Intra-National Internationalization: a Study of Multicultural Consumption Patterns Within Developing Countries

Rasha Tantawy and George Babu

INTRA-NATIONAL INTERNATIONALIZATION: A STUDY OF MULTICULTURAL CONSUMPTION PATTERNS WITHIN DEVELOPING COUNTRIES

#Rasha Y Tantawy
Technology Innovation and Entrepreneurship Center
Email: rtantawy@tiec.gov.eg

Babu P George
Associate Professor of Management, Fort Hays State University, USA
Email: bpgeorge@fhsu.edu

Corresponding author

ABSTRACT

As a result of the seamless flow of products, services, and cultural artifacts of various kinds, national cultures in our times have evolved into microcosms of the global culture. The global flow and cross-breeding of cultures mean that marketing has acquired certain dimensions of a cross-cultural venture, even when conducted within traditional domestic boundaries. Our analysis helps in the identification of five key forces that drive these changes. These are: globalization, technology, mainstream media, mobility, and demographics. The implications of the relatively new development of intra-national internationalization are discussed based on examples drawn from Turkey, Egypt, Singapore, and Nigeria.

Keywords: Globalization, culture, consumption, technology, mobility, media, demographics.

INTRODUCTION

There is an increase in multicultural environments devoid of a dominant culture especially in developing societies. Businesses heading toward internationalization and opening global markets are faced with target customers of diverse backgrounds and a wide spectrum of cultures, which makes understanding them vital for marketers. The extant literature has not addressed sufficiently how such environments acquired different consumption practices from different cultures.

This study explores through an extensive review of literature, the phenomenon of emerging consumption patterns in developing countries that result in the adoption, of products or consumption practices from several cultures. The main objective of the research is to understand consumption patterns and how culture influences consumption styles within developing

countries. It will attempt to answer the following questions: How do we understand the cultural/regional differences in consumer styles expressed in brand loyalty and decision making? How has globalization penetrated cultural patterns and affected the consumption behavior in the developing countries?

BACKGROUND

With globalization and the openness to other cultures through very progressive technology forms (Appadurai 1990), advanced capitalist societies have exported a "consumer culture" to developing countries. Does consumer culture represent identity, moderate interactions and even shape policies? According to Douglas and Isherwood (1978), consumption is one of the frontiers at which "the culture is fought over and licked into shape" and it is the means by which people reaffirm their socioeconomic status in their community (Warde, 1994). This may have led to the shift from a production-led, to a consumption-driven society that occurred by the second half of the 20th century (Featherstone, 1990). Some of the effects of this shift are that consumer behavior became more fragmented and showing higher individualism as well as a decrease in differences regarding socio- demographic segmentation such as class and region (Tomlinson, 1999). The shift has its advocates and its opponents both arguing that global culture has turned into consumer homogenization consumer behavior towards cosmopolitanism, Westernization or Americanization with its pros and cons (Robertson, 1992).

When a culture is adaptive and receptive to new ideas or is inherently capable of incorporating foreign ideas it gives the economy fertile terrain in which to expand, and the national market to develop (Homi, 1994). Cultural values, norms and practices can therefore either facilitate or discourage increased consumption. For example, skin-whitening products are widely consumed by women in Asian countries. A consumer culture associating beauty and success with fairness of skin is monetized by marketers in countries such as China, India, Bangladesh, where whiter skinned women are viewed as a symbol of beauty, good health, and high social status, a practice that goes back to ancient times in Asia. On the other hand, Americans and people in other developed countries place a high value on their smiles, through the consumption of an array of products ranging from teeth whiteners, whitening strips and chewing gum as well as professional dental procedures.

CULTURE AND CONSUMPTION

Consumer behavior has been a subject for major cross cultural studies, showing the existence of differences in consumption patterns between people of different ethnic groups (Saegert et. al, 1985) and different geographic subgroups (Gentry et. al, 1988): these consumption patterns inform of brand loyalty, decision making, and perceived risk, among other things (Doran, 1994).

Hofstede (1980) defined culture as "a collective programming of the mind which distinguishes one group from another." Culture can therefore be defined as a group of characteristics such as language, religion, cuisine, that define a group of people. Groups of people are defined by ideas, values, attitudes, and patterns of behavior they possess of which, consumption is one of them (Mooij, 2009). Schemes of social practices may combine and intermingle from which new patterns of consumption continuously evolve (Hofstede, 1980). Consumption is defined as "a social, cultural, and economic process of choosing goods" (Zukin & Maguire, 2004) which is influenced by cultural factors. Therefore, groups of people coming from diverse backgrounds or organization or geographies will exhibit a uniqueness in norms that is reflected in their consumption behavior (Awa, Kalu and Awara, 2010).

Yet culture is also being increasingly penetrated by elements from other cultures (Craig and Douglas, 2005), causing consumption patterns to be influenced by adaptations from other cultures (Douglas, 2001) and ultimately the evolution of new behaviors. In this perspective culture is how people use products in different ways (Askegaard, 2009) developing a spectrum of cultural pluralism. Demangoet, (2010) identifies three types, purists that keep their distance from new culture penetrations, incrementlists that blend new cultures slowly but surely with their own and experimentalists that are willing to try. Other studies investigating the adoption of culturally cued products over time added a fourth type; cultural passivity which is lack of engagement with other cultures and their products (Rajai, 2003). This perspective provides a more inclusive view of consumption in multicultural environments than that afforded by the sole consideration of ethnic origin or individual traits.

CONSUMPTION BEHAVIOR IN SELECTED COUNTRIES

Research on developing countries regarding culture and its impact on consumption behavior is limited. In the forthcoming section we review the literature on developing countries and then we will review the reasons for the effect extrapolated from the studies. The countries chosen

although dispersed geographically yet have some similarities such as economic growth, openness to societies and a young population.

Turkey

Turkey is a country that is situated between east and west (Europe and Asia), in the middle of a spectrum of cultural styles coming from its geographical positioning. It's a fairly young country with 42% below 25 (Index Mundi, 2014) with an upper middle income and an estimated 4.0% annual growth in GDP (World Bank, 2013 and OECD, 2014). In a study by Durmaz (2014) conducted on 1400 people dispersed geographically in Turkey, the effect of cultural factors on consumer buying behavior was investigated. Around 54% of the consumers although keen on buying western brands believe that the most important factor in their decision when buying goods and services is their own job and occupational social group. The individualism-collectivism dimension in this case, related brand usage to social motivations (Hosftede 1980; Triandis 1995). Cultures that are high in individualism tend to seek variety compared to those that are high in collectivism that correlate more with conforming to group behavior. Turkey's young population although open to the west, infatuated with information technology and keen to be integrated into the global economy is still showing signs from its inherited culture affecting its consumer behavior pattern

Singapore

Singapore is a multiracial Asian country (Indians, Malays and Chinese) that is considered the port of the world and an economic hub with 30% of its population under 25 and an annual economic growth of 3.9% (World Bank, 2013). The effect of culture on consumption behavior of the three ethnic groups is studied by Jung (2004). The results suggest that culture may be one of the major factors that influence the consumption behaviors and the dimension of masculinity produces a significant difference among the three ethnic groups. For example, the Indians show a low masculinity rating which may suggest that they have discarded traditional sex role ideas and are receptive to Western ideas of equality between sexes, and changes in gender roles. The study also shows that Indian youth are more accepting of feministic ideas and values. Past research shows that ethnic group differences influence, information sharing, brand loyalty, and decision making behaviors (Jung and Kau, 2004). The study affirms what past literature showed regarding consumers in cultures rating high in the power distance dimension attaching more importance to

products with brand names. (Bristow and Asquith 1999) The study showed that Singapore's diverse racial groups were affected differently by the countries openness to the world, each showing one of the types identified by Demangoet, (xxx) described earlier.

Nigeria

Nigeria is a fast growing giant of Africa boasting a 5.4% annual growth and a huge market of youth, an estimated 63% under 25. The multinational state is inhabited by over 500 ethnic groups identified with wide variety of cultures. A recent study revealed that not all cultural factors have equal effect on the increased consumption patterns in Nigeria. It varied depending upon the different culture variables and the consumer goods. The study showed that the customs of the people of Nigeria have statistically significant association with their consumption patterns for certain products. People's customs usually determine what consumer good or service they consume in Nigeria. (Awa *et. al*, 2010)

Egypt

Egypt's location at the crossroads of Europe, Asia, and Africa, and as part of the Arab Middle East, has consistently contributed to its unique cosmopolitan flavor. A young huge market, it boasts 60% of its population under 25 and an annual growth of 6.8% in 2014 (Trading Economics, 2015). Egypt has been a major trade center between East and West, North and South. Influenced by many cultures, the Egyptian society is not alien to imported ideas, beliefs and influences or to foreign goods and services either. Opposed to the trend, some argue that the western influence destroys the traditional way of life of Egyptians while others advocate that the imported goods are localized according to the values and habits of Egyptians (Howes, 1996). Consumer goods have significance that goes far beyond the commercial value or utility that manufacturers and producers intend. They symbolically communicate cultural meanings that the wider community has assigned to them (Douglas and Isherwood 1978).

Egyptians have eagerly welcomed many of the products of modern technology and adapted their lifestyles to incorporate their consumption, financed by both material and nonmaterial resources (Ahram, 2001). The emerging consumption pattern has not evolved from a vacuum; on the contrary it was strongly influenced by Egyptians' desires to be part of their rapidly modernizing culture and modes of life (Soheir, 2001). Egyptians have incorporated a whole range of new

ideas and objects, some of which bear no relation to traditional patterns of life, into the modern Egyptian context. In this manner they have indicated their approval of what industrialization has to offer, while in the process they have also innovatively "Egyptianized" the usage of these foreign items (Ibrahim, 1996). The Egyptians eagerness for new goods and consumption patterns should be viewed as a positive stimulant for the national economy. The change in consumption patterns in Egypt can be primarily attributed to the openness to other cultures, lifestyles and purchasing habits of near and far (Amin, 1995). All to be the doing of high penetration of internet (56% of population and annual growth of 24%) and mobile phones (100%) (Egypt ICT Indicators Bulletin, 2014).

DISCUSSION

The information provided above on culture, consumption, consumer behavior and in particular in developing countries like Turkey, Singapore, Nigeria and Egypt are examples showing how culture was impacted in the past decades. With it come advocates and opponents each highlighting the pros and cons of each viewpoint. In this section the reviewed literature and the four cases are analyzed to try to understand the reasons for these emerging trends. Five elements were seen to cause new culture styles to emerge and old ones to evolve or diminish: these are, globalization, technology, mainstream media, mobility, and demographics.

Globalization

It is the first time in human history that virtually every individual at every level of society feels one way or another impact of globalization. It is in the media, food and in the goods and services consumed. There are three viewpoints on the impact of globalization (Kraidy, 1999);

(a) Homogenizing: thus leading to the erosion of local cultures and traditions.

(b) Hybrid (heterogenzing): leading to the evolution of new forms of cultures or localized cultures,

 (c) Homogeneity and hybridization: coined by Robertson in the term: "glocalization" since both homogenizing (globalizing) and heterogenizing (localizing) processes are part of globalization (Russel, 2005).

New forms are seen by some researchers as mixes of different sometimes incompatible cultures that are glocalized (Robertson, 1992) typified around two dimensions; scope and compatibility. Scope, a geographical dimension, measures if a specific consumption practice is on a global scale or tied geographically to a specific region. Compatibility refers to how compatible one practice is to the other. Mishra (2008) disagrees with this point of view seeing the effect of globalization on culture is targeting the uniformity of practices throughout the world. Globalization is leading to cultural homogeneity of certain aspects yet with enough room for culture diversity. On the other hand, Dillon, (1998) has defined it as cultural imperialism, where political and economic power is used to spread values and habits. Amin (1998) calls it westernization and Mishra calls it Americanization. Whatever the term used the cases of Turkey, Nigeria, Singapore and Egypt all show an agreement that globalization impacts culture in such a way that increases demand for foreign goods bringing with them certain ideologies of the capitalist world such as consumer mentality, and the need to emulate the rich and ultimately affecting the local culture (Schiller, 1992). Beverages like Coke or Pepsi are substituting tea or coffee and fast food, is an alternative for the cherished family meal in developing countries.

Technology

Advances in information and communication technologies have made it possible for people to communicate their ideas, values and beliefs without restriction or censorship fostering understanding, facilitating dialogue and becoming a catalyst in culture evolution (Craincross, 1997). In societies like Egypt and Turkey, listening to music ceased to be a group activity and movies are no more a social activity as technology has allowed for downloading and viewing on personal computers.

The role that information and communication resources play at the macro level, social networking resources perform at the micro level. Individuals are encouraged to share languages, culture, interests, habits, ideas and values creating intensely personal, virtual communities and continuously changing the historical concept of community from being location-based to being relationship-based (Stewart, 2008). The previous country cases are no different, being exposed to others through social media had its impact on both culture and consumer behavior. Egypt constitutes about a quarter of all Facebook users in the region (24%) (Social Media Report, 2015) while in Turkey, Facebook has a 26% penetration rate and an overall, 52% of the

population was active social media users. In Singapore, as of 2014, more than 2.5 billion users were accessing social networks at least once per month, 01 billion over the global average (Statista, 2015). In all three countries social media was accessed for knowledge on brands, celebrities and news.

Mainstream Media

Global media has been revolutionized through new electronic technologies allowing for a greater penetration specifically in developing nations (Thomas, 2005). Television is the main vehicle for advertising, facilitating corporate expansion into new nations, regions, and markets (Varis, 1984). Skeptics see that this only reinforces the dependency of the developing societies on their developed counterparts. Through the products of everyday needs and mainstream media new consumers are cultivated accentuating that there is, indeed, a relation between media consumption, particularly television, and social values, habits , tradition and culture (Thomas, 2005) The influence of western media and the advertising of global brands on actual consumer behavior and aspirations is still not clearly understood, and the "cultivation effect" of television is weak or highly variable in cross-national data (Ware and Dupagne, 1994).

Past literature investigated the connection between globalization and media and most agree that globalization is not practically conceivable without media and communications. The role of media and communications in globalization is accentuated by defining globalization as a trend within which the global, economic, political, cultural and social relationships are increasingly surrounded by space and time (Rantanen 2005). This is due to the growing global operations of media determining how events round the world are viewed and in expanding common conceptual systems (Movius, 2010).

Mobility

Technology and globalization have allowed for a greater mobility between countries. For example, in developing countries there is a great rush of both skilled and unskilled people from less developed countries to more developed ones in search of employment opportunities. This movement in Egypt for example is both horizontal (to the Gulf countries) and vertical (to European countries). This definitely contributes to changes of local tastes and also components

of local culture (Amin, 2005). Multinational companies (MNCs) in search of more profitable conditions and opportunities for locating their production facilities and marketing their products relocate or build facilities in developing countries such as Egypt, Turkey, Singapore or Nigeria where labor is cheaper bringing with them western aspects that are quickly changing local culture.

Demographics

Youth has become the prime target of the advertisers of consumer goods and services According to Arnett (2000), the period from 18 to 25 years of age, which Arnett labels as emerging adulthood, represents a developmental stage distinct from other periods. Furthermore, besides acquiring significant buying power in the marketplace, young adults develop new consumption patterns—patterns that exert a major influence on their behavior as consumers in later life (Olshavsky & Granbois, 1979). In the country cases studied, the population is a young one ranging from 40 % to 60 % under 25 and with high penetration of social media; it's not a surprise that this is an important element in the evolution of culture and therefore the consumption mindset. Youth acquire traits and habits and are more open to ideas and change.

CONCLUSION

The boundaries between domestic and cross-border marketing were once uniquely distinguished by cultural differences. However such boundaries are increasingly being blurred or problematized. Say, in a popular tourist destination frequented by foreign tourists, even small scale domestic businesses will be required to adopt cross-cultural marketing tactics. Even domestic marketing strategists should be culturally bound; taking into account the target publics' changing way of life and time adaptation to the continuous penetrations of new aspects in cultures. The evolutionary nature of cultural factors, no matter how minor, must be constantly studied and monitored and reasonably reflected on marketing efforts.

Cultures merge and demerge. It tends to evolve and change growing out of a reverence that is systematically encouraged for selected customs and habits, and as a consequence marketers are obliged to identify new behavior patterns arising from interpenetration of culture (Moil and Hosted, 2011). At present, rapid transportation and global communication and commerce accelerate cultural change; even in ancient times, war, trade, and migration had their impact on

them. Studying the effect of culture on consumer behavior in countries like Turkey, Nigeria, Singapore, and Egypt has shown that, although consumers tend to be more ethnocentric as in Singapore or less individualistic as in Turkey, or affected by old customs as in Nigeria, nevertheless, Western values are finding their way to new generations in developing countries.

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