boss” (Hofstede, 2003, p. 27). Thus, it should be pointed out that the level of inequality in society is supported by subordinates or followers as much as by leaders (Hofstede, 2010, p. 62).

Thus, it can be seen from the information above that cultures belonging to the different extremes of the power distance index tend to be characterized by opposite attitude toward the formation and distribution of power. Malhotra (2008, p. 103) points out that this has major implication for marketing activities. Thus, people belonging to high power distance index cultures tend to prefer products which provide them with certain social status and allow highlighting this status. Other important product values in this type of culture are prestige and group affiliation. On the other hand, in low distance cultures, those values are eliminated, and the main role is played by the actual consumption parameters of the products, their ability to appeal to all customers at once and to fulfill the widest range of goals.

Here is the figure demonstrating the Power Distance Index for different countries based on Hofstede’s research on IBM employees:

Fig 1.2 Power Distance Index for selected states
As can be seen from the figure above, for countries such as Belgium, France, Mexico, Turkey, Columbia, and other less developed Latin American and Asian countries, the Power Distance Index is higher. On the other hand, for countries such as Austria, New Zealand, Denmark, the UK, the US, and Scandinavian countries, the PDI index is lower. High and medium power distance in countries “where Romance languages (Spanish, Portuguese, Italian, French) are spoken, or in countries with Chinese (Confucian) inheritance could be explained by the history: both Roman and the Chinese Empires were ruled form the single power center. So people in these countries were prepared to take orders from the center (Hofstede, 2003, pp. 42-43).”

On the other hand, “the low PDI index score in countries with Germanic (German, English, Dutch, Danish, Norwegian, Swedish) languages also has historical roots: the Germanic part of Europe was divided into small tribal groups under local lords, who were not prepared to accept directives from anybody else (Hofstede, 2003, p. 43).” Thus, “these early experiences helped to develop the common mental programming, which helped people to adapt to political and social systems of these countries (Hofstede, 2003, p. 43).”

Referring back to Hofstede’s concept of cultural relativism described earlier in this thesis, it can be stated that neither high nor low power distance index countries can be considered as good or bad. On the contrary, as shown above, both types of cultures have been formed historically, and have been
inherited throughout generations. As a result, as claimed by Onkvisit and Shaw (2004, p. 154), this implies that marketers need to be able to know the specificities of such different cultures for the purpose of targeting them in different ways and finding the best approach to fit most corporate values and the desired business results.

In general, the result of a country’s PDI score can be predicted from the following:

1. The country’s geographical latitude (higher latitudes are associated with lower PDI);
2. Population size (larger size is associated with higher PDI);
3. Wealth (richer countries are associated with lower PDI).

“The relationship between PDI and geographical latitude does not mean that geographical latitude determines the power distance, but higher latitude contributes to smaller power distance (Hofstede, 2003, p. 44).” “In countries with warm tropical climate, agricultural societies meet a more abundant nature, and the main threat to a society is the competition of other human groups for the same territory and resources. In these conditions societies that are hierarchical and dependent on central authority have better chances for survival (Hofstede, 2003, p. 45).”

Thus, the differences in power distance are shown in every sphere of people’s life: in family, at school and in the workplace. The following table, according to Hofstede, shows these differences between large and small power distance societies:

Table 1.1 Power distance in societies

<table>
<thead>
<tr>
<th>Small power distance</th>
<th>Large power distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inequalities among people should be minimized</td>
<td>Inequalities among people are expected and desired</td>
</tr>
<tr>
<td>There should be interdependence between less and</td>
<td>Less powerful people should be dependent on the more</td>
</tr>
<tr>
<td>more powerful people</td>
<td>powerful</td>
</tr>
<tr>
<td>Parents treat children as equal and vice versa</td>
<td>Parents teach children obedience, children are expected</td>
</tr>
<tr>
<td>Teachers expect initiatives from students</td>
<td>to treat parents with respect</td>
</tr>
<tr>
<td></td>
<td>Teachers should take all initiates themselves</td>
</tr>
</tbody>
</table>
Students treat teachers as equals | Students expected to treat teachers with respect
---|---
Hierarchy in organization means an inequality of roles | Hierarchy reflects the natural inequality between less and more powerful people
Decentralization is desired | Centralization is desired
Narrow salary range between top and bottom of organization | Wide salary range between top and bottom
Subordinates expect to be consulted | Subordinates are told what to do
Ideal boss is a resourceful democrat | Ideal boss is a benevolent autocrat or good father
Privileges and status symbols are frowned upon | Privileges and status symbols are expected and popular

Source: Hofstede, 2003, p. 37

So, based on the information presented in the table above, it can be stated that small power distance cultures can be characterized by the prevalence of democratic norms, while high power distance index cultures tend to favor the authoritarian approach to the formation and distribution of powers.

Obviously, marketers can apply the Power Distance Index in marketing and promotion. According to Bert Markgraf, “in countries with high power distance, marketing should appeal to the leadership by emphasizing how certain products could create benefits for the whole family or company, making leadership more successful. For low power distance countries, marketers are advised to reach a broad range of ordinary people or workers who will discuss the products and come to a consensus. The benefits which marketers promote have to make their tasks easier.” (Mooij, 2013, p. 159).

Brandmanagerguide.com also mentions that “privileges and status symbols drive consumer behavior. So, brands need to communicate and appeal to social status.” (Brandmanagerguide.com, 2015)

Thus, this further proves the previous findings of this chapter. Indeed, there are major practical differences in terms of how customers should be addressed by marketers in countries belonging to different cultures on the power distance axis. Now, let’s proceed to Hofstede’s individualism vs. collectivism dimension.
Individualism vs. Collectivism Dimension

According to Hofstede, “individualism prevails in societies in which the ties between individuals are loose. In other words, in these societies, everyone is expected to look only after himself or herself and his or her immediate family (Hofstede, 2003, p. 51).” On the other hand, “collectivism represents preference for a tightly-knit framework in society, in which individuals expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty.” (http://geert-hofstede.com/national-culture.html, 2016). The “Position of the person in the society is reflected in whether people’s self-image is defined in terms of “I” and “We” (Geert-hofstede.com, 2016).”

Already from the definition of individualism and collectivism, it can be stated that understanding cultural differences on this dimension is of key importance for marketers. Paul and Kapoor (2008, p. 114) note that companies directing their marketing activities to cultures characterized by individualism need to appeal to customers’ individual goals of success achievements, should rely on the uniqueness of their products, highlight how such products shape the uniqueness of customers, and so on. On the contrary, in cultures characterized by collectivism, the key focus should be put on the valorization of common group values.

This figure demonstrates the Individualism Index for different countries, based on Hofstede’ research:

Fig. 1.3 Individualism index for selected states
As can be seen from the picture, the Individualism Index is higher for countries such as the US, Canada, New Zealand, Belgium, and France. On the other hand, in countries such as South Korea, Thailand, Columbia, Mexico, and Indonesia, the Individualism index is much lower, which means that they are more prone to collectivism.

“For the countries with high individualism, Markgraf recommends to target customers by emphasizing how company’s products will benefit them. Appealing to individual freedom, saving time and personal rewards would be very effective. For low individualism markets, marketers are advised to market to the whole community and explain which benefits the community might get if its members buy a company’s products.” (Mooij, 2013, p. 49, 2017).

Thus, Markgraf’s findings are similar to the ones provided by Paul and Kapoor: indeed, the differences in cultures on the individualism vs. collectivism dimension shape largely the differences in their perception of particular products and product groups, which in its turns should be taken into consideration by marketers operating in the international arena.

Brandmangerguide.com also wrote that “brand communication in collectivist cultures needs to create positive feelings of harmony, family and group consumption, while providing information or being seen as successful is more important in brand communication in individualist cultures. In collectivist
markets trust is a key, so large corporate brands and brand extensions would thrive there. On the other hand, in individualistic cultures the brands that are sharply positioned to the category or a specific attribute are the requisite. In direct sales, marketers can quickly get to the point in individualistic markets, while in collectivist cultures they need to slowly build trust and a personal relationship. They also should remember that the classic “AIDA” model created from an individualistic perspective may not be relevant in markets where the consumer is not actively seeking the new information”(Brandmanagerguide.com, 2015).

Therefore, it can be stated that different cultures tend to be prone to adopting either individual or common values and goals as essential and universal. This implies substantive differences to be taken into account by marketers.

Now, let’s proceed to Hofstede’s masculinity vs. femininity dimension.

**Masculinity vs. Femininity Dimension**

As it’s well known, the gender roles in different countries are perceived in different ways. Culture, religion, stereotypes and other things are influencing the way in which men and women are perceived in society. John B. Cullen and K. Praveen Parboteeah mentioned in their book that “there are different cultural expectations for men and women. They are socialized differently and in most cases perform different roles” (Cullen, 2014, p. 489). In other words, they used Hofstede’s concept of cultural dimensions and agreed with his statement that “societies differ in determining which behavior is suitable for what gender.”(Hofstede, 2010, p. 35) So, as we can see, this is a common opinion. But first of all, let’s define what the masculinity vs. femininity dimension is.

According to Hofstede’s research of IBM workers, “masculinity vs. femininity dimension represents a preference in the society for assertive behavior, achievement, competitiveness, heroism, material rewards, etc. On the contrary, feminine values represent “modesty, cooperation, caring for others, maintaining good relationships, high quality of life, security, etc. “(Hofstede., 2010, p. 49)(Geert-hofstede.com, 2016). So, as we can see, masculine and feminine values are different by their nature and by their meaning. Also, according to Hofstede, “in masculine society gender roles are strictly segregated and in feminine society gender roles overlap”(Hofstede, 2010, p. 140). And again, this concept as well as the whole Hofstede’s dimensions’ model was used by other authors such as Milena in her book “Intercultural Communication”. Bocankova (2010, p. 48) mentioned too that “most societies tend to distribute different social gender roles. Men should be assertive, tough and competitive, while women are supposed to be caring and soft.”
Thus, masculine societies are societies in which gender roles are clearly segregated – men are assertive and women are modest. The societies in which both men and women bear the same gender roles are supposed to be modest and tender. Cullen and Parboteeah also agreed that “in high-masculine countries gender roles should be clearly distinguished; jobs should be defined by gender; recognition and is very important and so on.” (Cullen, 2014, pp. 58-59). Now, let’s describe masculinity and femininity in general; their origin and how they are reflected in society, in family, at workplace and so on.

The differences between feminine and masculine cultures shape largely the differences in the activities which should be run by marketers for the purpose of targeting their customer audiences in such different cultures effectively. Thus, as stated by Christiansen et al. (2014, p. 240), in masculine cultures, marketing should be interactive and dynamic, it should focus on the desire to achieve success and become stronger, it should motivate the recognition and achievement of greater and harder goals, it should emphasize competition and how the products marketed might help win such competition. On the contrary, in feminine cultures, the main task of marketers is to show how they collaborate with the customers, how their products contribute to the benefits of society, how they improve the quality of social life and prosperity, what benefits they bring in terms of aesthetic pleasure, and so on.

According to Milena Bocancova (2010, p. 78), “society with stronger masculinity values is more tough; its dominant values are material success and progress.” As it has been mentioned before, people in masculine society are supposed to be ambitious and tough. And also, there is a tendency toward the resolution of conflicts by eliminating them. Countries such as Germany, Japan, the UK and the US are rated as more masculine countries. In Latin America, countries such as Mexico, Colombia, Venezuela, and Ecuador are described as very masculine. On the other hand, in more feminine societies, care for others and warm relationships are more important. Conflicts should be resolved by compromise. Feminine countries are mostly located in North-West Europe, for example Denmark, Sweden, Finland, the Netherlands, and Norway. This research was based on Hofstede’s findings as well. It mentioned “Scandinavian countries and other countries in Latin America, Europe, Asia and East Africa, as feminine-scoring countries” (Hofstede, 2010, pp. 140-144).

Explaining the origins of masculinity vs. femininity differences, Milena Bocankova (2010, p. 15) wrote that “feminine cultures are, more likely in colder climates, where an equal partnership between men and women was important for survival and increased population growth.” And obviously, this statement was based on Hofstede’s research too, as the latter emphasized too that “feminine cultures are more likely in colder climates” (Hofstede, 2010, p. 182).
Also, as it has been mentioned before, according to Bocankova, the masculinity vs. femininity dimension can be described by the following table:

<table>
<thead>
<tr>
<th>Masculinity</th>
<th>Femininity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tough society</td>
<td>Tender society</td>
</tr>
<tr>
<td>Dominant values: material success</td>
<td>Dominant values: caring for others</td>
</tr>
<tr>
<td>Money is important</td>
<td>Relationships among people are important</td>
</tr>
<tr>
<td>People should be assertive, tough, ambitious</td>
<td>People should be modest</td>
</tr>
<tr>
<td>and competitive</td>
<td>Sympathy for the weak</td>
</tr>
<tr>
<td>Resolution of conflicts by fighting them out</td>
<td>Conflicts should be resolved by compromise</td>
</tr>
<tr>
<td>Countries: Germany, Japan, UK, USA</td>
<td>Countries: Scandinavian countries</td>
</tr>
</tbody>
</table>

Source: Bocankova, 2010, p. 13

Thus, based on the information presented in the table above, the previous findings of this chapter as regards the differences between cultures on the masculinity vs. femininity dimension are further confirmed. Marketers running their activities in cultures belonging to different extremes on this dimension need to pay sufficient attention to the different values prevailing in such cultures and to the impact which this has on customer preferences.

Hofstede as referred by Wu Longmei, also mentioned that “in feminine societies relationships, quality of life, resolution of conflicts by compromise, sympathy for the weak and modesty are the most important. On the other hand, in masculine societies challenge, earnings, recognitions, admirations for the strong, assertiveness, sense of responsibility, decisiveness, and competitiveness are considered to be the most important (Hofstede, 2010, pp. 154-155).”. So, we can see that their views on the origins of MAS vs. FEM differences are similar.

Describing the MAS vs. FEM dimension in the family, Bocankova emphasized that “in masculine society children learn to admire the strong and there is a superhero cult (for example, Batman, Superman and other superheroes). All children are taught to be competitive and ambitious from their
childhood.” (Bocankova, 2010, p. 13). So, as we can see, according to Bocankova, masculine values are learned since the young age.

As for feminine cultures, she adds that “in feminine cultures both boys and girls learn to be caring and modest. Assertive behavior and attempts of children at excelling at school are ridiculed. Children should behave as everyone else.” (Bocankova, 2010, p. 13). As for masculinity and femininity in the educational system, Bocankova writes that “in masculine societies students like to compete with each other and make themselves visible in the class. The teacher’s academic reputation and the student’s performance are the main criteria for evaluation. In feminine societies mutual solidarity is the most important” (Bocankova, 2010, p. 14).

Hofstede and Wu Longmei also mentioned that “according to the studies of schoolchildren in the US, boys chose the games allowing them to compete and excel; while girls chose the games for the fun of being together. In masculine culture best students are norm; while in feminine the average students are norm. Falling in school is disaster in masculine society; while in feminine it’s a minor accident (Hofstede, 2010, p. 153).”. Again, as we can see, the views of Hofstede and Bocankova on MAS vs. FEM in family and in education are similar.

In this context, it is worth further emphasizing the importance of this dimension for international marketing. As highlighted by Mooij (2013, p. 99), in feminine cultures, men tend to share their duties with women, while in masculine societies, there is a traditional segregation of roles. As a result, in feminine societies, both women and men can be targeted with the same products, as men tend to buy products not only for themselves, but also for the family. On the contrary, in masculine societies, marketers can benefit from targeting male audiences with products to be consumed only by men, and women with a wider range of products for the family.

According to Bocankova, “in masculine societies management tries to avoid dealing with labor unions. The management style is more aggressive and is about dealing with facts. On the other hand, in feminine cultures the management style obviously is more soft, negotiations and consultations between managers and employees are very important and often even compulsory. Also, women at higher positions don’t need to be ambitious.” (Bocankova, 2010, p. 14).

Cullen and Parboteeah also mentioned that “school and job performance is the most important in masculine culture. They described the leadership style as authoritarian. And the emphasis on the best job performance and job recognition was also highlighted by them.” (Cullen, 2014, p. 61).

Hofstede was the first to write that “in such masculine cultures as the US, the UK and Ireland the industrial relations are marked by a good fight. Management tries to avoid having to deal with labor
unions at all. In the US, for example, the relationships between labor unions and companies are controlled by contracts which serve as peace treaties. In feminine cultures, companies prefer to resolve labor conflicts by negotiation.”(Hofstede, 2010, pp. 166-167). He also wrote that “in masculine cultures companies reward employees mostly according to their performance, while in feminine cultures they try to reward everyone according to the need.”(Hofstede, 2010, p. 167). So, again, as we can see, Bocankova and Cullen based their theories on Hofstede’s research.

As for MAS vs. FEM in the state, Bocankova wrote that “a masculine society is a society in which taxation favors the wealthy people. On the other hand, a feminine society is a welfare society where taxation serves for the redistribution of public wealth.”(Bocankova, 2010, p. 14).

Hofstede again points out that “a masculine society is a performance society, while a feminine society is a welfare society. For example, the share of the population living in poverty in feminine Norway was 4.3%, while in masculine Australia it was 17.6 % in the period from 1994 to 1995 (Hofstede, 2010, p. 171).”

So, as we can see, the authors again have a lot of things in common in their writings, and Hofstede’s model serves as a basis for their research.

The knowledge of the Masculinity Index could also help marketers. Markgraf advises to “differentiate between the roles of men and women in countries with high masculinity. The marketers have to make sure their marketing targets the correct gender for each product. Countries and markets with low masculinity promote sexual equality, so customers there negatively respond to gender-oriented promotion. For these markets, a neutral approach appealing to both men and women is more appropriate.”(Mooij, 2013, p. 249).

Brandmanagerguide.com also recommends marketers to position “the brands as prestigious in masculine cultures, whereas in feminine cultures it’s better to position the brands as “caring” or “giving”. In masculine cultures, people mostly consume for show, while in feminine cultures they consume mostly for use. The “larger” or “shinier” the product, the better chance for its success in masculine countries. ” (Brandmanagerguide.com, 2015).

Therefore, based on the information outlined above, it can be stated that the differences between cultures on the masculinity vs. femininity scale have important implication for the implementation of particular marketing activities.

Now, it is worth investigating the uncertainty avoidance dimension and its importance for international marketing.
Uncertainty Avoidance Dimension

As we can see, the title shows that this dimension deals with the willingness of people to accept risks. Based on the research of IBM employees, Hofstede defines uncertainty avoidance as the “extent to which the members of society feel threatened by ambiguous or unknown situations.” He describes essence of uncertainty as “a subjective experience or feeling, which are learned and transferred through basic institutions such as the family, the school, the university and the state. It is also expressed through the need for predictability, stress and through the need for rules.” (Hofstede2010, pp. 189-191). In addition, Hofstede defined that “uncertainty avoidance should not be confused with risk avoidance. Risk is generally expressed as a probability that a particular event will happen. Uncertainty has no probability attached to it, and leads to a reduction of ambiguity and desire for structure and order.”(Hofstede, 2010, p. 197). So, in some respect, it might be said that Hofstede was right to differentiate these two concepts.

Milena Bocankova described this dimension as “an extent to which the members of culture feel threatened by uncertain or unknown situations. In other words, it differentiates people according to the level of stress they have facing the unplanned situations; according to their need for predictability and according to their need for written and non-written rules. The feeling of uncertainty is acquired and learned, and belong with the cultural heritage of society.”(Bocankova, 2010, p. 15). Just as Hofstede, she underlines that the feeling of uncertainty is “reinforced through the family, the school, and the state.” (Bocankova, 2010, p. 15).

Cullen and Parboteeah also characterized uncertainty avoidance as “the way the people react to what they perceive as different or dangerous.” (Cullen, 2014, p. 53). They also added that in “a higher-uncertainty avoidance cultures, risky situations are mostly stressful for the people, while order, predictability and rules are prevailing forces in the society.”(Cullen, 2014, p. 53). They also add that “in cultures with high uncertainty avoidance index deviant people and ideas are not tolerated and laws are important. The management systems make the organizations and the employees predictable. The rules should be clear.”(Cullen, 2014, pp. 53-54).

So, as we can see, again, other authors used Hofstede’s model and research in their books. Now, let’s see how they and Hofstede describe the UAI dimension more in detail; also, let’s define its origins and its application in the educational process, at workplace and in the state.

Now, what implications do the differences among cultures on the uncertainty avoidance dimension have for international marketing? Christiansen et al. (2014, p. 74) point out that in cultures with low uncertainty avoidance, people tend to consume more convenience products, and are more prone to
innovations, also tending to invest in stocks. Also, people in such cultures tend to be proud of their country, nation and history. Thus, marketers in such cultures can benefit from delivering innovative products, products which are challenging and encouraging. On the contrary, in cultures with high uncertainty avoidance, marketers should rather focus on the sales of traditional goods verified by time which undoubtedly bring the desired benefits to the customers.

According to Bocankova “the possible origins of UAI differences have historic roots. For instance, the countries of the former Roman Empire score higher on uncertainty avoidance because the Roman Empire was a centralized state with a well-developed system of codified laws” (Bocankova, 2010, p. 17). Bocankova also writes that “uncertainty avoidance also has religious roots as the Orthodox Roman Catholic Church with a more developed system of rules scores higher on the UAI index. On the contrary, the Protestant Christian and Eastern religions’ cultures score low (excluding Japan).” (Bocankova, 2010, p. 17).

Hofstede also defined that “the countries with Romance languages score high on uncertainty avoidance, while, for example, China and Chinese speaking countries score low. It could be explained by the fact that the Roman and Chinese Empires differed in one aspect. In the Roman Empire there was an unique system of laws, while in Chinese empire such concept of law never existed. The general broad principles based on Confucius’ doctrine were the main guidelines in the Chinese Empire.” Hofstede’s research of IBM employees also proved that the employees from countries with Roman inheritance scored higher than their colleagues with Chinese inheritance (Hofstede G. M., 2010, p. 232). In addition, Hofstede also stressed the influence of religion on uncertainty avoidance level. As he wrote, “most Orthodox and Catholic Christian countries score high on uncertainty avoidance. Muslim countries score in the middle, and Buddhist and Hindu countries scored medium to low (Hofstede, 2010, p. 226).”

According to Bocankova, the main differences which are applied to strong or weak uncertainty avoidance can be demonstrated in the following table:

Table 1.3 Strong vs. weak uncertainty avoidance

<table>
<thead>
<tr>
<th>Strong uncertainty avoidance</th>
<th>Weak uncertainty avoidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncertainty has to be fought</td>
<td>Uncertainty is a normal thing</td>
</tr>
<tr>
<td>High stress</td>
<td>Low stress</td>
</tr>
<tr>
<td>What is different is dangerous</td>
<td>The different things are interesting</td>
</tr>
<tr>
<td>Need for rules</td>
<td>Strict rules are not necessary</td>
</tr>
<tr>
<td>Suppression of new ideas</td>
<td>Tolerance and acceptance of new ideas</td>
</tr>
</tbody>
</table>
Also, we can see that it was taken from Hofstede. He wrote that “in societies with weak uncertainty avoidance what is different is considered to be curious. (Hofstede., 2010, p. 201)”

In addition, he also told that “strong uncertainty avoidance was characterized by higher stress and high anxiety. Also, he added that “in countries with high UAI index uncertainty is considered to be a continual threat that must be fought. What is different in this culture is considered to be dangerous (Hofstede, 2010, p. 203).” Unlike Bocankova, he added that “familiar risks in such societies are accepted, while unfamiliar are feared. (Hofstede, 2010, p. 203) “

Bocankova wrote that “in strong uncertainty avoidance cultures the classification of what is dangerous, which is first thing that child learn, is strict and absolute. In such countries, there are a lot of taboos in family. In weak uncertainty avoidance societies classifications of what is dirty and dangerous are wider and more open to doubt. The norms in family are not that strict, and deviant behavior is not considered as dangerous or threatening” (Bocankova, 2010, p. 16).

And again, we can see that is was based on Hofstede’s ideas. He wrote that “in strong uncertainty avoidance countries distinctions between clean and dirty and between safe and dangerous are tight and absolute, while in weak uncertainty avoidance countries these distinctions are precise. This statement was based on the observation of American grandparents babysitting their grandchildren and Italian parents looking after their children. American grandparents allowed children to run around and felt a little real danger when children fell down. On the contrary, Italian parents immediately picked up the children when one fell down and counseled them. It explains why Italy scores high on UAI index (UAI 75), and the US scores lower ( UAI 46).” (Hofstede, 2010, pp. 200-201). He also added that “idea also can be considered dirty and dangerous, and children with high UAI index learn that some ideas are good and while other are dangerous. There is little space for doubt and relativism.” According to Hofstede, family life in strong uncertainty-avoidance countries is more stressful because the feelings are more intense. Both parents and children express their feelings more emotionally.”(Hofstede., 2010, p. 202).

Defining uncertainty avoidance in school, Bocankova wrote that “in high-UAI countries the teachers are supposed to know all the answers. Intellectual disagreement in school is considered to be disloyalty. In low uncertainty avoidance countries it’s ok for teachers to recognize that they do not know something. Disagreement and debates in the classroom is considered to be stimulating the educational process.” (Bocankova, 2010, p. 16)
And again, it was taken from Hofstede’s book *Cultures and Organizations: Software of mind* in all editions. In this book, he also mentioned that “students in countries with high UAI score expect their teachers to be experts who have all the answers, while in weak uncertainty avoidance countries children accept teachers who don’t know something. Also, teachers in such countries usually explain difficult terms and issues using a clear and simple language, while in countries with high UAI score the situation is opposite. The disagreement of students and their disputes with the teacher and between themselves is a normal thing.” Hofstede’s statement was based on the observation of teachers and students from Germany, the UK and France (Hofstede, 2010, pp. 205-206).

Writing about uncertainty avoidance in business and at the workplace, based on his survey of IBM employees, Hofstede stated that “in high-UAI countries employees usually search for long-term employment” (Hofstede, 2010, p. 209). In addition, he argued that “in strong uncertainty avoiding cultures there are more formal and informal rules and laws which control the rights and duties of employees and employers. The need for rules is emotional and leads to rule-oriented behaviors.” (Hofstede, 2010, p. 209). As we can see, this corresponds to what was told about uncertainty avoidance in family and in the educational process. On the other hand, as Hosftede wrote, “societies with weak uncertainty avoidance demonstrate an emotional horror of rules. They think these rules should be established only in case of absolute necessity. However, although rules in such countries are less sacred, they are better followed.” (Hofstede, 2010, p. 210). So, we can see that this is unexpected but truthful statement, which was based on an international survey. Also, Hofstede wrote that “in countries with high UAI score people work hard or at least try to be always busy. On the contrary, in countries with low UAI score people are also able to work hard but they also like to relax. Also, in uncertainty-avoiding countries there is a high reliance on expertise. There are more specialists in organizations.” (Hofstede, 2010, p. 211). And I agree with Hofstede’s saying that the “uncertainty avoidance index does not have the significant impact on creativity at the workplace. Obviously, in weak uncertainty-avoiding countries there are more creative ideas appearing, due to higher tolerance to them. However, societies with high uncertainty avoidance rates are much better at carrying out new ideas and processes, as it demands more detailed and routine work and punctuality” (Hofstede, 2010, p. 213).

Cullen and Parboteeah also wrote that “in cultures with high uncertainty avoidance, the potential employees are chosen according to their fit with and loyalty to the company, in order to minimize potential conflicts and to reduce turnover.” (Cullen, 2014, p. 54). In addition, like Hofstede, they also mentioned that “in high-UAI countries people with more expertise, seniority and loyalty are more likely to be selected or promoted for certain positions.” (Cullen, 2014, p. 54). Apart from mentioning Hofstede’s research, they also wrote that “in countries with high uncertainty avoidance the leadership
style is mainly task-oriented because it reduces ambiguity and stress of subordinates. Also the employees in these cultures tend to avoid competition. The organizations in these countries are larger and the hierarchy is tall and more formalized” (Cullen, 2014, pp. 55-56). On the contrary, “in low-UAI countries there is more flexibility and human orientation. The leadership style is nondirective and employees have more freedom and greater autonomy on the job”(Cullen, 2014, p. 56). It is remarkable that Cullen and Prboteeha agree with Hofstede’s saying that “innovative ideas are more likely to appear in a low-UAI country, but their implementation is more successful in a high-UAI country”(Cullen, 2014, p. 56). Though, unlike Hofstede, they did not describe this issue in greater detail.

Describing the uncertainty avoidance and the state, Bocakova wrote that “in strong uncertainty avoidance cultures, the laws are more precise. The feelings towards politics are mostly negative; politicians are more conservative. The extremist minorities are more likely to appear in the country. In countries with weak uncertainty avoidance people mostly trust their government and government institutions. They are ready to protest some decisions, and are assured that they can influence the political life in the country.”(Bocakova, 2010, p. 17)

Hofstede writes the same thing in his book Cultures and Organizations: Software of Mind (2010). He also writes that law in countries with high uncertainty avoidance “is more precise”(Hofstede, 2010, p. 216). He also agrees that citizens’ competence and their possibilities to influence the decisions made by the authorities are higher in countries which have lower score on uncertainty avoidance. Citizens are assured they could influence decisions on the local level and ready to take unconventional protest actions. Few people in high-UAI countries would want to protest governmental decisions, and if they did protest, their means of doing so would be more conventional. According to research, people in such countries also were less interested in politics and are less inclined to trust their politicians (Hofstede, 2010, pp. 219-220).

So, as we can see, again, Bocankova, and Cullen and Parboteeha used Hofstede’s research in their books. What is especially important is that it was similar in identifying uncertainty avoidance in business and at the workplace.

As for uncertainty avoidance application in marketing, Markgraf recommends marketers “in cultures with high uncertainty avoidance to spell clearly product characteristics with guaranteed advantages and specific features. Cultures with low uncertainty avoidance prefer lifestyle promotions, generalizations about the company’s products, suggested benefits and references to change” (Mooij, 2013, p. 259).
Thus, this confirms the fact that marketers dealing with target audiences in low uncertainty avoidance countries can benefit from providing their customers with something innovative and challenging, while in high uncertainty avoidance culture, it is advisable to put an emphasis on the proven and reliable characteristics of products, at the same time providing the customers with their explicit description and explanation in order to avoid any possible misunderstandings.

Brandmanagerguide.com also recommends marketers “to position the brand as expert and knowledgeable in high uncertainty avoidance cultures; and to be generalists in low uncertainty avoidance cultures. In countries with high uncertainty avoidance, people are more interested in how the product works rather than in the extent of the results. So, for marketers, product demonstrations or ingredient explanations should be included into the communication strategy. In countries with low uncertainty avoidance, the results are more important than the process. Humor can also be used in the communication strategy there.” (Brandmanagerguide.com, 2015).

Now, let’s move forward to the investigation of the cultural differences on the long term vs. short term orientation direction.

**Long Term vs. Short Term Orientation**

This dimension is also important in identifying and understanding the cultural differences among countries and nations. Milena Bocankova identified that “long term vs. short term orientation deals with the time perspective in society. In other words, it describes the attitude of people towards the future, past and present” (Bocankova, 2010, p. 17). Bocankova described the characteristics of long and short term orientation in the following table:

<table>
<thead>
<tr>
<th>Long Term Orientation</th>
<th>Short Term Orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptation of traditions</td>
<td>Respect for traditions</td>
</tr>
<tr>
<td>Careful and economical use of resources</td>
<td>Pressure to “keep up” with others, even if it means overspending</td>
</tr>
<tr>
<td>Respect for the demands of virtue</td>
<td>Truth essential</td>
</tr>
<tr>
<td>Countries: East Asian Countries</td>
<td>Countries: Anglo-Saxon countries</td>
</tr>
</tbody>
</table>

Source: Bocankova, 2010, p. 17

On the other hand, Cullen and Parboteeah described only long-term (Confucian) orientation as an orientation toward time in which patience is valued most (Cullen, 2014, p. 60).
Based on the Chinese Value Survey (CVS) which involved a survey of students all over the world, Hofstede also identified values such as thrift, persistence, status, sense of shame on the one side; and tradition, reciprocation of greetings and gifts, protecting one’s “face” and stability as the main values of the fourth CVS dimension” (Hofstede., 2010, p. 236). In general, Hofstede defined “long-term orientation as encouragement of values related to future rewards. On the other hand, short-term orientation represents the encouragement of virtues related to the present and past, particularly, for tradition, “preservation of face” and fulfilling obligations” (Hofstede, 2010, p. 239). So, again, we can see that other authors use Hofstede’s research in their own written works. This proves the importance of his model and research for identifying intercultural differences.

So, what implications do the cultural differences on this dimension have for international marketing? Fletcher (2005, p. 197) notes that marketers targeting people in long term orientation cultures should provide them with those products which are coherent with the existing traditions, norms and standards, which are perceived to fulfill social obligations, and products providing greater benefits for society as a whole. At the same time, in short term orientation cultures, marketers can focus on providing some unique products, often focusing on status and prestige, products which are luxury or not similar to the other, products which are not pragmatic or future-oriented.

Now, let’s describe long term vs. short term orientation in business and at the workplace to see how it is reflected in management and in work relationships in different countries.

According to Hofstede, “investments in achieving a strong market position at the expense of immediate financial results are typical for the high-LTO countries. In short-term oriented countries, the results are monthly, quarterly or yearly-based. Employees in these societies are also rewarded according to their monthly or quarterly achievements” (Hofstede, 2010, pp. 244-245). Hofstede also wrote that “for the long-term oriented countries investment in lifelong personal networks and sharing the same aspirations among owners and employees in the companies are the most typical. On the other hand, in short-term oriented countries individual loyalties vary with business needs, and employees are rewarded by their abilities” (Hofstede, 2010, p. 251)

Cullen and Parboteeah in their book Multinational Management wrote too that “in countries with long-term orientation employees are selected by the fit of their personal and educational characteristics to the company. This is pretty similar to the selection process in individualism/collectivism and in UAI dimensions. On the other hand, in countries with short-term orientation, the selection process is based on immediately usable skills” (Cullen, 2014, p. 61). Cullen and Parboteeah also defined that “in short-term oriented societies company owners use quick rewards based on employees’ skill contributions.” (Cullen, 2014, p. 62). Besides, they added that “in Western
short-term oriented cultures managers value logical analysis in decision-making, while in Eastern long-term orientation countries the organizations value synthesis” (Cullen, 2014, p. 61).

So, again, we can see that Cullen and Parboteeah based their ideas on Hofstede’s theories.

As for the application of long term and short term orientation in marketing, Mooij also recommended marketers to “fit the promotions into traditional structures for markets with long term orientation, and to emphasize the short term benefits for the short-term oriented markets” (Mooij, 2013, p. 261). This also emphasizes the previous findings of this chapter, and highlights that the key difference between long term orientation cultures and short term orientation cultures is the fact that the former focus on pragmatic values, while the latter are not-future oriented and prefer instantaneous pleasure or satisfaction.

Brandmanagerguide.com also wrote that “that there is a low scope for products of indulgence in LTO countries. At the same time, societies with short term orientation put more emphasis on the past, and prefer brands with heritage value.” (Brandmanagerguide.com, 2015)

Now, let’s proceed to the investigation of the indulgence vs. restraint dimension.

**Indulgence vs. Restraint**

Indulgence vs. Restraint (IVR) represents the newest dimension which was added in the last edition of Hofstede’s book “Cultures and Organizations : Software of mind” written with co-authors Geert Jan Hofstede and Michael Minkov. Hofstede and Minkov defined the “indulgence vs. restraint dimension as the preference of the society for the free gratification of basic and natural human desires related to enjoying life and having fun. On the other side, restraint represented the preference of society for suppression and regulation of such gratification needs by social norms.” (Hofstede, 2010, p. 251).

According to Hofstede, Yavuz Selim Yasar and Kristin Piepenberg, “Misho Minkov created this dimension basing on World Values Survey (WVS). WVS represented a global survey in which people were asked how satisfied they were with their lives and how happy they felt. It had been conducted in more than one hundred countries and included more than 360 forced-choice items. Minkov re-analyzed this data and created three more dimensions: exclusionism vs. universalism, indulgence vs. restraint and monumentalism vs. flexhumility” (Hofstede, 2010, pp. 279-280).

As argued by Minkov and Hofstede, “according to research, indulgence tends to prevail in South and North America, in Western Europe and parts of Sub-Saharan Africa. Restraint prevails in Asia,

In general, this dimension can be described in the following table:

Table 1.5 Key differences between indulgent and restrained societies

<table>
<thead>
<tr>
<th>Indulgent</th>
<th>Restrained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher percentage of happy people</td>
<td>Lower percentage of happy people</td>
</tr>
<tr>
<td>A perception of personal life control</td>
<td>A perception of helplessness</td>
</tr>
<tr>
<td>Importance of leisure</td>
<td>Lower importance of leisure</td>
</tr>
<tr>
<td>More likely to remember positive emotions</td>
<td>Less likely to remember positive emotions</td>
</tr>
<tr>
<td>Positive attitude</td>
<td>Cynicism</td>
</tr>
<tr>
<td>More extroverted people</td>
<td>More neurotic people</td>
</tr>
<tr>
<td>Less discipline</td>
<td>More discipline</td>
</tr>
<tr>
<td>Optimism</td>
<td>Pessimism</td>
</tr>
</tbody>
</table>

Source: Hofstede, 2010, p. 291

So, we can see that Hofstede’s model is widely used in various books and in other research publications. So, as it is seen, Hofstede’s model is widely used for identifying the cultural differences between different countries.

As for the application of this dimension in international marketing, Mooij wrote that “promotion based on sex appeal may be effective in a high indulgence culture. On the other hand, in low indulgence cultures, marketers might promote the social benefits of their products, their usefulness or how they fit into the existing social order.” (Mooij, 2013, p.279).

Also, when investigation the implications of this dimension on practical international marketing activities, it is worth pointing out the findings of Nestorović (2016, p.111) who claims that marketers operating in cultures prone to indulgence should present their products as ones guaranteeing freedom, encouraging competitive spirit, ruining stereotypes, often challenging the existing norms, rules or standards, aiming to achieve the greatest popularity, etc. On the other hand, when dealing with customers belonging to restraint cultures, the focus of marketing should be put on highlighting the adherence to the existing social and cultural norms and values, respect for traditions, moderation and social justice.
Now, having investigated Hofstede’s dimensions and their importance in international marketing, it is worth to proceed to the analysis of the main advantages of Hofstede’s model.

1.1.1. Advantages and Disadvantages of Hofstede's Model

As many authors and researchers use Hofstede’s model, it obviously has the substantial advantages.“A major advantage of Hofstede’s model is that his findings are “unlikely to be influenced by differences in company culture” (Cultureandbusiness.weebly.com, 2016). In addition, by applying Hofstede's model, researchers can define differing dimensions of a culture in order to get a better understanding of it, both visually and quantitatively.” (Cultureandbusiness.weebly.com,2016).

In his article, Laurel Raid also wrote that the “understanding of these dimensions provides an understanding of the cultural aspects of a nation.” He also added that Hofstede’s cultural dimensions are helpful for comparing different cultures. “Countries might score similar in one or several dimensions but can differ in other dimensions. It might be very helpful, especially when you know little or nothing about the culture of a certain country you want to enter as a businessman or just to investigate.” (Cultureandbusiness.weebly.com, 2016).

In the article “Hofstede’s dimensions of culture in international marketing studies”, Ana Soares and Minoo Farhangmehr also wrote that “identifying dimensions in order to demonstrate the distinguishing aspects of a culture could be a major contribution of Hofstede’s model to cross-cultural research. It provides the opportunity to measure culture as a complex structure rather than a simple variable.” (Cultureandbusiness.weebly.com,2016).

So, as we can see, the main advantages of Hofstede’s model according to several authors include the comprehensible definition and comparison of cultural differences in different countries.

Although Hofstede’s model can be good for cross-cultural analysis due to the reasons mentioned earlier, it certainly might have some drawbacks and disadvantages.

According to clearlycultural.com “the first disadvantage of Hofstede’s research is that the averages of a country relate to individuals of that country. Even though this model has proven to be often correct when applied to the general population in a country, researchers should be aware that not all individuals and regions with their own subcultures fit into this format. In general, the model is to be used as a guide to understand the difference in culture among countries. So, exceptions to the rule always exist. Another disadvantage is that the data collected through questionnaires have their own limitations. In addition, in some cultures, the context of the question asked is as important as its content, especially in collectivistic cultures in which people tend to answer questions as if they were
addressed to the groups they belong to. On the other hand, in individualistic cultures, the answers will be given mostly by an individual and perceived through the eyes of that individual.”(Clearlycultural.com, 2016).

According to cultureandbusiness.weebly.com, it is also clear that “Hofstede’s model is used to define culture as a whole, and is not intended to be applied to individuals’”(Cultureandbusiness.weebly.com, 2016).

M.L. Jones in his article “Hofstede- Culturally questionable?” also gave several arguments against Hofstede’s model. Let’s take a look at them. He described those arguments by points as following:

1. **Relevancy**

Many researchers argue that a survey is not an appropriate instrument for accurately determining and measuring cultural disparity. It is obvious when the variable which is measured as a value is culturally sensitive and subjective. As posited by Jones, Hofstede argues that surveys were not the only method that was used (Hofstede, 2010, p. 149).

2. **Homogeneity.**

This argument is the most popular. Hofstede’s study presumes that domestic population is a homogenous whole. However, most nations also involve different ethnic units(Moos, 2010, p. 49).Therefore, “analysis should be conducted by the character of the individual being assessed” (Moos, 2010, p. 85).As we can see, this argument actually has been mentioned before. So, it is a very widespread argument against Hofstede’s research.

3. **National Divisions**

Nations are not proper units of analysis because they are not necessarily bounded by borders. Recent research has proven that culture is fragmented across nations and various groups in the countries. As claimed by Jones, Hofstede wrote that national identities are the only means for identifying and measuring cultural differences (Hofstede, 2010, p. 481).

4. **Political Influence**

“Due to the Cold War in Europe, memories of World War Two, communist movements in Asia, Africa and Europe, and due to other political instabilities, Hofstede’s research lacks data from socialist and Third World countries.”(Moos, 2010, p. 897).

5. **One Company Approach**
As it has been noted before, Hofstede’s study was based on a survey of IBM workers. Jones, Olie, Søndergaard and Graves consider that study which is based on only one company probably does not give all necessary information on the entire cultural system of a country((Moos, 2010, p. 98). This argument also corresponds to the research by Williamson and Dermont. They wrote, quoting McSweeney, that “national culture is slightly different from organizational and occupational culture. Also, national culture can be measured using questionnaires. The surveys and measurements conducted in IBM have a narrow occupational range of marketing and sales stuff.” In general, McSweeney raises questions of Hofstede theory’s reliability and argues that Hofstede had not been able to investigate properly organizational and occupational culture, because organizational, national and occupational cultures are not independent concepts.

According to McSweeney, when organizations and occupations influence the measurements of national culture, then the influence of these variables can only be reduced (Hunt, 2016, p. 159). “McSweeney argues that IBM employees could not represent their national cultures because of IBM’s selective recruitment. McSweeney warns that Hofstede’s results should not be confused with constructs, because they are not absolute measures; they represent mostly approximate measures.”(Hunt, 2016, p. 138.

6. **Outdated research**

Some researchers and scientists claimed that the study is too old and outdated, especially in today’s global and rapidly changing environments, globalization, and internationalization (Mooij, 2013, p. 259).

7. **Few Dimensions**

Five dimensions probably could not provide sufficient information on cultural differences. Researches such as Trompenaars and Hampden-Turner use seven dimensions.(Trompenaars, 2004, p. 159). Schwartz and Sagiv defined ten value types (Hunt, 2016, p. 1381). Hofstede agreed on that, he wrote that new additional dimensions should be added to his original work (Hofstede, 2010, p. 481).

8. **Statistical integrity**

According to Dorfman and Howell and their analysis (Burton2009, 59), Hofstede occasionally used the same questionnaire’s points in more than one scale. The analysis includes 32 questions with only 40 cases or subjects (40 data points corresponding with 40 countries). An analysis based on so few ‘subjects’ increase the likelihood of various errors in the sample.
So, as we can see, although Hofstede’s model is considered as the most widely used for cross-cultural analysis, it has some disadvantages which researchers should take into consideration.

1.1.2 Hofstede’s Model in International Marketing

In this section, the contribution of Hofstede’s model to international marketing, and specifically to branding and advertising will be investigated.

As Ana Soares and her colleagues wrote quoting other authors, “Hofstede’s framework is being used increasingly in business and marketing studies. Hofstede’s research demonstrated the relevance of cultural dimensions for international marketing and consumer behavior. It is perceived that collectivism influences innovation, service performance and advertising appeals. Uncertainty avoidance influences information exchange behavior, innovativeness and advertising appeals. Power distance influences advertising appeals, information exchange behavior, innovation and service performance. Masculinity impacts sex role portrays, innovation and service performance. And long-term orientation influences innovation.” (Researchgate.net, 2011).

Marierke de Mooij and Hofstede in their article wrote that “Hofstede’s model has been applied to various areas of advertising and branding. It was used to explain the concepts of self, personality and identity, which in turn explain variations in branding strategy and communications. It also explains information processing, differences in perception and categorization that influences interpersonal and mass communication.”(Hofstede, 2010). Mooij and Hofstede viewed cultural values as the integrated part of the consumer’s self, because cultural values, according to them, defined the personality of consumers. “Social and mental processes both influence interpersonal and mass communication, which in turn impacts advertising appeal and style.”(Hofstede, 2010, p. 86). In other words, cultural models such as the one developed by Hofstede are useful for analyzing culture’s consequences for the self and personality; mental and social processes, and the influence of all these consequences on the global advertising strategy (Hofstede, 2010, p. 86).

In addition, Mooij and Hofstede, quoting Kluckhohn and Strodtbeck, added that the “patterns of basic problems, which are responsible for the functioning of groups and individuals could be easily defined and recognized using Hofstede’s model. Such consequences are: relation to authority; the conception of self, including ego identity, and primary dilemmas of conflict and solving it. (Hofstede, 2010, p. 87).”

Mooij and Hofstede also wrote that “apart from Hofstede’s model, such problems have been found in other studies such as those by Trompenaars, Schwartz, and the recent GLOBE study.” All these models will be described later. However, these models are different in terms of the number of
countries investigated, level of analysis, dimension structure, number of dimensions, their subjects and methodological differences. “These differences could cause different results when these dimensional models are applied to international branding and advertising. Particularly, the differences resulting from asking for the desired or the desirable could have their impact on research results. Dimensional models based on questions asking for the desirable might be less useful for measuring differences in consumer motives, attitudes and advertising appeals.”(Hofstede, 2010, p. 87).

Thus, Mooij and Hofstede state that various models might have various usage for the field of international marketing. However they specify that “Hofstede’s model is more widely used because of the larger number of countries involved and the simplicity of his model in terms of appealing to both researchers and business people. Recent cultural frameworks provide only limited advancements compared with Hofstede’s original work (Hofstede, 2010, p. 88).” So, it can be said that Hofstede’d model is the best model currently available to be applied in international marketing.

Now, based on the findings above, it is worth highlighting again how Hofstede’s theory can be used effectively in international marketing.

According to Mooij and Hofstede, “in large power distance countries the concept of rightful place in society is very important. So, global brands should take it into consideration and appeal to these needs of social status (Hofstede, 2010, p. 89).”

As Mooij mentioned, “in individualist, low-context countries, people want to get to the point fast, whereas in collectivist countries it is important to first build a relationship and trust among them. So, advertising has different roles in this dimension: persuasion in individualistic culture versus creating trust in collectivist culture (Hofstede, 2010, p. 89).”

In masculine countries, performance, demonstration of success and achievement are important. Personal achievement must be demonstrated, so status brands or products such as jewelry are bought often to show one’s success (Mooij, 2010, p. 48). On the other hand, in feminine societies men do more shopping due to small role differentiation. (Hofstede., 2010, p. 89).”

Huib Wursten and Tom Fadrhonc in their paper International marketing and culture also wrote that in masculine countries performance, success and achievement are important. They also wrote that in feminine cultures role differentiation is small (Wursten, 2012, p. 2).

As for the application of uncertainty avoidance in international marketing, Mooij wrote that “people from high uncertainty avoidance cultures are less open to innovation than people who belong with low uncertainty avoidance cultures (Hofstede, 2010, p. 90).” This explains why they are less willing
to use innovative products in comparison with people from weak uncertainty avoidance countries (Hofstede, 2010, p. 90).

And again, Wursten and Fadrhonc wrote the same things: “in weak uncertainty-avoidance cultures people tend to be more innovative and entrepreneurial (Wursten, 2012, p. 3).”

Finally, as for long-term orientation, Moij and Hofstede wrote that “perseverance, ordering relationships by status, thrift, and having a sense of shame represent the main values in long-term oriented cultures. Thus, in long-term oriented countries businesses and governments demand more investments in future projects (Hofstede, 2010, p. 90).”

Wursten and Fadrhonc also wrote that “long-term oriented countries are focusing on market position and longevity (Wursten, 2012, p. 4).” So, these authors also agree on how Hofstede’s model can be applied in international marketing, branding and advertising.

Thus, it can be stated that Hofstede’s dimensions of culture may be used effectively as a tool by marketers to run a segmentation of their target audiences in different countries. Such segmentation allows evaluating precisely the cultural components prevailing in different states based on the dimensions offered by Hofstede. Having investigated the cultural components predominant in particular countries, marketers can develop their marketing strategies and policies more effectively, knowing how their audiences may be targeted and how the best marketing practices can be leveraged.

As it has been told before, we can see that Hofstede’s model is of major importance to marketing researchers in their writings and to business people in real life.

Now, let’s take a look at other cultural models, particularly at Trompenaars’ 7D model. This model also could be very helpful for describing cultural differences.

1.2 Fons Trompenaars’ 7D Cultural Model: Description, Analysis and Application in International Marketing

As it has been mentioned several times before, Fons Trompenaars’ model is also relevant and important to both researchers and business people. Obviously, it includes more dimensions compared to Hofstede’s model. But does it make this model better than Hofstede’s model, and is it better to be applied in international marketing? In this section, Trompenaars’ model will be carefully described and analyzed.
According to mindtools.com, “seven dimensions of culture were created and identified by management consultants Fons Trompenaars and Charles Hampden-Turner. In 1997, they published “Riding the waves of culture” in which they described it. They developed the model after 10 years of research of cultures in about 40 countries. They sent questionnaires to more than 46000 managers (Trompenaars, 2000, p. 15).” What they found out is that people who belong with different cultures could vary in very specific ways. Each culture has developed its own unique way of thinking. Also, each culture has its own values, norms, beliefs and preferences. In addition, this model can be very useful for better understanding of people from different cultures. It is also useful for doing business with foreigners and for managing employees of different cultures and nationalities. Trompenaars and Hampden-Turner created their model basing on their statement that people from different cultures could be differentiated using their preferences. This comparison is embraced by the following seven dimensions (Trompenaas, 2000, p. 56):

1. Universalism vs. particularism;
2. Individualism vs. communitarianism;
3. Specific vs. diffuse;
4. Neutral vs. emotional;
5. Achievement vs. ascription;
6. Sequential time versus synchronous time;

Thus, this model aims to explain the differences among people based on the dimensions mentioned above. Now, let’s analyze them in more detail.

Milena Bocankova in her book “Intercultural communication”, which was mentioned before, wrote that “culture differentiates itself by the way it solves various cross-cultural problems. These problems can be classified as following:

1. Problems arising from relations among people;
2. Problems arising from people’s attitude toward time;
3. Problems arising from people’s attitude toward the environment (Bocankova, 2010, p. 19).”

So, obviously, according to Bocankova, the “first five dimensions are oriented on how people interact with one another (Bocankova, 2010, p. 19).”
Cullen and Parboteeah also mentioned that the first five dimensions of the 7D model are dealing with the difficulties which people face when they interact with one another. The sixth dimension demonstrates how people treat time; and the last dimension shows how they treat their environment (Cullen, 2014, pp. 65-66).

So, as we can see from the information above, Bocankova and Cullen use a similar approach in describing Trompenaars’ model. Now let’s describe each dimension.

**Universalism vs. particularism**

According to Trompenaars, “universalism vs. particularism represents the standards by which relationships can be measured. In universalist cultures, people are inclined to follow the general rules and norms in any situations. Universlaist behavior tends to be abstract. General standards are perceived as universal and absolutely correct, so attitudes and standards which are not included in the list of these standard rules should be changed or excluded.” (Trompenaars, 2000, p. 26).

Bocankova, based on Trompenaars’ theory, also wrote that “universalist behavior is rule-based. People fear that without strictly following the rules, the system will collapse. Any exceptions from the rules should be excluded. So, formal rules are more important in such cultures than personal relations. Contracts are respected very strongly. Standards and practices can be applied everywhere and they don’t need any corrections or modifications. Such countries as the US, the UK, Australia, Germany, etc. represent cultures with high universalism (Bocankova, 2010, p. 19).”

Cullen and Parboteeah also wrote that “this dimension relates to the choice of dealing with people depending on their preference towards following general rules or on focusing on personal relationships. In universalist cultures, people are treated based on such principles as the rules of law, culture or religion. So, various norms, rules and procedures serve as the guidelines for people in everyday life. In business, contracts and law serve as the basis for business, and managers feel uncomfortable when they are ignored or not respected (Cullen, 2014, pp. 66-69).”

On the other hand, in particularistic countries, “particular circumstances and relationships are more important than the abstract rules. Particularist judgments focus on the exceptional nature of present circumstances. In other words, people tend to respond to certain situations in different ways. People tend to protect or discount the particular person no matter what the rules say. Particularists will often argue that “it all depends(Trompenaars, 2000, p. 31).”

Bocankova and Cullen also wrote that “particularists often focus on circumstances; they tend to protect their relatives no matter what the rules say. Friendships have more obligations and more importance. Rules represent only a guide to life. Who the person is, and his relationship to the one
doing judging must be taken into account. Rules may be recognized but there are also some exceptions that could be made for friend and relatives. Contracts are relatively easy to modify. People who trust one another in business try to take other’s needs into consideration. Also, informal networks and privacy are very important. Such countries as Mexico, South Korea and other Latin American, Asian and Arab countries are mostly particularistic (Bocankova, 2010, p. 20),(Cullen, 2014, pp. 69-70).”

Bocankova and Cullen both wrote that “Trompenaars recommended universalists and particularists to adapt to one another. People from universalistic cultures doing business in particularistic countries should take the importance of building and developing relationships into consideration. On the contrary, people from particularistic cultures should be prepared to make logical arguments and realize that emphasis on law does not mean distrust of the business partner in a universalistic country (Bocankova, 2010, p. 20), (Cullen, 2014, p. 69).”

So, as we can see, most authors have the same views on this dimension. Obviously, this information is important for international marketers, because it helps understand the behavior of potential customers. Companies should strictly follow the rules, provide logical arguments and mention it in their promotion and advertising campaigns in universalist countries, and use more family-oriented advertising in particularist countries.

Glowik and Smyczek (2011, p. 177) point out that the universalism vs. particularism dimension offered by Trompenaars has considerable practical importance for international marketing. Thus, marketers who deal with customers from universalist cultures should focus on providing goods of social importance which cover the broadest range of customers. On the contrary, in particularist countries, products should be marketed focusing on narrower social circles such as families and aimed to ensure their welfare rather than the welfare of society in general.

Now, it is worth analyzing Trompenaars’ individualism vs. communitarianism dimension.

**Individualism vs. Communitarianism**

As we can see from its name, this dimension corresponds with Hofstede’s Individualism vs. Collectivism dimension. According to Trompenaars and babel.group.co.uk “individualism represents the prime orientation on the self, while communitarianism or collectivism can be described as the prime orientation on common goals and objectives. In individualistic countries, people are free to make their own decisions and to live their lives as they want. They aren’t afraid to make their own mistakes or to lose their face. On the contrary, in communitarian countries, shared benefits are more important. Society usually takes the responsibility for the mistakes made by individual members.
Keeping face relative to society becomes extremely important. Countries such as the US, the UK, Sweden, Australia, the Czech Republic, etc. are more individualistic, while China, Singapore, France, Japan, etc. belong to countries with high communitarianism (Trompenaars, 2000, p. 47).”

Also, in individualistic societies, the quality of life results from personal freedom and individual development. They respect individual freedom and personal achievements. People in communitarian society are strongly integrated into communities which provide them its help and protection in exchange for their loyalty. The community is more important than individual, and people are oriented toward the achievement of common goals. Often, communitarianism is associated with traditional societies. However, there are some exceptions, for example, such a modern society as Japan has a strong communitarian orientation.

Bocankova and Cullen also mention that “individualism refers to people who view themselves more as individuals. There is greater focus on individual achievements and responsibility; and on individual decision-making. And in communitarian countries, people are more concentrated on group achievements and on group decision-making. Managers in communitarian countries prefer negotiating in groups or teams. The reason for that is that they prefer to consult each other during business negotiations, and they just represent the company and could not make decisions by themselves. In such companies, the expected rate of turnover is low and the focus on group morale is high. In countries with high individualism, negotiations and decision-making are made mostly by individual managers. In companies belonging with individualistic cultures, incentives such as pay for performance are often used; and there is a plan for turnover. Employees are expected to demonstrate their own initiative (Bocankova, 2010, p. 20),(Cullen, 2014, p. 71).”

Comparing this dimension with Hofstede’s individualism vs. collectivism dimension, Cullen and Parboteeah also wrote that “although they seem similar, the ranking of countries is different. It could be explained by the statement that Trompenaars used more recent data. Another reason is that he used different methodology in the 7D model and demonstrated more sophisticated aspects of the individualism vs. collectivism dimension (Cullen, 2014, p. 69).”

Therefore, taking into account the similarities between these two dimensions offered by Hofstede and Trompenaars, it can be stated that their practical implication for international marketing are largely similar: in individualist countries, the focus should be put on targeting individual customers with products promoting their social status and prestige, raising competitive spirit, reinforcing the goals of self-fulfillment. On the contrary, in communitarian cultures, marketing should aim to emphasize the social role of products, their importance for the larger benefits of society and compliance with the applicable social norms.
On the other hand, ukessays.co.uk writes that Trompenaars’ research lies on the surface of a person's culture. It clearly demonstrates the choice and manner in which actions are planned and handled. On the contrary, Hofstede tries to go into the deep of culture layers, and, thus, his model is more sophisticated as it lets people make our own forecasts of others’ behavior. Regarding the similarity of Trompenaars’ and Hofstede’s dimensions, it can be stated that for marketers there is no difference which dimension to use.

So, as we can see, authors also mostly agree on their views on this dimension, although they have different views on the similarity between Trompenaars’ and Hofstede’s research.

So, it can be concluded that for collectivist countries, the image of family and friends in promotion and advertising is more important, while ads and promotion campaigns in individualist countries should be focused on people who want to achieve individual success and get material rewards. As Trompenaars mentioned in his book, “the relationship between individual and group plays an important role in what motivates people (Trompenaars, 2000, p. 59).” Thus, this information can be very useful for marketers as well.

**Specific vs. Diffuse**

According to Trompenaars and mindtools.com, the “specific dimension is characterized by separation of personal life and work. In specific-oriented cultures, a manager segregates out the task relationship he or she has with a subordinate and separates this from other dealings. Each area in which these two encounter each other is considered apart from the other. People believe that relationships don’t have much of impact on work goals and objectives. Therefore, according to their point of view, people can work together without having a good relationship.

On the contrary, in diffuse cultures people tend to combine their work with personal life. Every life space and every level of personality tends to permeate all others. So, maintaining good relationship is important for meeting business objectives. Also, relationships among people are the same, both at work and out of work. Spending leisure time with colleagues is a common practice in diffuse cultures. Typical specific countries are the US, the UK, Sweden, Germany, Switzerland, etc. Typical diffuse countries are China, Argentina, Spain, Russia, etc. (Trompenaars, 2000, p. 73).”

Bocankova and Cullen also wrote that “in specific culture people usually have a large public space and they rarely let others enter it. They tend to protect their privacy and personal space and share it only with close friends and relatives. People in specific cultures are also direct and precise in relationships and communication. Knowledge about other people is very limited and shared only for specific purposes. Also, relationships in specific cultures are often prescribed by contracts.
On the contrary, in diffuse cultures, both public and private zones are similar and connected with each other. So, people protect both public and private zones, because entry into the public space in diffuse culture means also entry into the private space. Relationships among people are more indirect; and decision-making is more oriented toward the situation. Communication among people is more ambiguous. Business relations in diffuse cultures are more inclusive and close.

So, people from diffuse cultures could be confused by the easiness of entry into the public zone of people from specific cultures, and interpret it as an invitation to the public zone. It might create some misunderstandings (Bocankova, 2010, p. 21), (Cullen, 2014, pp. 71-72).

Bocankova mentions that “Trompenaars recommended to businesspeople from specific cultures which do business in diffuse cultures to respect titles, age and close relations of people. Also, they should try to be patient with their partners being indirect or curious. It would help to establish personal relationships and to increase chances for good negotiations (Bocankova, 2010, p. 21)”.

So, again, we can see that most authors give a similar definition and characteristics of this dimension. Trompenaars in Bocankova’s book gives advices to businessmen all over the world, which might be helpful for them in dealing abroad.

**Neutral vs. Emotional**

Now, we again should take a look at what Trompenaars and other researchers wrote about this dimension.

According to Trompenaars, via-web.com and mindtools.com, the “emotional vs. neutral dimension describes how people in various cultures express their emotions. In emotional or affective cultures, like Italian and Spanish, people tend to express and demonstrate their emotions more naturally and openly. They can show their feelings plainly by laughing, smiling, grimacing, scowling and gesturing; they try to find immediate outlets for their feelings. They could express their feelings and emotions even at work (Trompenaars, 2000, p. 49).”

On the other hand, “in neutral cultures, like Japanese, people tend to hide their emotions and try not to show them on public. They tend to keep their feelings carefully controlled and subdued. People in neutral countries also try not to express directly what they think. They are guided by reason and objectivity. They also don’t feel comfortable with physical contact. However, neutral cultures are not necessarily cold or unfeeling. Irrepressible joy or grief will still signal loudly (Trompenaars, 1993, p. 50).”
Bocankova and Cullen also wrote that the “neutral vs. affective dimension represents the acceptability of expressing emotions.” Bocankova and Cullen wrote that “in neutral countries, human emotions are held and interactions among people are expected to be objective, task-centered and dispassionate. In business, people from neutrally oriented countries try to have everything under control and often demonstrate their status. They also try to keep business negotiations to the point.” (Bocankova, 2010, p. 20), (Cullen, 2014, pp. 70-72).

In emotionally oriented cultures, according to Bocankova and Cullen, “all forms of emotion are appropriate. People often smile, talk loudly, express their excitement, anger, use gestures, and so on. Business is considered to be a human affair and demonstration of emotions in business negotiations and at work is a normal and acceptable thing. In business, people in emotional countries avoid to be separated and consider emotional outburst as a normal and usual thing.”(Bocankova, 2010, p. 20), (Cullen, 2014, pp. 70-72).

Bocankova also mentions that “Trompenaars recommended for businesspeople from emotional cultures doing business in neutral cultures to understand that the lack of emotions and expression from their business partners doesn’t mean that they are not interested in negotiations. They are just used to hide their feelings in public. The same goes for people from neutral cultures doing business in emotional cultures. They should be more patient with their business partners’ emotional outbursts and expressions, and should try to respond to their affections(Bocankova, 2010, pp. 20-21).”

So, again, we can see that most authors write the same things about neutral vs. affective dimension. Obviously, knowledge about the role of emotions in society is very helpful for marketers, as it allows them identifying which type of verbal and non-verbal communication to use in their ads and promotional campaigns. “In affective cultures, ads should be more emotional and expressive; non-verbal communication is common, and the statements should be declaimed fluently and dramatically. On the other hand, in neutral cultures, it would be better for ads to be more restrained; cool and self-possessed conduct is admired; statements should be better read out in monotone(Trompenaars, 2000, p. 59).”

Now, let’s discuss the achievement vs. ascription dimension.

**Achievement vs. ascription**

According to Trompenaars, web.stanford.edu, sevendimensionsofculture.com and toolshero.com, the “achievement vs. ascription dimension is focused on how personal status is determined and administered. In achievement-oriented cultures, judgment about people is based on their performances. The status is received based on a person’s actions and by what each individual does.
The hierarchies in achievement-oriented cultures are formed on the basis of who has “achieved more (Trompenaars, 2000, p. 92).”

On the contrary, “in ascription cultures, status is given to persons on the basis of such things as origin, gender, age, social standing, interpersonal connections, education, and so on. In other words, status is given on the basis of being someone. Hierarchy in such culture is also created on the basis of who people are and how much power they have. In general, achieved status refers to doing, while ascribed status refers to being (Trompenaars, 2000, p. 92).”

In globalprojectmanagement.org, it is also emphasized that “this dimension is very similar to Hofstede’s concept of power distance.”(Hofstede, 2010, p. 459). So, again, we can see some similarity like in case of Trompenaars’ individualism vs. communitarianism dimension and Hofstede’s individualism vs. collectivism dimension.

In business, according to mindtools.com and web.stanford.edu, “managers in achievement-oriented cultures should reward their employees based on their performance. Academic titles and job titles are not frequently used, only when it’s relevant. Managers should serve mostly as a good role model. Also, they should be respected based on their skills and abilities and on how effectively they perform their job. There are also managers of different age and gender that have demonstrated their proficiency in their jobs. Typical achievement cultures are: the US, Canada, Australia, and Scandinavian countries. Typical ascription cultures are: France, Italy, Japan, and Saudi Arabia (Clearlycultural.com, 2016).”

On the other hand, “in companies in ascription-oriented cultures, various titles are extensively used, especially with the purpose of emphasizing the status of a person in the organization. In addition, superiors in the hierarchy should be highly respected in so that employees could demonstrate their commitment to the organization (Clearlycultural.com, 2016).”

According to stanford.edu, most senior managers in ascription-oriented cultures are middle-aged males which are qualified by their background. Mindtools.com also add that “in ascription-oriented cultures, managers usually “don’t show up”. Despite of their authority, they try to perform their job well, in accordance with their roles (Geert-hofstede.com, 20116).”

In general, Bocankova and Cullen write the same things about this dimension as mentioned before (Bocankova, 2010, p. 21), (Cullen, 2014, pp. 71-73). Cullen also mentions that “in achievement-oriented cultures, senior managers could be conceded by functional and technical specialists.” In contrast to statements written by mindtools.com, Cullen states that top-managers in ascription
cultures often use their personal power to gain rewards. In addition, he adds that in ascription cultures the chain of command is underlined (Cullen, 2014, p. 73).”

As for advices to businesspeople, both Bocankova and toolshero.com, mentioning Trompenaars, recommend to “have in their group older, senior and more experienced people who are familiar with formal customs and manners. Also, they should respect the status of their counterparts. On the other hand, businessmen from ascription cultures doing business in achievement cultures should have a sufficient data, various necessary advisers and well-informed people to convince the counter party that they are eligible and trustworthy (Bocankova, 2010, pp. 21-22).”

“For ascriptive managers in achievement culture to use the titles that would reflect how competent they are. Also they should realize the need of their counter party managers to do better or more than it was expected. For achievers in ascription culture it was recommended to use titles that underline their influence in the company. They should realize how important various attributes of power are for their counter party managers (Clearlycultural.com, 2016).”

Now let’s look at the Trompenaars’ concept of time perspective.

**Sequential time versus synchronous time**

According to Trompenaars, toolshero.com and mindtools.com, “This dimension differentiates culture according to the importance that this culture gives to the past, present and future. Also, cultures could be differentiated according to their approach toward the structuring of time. In cultures where time is structured sequentially, people like events to happen in order and highly appreciate punctuality, planning and scheduling. They view time as a series of passing events and they are used to perform one activity at time. Following the schedule is extremely important. For people, “time is money” so it should be used effectively. Typical sequential-time countries are: the US, the UK, Germany, and so on. Typical synchronous-time countries are: Japan, Argentina, Mexico, etc. Trompenaars also mentions that time can be vied as sequential, like a series of passing events or as synchronic, with past, present and future all interrelated so that ideas about the future and memories of the past both shape present action.

In cultures where people structure time synchronically, past, present and future are viewed as interrelated. People could do several things at once. Time commitments are not absolute, and plans are flexible and could be easily changed (Trompenaars, 2000, p. 107).”

As for setting up business strategy in countries with sequential time perspective, mindtools.com recommends “to be punctual and to set exact deadlines to follow. For setting business strategy in countries with synchronous time perspective, it is recommended to be flexible and to allow people to
be flexible on tasks and projects. Also, it is recommended to emphasize the importance of deadlines when they are important (Clearlycultural.com, 2016)."

Bocankova wrote the same about this dimension (Bocankova, 2010, p. 22). However, Cullen and Parboteeah have a slightly different approach. They call this dimension “time horizon”. Also, instead of sequential time oriented cultures they called them “future-oriented cultures” in which organizational change is considered as necessary and beneficial. Instead of cultures with synchronous time perspective, they call them “past-oriented cultures”, in which life is predetermined based on traditions or on the will of God. So, changes are considered by society as dangerous, and stability is very important. Senior managers are considered to make the best decisions because of their authority and experience. Symbols and rituals are very important in organizations (Cullen, 2014, pp. 73-75). It also corresponds to Hofstede’s uncertainty avoidance dimension.

Trompenaars also describes past-oriented cultures as cultures that “carry their pasts through the present into the future and will refuse to consider changing unless convinced that their heritage is safe. On the example of the American telecommunications company which wanted to enter the Mexican market, Trompenaars demonstrates the differences between future-oriented and past-oriented cultures. The American corporation prepared a video presentation of the company and its growth potential. However, the Mexican team threw off the schedule by arriving one hour late. Also, the presentation was focused only on the first two years of installation, and the after-sales service contract was separate from the sales contract. On the contrary, the negotiations of their French competitors were more successful because they were focused on building a long-term relationship with their Mexican partners.”(Trompenaars, 2000, pp. 118-120). Marketers in past-oriented cultures should also focus on building closer and long-term relationships with their customers.

So, as we can see, there are some differences in the concepts of these dimensions. Now let’s take a look at the internal direction vs. outer direction dimension.

**Internal direction versus outer direction**

According to Trompenaars and mindtools.com “this dimension could be divided into internal direction (also known as an internal locus of control) and outer direction (external locus of control). So, it is focused on the ways the people control their environment and on how they experience it. In internally directed or inner-directed cultures, people believe that it is possible to control the environment to achieve their goals. In this kind of cultures, the organization is conceived of as a machine that obeys the will of its operators.
In outer-directed cultures, people believe that this is the environment that controls them. They consider that they should adapt to their environment to achieve their goals. Also, they focus on their relationships and interactions with others and try to avoid conflicts. Organizations in these cultures tend to see themselves as a product of nature. Typical internal-directed countries are: Israel, the US, Australia, New Zealand, the UK, etc. Typical outer-directed countries are: China, Russia, Saudi Arabia, etc.” (Trompenaars, 2000, p. 125).

However, in toolshero.com, it is mentioned that “in externally directed countries, the environment is considered as a threat, while in internally oriented societies, people try to cope with factors that are created by the environment.” (toolshero.com, 2016) “Western cultures are mostly outer-directed, as it is considered that people want to control their environment. In most non-Western cultures, people try to live in harmony with the environment and to adapt themselves to these external circumstances (Clearlycultural.com, 2016).” So, as we can see, this is different from what was written before: perhaps, toolshero.com confused the definitions.

Bocankova and Cullen wrote the same about this dimension (Bocankova, 2010, p. 22), (Cullen, 2014, pp. 75-76). Cullen also added that “in outer-directed cultures, managers do not focus much on planning and scheduling. Works schedules are not much important. It also correlates with the previous time horizon dimensions in which scheduling is also very important for people with sequential time orientation. On the other hand, in internally directed cultures, managers are focused on strategic plans and operations. They tend to be proactive and believe that situations can be changed. Also, organizations are focused on using the exact data in order to find the best way of solving problems.”(Cullen, 2014, p. 76).

As for internal versus external direction in business, Cullen describes that “in internal control cultures, managers demonstrate their convictions and focus mainly on the self or on their immediate group. Managers in external control countries are focused on compromise and adaptation to cycles. As for managerial implications in internally directed countries, managers emphasize the authority and dominate their subordinates. In externally directed countries, managers are focused on patience and try to maintain relationships with seniors, mid-level managers and with subordinates. Also, they emphasize win-win relationships.” (Cullen, 2014, p. 75)

So, as we can see, Trompenaars’ model has some similarities with Hofstede’s model, but as it has been mentioned before, it also has many differences. Now, let’s discuss advantages and disadvantages of Trompenaars’ model.

1.2.1 Advantages and disadvantages of Trompenaars model.
Same as in case with Hofstede, Trompenaars’ model has its advantages and drawbacks too. So, we can take a look at what different authors write and think about it.

According clearlycultural.com, “the main advantage of Trompenaars’ model, as well as of Hofstede’s model is that it can be used in order to obtain a better understanding of people from different cultures. In situations where an international company plans to deal or already deals with international employees, this model can be easily used to learn effectively the intercultural communication and to increase the level of cultural intelligence (Clearlycultural.com, 2016).”

It is also important to determine a person according to his or her personal set of values and in compliance with his or her own behavior. Obviously, it is risky to expect that people with particular cultural backgrounds are the same. Also, it is dangerous to consider that their values and behavioral norms are the same. It all might lead to negative stereotyping (Clearlycultural.com, 2016).” So, this might be an important disadvantage of the model.

Trompenaars theory helps understand how people think, their behavior, values and expectations by applying human relationships and their attitude toward time and environment. As he developed seven dimensions to cover, in comparison with Hofstede’s model, his theory seems quite reliable. However, there are also some limitations and weaknesses of this model. Another advantage is that this model is pretty flexible and could be easily modified due to the nature of business.

The main disadvantage, which has also been mentioned before is that “his focus on organizational and national culture could not comprise people’s choices with regard to their cultural backgrounds. Model’s reliability is limited to the business world rather than to all various aspects of life. Unlike Hofstede’s research, his study doesn’t allow to define such cultural layers. As the result, it deprives of the opportunity to receive a deeper and broader conception about cultures and about hidden parts or aspects of people’s way of life (Clearlycultural.com, 2016).”

Also, it should be noted that a major disadvantage of Trompenaars’ model is the fact that it tends to consider each individual culture as internally homogeneous. Thus, as argued by Moss (2010, p. 51), Trompenaars fails to recognize that nations may be heterogeneous in terms of their cultural affiliations. Moss claims that in border regions of a country, the culture attributable to the home nation tends to have much closer ties with foreign cultures and take elements from them. As a result, we can speak of a mixture of cultures which lead to countrywide differences. By neglecting those differences, marketers may fail in their attempts to target the audiences effectively by adapting to their cultural specifications.
Harorimana (2010, p. 28) also notes that similarly to Hofstede’s model, an important drawback of the model delivered by Trompenaars is the fact that the cultural dimensions this model offers are not exhaustive. Also, they often overlap with the dimensions offered by Hofstede, and are hard to be investigated separately from each other as well. Finally, Trompenaars’ model does not present tools for the precise evaluation of countries’ scores on different dimensions with the purpose of classifying them explicitly, in terms of which drawback it is similar to the theoretical model offered by Hofstede.

According to ukessays.com, “the main strength of Trompenaars’ model is that it added additional cultural dimensions, including a few of Hofstede’s. (ukessays.com, 2016) This is also similar to what was mentioned above. The main weakness according to ukessays.com is that his theory is based mostly on theoretical information rather than developed using scientific experiments and statistical data (Clearlycultural.com, 2016).”

Another ukessays.com article also says that “the strength of this model is that factors which influence individual and group decision-making as well as distribution of organizational roles was discussed and analyzed.” This also corresponds with what has been written before. The main weakness, according to this article, is that in his research scores of countries are not shown, which makes Trompenaars’ model difficult to interpret. The scale for measuring indexes is diffuse, which also negatively influences the interpretation of research. Also, the size of the sample which was conducted in only five communities is too small. This also negatively influences the validity and accuracy of the research (Weebly.com, 2016).”. So, as we can see, this also stresses that more statistics should be used in Trompenaars’ model, as well as in Hofstede’s model.

Provenmodels.com also writes that “Trompenaars and Hampden-Turner’s research demonstrated that cultural differences are important, and adaptation to them could provide a competitive advantage for the companies. The model helps better understand the values and behaviors of people from different cultures. It also helps understand that the ways how business is conducted in various countries are different.” On the other hand, as it has been mentioned before, it does not properly demonstrate the influence of personal characteristics on human behavior. Also, it doesn’t help understand how to cope with these differences. Also, the seven dimensions might be an incomplete list, additional dimensions could be added (Weebly.com, 2016).” As we can see, those statements are very similar to the ones given by cultureandbusiness.weebly.com and by other resources.

In general, “both these models are useful in terms of segmenting and targeting international markets and in terms of prediction consumer behavior (Weebly.com, 2016).” So, as in the case with Hofstede’s dimensions model, Trompenaars’ model can be applied in international marketing too.
Thus, as in the situation with Hofstede’s model, Trompenaars’ model also has its pros and cons which should be taken into consideration.

3. Case of McDonald’s.

As it is well known, the McDonald’s is one of the most popular brands in the world with its restaurants located in most countries. But what is interesting for researchers is how it manages to adapt to cultural differences in various countries. Surely, people from China, India or other Asian country might have absolutely different food preferences in comparison with US, UK or other Western country. In addition, people in different countries might have different requirements in terms of service. So, the main reason why McDonald’s Corporation was chosen for demonstration of adaptation to cultural differences is that it was really successful in it in Asian countries and in other countries.

In this section of the thesis, I will try to analyze how the company manages to adapt to cultural differences all over the world. First, the brief history of the company will be described. Second, the functioning of McDonald’s in US will be described. Then, the functioning of McDonald’s in Asian country will be given in order to compare the work of the company in two countries which are different by their culture. Finally, it will be analyzed how these differences influence on marketing activities of the company. Now, let’s take a look at the history of the company in brief.

3.1 Brief history of McDonald’s.

According to various resources, “the corporation was founded in 1940 by brothers Richard and Maurice McDonald in San Bernardino, California. In 1948 they introduced the “Speedee Service System”, which included mechanized kitchen and the staff, which was specialized on specific tasks in order to prepare food quickly. This system established the principles of modern fast-food restaurant. In 1954, talented salesman Roy Kroc visited their restaurant and offered them to open a first franchise restaurant in San Bernardino. They agreed and he bought the rights to franchise McDonald’s restaurants across the country. (Mcdpopculture.blogspot.cz, 2016)

In 1967, McDonald’s went international and opened its first restaurants outside US in Canada and Puerto Rico. In 1973 the restaurant was opened in Sweden. In 1974 the chain opened its restaurants in UK, Antilles and Guatemala. In general, during 70ths the McDonald’s corporation opened its stores in such countries as Hong Kong, Bahamas, Nicaragua, Switzerland, New Zealand, Ireland, Austria, Belgium, Brazil and Singapore (Mcdpopculture.blogspot.cz, 2016)
During 1990ths, the company entered the markets of Russia, Belarus, China, India, Morocco, Bahrain, Bulgaria, Egypt, Kuwait, Latvia, Oman, United Arab Emirates and others. (Mcdpopculture.blogspot.cz,2016). Currently, “McDonald’s has 36 258 restaurants in 119 countries and has 420 000 employees.” (Mcdpopculture.blogspot.cz,2016)

Now, let’s take a look at the adaptation of McDonald’s to tastes of local people in home country – US.

3.2 McDonald’s in US: culture reflection and marketing strategy.

First, let’s take a look at the US score on Hofstede’s Model in order to better understand the cultural characteristics of US. It also will be helpful for demonstration of how the McDonald’s used or could use this model in order to adapt to US cultural differences and characteristics.

According to Hofstede’s website, “the scores of the US on five cultural dimensions could be demonstrated in the following diagram:

![United States Diagram](image)

“ (Geert-hofstede.com, 2016)

As we can see form the diagram, the US has “the highest (91) score on Individualism dimension and the lowest (26) score on Long term orientation dimension”(geert-hofstede.com). According to what was mentioned before in the chapter about Hofstede’s dimensions model, this means that people in US society are expected to “look more after themselves and their immediate families rather than to care about other groups they belong to.”(Geert-hofstede.com, 2016).
In addition, US have low score on Power Distance. This means that the people in US more expect power to be distributed equally. “Top managers in US organizations are more available and more willing to cooperate with employees. The information moves freely and constantly. Also, they are more willing to consult and to be consulted, as well as their employees. Top managers used to rely more in their individual subordinates and teams. All employees are expected to demonstrate initiative. The communication within the organization is more informal, direct and participative to a degree.”(Geert-hofstede.com, 2016). So, as it was told before, people in US are mostly individualistic and expect fairer distribution of power. It is also strongly reflected in such expression as “American Dream” and in respect of “self-made” men in society. In other words, free spirited people who rely only on themselves are highly respected in US society.

Also, US scored high on such dimensions as “Masculinity (62) and Indulgence (68)"(Geert-hofstede.com, 2016). High Masculinity score in US means that masculine values are prevailing in the US society. “American people are more driven by achievement, competition and success. And this is well demonstrated in American behavioral patterns. The combination of high Individualism and high Masculinity could be demonstrated in children’s behavior in school and on people’s behavior at work. Since childhood, Americans used to demonstrate “their successes” and openly speak about them. Also, American assessment centers are based on precise setting of targets which should be achieved. It helps employees to demonstrate what they did. Americans also have a so-called “can-do” mentality, so they tend to believe that there is always a possibility for development and improvement. However, high competition in society in case of US also might lead to a polarization and increasing gap between rich and poor. It can be harmful for the development of democracy. In addition, it can slowly increase Power Distance score and decrease Individualism score in US”(Geert-hofstede.com, 2016). High masculinity is also reflected in American culture, particularly in comics, where most superheroes are men. Nowadays, female population in US becomes “more competitive and assertive, but they need to adopt men’s behavioral patterns in order to succeed”(Wursten, 2012, p. 4

As for Uncertainty Avoidance US scored “below average (46). This means that American people are relatively open to accept new ideas, thoughts, new opinions, innovative products, etc. In addition, they do not require a lot of rules.”(Geert-hofstede.com, 2016) In other words, American people prefer innovation and open to something new.

As for Long-Term Orientation dimension, US scored the lowest” (26)”(Geert-hofstede.com, 2016). This is reflected by the intention of some Americans to” keep up with Joneses”, in other words, to live the same or even better lives then the neighbors, relatives, friends, etc. In addition, according to Hofstede, “ US culture could be described as normative culture in which people try to preserve time-
honored traditions and norms while viewing societal change with suspicion. Americans usually analyze new information to check whether it’s true, they are generally very practical. It is also reflected in American businesses, which used to measure their profits and performance on the short-term basis. Profit and loss statements in US companies are usually issued on a quarterly basis. So, people are motivated to achieve quick results in their work.” (Geert-hofstede.com, 2016). In general, the US society is more stick to traditions and more oriented to achieve short-term goals.

Now, let’s investigate McDonald’s marketing mix (4Ps) in the United States.

1. **Product**

McDonald’s’ product portfolio is the basic product portfolio which is thereafter adapted by the company to locals tastes in foreign countries. Thus, the initial menu of McDonald’s’ was developed for the local American public, and included burgers very popular in terms of Americans’ eating habits. McDonald’s’ BigMac, cheeseburger and hamburger are still the most popular products not only in the US, but also around the globe. However, there are also specific products offered only in the US. Thus, McDonald’s’ products offered in the US include maple bacon dijon, and sweet BBQ bacon, as well as pico guacamole. Bacon is a traditional US food very popular among the Americans, despite criticisms due to high fat contents. Guacamole is a Mexican food which is still very popular among Americans. Product packaging in the US is standardized, and contains McDonald’s’ brand elements such as corporate logo and motto (McDonalds.com, 2016).

2. **Price**

The price strategy used by McDonalds in the United States is standardized. Prices for McDonald’s’ meals in different states may differ only slightly due to differences in transportation and other similar costs. Overall, the company offers its products on the below-medium price segment to satisfy the needs of the widest range of American customers (McDonalds.com, 2016).

3. **Place**

McDonald’s’ restaurants are located everywhere across the territory of the US, and their total number amounts to over 14,000 outlets. McDonald’s’ restaurants are located on streets, in shopping centers and malls, in subway, and so on, so as to ensure the best proximity to customers. The company’s facilities are always in the same style, using the same design elements. McDonald’s’ product can be purchased only at restaurants, there is no delivery and there is no opportunity to order on the web (McDonalds.com, 2016).

4. **Promotion**
McDonald’s’ promotion in the US includes a wide range of tools and channels used. Thus, McDonalds uses print advertising, transport and billboard advertising, TV commercials and Internet marketing. A specific trait of McDonald’s’ advertising and promotion in the US is the focus put on showing that the company’s products are not harmful to human health, and can be consumed by children. This is due to the major concerns of American society to problems of healthcare associated with fast food, and particularly to children obesity and other negative influences associated with the consumption of fat food. For McDonalds, it is thus an opportunity to show its dedication to reducing the content of fats in its products and to advertise itself as a socially responsible company (Mdgadvertising.com, 2016).

Here is the example of McDonald’s advertising in US:

![Example of McDonald’s advertising in US](pinterest.com, 2017), ![Source](corporate.mcdonalds.com, 2017)

Now let’s take a look at the American eating habits.

**American eating habits**

According to dosomething.org, “in US at last one out of four people eat some type of fast food every day. Also, in general, they spend 10% of their disposable income on fast food every year”. (Wallach, 2013, p. 25). Stephanie Topacio Long also mentioned that “fast food is on the menu at last once a week for half of Americans, even through fast food consumption in recent decades has reduced”. (Wallach, 2013, p. 26). So, as we can see, the fast food consumption in US is still very extensive.

Other phenomenon which reflects the popularity of fast food in US is the popularity of drive-through or drive-thru stations. According to dosomething.org, “about 20% of all American meals are eaten in
the car” (dosomething.org). “The average McDonald’s restaurant generates about 60% of its business in the drive-thru station. And this percentage is likely to increase as many chains are now adding a second drive-thru lane in order to boost drive-thru speed and volume.

3.3 Evolution of McDonald’s in US

In this section, we will discuss the cultural adaptation of McDonald’s in US in general and also by using “3 components of culture offered by Becker: (1) material objects; (2) ideas, values, attitudes and beliefs; and (3) specified, or expected behavior (Becker, 2015, pp. 35-38).” First, we will take a look at cultural adaptation of McDonald’s in US in general.

According to the menu in US restaurants consisting of breakfast “McMuffins, burgers, chicken nuggets, salads, snacks, desserts, shakes and etc. is mostly the same in all states and regions of the country”. (Mcdonalds.com, 2016)

So, the company works very well on the global market. It also proves that cultural adaptation is very important for the success and for the higher revenues of the company. Now, let’s take a look at adaptation of McDonald’s in US using Becker and Zhou cultural components.

As it was written before, McDonald’s corporation established the principles of modern catering and fast-food restaurant by introducing “Speedee Service System”. It “includes simplifying menu, reorganization of kitchen, increased speed, increased volume and lower prices.” (Mcdpopculture.blogspot.cz, 2016).

According to science.howstuffworks.com “Instead of using qualified cooks, the Speedee System uses many unskilled employees and each of them does one small specific task in the food-preparation process. Also, instead of having a lot of equipment, the Speedee kitchen has:

1. Large grill to cook a lot of burgers simultaneously;

2. Dressing station to add the same condiments to every burger;

3. Fryer, with one person who makes fries;

4. Soda and milkshake machines and

5. Counter for customers to place and receive orders.

The kitchen purpose was to prepare a large amount of a very few items.” (mcdpopculture.blogspot.cz, 2016). Later on, this system was copied by the other restaurant chains throughout the country.
There are also other innovations introduced by McDonald’s in US. First is “outsourcing order taking. It allows customers to talk and to make orders to the order takers in other states. According to one franchisee in Missouri, who has outsourced his drive thought order-taking to Colorado, outsourced order-taking allows him to serve additional 30 cars per hour. The error rate was reduced and the ordering process became more efficient and accurate.

Another innovation is expansion of dollar menu to breakfast. Due to higher unemployment rates since 2007, the McDonald’s breakfast sales dropped. So, at the beginning of 2010 McDonald’s introduced a breakfast version of its popular dollar menu in order to capture more morning business.

Third innovation is specialty coffee. With opening of McCafe, McDonald’s also offers high quality coffee for the customers who want coffee at affordable prices in comparison with Starbucks, for example. The corporation also made significant success in attracting such customers through heavy advertising.” (Mcdpopculture.blogspot.cz, 2016).

Speaking of innovations of McDonald’s in fast-food industry in general, and in US in particular, product innovations also could be mentioned and discussed.

According to ukessays.com “one of the product innovations offered by McDonald’s is kid’s gadget in Happy Meal. McDonald’s developed digital games with the toys, for example, the “Rocking Horse.” (ukessays.com, 2015).

Also, McDonald’s introduced such “innovations as:

1. Being Green. McDonald’s. Currently, 82 % of McDonald’s packaging is made from renewable materials, and is aiming for higher percentages in the future.

2. “Build your own burger “technology. McDonald’s has been testing the possibility to let customers use tablets to build their own burgers.

3. McDonald’s mozzarella sticks. They are being sold in select New York, New Jersey, and Connecticut markets (Mcdpopculture.blogspot.cz, 2016).”

Thus, as we can see, McDonald’s Corporation introduced a lot of remarkable innovations, which made McDonald’s products more popular among American customers. The reason why these innovations are so popular among American customers is that, as it was mentioned before, US scored low on Uncertainty Avoidance Dimension of Hofstede’s model. Americans generally open to new products, ideas and innovations.
3.3.1 McDonald’s targeting and American values.

Zhou wrote that “before 2003, McDonald’s targeting strategy was focused mainly on family and children. But after 2003, it started to target youth from 4 to 30 years old. With key words “young, fashionable and lively”, McDonald’s hoped to provide happy and cheerful dining experience for young people (Seekingalpha.com, 2016).”

Speaking of general targeting strategy of McDonald’s, it could be mentioned that by 2016, “the main target groups for McDonald’s are: young and single men and women living alone; newly married couples with no children and children of six and over. General age of these target groups is from 8 to 45. The people from these target groups are form lower working and middle classes, and have low and middle income. They are mainly easygoing and careless and value cost benefits and time efficiency (Seekingalpha.com, 2016).” So, as we can these people are perfect potential users of McDonald’s products.

Now, I’ll describe targeting strategy of McDonald’s in US. “In 2014, the company announced sales fall by 3.3% in October. The main problems of McDonald’s in US apart from declining sales were fast-casual competitors and unrest form workers and franchisees. So, the company developed some brand strategies to restore US business. First strategy was to make menus more local. McDonald’s CEO Don Thompson believed that it would help to bring in new customers who will appreciate McDonald’s understanding of their tastes.

Another strategy was to get rid of some menu items. This strategy is based on forming the menu which will better reflect customer’s preferences and which will make the dining experience faster and easy for the customers and for the employees.

Third strategy was to add personalization options. As it was mentioned before, McDonald’s allowed its customers to use tablets to build their own burgers or upgrade their breakfast sandwiches.

Final strategy was to improve perception. By applying this strategy, the company tried to respond to accusations that its food is unhealthy and overly processed. The company released video to ensure its customers that the McDonald’s meal is fresh and qualitative (Seekingalpha.com, 2016).” As for McDonald’s US ad commercials, they are also aimed to attract young people more. For example, its “All Day Breakfast “ commercial included a middle-aged man who could eat McMuffin at the dance party or eating McGriddles while walking down the stairs. The main concepts which were used in these commercials are the concepts of “sports”, “busyness” and “entertainment”. So, this commercial perfectly appeals to the target group in US (McDonald’s.com, 2016). “
Another 2016 commercial is called “Super Bowl Commercial”. It also uses young people eating various McDonald’s meals while using gadgets, having romantic relationships, working, dancing in the club or playing videogames.” (McDonald’s.com, 2016). So, this commercial is also perfectly appeals to the company’s target group by demonstrating young people doing the similar things as the people from target group. Here is also the picture of Super Bowl commercial:

(Superbowl-ads.com, 2017)

Probably, McDonald’s attracts young people by such commercials because of high level of Indulgence in the American society, which was mentioned before. There are many low or middle-class young people in US who also like to have fun and who represent “Resigned, Struggler and Mainstreamer individuals” (Seekingalpha.com, 2016). All these groups of individuals are successfully targeted by McDonald’s.

3.3.3 McDonald’s market share in US

As we can see from the information below, the McDonald’s corporation made several steps to adapt to US market. They took into account US scores on Hofstede’s dimensions model like for example, low Uncertainty Avoidance score. Also, they took into consideration American values and eating habits. Now it’s important to identify whether these steps were successful in generating profits for the company. The most obvious way to do it is to look at its market share in the US market.

The following figure demonstrates the market share of McDonald’s compared to other fast food chains in 2015:
Figure 3.4 Market share of leading brands in the US fast food industry.

(Statista.com, 2015)

So as we can see from the figure, “McDonald’s currently has the largest market share in the US fast food industry in 2015. In addition, in 2015 corporation received about $8.56 billion of revenue in US. In general, company’s worldwide revenue reached $25.4 billion. Also, McDonald’s was the most valuable fast food chain worldwide in 2015, with a brand value of more than $81 billion.” (Statista.com, 2015).

So, as we can observe, the McDonald’s was very successful in adapting to the tastes and food preferences of American people. Its huge revenues in US market and the status of market leader in US fast food industry prove this.

But in order to better understand the success of McDonald’s cultural adaptation we need to compare how it operates in the market that is different from its home market. So in the next chapter we will analyze McDonald’s cultural adaptation in another country.

3.3.4 McDonald’s cultural reflection and marketing strategy in India

In this section we will take a look at how the corporation adapted to cultural differences and to food preferences in such country as India.

The first reason why this country was chosen for comparison is that this market is obviously differs from that of US both geographically and culturally. The second reason is that according to many sources, McDonald’s was very successful in adapting to local tastes and food preferences. So, the
way how the corporation adapted to cultural feature and food preferences in India will be carefully analyzed in this section.

Before we will analyze the cultural adaptation, let’s take a look at India’s score on Hofstede’s cultural dimensions model:

“(Geert-hofstede.com, 2016)

As it’s seen from the diagram, India has the highest “(77)” (Geert-hofstede.com, 2016) score on Power Distance. It means that in Indian society people are used to unequal distribution of power.”

Hierarchy and top-down structure in society and in organizations is much appreciated. Employees are dependant from their paternalistic bosses. Managers openly direct their employees, explaining them their functions and what is expected from them. Communication style in organizations could be described as top down and directive. “(Geert-hofstede.com, 2016)

As for Individualism dimension, India with score of “ 48 has both collectivistic and individualistic traits. The collectivistic traits are demonstrated in employer/employee relationships in India: employees expect to be protected by employer in exchange for their loyalty. The individualist aspect of society exists due to the dominant religion in India- Hinduism. People believe in reincarnation and in that each rebirth depends on how the person lived the preceding life. People are expected to be individually responsible for the way they lead their lives.”(Geert-hofstede.com, 2016)

Also, India has the high” (56) score on Masculinity dimension. It means that visual display of success and power is commonly accepted and welcomed in the Indian society. Designer labels, tinsel, glitter, splurge and demonstration of success are widely practiced.”(Geert-hofstede.com, 2016). It
can be seen even in Indian movies; in which a lot of characters usually wear massive gold jewelry and expensive national clothing.

India has a “medium low score on Uncertainty Avoidance (40). So, people in India mostly accept the imperfection and usually are tolerant and even welcoming unexpected situations. People also do not feel driven to take action-initiatives and often rely on innovative methods to “bypass the system” or to “adjust” to it.” (Geert-hofstede.com, 2016)

“With intermediate on Long Term Orientation, it’s hard to determine the preference towards long or short term goals. The concept of “karma” dominates in the society and time is not linear in comparison with Western countries. There is a great tolerance for different religious views and beliefs. In general Indian society can be considered as pragmatic. In this society people usually tend to forgive the lack of punctuality, and they usually try to adapt to changing reality.” (Geert-hofstede.com, 2016)

As for Indulgence, India has “low (26) score on this dimension. This means that there is a high tendency to cynicism and pessimism in the society. People usually try control the gratification of their desired because they don’t want to deteriorate their “karma”. (Geert-hofstede.com, 2016)

So, we can see, India is masculine and high power distance country with medium scores on Individualism and Long Term Orientation; with tolerance for unexpected situations and with strong tendency to control the gratification of desires. The Hinduism has a strong influence on the society; however people are mainly tolerant to other religions.

Now, it is worth investigating McDonald’s’ marketing mix used by the corporation in India.

1. Product

McDonald’s’ products in India differ significantly from the ones used in the United States. Thus, in India no beef-based burgers are offered to local customers, as the cow is believed to be a sacred animal in India, and its consumption is prohibited. The most sold of McDonald’s’ products in India are chicken-based burgers and nuggets. Also, there are country-specific products such as McCurry and Chicken Maharaja Mac. McDonald’s’ meals in India are spicier compared to the meals served in the US, and this is due to the fast food restaurant’s adaptation to the Indian eating habits. Also, there is a clear distinction between vegetarian and non-vegetarian cuisine of McDonald’s’ restaurants in India, as vegetarianism is very popular in the country. The packaging used is traditional and similar to the US (Yeu, 2012, p. 1058).

2. Price
In contrast to the US, the pricing strategy used by McDonald’s in India is based on adaptation. Namely, the prices set by McDonald’s for its meals in large cities are higher compared to the ones set in smaller cities. This is due to significant income disparities across India’s regions, and with the need to be able to generate demand even on the part of the population with low income level (Yeu, 2012, p. 1058).

3. Place

The physical locations of McDonald’s’ outlets in India are distributed evenly across the country’s territory. Similarly to the US, in India, McDonald’s restaurants can be found in different parts of cities, shopping malls, etc. There is not food delivery service, not online ordering. The facilities of McDonald’s are not adapted to the local culture, and are similar to US-based restaurants in terms of their exterior and interiors (Yeu, 2012, p. 1058).

4. Promotion

Similarly to the US, McDonald’s uses various channels and tools of promotion of India, seeking to achieve the greatest audience coverage possible. However, in contrast to the US, the main focus in McDonald’s’ Indian advertising and promotion is not on the company’s products’ health-friendliness, but rather on the vegetarian menu offered by McDonald’s as favorable for people with an active social position and lifestyle (BBC.com, 2014). Here is the example of advertisement in India:

![Advertisement Example](slideshare.net, 2016)

So, comparing the marketing mix used by McDonald’s in the United States and India, it can be stated that there are both similarities and significant differences. Thus, the place component of the marketing mix is similar as used by McDonald’s in the US and India, as the company uses a standardized approach to this component. Also, McDonald’s tends to use all channels and tools available for promotion both in the US and India.
However, McDonald’s has different meals to offer in the US and India, as it adapted to local taste and eating habits. While the pricing strategy in the US is based on standardization, in India the corporation uses adaptation to cover different income-level population segments. Finally, the focus in promotion is done on different social issues which are particularly relevant and topical for the population in the US and India, respectively.

Now, let’s discuss Indian eating habits and customs.

**Indian eating habits and customs**

In this section we will look at Indian eating habits, preferences and customs, and analyze how McDonald’s adapted to them.

As it was mentioned before, the eating habits and tastes of Indian people are strongly influenced by religion. The cow is viewed as a “sacred” animal in Hinduism, and Muslims don’t eat pork. So, beef and pork usually don’t present in Indian restaurants.

Kim Fuller writes “that eating habits in India are largely based on religion and tradition. So, most people are practicing the high-vegetable diet. Eating habits are also based on social norms and traditions. Most families form their own particular habits by combining the cultural and family traditions. Most Indian dishes include chicken, lamb meat or vegetables mixed with sauce and rice. The meal timing is similar to western cultures. Meals are often eaten with family members. Cutlery is not traditionally used to eat food. Food is supposed to be a sensory experience, so such traditional foods as curry, rice and naan bread is usually eaten by picking them up using hands. However, many younger and westernized Indians tend to eat with cutlery, and not with their hands.” (Newmarketingblogs.blogspot.cz, 2016)

Disha Chinchwadkar also mentions that “wide usage of spices and condiments, vegetarian diet, low consumption of alcohol, and sharing food with family and friends as the major Indian eating habits” (Newmarketingblogs.blogspot.cz, 2016)

As it was written before, McDonald’s took action to adapt to Indian food habits and preferences by introducing vegetarian and spicy menu. First McDonald’s outlet in the world which didn’t serve beef and pork was opened in New Delhi. It introduced “McSpicy range of dishes, such as McSpicy Chicken Burger McSpicy Paneer Burger and etc. Company replaced its core product, Big Mac to Chicken Maharaja Mac. Also, it introduced McVeggie, McAloo burgers and McPuff pizza for the strict vegetarians, and Peri Peri Fries. Company even adapted breakfast menu by introducing Veg McMuffin.
Also the corporation made some changes in restaurant management system by introducing different menu boards- green for vegetarians and purple for non-vegetarians. Separate kitchens for meat and non-meat dishes were established with employees wearing different uniforms to distinguish their roles. Mayonnaise and soft serves are also 100% vegetarian. In other words, separation of vegetarian and non-vegetarian food is maintained throughout the various stages of procurement, cooking and serving. McDonald’s also opened the vegetarian only outlet at the Golden Temple or Gujarat.” (Newmarketingblogs.blogspot.cz, 2016)

So, as we can see, the company made some research of Indian eating habits and preferences before entering to the Indian market. It introduced localized menu and made it’s best to satisfy the needs of Indian customers.

Now, let’s proceed to the investigation of McDonald’s’ cultural adaptation in India.

3.4 Cultural adaptation of McDonald's in India

As in case with McDonald’s adaptation in US, we will again use three cultural components offered by Becker and Zhou in order to analyze how the McDonald’s adapted to Indian culture and tastes. They are: (1) material objects; (2) ideas, values, attitudes and beliefs;(3) specified, or expected behavior”. (Becker, 2015, pp. 35-38)

First, let’s take a look at material objects such as innovations in fast-food industry and catering in India.

3.4.1 History and innovations in fast-food industry and catering in India

In this section we will take a look at the history of McDonald’s in India as well as on innovations in Indian fast food industry, and on innovations brought by McDonald’s.

According to globalthen.com “the entrance of multinational fast food chains in India has significant impact on consumers’ taste in India. Due to increasing influence of Western countries, due to increase in income, in standards of living, and in convenience, fast food is becoming more popular in comparison with traditional food. It allows consumers to taste a wide range of dishes, both from local and Western menu. So, it provided more convenience for consumers and made fast food dishes to gain more acceptance from consumers. Currently, the Indian fast food industry thrives and is supported by niche chains. It also strongly influenced by the increasing preference and promotion of nutritious and healthier replacements for the traditional dishes. Such popular burger and pizza restaurants as McDonald’s, Domino’s, KFC, Pizza Hut, Nirula’s, etc. are the most popular fast food chains in India (Ecoideaz.com, 2016). “
McDonald’s according to scribd.com and Chinnudivakar “dominates the fast food market and has 75 outlets all over the country. So, it is the major player in fast food industry in India. The main reasons for fast food chains emergence are:

1. Changing gender roles- more women working outside; more working women- more women have no time for cooking and more women don’t want to cook.

2. Liberalization of the Indian market for the entry of foreign investors and for the start of business by foreign companies.

3. Customer sophistication– consumers are becoming more confident and sophisticated.

4. Shortages of time- people have no time for cooking.

5. Double income- with double incomes people have more possibilities to spend it on fast food.

6. Large population- India is the second largest country in terms of population so it represents large potential market for all products and services.

7. Ease in rules and regulations- with economic liberalization of 1991, most tariff and non-tariff barriers and form the Indian boundaries are either removed or minimized.

8. Menu diversification- increase in consumption of pizzas, burgers and other type of fast foods.

As for trends in India’s fast food market they are:

1. Marketing to children- fast food chains target children as their major customers.

2. Low level of customer commitment- due to increasing number of fast food chains, more customers to switch from one brand to another.

3. Value added technology services- there is continuous improvement in the technology in fast food market all over the world and in India as well.

4. Attracting different segments of the market- fast food chains are introducing wider varieties of dishes in order to satisfy the demands of each customer segment (Ecoideaz.com, 2016).”

So, as we can see both authors agree that fast food becomes more popular in India due to increased westernization of population, more working women and due to other reasons. Also, they agreed that McDonald’s is the major player in the Indian fast food industry. Now, let’s look at the history and activities of McDonald’s in India.
Proceeding from the theory of Hofstede, it can be stated that this acceptance of the influence of Western culture in India occurs because the people in Indian society are tolerant and open to influence from beyond, and are open to the acceptance of something new. Thus, Indians accept the influence of the American culture of fast food restaurants, which is proven by the expansion of fast food chains in the Indian territory.

As for innovations in dishes, McDonald’s introduced local menu innovations like McAloo Tikki, McVeggie and Pizza McPuff in 2004 in New Delhi. In 2008 it launched chicken McNuggets. In 2012 McDonald’s launched McEgg.” (Ecoideaz.com, 2016)

Currently, McDonald’s has “210 stores in India.” (Ecoideaz.com, 2016)

So, as we can see, the company introduced many innovations in Indian fast food industry like vegetarian menu and etc. Now, let’s look at McDonald’s segmentation and targeting to Indian values.

### 3.4.2 Segmentation, targeting and Indian values

In this section we will analyze how McDonald’s made segmentation and targeting in the Indian market, and how it determines who will be its major customers in India. Also we will analyze how the company appeals to the values and preferences of Indian target market customers in its advertisements.

As it was mentioned before, children represent the main target group for McDonald’s in India. But now let’s discuss its segmentation and targeting in India in more detail. According to marketingblogs.blogspot.cz “McDonald’s in India segmentation was done on three different bases:

1. **Demographic segmentation**: Kids, Family and Students. Company offered Happy Meal with free toys for kids. It also introduced different outlets and meals for families, which are also suitable for drive-thru and takeaways. McDonald’s also made its environment more comfortable and suitable for school students and made it comfortable for them to hang out with their friends.

2. **Psychographic segmentation**: Convenience and style. McDonald’s tried appear itself more convenient and to adapt itself to local Indian lifestyles. As Indian population consists mostly of Hinduism followers and Muslims, the vegetarian population in India is very huge. So, McDonald’s introduced different and new product lines which include items like McVeggie and McAloo Tikki burgers. McDonald’s also tried to present its outlets as the place to relax and even for entertainment.
3. **Behavioral segmentation**: Occasions, for example, Birthday party for kids.”
   (Newmarketingblogs.blogspot.cz, 2010)

So we can see that McDonald’s also tries to target three groups of customers: children, families and students. Newmarketingblogs also recommends McDonald’s to “introduce new as well as modified products with low cholesterol in it. In addition, it recommends to increase its market size by implementing price penetration technique. They should introduce the product at even lower price than the price of market substitutes. It would help the company to increase their sales and their revenues in the future.”(Newmarketingblogs.blogspot.cz, 2010)

According to hundustantimes.com “McDonald’s currently is talking about youth being it’s primary and most target consumers. Particularly, in its advertising the company demonstrated new outlet interior designs and additions to the menu targeted at the youth.”(Seekingalpha.com, 2016). So, young people can be viewed as the most important target for McDonald’s in India.

As for advertising in particular, warc.com writes that “McDonald’s is tapping in to family values and emphasizes its price competitiveness in its advertising in India.”(Seekingalpha.com, 2016)

In its advertisement campaign, “called “How Spicy is McSpicy?” launched in 2011, the company tried to promote its new spicy range of products called “McSpicy range”. The campaign was developed by McDonald’s global advertising agency, called Leo Burnett. Its main goal was to present McDonald’s as a youthful brand, which focuses on meeting the tastes and preferences of young customers.

Later McDonald’s advertisements in India “ like 2016 campaign “Chicken Maharaja Mac Solve a problem, “Win back her heart”, “Test your friendship”, “Increase your salary”, etc. also featured mainly young people communicating with one another and having good time with each other. It tried to communicate the message which stated that eating McDonald’s might help the young people in every aspect of their lives. In other words, it tries to communicate the concept of Social Burger.” (McDonald's.com, 2016) Here the examples of these campaigns in pictures:
Here, proceeding from the theory of Hofstede, it can be stated that McDonald’s’ promotion in India is aimed first at Indians’ orientation on individualism and pragmatism. McDonald’s promotes values which drive the desire to achieve success in social life among the young people, and hence aims to adapt its promotion to evoke the respective emotions in the minds of Indian customers prone to achieve the desired individual goals, instead of focusing on mutual social goals.

Another similar “2015 ad called “Sharing Packs” also featured young people in it, and also was conceptualized by Leo Burnett. It encouraged people to take a break from online world and to share fun and happy offline moments at McDonald’s. The ad is also supported by the song that speaks about online addiction and demonstrates the scenes with young people browsing the internet while ignoring their friends.” (Seekingalpha.com, 2016)

As we can see from the campaigns, like for example from “Increase your salary ad”, the company took into account high Masculinity score in India. It demonstrates that people are hard-working and driven by success and material rewards. “Sharing Packs” ad shows that Indian society is collectivistic society with individualistic traits. People are ready to share foods with family and friends, but they do respect and tend to follow the philosophy of Hinduism which states that each person is individually responsible for his/her life. The increasing popularity of fast food chains and fast food localization also reflect the low score on Uncertainty avoidance. People have a tolerance for the new products and willing to try something new, if it meets their requirements and satisfies their needs and preferences. Here are the examples of “Sharing Packs” campaign in pictures:
As we can see, McDonald’s focuses on younger generation in its advertising campaigns. It uses social networking websites and other online sources to communicate with them. Despite of mixed views, we may assume that its advertising campaigns in general were successful.

4. Case of Red Bull

Red Bull is one of the world's major and leading brands in the market of beverages. As we know, the company's brand drink is easily recognizable worldwide thanks to its flavor, popularity as an energy drink stimulating the nervous system, and thanks to the corporate brand identity such as the logo where two red bulls are drawn and the motto "Red Bull gives you wings."

In this section of the thesis, Red Bull's brief history will be presented, and the corporation's cultural adaptation, marketing mix and marketing strategy will be analyzed on the examples of one European and one Asian country, namely Austria and Thailand, respectively.

4.1. Red Bull: Brief History

"Red Bull is a brand mark energy drink sold by Austrian multinational corporation Red Bull GmbH. It was first introduced to the market back in 1987. However, the brand's history started earlier, and the drink itself originated in Thailand. In 1976, in this Asian country, the drink called Krating Daeng (translated into English as "red gaur" (gaur is a species of Asian bulls)) was invented. The drink's formula was based on the use of taurine, a component having an effect similar to coffee: it chases sleepiness away, and helps stay awake. The product became popular locally in Thailand.

In 1984, Dietrich Mateschitz, an Austrian entrepreneur in the pharmaceutical industry, visited Thailand and learned that Krating Daeng helped him to overcome the jet lag that he had after the flight between different time zones. The Austrian businessman offered a deal to the Thai founder of Kraing Daeng, and in 1987, they established the Austria-based Corporation holding equal shares in ownership. The company preserved both brands as different: Krating Daeng being sold in Thailand, and Red Bull - in Austria.
The product became popular in Austria, and already in 1992, rapid international expansion started first onto other European states, and then in Asia and the Americas.

As of today, Red Bull sells its drinks in over 160 countries around the globe, and has subsidiaries on all continents, excluding the Antarctic. The company operates a worldwide staff of over 11,000 persons, and its yearly global sales exceed USD 5 billion.” (Redbull.com, 2016).

Now, let's take a look at the differences in Red Bull's cultural adaptation, marketing mix and marketing strategy in Austria and in Thailand.

4.2. Red Bull in Austria: Cultural Reflection and Marketing Strategy

The chart below represents the cultural specifications of Austrian society based on the classification offered by Hofstede. These cultural specifications precondition the need for Red Bull to adopt particular marketing strategies and policies for the best practices in the Austrian market in the long run.

![Cultural Specifications of Austrian Society](chart)

Source: Geert-hofstede.com, 2016

Austria has the lowest rank on the dimension of Power Distance (11). This characterizes the Austrian culture by the following key priorities: "Being independent, hierarchy for convenience only, equal rights, superiors accessible, coaching leader, management facilitates and empowers." (Geert-hofstede.com, 2016). In terms of marketing, this aspect is particularly important, as people in Austria like to feel free, and to express their freedom.

Austria’s score on the individualism scale is higher than average (55), and this again proves that people in Austria like to feel free and to be responsible for themselves, acting the way they like and
achieving the goals they set for themselves, without being confined by any limits. This finding is also proven by Austria's high points on the masculinity scale: 79. This means that Austrian society is success-driven, and its key values become competition and performance, which is the key factor for boosting the achievement of better results in everything people do.

As for the uncertainty index score, Austria scores 70 points here, and this means that Austria “has a preference for avoiding uncertainty. Countries exhibiting high Uncertainty Avoidance maintain rigid codes of belief and behavior and are intolerant of unorthodox behavior and ideas.” (Geert-hofstede.com, 2016). In the context of marketing, this is important for companies, as they need to remain within the framework of the aforesaid established values for targeting and reaching their customers most effectively.

The 60-point score on the long term orientation scale proves the fact that the Austrian culture is pragmatic, and pragmatic achievements are valued most within Austrian society. Therefore, again, this highlights the desire for individualism and the steady self-perfection attempts inherent of the Austrians.

Finally, on the indulgence scale, Austria has 63 points, which is a high score. This proves that the Austrians are people who like having fun and receiving positive emotions from virtually everything they do in their everyday life. They tend to spend money on their leisure, and aim to seek new ways to satisfy their desire for new emotions and their aspiration for freedom.

Taking into account the cultural specifications of Austrian society, it is now worth analyzing the marketing mix and marketing strategy as adapted by Red Bull in Austria.

1. Product

First of all, when investigating the Austrian market, it is worth noting that Red Bull offers only one product on it (in contrast to the Thai market, which will be shown in the next subchapter of the thesis): the Red Bull brand drink. The product offered is totally the same on European and North American markets: it has the same flavor, and the same ingredients used inside. The only difference may be the use of local waters in regions where Red Bull beverages are manufactured, which may bring only subtle changes to the flavor, which are negligible (Redbull.com, 2016).

The packaging offered for Red Bull drinks in Austria is aluminum cans. This form is believed to be the most appropriate one. For instance, in Austria, Red Bull positions its product as a fancy and fashionable attribute of active people: youth, students, people who work, people who do extreme sports, or in any other way follow a healthy lifestyle. For such lifestyle, aluminum cans mean simplicity, convenience (it is relatively small, easy to hold, easy to throw out when finished, etc.), and in the hot season, it also preserves well the cold inside, resisting the heat. The company also
claims that it uses aluminum cans because they are easily recyclable, which is positive in terms of marketing as environment protection is very important issue for Western societies (Redbull.com, 2016).

The colors used in Red Bull’s product design in Austria are red, silver, and blue. Traditionally, in Western societies, “red color perceived as a symbol of action and courage, whereas blue color is associated with youth and dynamism.”(Redbull.com, 2016).

2. Price

Red Bull's pricing policy in Western countries, including in Austria, is to position its drink on the high-price segment among other energy drinks. This is in contrast to Thailand (which will be illustrated later), and is due to the fact that in Austria, Red Bull's target customers are active people striving for success in their life, and in their working career. Therefore, such people are prone to work for gaining sufficient money, and Red Bull positions itself as a drink for successful people: even though they are not necessarily rich, they can afford to buy a worldwide-renowned energy drink at a price higher than the competitors' one (Redbull.com, 2016).

The average price for a 250 ml Red Bull can in Austria is EUR 1.29, and there is no price segregation: it only varies slightly based on the particular distribution. Otherwise, Red Bull's pricing strategy is uniform, and does not aim to differentiate pricing for different segments.

3. Place

In Austria, Red Bull uses a wide range of distribution channels for selling its drinks to customers: they can be found in the several physical locations such as large supermarkets, small shops, retail points, as well as through online shops. Also, Red Bull cooperates with extreme tourism resorts, where it distributes its drinks directly, creating a strong brand image tied to its promotional campaigns. Red Bull drinks can also be found for sale in those sports or cultural events which are sponsored by Red Bull (Redbull.com, 2016).

4. Promotion

Red Bull's promotion is multi-sided and variegated. First of all, the company focuses largely on advertising: Red Bull's TV commercials are often rotated on television, and always feature the company's motto. The company also actively uses billboard advertising, metro advertising, and all other means and channels which cover the widest audience possible. At the same time, the company is proactive in the support of sports: it is the general sponsor of RB Salzburg - one of Austria's leading football clubs. Red Bull also organizes various extreme sports contests, and its advertising is largely present on ski resorts and other facilities dedicated to extreme sports - the field of sports which Red Bull supports most (Redbull.com, 2016).
Therefore, based on the above information on Red Bull's marketing mix in Austria, it can be stated that the corporation's marketing strategy in Austria is the standardization strategy, where only one product is offered at the same time to all customers, without any differentiation. At the same time, Red Bull uses very actively various promotion means, and its products are widely available throughout the country.

It should be noted that Red Bull's marketing mix and strategy in Austria are linked closely with the Austrian culture: Red Bull positions itself as a drink for free, enthusiastic, zealous, and fervent people striving to achieve their success in life and business. This is tied with the main specificity of the Austrian culture: people here are pragmatic; they like to get what they can from life and achieve success. Red Bull aims to make its product synonymous to freedom and inspiration, thereby appealing to the cultural specifications of Austrian society.

In Austria, Red Bull’s advertising campaigns are run with an emphasis put on the company’s motto: “Red Bull gives you wings”. The commercials run on TVs depict persons who get improved powers, talents or abilities after drinking some Red Bull, and thus are able to raise significantly their achievements (Redbullmediahouse.com, 2016). By testing this against the cultural dimensions of Hofstede, it can be stated that Red Bull is using this approach to advertising and promotion for addressing the cultural specifications of the Austrians such as the rejection of hierarchical power and strong independence, individualism, orientation on pragmatic achievements and focus on individual success. Red Bull’s product is made to be deemed by the Austrian customers as a synonym of success and as a drink which allows feeling more freely. The motto “Red Bull gives you wings” means that people who drink Red Bull are able to achieve much more compared to people who don’t. Thus, Red Bull addresses effectively the psychological and cultural specifications of Austrians and is able to achieve success in the Austrian market. Here is the picture of Red Bull advertisement in Austria:

![Red Bull Advertisement](nowgoal.cc, 25th May, 2017) ![Red Bull Advertisement](yoose.com, Dec., 152015)

4.3 Red Bull in China: Cultural Reflection and Marketing Strategy

4.3.1 History, market position and specifics of Red Bull’ business in China
In order to demonstrate the differences in Red Bull’s marketing strategies in Austria and China, it is important to investigate the cultural specifications of Chinese society under Hofstede’s model.

Source: Sites.psu.edu, 2016

China’s score on the Power Distance index is 80, which is a higher than the average score “for Asian countries on this scale (71)”(Hofstede, 2003, p. 459). "So, Chinese society can be viewed as the society in which inequalities among people are acceptable and accepted by the society. The relationships among employees and employers usually are polarized and people are not protected against the power abuse conducted by superiors. Formal authority is very important. People in general are optimistic about the leadership but usually they don’t have ambitions or aspirations beyond their rank. " (Hofstede, 2003, p. 461). So, Chinese society represents a paternalistic model of relations in which people generally prefer formality authority and hierarchy in the society and in relations.

On the individualism dimension, China’s score amounts” to 20, which means that Chinese society is more inclined to be collectivist rather than individualistic. People tend to demonstrate their commitment and loyalty to the social groups they live in. So, people also usually act in the interests of their groups. Hiring and promotion in companies is also highly influenced by interpersonal relationships. High individualism in China is also characterized by the low commitment to the companies and organizations. The reason for this is that people are more committed to their specific groups in which they are working, and they are colder to the members of other groups.”(Hofstede, 2003, p. 462). In comparison with Chinese, Austrians, are more individualistic and value more individual interests and individual success.
Based on the graph given above, we can see that Chinese society is Masculine society. “It’s score on Masculinity Dimension is 66. It explains why most of Chinese rank work over family or leisure. For example, services in the country are usually provided until very late at night. More and more people from rural areas in China are moving to big cities to obtain better work and higher salaries. Another example is high pressure and competition among Chinese students, because high exam scores and rankings are usually the main criteria for their future success.” (Hofstede, 2003, p. 462). So, as we can see, the Chinese society is driven by material success, and the competition among people is strong.

On the uncertainty avoidance index scale, “China's score is 30, which is much less than the same score in Austria. Therefore, the Chinese people are comfortable with ambiguity and feel comfortable in uncertain or unexpected situations. They are adaptable and enterprising” (Hofstede, 2003, p. 469). Such low score is good signal for the companies who create innovative products, as it means that Chinese people are open to new ideas and products.

China's score on the long term orientation dimension is the highest compared to China’s scores on other dimensions (87). In that sense, Chinese society is similar to Austrian society which is also pragmatic. As we can see, Chinese people are even more pragmatic in comparison with Austrians. They believe that the truth basically depends on situation, context and time. They are able to adapt their traditions to changed conditions. Also, they are very focused on saving, investing, thriftiness and on perseverance in achieved results.” (Hofstede, 2003, p. 465) The high adaptability of Chinese people was also mentioned above when we analyzed China’s score on uncertainty dimension. It reflects that Chinese people are very pragmatic and adaptable to changing conditions.

“China's score on the indulgence dimension is 24, which means that Chinese people demonstrate a strong tendency to cynicism and pessimism. As it was mentioned before, for Chinese people leisure time is not that important, they focus more on their work. They tend to control their desires and try to follow social rules and norms.” (Hofstede, 2003, p. 469)

Thus, based on the information above, it can be stated that there are several key differences between the Austrian and Chinese cultures. Austrian society is less hierarchical and more individualistic; people there are more independent and they want to feel themselves free. Also, Austrians try to avoid uncertainty and tend to spend more time and money on leisure. On the contrary, Chinese society is more hierarchical. Also, Chinese people are prone to the common goals of the community; they are more adaptive to the changed conditions, and they dedicate more time to their jobs rather than to leisure and fun.

Now, let’s discuss the company’s position and the history of the brand in the Chinese market.
According to the Daxueconsulting.com and Beverage Daily.com, “China represents the largest energy drink market and has the highest growth rate in the world. In 2015, the Red Bull’s sales in China amounted to over 1.3 billion liters, which is a 25% increase compared to the 2014, and they reached the sum of 64.5 billion CNY. The main reasons for that are: rising income levels, growing purchasing power, constant improvement of living standards, modernized and busier lifestyles and improved distribution infrastructure. In addition, in 2015 the Red Bull remains the market leader in the Chinese energy drinks’ market with its market share of 80.6% in value and 78.2% share in volume. Its market shares increased 1.4% in value and by 1.1% in volume compared to 2014.” (Hofstede, 2010, p. 129).

The following diagram demonstrates the market’s share of Red Bull GmbH in China:

Source: Daxueconsulting.com, 2017

So, as we can see, the Red Bull business in China is very successful: company’s sales are growing unbelievably fast and its market share is also growing. The company became the market leader in China. Probably, as it was mentioned before, one of the reasons for such success is the company’s adaptation to the needs of modern Chinese society. The product becomes more popular among “the young Chinese consumers such as gym goers, sports people, students and the working class.” (Daxueconsulting.com, 2017). The country’s low uncertainty avoidance index, high long-term orientation, high masculinity and low indulgence scores also could explain the popularity of the Red Bull product. According to Hofstede, Chinese people are pragmatic, adaptable, open to new ideas and they used to work a lot. So, such drink as Red Bull could be very popular among the people who “prefer a boosting beverage to recover their energy and stay awake.” (Daxueconsulting.com, 2017)

Various ways for increasing brand’s popularity in China will be discussed later.
Now, let’s discuss the brand’s history in China. According to the various sources, “T.C. Pharmaceutical Industries or T.C. Pharma, the Thai company that created the energy drink, was the first to introduce the Red Bull to the Chinese market in 1993, by establishing Hainan Red Bull Energy Drink Co., Ltd. It cooperated with the Thai-Chinese conglomerate, the Reignwood Group in order to distribute the drink. In 1995, TC Pharma and Reignwood established the joint venture in Beijing to introduce the brand to the Chinese mainland. In the same year, the company established the Red Bull Vitamin Drink Co. Ltd due to the increasing popularity of the brand. In 2014, the Western, international and carbonated version of Red Bull was introduced to the Chinese and Asian markets.” (Daxueconsulting.com, 2017) So, as we can see the brand easily entered the market through the joint venture and the partnership between the two firms.

Now, it is time to investigate Red Bull's marketing mix and marketing strategy in China.

1. Product

In comparison with Austria, Red Bull tries to differentiate its products in China. In comparison with Austria, there are two brands of energy drink which is offered to customers: “Red Bull and Krating Daeng. Krating Daeng is a non-carbonated drink, which is sweeter, due to the preferences of Chinese population. The drink is also less strong in comparison with European drinks. The carbonated version of the product was introduced to the Chinese market in 2014 (Daxueconsulting.com, 2017)

“Due to increased concern about the healthy lifestyle and fitness, the Red Bull Sugarfree and Red Bull Zero Calories energy drinks become more popular (Daxueconsulting.com, 2017).”

The same as in Austria, “both Krating Daeng drink and Red Bull drink are produced in aluminum cans of different volume, most often - 250 ml. Aluminum cans became more popular due to increased concern about the environmental protection and recycling in China, the same as in Austria. However, you still can find Krating Daeng soft drink in plastic bottles in China.”(Redbull.com, 2016)

As for the colors used in the packaging of Red Bull can, in China they differ from what can be seen in Austria. The main colors used in the product’s packaging are gold and red. Traditionally, in China red symbolizes the good luck and gold symbolizes wealth and happiness. Therefore, we can see differences compared to Austria here. In the package design of Krating Daeng and Red Bull Vitamin Functional drinks in China, gold or yellow colors are more prevailing.”(Redbull.com, 2016)

2. Price

In comparison with its pricing strategy in Austria, Red Bull uses price differentiation in China. According to globalbrandprices.com “ the price for the 250 ml. Red Bull drink in China is $ 2.07, which is higher than that in Austria ($ 1.49).”(Globalbrandprices.com, 2016). So, in China Red Bull is positioned as a high-price energy drink (just as in Austria). But as it was mentioned before, the
company offers two products on the Chinese market. The price for one “Krating Daeng drink varies from $5 to $6”(narcogroup.en.hisupplier.com). Thus, Krating Daeng is positioned as a more accessible and affordable drink. “The price sensitivity of Chinese consumers is also the reason for price differentiation in China (Daxueconsulting.com, 2017).”

As a result, Krating Daeng is more popular within the Chinese market, as the purchasing power of the population is still lower in China as compared to Austria or any other European states. Due to the pricing policies applied, “Krating Daeng is a very popular energy drink among employees which are commonly referred to as "blue collars", while Red Bull is only popular among the wealthier part of the population, and enjoys an overall significantly smaller demand.” (Daxueconsulting.com, 2017).

3. Place

The distribution of Red Bull's products in China is very similar to the one used in Austria. Thus, the company's products are sold in large supermarkets, retail outlets and online. However, in contrast to Austria, the overall coverage of Red Bull's distribution channels is smaller, particularly in rural areas of the country.

4. Promotion

The promotional campaigns of Red Bull in China are differentiated based on the particular products sold. Red Bull is advertised in relatively small amounts, and it is promoted mostly through sponsored sports or cultural events. For example, “in 2015 Red Bull signed an agreement with Chinese Super League and became an official partner and drink provider of Chinese top soccer division until the end of the 2016-2017 soccer season”. (Daxueconsulting.com, 2017).

This is similar to the Red Bull sponsorship of football clubs in Austria.

To the contrary, Krating Daeng is widely advertised on TV and on street billboards. “Krating Daeng’s TV advertisements demonstrate basket ball players or the young energetic people dancing”. (Daxueconsulting.com, 2017). So, the company focuses on target groups in its ads. In general, Chinese advertisements represent the company's beverages as drinks which young and sporty people can drink together while communicating and spending their time. They are not as funny as the Austrian cartooned ads, but in some sense, they are similar to them in representing the Red Bull as the symbol of material success. Here we can see the pictures of Red Bull ads in China:
Proceeding from the theory of cultural dimensions of Hofstede, we can reveal one important aspect which makes the advertising and promotion tactics of Red Bull used in China differ from such tactics used in Austria. Thus, while in Austria, commercials shown to people focus on promoting Red Bull as a brand providing them with opportunities to achieve individual success, in Chinese commercials, we can rather see how Red Bull positions itself as a drink favoring the socialization of people, their better communication with the others. This can be explained by the fact that China scores low on individualism scale, and Chinese society is prone to promote collective values instead of individual ones. Also, the focus on group work in Red Bull’s Chinese commercial can be explained by China’s high score on long-term orientation, which demonstrates the Chinese people’s desire to work for ensuring their future.

Based on the above information on Red Bull's marketing mix in China, it can be concluded that in comparison with Austria, the marketing strategy of Red Bull applied in China is the differentiation strategy. This is due to the cultural specifications, price sensitivity and stronger demands for quality of Chinese customers. Thus, here, two brands of Red Bull drinks are offered, and the company puts emphasis on Krating Daeng - the drink which is positioned as commonly affordable. But the same as with Red Bull ads in Austria, in China the company tries to position Krating Daeng as the drink for successful sporty and young people. It demonstrates that the company tries to appeal and to adapt to the normative culture of the Chinese. Company takes into account high masculinity and high collectivism in the Chinese society, as well as the lifestyles of Chinese and the difference in their incomes. Also, in this case we can state that the company focuses on emphasizing the Chinese people’s pragmatism in the adaptation of its policies to the Chinese market.

Red Bull also uses differentiation across other elements of its marketing mix in China, namely, it uses different pricing schemes for different products, and also differentiates the marketing campaigns run.

Overall, it can be stated that the example of Red Bull shows how an international corporation may use cultural adaptation in different countries for the purpose of maximizing the effectiveness of its
business activities in different cultural environments. Despite the different conditions in Austria and China and despite the differences in marketing approaches in two countries, Red Bull is a very popular brand in both markets. This is one of the main factors which contribute to Red Bull's leading positions in the international market of energy drinks.
Conclusion

As it was mentioned in Introduction section, the main objectives of the thesis are:

1. The investigation and demonstration of influence of cross-cultural differences on international marketing and on marketing activities of international companies.

2. Theoretical overview of the most widely used models of cultural dimensions, such as Hofstede’s and Trompenaar’s models, and demonstration of their importance in international marketing.

3. Investigation of marketing activities of such international companies as McDonald’s and Red Bull; description of McDonald’s and Red bull’ adaptation to local cultures.

3. Basing on McDonald’s and Red Bull examples, demonstration of how the companies can manage to address cross-cultural issues; demonstration of cultural problems which may arise; and making appropriate conclusions.

As it was written in theoretical part Hofstede’s and Trompenaar’s models were widely used by researchers and marketers all over the world. We can see that many authors mentioned in the theoretical part based their research on Hofstede’s and Trompenaar’s models. So, despite of their disadvantages, it is confirmed that these models are still very popular and useful.

Now, comparing the cases of the two companies’ strategies in different countries (McDonald’s in the US and India, and Red Bull in Austria and China), it can be stated that both companies try to act differently in different geographic markets, and use a range of different tools for the purpose of adapting their activities effectively to local cultures. For both international corporations, the use of adaptation in international business is of a major importance. The case studies of McDonald’s and Red Bull illustrates how different approaches used in different markets and the effective adaptation to local cultures can bring major dividends in terms of corporate financial success.

There are major similarities in how the two companies operate in foreign environments. Thus, the two companies tend to use the same policies in the place component without significantly varying it in different countries. This is due to the fact that the two corporations tend to use the same principles in the construction of their logistics systems and relations with the suppliers, and thus believe the expansion of the same model to be effective on this marketing mix component. At the same time, both McDonald’s and Red Bull use price standardization in their home countries while adapting prices in local foreign markets. This can be explained by the fact that no price adaptation is required in markets of developed countries, where McDonald’s and Red Bull can easily find their customers. However, in foreign states with significant income disparities among the population, both McDonald’s and Red Bull are forced to resort to price adaptation for the sake of covering the desired range of target audience.
Another similarity is that both companies adapt their products to each particular country where they operate, thus expanding significantly their product portfolio. This is a key prerequisite for both McDonald’s and Red Bull to effectively satisfy the needs and wants of customers in local markets. By modifying their products in this way, McDonald’s and Red Bull are able to respond effectively to the cultural specificities of each particular country in which they operate, and thus to generate maximum demand from the customers.

The differences between the policies for cultural adaptation of McDonald’s and Red Bull can rather be found on the tactical level. The two companies tend to use different approaches in the adaptation of their advertising and promotion to local markets, as they need to highlight different components or characteristics of their products for generating the greatest customer demand. Also, the product adaptation process in McDonald’s is ongoing, as the company often changes or amends its menu so as to adapt to the cultural specificities of each local market and the current trends in it. At the same time, the adaptation model of Red Bull is rather rigid: the company rarely changes flavors, and this brand recognition through flavor is one of the guarantees of its commercial success.

Therefore, it can be stated that despite the differences existing in how McDonalds and Red Bull address the issue of cultural adaptation, such adaptation can be deemed rather effective for both corporations. This proves that different operational tactics used by companies for product adaptation can be used effectively for the achievement of strategic benefits leading to improved financial performance and long-term customer retention.
List of literature used:


Cultural Issues in Marketing Communications An Anthropological Perspective of International Business


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