Consumer Behavior - Building Marketing Strategy 14th edition Mothersbaugh Solutions Manual

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CHAPTER 2
CROSS-CULTURAL VARIATIONS IN CONSUMER BEHAVIOR

LEARNING OBJECTIVES

LO1: Define the concept of culture
LO2: Describe core values that vary across culture and influence behaviors
LO3: Understand cross-cultural variations in nonverbal communications
LO4: Summarize key aspects of the global youth culture
LO5: Understand the role of global demographics
LO6: List the key dimensions in deciding to enter a foreign market

SUMMARY

LO1: Define the concept of culture

Culture is defined as the complex whole that includes knowledge, beliefs, art, law, morals, customs, and any other capabilities acquired by humans as members of society. It includes almost everything that influences an individual's thought processes and behaviors. Culture operates primarily by setting boundaries for individual behavior and by influencing the functioning of such institutions as the family and mass media. The boundaries, or *norms,* are derived from *cultural values*. Values are widely held beliefs that affirm what is desirable.

LO2: Describe core values that vary across culture and influence behaviors

Cultural values are classified into three categories: other, environment, and self. *Other-oriented values* reflect a society's view of the appropriate relationships between individuals and groups within that society. Relevant values of this nature include *individual/collective, youth/age, extended/limited family, masculine/feminine, competitive/cooperative,* and *diversity/uniformity*. *Environment-oriented values* prescribe a society's relationships with its economic, technical, and physical environments. Examples of environment values are *cleanliness, performance/status, tradition/change, risk taking/security, problem solving/fatalistic,* and *nature*. *Self-oriented values* reflect the objectives and approaches to life that individual members of society find desirable. These include *active/passive, sensual gratification/abstinence, material/nonmaterial, hard work/leisure, postponed gratification/immediate gratification,* and *religious/secular*.

LO3: Understand cross-cultural variations in nonverbal communications

Nonverbal communication systems are the arbitrary meanings a culture assigns actions, events, and things other than words. Major examples of nonverbal communication variables that affect marketers are *time, space, symbols, relationships, agreements, things,* and *etiquette*.

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LO4: Summarize key aspects of the global youth culture

There is evidence that urban youth around the world share at least some aspects of a common culture. This culture is driven by worldwide mass media and common music and sports stars. Emerging aspects include the importance of technology and the fact that U.S. teens and brands no longer leading the way.

LO5: Understand the role of global demographics

Demographics describe a population in terms of its size, structure, and distribution. Demographics differ widely across cultures and influence cultural values (and are influenced by them) as well as consumption patterns.

LO6: List the key dimensions in deciding to enter a foreign market

Seven questions are relevant for developing a cross-cultural marketing strategy: (1) Is the geographic area homogeneous or heterogeneous with respect to culture? (2) What needs can this product fill in this culture? (3) Can enough people afford the product? (4) What values are relevant to the purchase and use of the product? (5) What are the distribution, political, and legal structures for the product? (6) How can we communicate about the product? (7) What are the ethical implications of marketing this product in this country?

LECTURE TIPS AND AIDS

1) Culture is a difficult concept for students to fully understand though they enjoy reading about it. It is difficult for them to see what culture is and what its influences are because they are typically unaware of their own culture. It is often best to start the culture lecture with an example of some completely different behavior in another culture (e.g., the necessity of women being veiled in strict Muslim cultures) to point up how culture "tells" us what to do. However, it is important to move beyond amusing examples of cultural snafus and into an understanding of how culture functions.
2) Students from other cultures should be encouraged to describe the differences between their home cultures and the one they are in now. Domestic students who have lived in another culture should do likewise.
3) This is an excellent time to use a guest speaker. A professor from cultural anthropology or sociology, an executive with substantial international experience, or anyone who has lived at least one year in a different culture can provide a valuable learning experience.
4) Student Handout 1: TRANSLATION PROBLEMS IN INTERNATIONAL MARKETING.
5) Student Handout 2: FEDEX CUSTOMIZES FOR THE LATIN AMERICAN MARKET.
6) Student Handout 3: CULTURAL VARIATIONS IN HOLIDAY TRADITIONS
7) Student Handout 4: BOLLYWOOD GOES GLOBAL

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Student Handout 1: TRANSLATION PROBLEMS IN INTERNATIONAL MARKETING

Chevrolet's Nova is an inappropriate brand name in Spanish-speaking countries where “no va” means “it doesn't go.”

Chrysler couldn't use its U.K. theme “the Original” in Germany because “Die Original” in German implies peculiar.

An American manufacturer of heavy-duty wrapping paper inadvertently translated its brand name into Japanese as “He who envelops himself in 10 tons of rice paper.”

American Motors “Matador” translated as “killer” in Puerto Rico - a country with a high traffic fatality rate.

Johnson Wax introduced “Pledge” in the Netherlands as “Pliz.” Pliz is pronounced very much like “piss” in Dutch. Since most Dutch also speak English, this caused serious problems.

A Japanese firm introduced a Japanese whiskey named “Black Nikka” into the U.S. market.

Vicks is the most crude slang term for sexual intercourse in German. The company goes by Wicks in Germany.

The Dairy Association's "Got Milk?" heading was translated as "Are you lactating?" in Spanish.

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Student Handout 2: FEDEX CUSTOMIZES FOR THE LATIN AMERICAN MARKET

The following describes how FedEx used a customized strategy to successfully target the Latin American market:

> In the late 1990's, FedEx was not nearly as well known in Latin America and the Caribbean as it was in other parts of the world. Therefore, it decided to launch an ad campaign to build brand awareness among small and medium-sized shippers. The ad agency was challenged to create a commercial that would work across this broad region with its differing cultures and languages. In addition, it would need to be presented in English and Portuguese in addition to Spanish without looking "dubbed," since shooting multiple commercials would be too expensive.
>
> The 30-second commercial showed a young equipment manager for a soccer team, the dominant sport in the region, worried about the delivery of five boxes of uniforms he had shipped to Madrid for a major match. An older man assures him that all will be fine as long as he had shipped them via FedEx, which he had not. The next scene is a soccer field where the opponents are about to attempt a penalty kick. As the camera reveals the defenders, the audience sees that they are defending the goal without their uniforms or any other clothing. The tagline for the ad is: "Let FedEx take the load off your shoulders."
>
> Two versions of the last scene were shot, the nude version and a version with the men in their underwear. The underwear version was run in Mexico due to local restrictions on nudity in prime time. The theme (soccer), which resonates in most Latin American markets, along with a realistic situation and a humorous ending made this commercial memorable and successful. For example, awareness went up between 7 and 17 percent depending on the specific market.
>
> Source: P. L. Andruss, "FedEx Kicks Up Brand," *Marketing News,* July 30, 2001, pp. 4–5.

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Student Handout 3: CULTURAL VARIATIONS IN HOLIDAY TRADITIONS

Various holiday traditions get translated differently from country to country. Companies must understand cultural differences related to the celebration of such holidays when marketing across country.

For example, Halloween originated in Ireland, Britain, and northwest France. Over time, its celebration became limited to the United States, Canada, and Ireland. Now, however, it has gone global:

- The Abominable Giant Man Eating Zombie Tea Party is the theme for a costume bash at a Singapore nightclub.
- Japan held a Hello Halloween Pumpkin Parade in Tokyo.
- In Paris, shops decorate their windows with goblins, spider webs, and skeletons; pumpkins are on sale at open-air markets; bakeries produce decorated Halloween cakes; McDonald's gives out masks with kids' meals; and some children go trick-or-treating.

When such holidays do not replace local traditions and are adapted to the local culture, they can enrich the lives of the populations that adopt them. However, such imports can also be disruptive or controversial. For example, American-style celebrations of Valentine's Day are spreading throughout the world; but in countries such as India, they have been met with protests. Hindu and Indian beliefs generally restrict public displays of affection and many find Valentine cards that show young couples embracing to be offensive.

Source: S. Gutkin, "Spooky Fun Creeping around Globe," *Register-Guard,* October 29, 2000, p. 16A.

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Student Handout 4: BOLLYWOOD GOES GLOBAL

Bollywood. India's Hollywood. India is the leading movie producer and consumer in the world (the United States is a distant second). No wonder then that Indian culture is hot stuff, especially among global teens. Consider the following:

> With riffs off India's cultural cachet showing up everywhere—from Madonna's use of mendhi, the traditional Indian henna art, to bhangra rhythms from northern India mixed into a Britney Spears single, advertisers are far from alone in embracing the colors and sounds of the subcontinent. The trend is even more entrenched overseas, where major campaigns with Bollywood themes are popping up from the Mediterranean to the South China Sea.

Marketers have not been shy about tapping this global hip status to market to teens in the United States, Asia, and Europe. A few examples include:

- In the United States, Absolut vodka has a 12-minute online "Bollywood ad" called Absolut Mulit.
- In Asia, Nokia has a TV spot in which "dozens of women clad in brightly colored saris … leap from a plane and sky-dive toward a bored-looking man standing on the side of the road. Alighting, they start gyrating to pulsating Indian music, while the man looks on in astonishment."
- In Spain, Italy, and Portugal, Coca-Cola runs an ad in which a Hindu waiter gets everyone at a stuffy European party to dance and liven up by singing a Bollywood-style song after drinking a Coke.

Not everything coming out of Bollywood is good, however. A World Health Organization (WHO) study finds that over three-quarters of films coming out of Bollywood over the past 10 years contain smoking of some sort. In a country that accounts for one in three smoking-related deaths, WHO appears to have valid concerns.

Source: C. Prystay, "It Is a Walk of Fame for Bollywood," *The Wall Street Journal Online,* December 24, 2004, www.wsj.com.

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REVIEW QUESTIONS

1) What are some of the ethical issues involved in cross-cultural marketing?

   Obvious issues include exporting potential harmful products such cigarettes as well as products or services that disrupt the local economy. Altering cultural values and the lifestyles of countries in ways that may diminish the overall quality of life in the country are also issues.

2) What is meant by the term culture?

   Culture is that complex whole that includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by an individual as a member of society. It is important to marketing because culture indicates the approved ways of solving product-related problems for consumers.

3) What does the statement "Culture sets boundaries on behaviors" mean?

   Normally, the boundaries of behavior are outlined by the culture, and even some of these boundaries for certain kinds of behavior are vague. On the other hand, very important behaviors, such as the ways in which one person may force behavior in others, are very well defined. Consumptive behaviors also run the gamut from vague (purchase and use of food products for entertaining) to fairly specific (what clothes one should wear for specific occasions such as weddings or funerals).

4) What is a *norm*? From what are norms derived?

   Norms are rules that specify or prohibit certain behaviors in specific situations and are based on or derived from cultural values.

5) What is a *cultural* value?

   Cultural values are widely held beliefs that affirm what is desirable.

6) What is a *sanction?*

   Sanctions are penalties ranging from mild social disapproval to banishment from the group and are imposed on those who violate cultural norms.

7) Cultural values can be classified as affecting one of three types of relationships—other, environment, or self. Describe each of these, and differentiate each one from the others.

   Other: Reflect a society's view of appropriate relationships between individuals and groups.

   Environment: Prescribe a society's relationship to its economic, technical, and physical environments.

   Self: Reflect the objectives and approaches to life that members of society find desirable.

8) How does the first of the following paired orientations differ from the second?

   a. Individual/collective: Individual emphasizes individual initiative and activity, while collective appreciates group cooperation and conformity.

   b. Performance/status: In performance orientation, opportunities, rewards, and prestige are based on an individual's performance, while in a status orientation those things are based on the status associated with the person's family, position, or class.

   c. Tradition/change: Tradition values no or little change, while a change orientation sees change or progress as good.

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d. Limited/extended family: Limited defines a family more tightly in terms of immediate relatives and imposes fewer obligations to respond to the needs of other family members than does an extended family orientation.

e. Active/passive: An active orientation reflects the expectation that people will take a physically active approach to work and play. Passive simply means much less of that expectation.

f. Material/nonmaterial: Whether the accumulation of material wealth is valued (material) or not (nonmaterial).

g. Hard work/leisure: Is work valued for itself, independent of external rewards (hard work), or is work merely a "means to an end" (leisure)?

h. Risk taking/security: Is the person who risks his established position or wealth on a new venture admired (risk taking) or considered fool hardy (security)?

i. Masculine/feminine: Are rank, prestige, and important social roles assigned primarily to men (masculine) or women (feminine)?

j. Competitive/cooperative: Is the path to success found by outdoing other individuals or groups, or is success to be achieved by forming alliances with other individuals and groups?

k. Youth/age: Are prestige, rank, and important social roles assigned to younger (youth) or older (age) members of society?

l. Problem-solving/fatalistic: Do people react to obstacles and disasters as challenges to be overcome (problem-solving), or do they take a "what will be, will be" attitude (fatalistic)?

m. Diversity/uniformity: does the culture embrace variation in religious beliefs, ethnic background, political views, and so forth?

n. Postponed gratification/immediate gratification: Is one encouraged to "save for a rainy day" (postponed), or should you "live for today" (immediate)?

o. Sensual gratification/abstinence: Is it acceptable to pamper oneself, to satisfy one's desires for food, drink, or sex beyond the minimum requirement (sensual) or not (abstinence)?

p. Religious/Secular: To what extent are daily activities determined by religious doctrine?

9) What is meant by nonverbal communications? Why is this a difficult area to adjust to?

Nonverbal communication refers to the transfer of information from one person to another without the use of language, spoken or written, such as using the size of an individual's office as an indication of status. It is difficult to adjust to because we assign our own culture's meanings to the nonverbal signs being utilized by another culture.

10) What is meant by each of the following as a form of nonverbal communication?

a. Time: The culture's overall orientation to time and the way in which the meaning of time varies.

b. Space: The use people make of space and the meanings they assign to it.

c. Symbols: Different colors, numbers, and shapes acquire different symbolic meanings across cultures.

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d. Relationships: The degree of rights and obligations imposed by relationships and friendships.

e. Agreements: The need to rely (or not to rely) on an extensive and, generally, highly efficient legal system for ensuring that business obligations are honored and for resolving disagreements.

f. Things: The assigning of meaning to the possession of various objects and the degree to which acquisition of goods themselves is valued.

g. Etiquette: Generally accepted ways of behaving in defined social situations.

11) What is *guanxi*?

Guanxi is literally translated as personal connections/relationships on which an individual can draw to secure resources or advantages when doing business as well as in the course of social life.

12) What is the difference between *instrumental* and *terminal* materialism?

Instrumental materialism involves the acquisition of products in order to achieve a goal (skis to allow skiing). Terminal materialism is the acquisition of products for the pleasure of owning the product (art, for example).

13) What are the differences between a *monochronic* time perspective and a *polychronic* time perspective?

People are monochronic if they have a strong orientation toward the present and the short-term future. A person who is polychronic has a strong orientation toward the present and past. As a result of different time orientations, each type of person has a different orientation toward time, situations, and relationships.

14) What forces seem to be creating a global teenage culture?

The emergence of worldwide mass media is the strongest influence. Entertainers and sports heroes as superstars and the universal appeal of a variety of sports are also important.

15) What are demographics? Why are they important to international marketers?

Demographics describe a population in terms of its size, structure, and distribution. Demographics differ sharply across countries and cause needs to differ, as well as influence the ability of consumers to fulfill needs.

16) What is *purchasing power parity?*

It is a measure of the ability of consumers in different countries with various income levels to purchase a set of goods. Basically, it equates the income level in a country to the income in American dollars that could buy the same set of goods that the income will buy in its home country. It answers the question, “how much would it cost in US dollars to live the lifestyle that a given income will buy in another country?” This allows meaningful cross-country income comparisons.

17) What is *glocalization*? What factors affect the need to adapt to local considerations?

Glocalization is generally meant to refer to global localization. This generally pertains to the notion that global brands must adapt to local market considerations. And while there is debate as to the extent of local customization necessary, factors such as differing cultural values, verbal and non-verbal communication, and demographics are major factors influencing the need for customization.

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18) What are the seven key considerations in deciding whether or not to enter a given international market?

a. Is the geographic area homogeneous or heterogeneous with respect to culture?

b. What needs can this product fill in this culture?

c. Can enough of the group(s) needing this product afford the product?

d. What values or patterns of values are relevant to the purchase and use of the product?

e. What are the distribution, political and legal structure of this product?

f. In what ways can we communicate about the product?

g. What are the ethical implications of marketing this product in this country?

Discussion Questions

19) Why should we study foreign cultures if we do not plan to engage in international or export marketing?

To better understand our own culture and the kinds of impacts it has on our consumers. In addition, all business is international or is at least affected by international business conditions and trends. Finally, one can hardly be considered educated without at least an appreciation of cultural differences.

20) Is a country's culture more likely to be reflected in its art museums or its television commercials? Why?

Probably in its television commercials. They are more likely to show how people actually think, feel, behave, and act over a wider variety of real situations. Note that when archaeologists describe the culture of an ancient civilization, they probably do so more by its products (dishes, furniture, tools) than by its art.

21) Are the cultures of the world becoming more similar or more distinct?

There is no answer to this one, but it is a good vehicle to bring out questions about standardization of marketing strategies. Some students will argue that increased travel and communication, higher levels of education and income, and so forth, cause breakdown in cultural boundaries. Others argue that there is an increased emphasis on retaining those boundaries with increased nationalism in many parts of the world. I believe that we are seeing some increase in similarity but not to the extent many students imagine.

22) Why do values differ across cultures?

Different social histories, physical environments, and religious influences create different values. It is fun to have students from differ cultures describe their view of the forces that have shaped their cultures values.

23) The text lists 18 cultural values (in three categories) of relevance to marketing practice. Describe and place into one of the three categories two additional cultural values that have some relevance to marketing practice.

Simplicity/Complexity: Are simple or complex stimuli, situations, and lifestyles preferred? *Environment*.

Health: Are individuals deeply concerned with their short- and long-run health? *Self*.

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Involvement/Noninvolvement: Are individuals deeply concerned or indifferent about occurrences that don't affect them directly? *Environment*.

24) Select two cultural values from each of the three categories. Describe the boundaries (norms) relevant to that value in your society and the sanctions for violating those norms.

It is probably easiest to ask students to do this first for the masculine/feminine value, and then let them volunteer other values that interest them. The masculine/feminine value is well known to them, and they are aware of the sanctions for violations. There are also noticeable differences across cultures that the students are likely to have noticed.

25) What are the most relevant cultural values affecting the consumption of each of the following? Describe how and why these values are particularly important.

a) Internet
b) Video games/consoles
c) Milk
d) Fast food
e) Luxury cars
f) Cell Phones

This question is a good way to cover the concept of values and their role in product consumption. Almost any value can affect consumption, but some will have a stronger or more logical relationship. Push the students to justify their answers and to explain how a manager could utilize knowledge of those values to improve the marketing program.

26) What variations between the United States and other societies, *other than cultural variations,* may affect the relative level of usage of the following?

a) Internet
b) Video games/consoles
c) Milk
d) Fast food
e) Luxury cars
f) Cell phones

Any aspect of demographics could be relevant. Clearly, age and income are important across many of the products. Presence of children likely plays a role in fast food and milk, and so on. It is useful to have students rate the relative importance of demographic factors relative to cultural factors (from question 25).

27. Why is materialism higher in Korea than in the United States, where given its collectivist culture one might expect materialism to be lower?

This requires students to see that certain aspects of materialism can reinforce collectivist values. In this case, Korea scores higher on the success dimension which can be very important in uplifting the family. Such a focus on the family unit (rather than individuals) is a key aspect of collectivist cultures. Therefore, materialism, or different aspects of it, may act to reinforce different values in collectivist versus individualist cultures.

28) What values underlie the differences between Fiji Island and U.S. children in terms of the strategies they use to influence their parents' decisions? What marketing implications emerge?

This relates to the youth/age distinction, but goes deeper to differences in collectivism, respect for authority, and seniority. The Fiji culture is less individualistic and places a higher value on respect and seniority compared to the U.S. And this translates into differences in dealing with children in which Fiji parents are less tolerant and responsive to purchase

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"demands" on the part of children than U.S. parents. At a minimum, parent and child portrayals in ads would need to be sensitive to these differences.

29) What are the marketing implications of the differences in the *masculine/feminine orientation* across countries?

Looking at the data on participating in sports and exercise indicates that Mexico, France, and South Korea show the largest differences in frequent participation based on gender. More specifically, the data shows the changing orientation of women in traditionally masculine countries.

30) Respond to the questions in Consumer Insight 2-1.

a) Core Values that can be discussed include both "other-oriented" and "self-oriented" values. For example with "other-oriented," Coca-Cola's global message may be better received in cultures that are more collectivist and uniform. With "self-oriented," Cola-Cola appeals to different tastes (sensual gratification) by tailoring its products locally. Also, the company's Ramadan campaign appealed to Turkey's religious values.

b) Seven Global Considerations

i) Cultural homogeneity: Despite a global message, Coca-Cola does customize to local markets. Coca-Cola will use the same message if successful in one market in other local markets with same cultural tastes and preferences (e.g., Ramadan campaign in Turkey was replicated in other Muslim countries).

ii) Needs: Coca-Cola does offer flagship brands like Coca-Cola Classic and Sprite in most markets, but customizes its products to meet the tastes and preferences within each culture. Innovations are created, such as Maaza Milkshakes in India, to adapt to the local culture's tastes.

iii) Affordability: Coca-Cola products are sold in over 200 countries, varying in economic wealth.

iv) Relevant values: Values were discussed in Question 1 of this Consumer Insight.

v) Infrastructure: Coca-Cola uses local bottling and distribution operations in countries where the product is sold. In addition, local ingredients are used.

vi) Communication: Coca-Cola uses a global message, such as "Taste the Feeling" but then tailors the message locally. During the World Cup, the company had a consistent brand message but adapted each country's webpage with a local message incorporating local celebrities and culture.

vii) Ethical implications: Ethically, Coca-Cola considers the community by using local ingredients and local infrastructure.

c) Discussion by students to share their experiences with purchasing Coca-Cola and other beverages in different countries: Questions to be asked to prompt the discussion:

i) Have they tried a local variant of Coca-Cola in a foreign country?

ii) If they have tried Coca-Cola Classic or another flagship brand in a different country, how did it taste?

31) Why do nonverbal communication systems vary across cultures?

Different social histories, physical environments, and religious influences over time create different nonverbal communications systems. However, I am unaware of any systematic attempt to classify cultures and/or regions in terms of their nonverbal systems and to "determine" ex post facto the causes of the differences.

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32) Which, if any, nonverbal communication factors might be relevant in the marketing of the following?

a) Watches
b) Jewelry
c) Facial tissue
d) Laundry detergent
e) Lip balm
f) Women's clothing

Students should discuss each of the nonverbal communication factors (time, space, relationships, agreements, things, symbols, and etiquette) for each of the products listed in the question. They need to consider each element of the marketing mix as well. The easiest discussion will be around advertising and you may want to limit it to that area if time is short.

33) What are the implications of *guanxi* for a Western firm entering the Chinese market?

The most important issue is developing a deep understanding that these complex relationships exist. This understanding will emphasize the importance and value of guanxi and modify the approach a western firm will use in penetrating the Chinese market. In most cases, a re-evaluation of resources (relationships, time, agreements, etc.) is required.

34) To what extent do you think youth are truly becoming a single, global culture?

While there is no absolutely correct answer, the author's experience of living in a variety of cultures with and without his teenage (at that time) children leads him to believe that this is indeed true for middle and upper class teenagers in urban areas.

35) Will today's youth still be a "global culture" when they are 40? Why or why not?

This is a very good way to explore what a culture truly is and how it develops and changes. It may also cause some to reconsider their answer to question 34. If teenagers do indeed have a common culture including values, this is not likely to change radically as they enter adulthood.

36) How do demographics affect a culture's values? How do a culture's values affect its demographics?

Values have a stronger, more direct impact on demographics than vice versa. However, values are formed and evolve based on the history and environment of a culture. Demographics are part of that environment. Cultures with dense populations are likely to develop a collective orientation due to the requirements of living in close proximity. Societies that value risk-taking, hard work, and postponed gratification are likely to have high income and education levels.

37) What causes the differences between purchasing power parity and income as shown in the text?

Local cost structures, governmental provided health care, taxes, and other cost of living factors associated with the economic status of a particular country causes difference between raw income numbers and purchasing power.

38) The text provides a seven-step procedure for analyzing a foreign market. Using this procedure, analyze your country as a market for:

a) Laptop computers from Japan
b) Automobiles from Korea
c) Sunglasses from Italy
d) Wine from Chile

This question can provide an excellent method for presenting the material on cross-cultural marketing strategy. I recommend splitting the class into a multiple of seven groups and assigning each group one of the seven considerations listed in the text. Then have each group evaluate one or more of the products listed above with respect to the key consideration it was assigned. When given time to prepare, a very good discussion that involves the entire class can be generated.

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39) What are the major ethical issues in introducing prepared foods such as fast foods to developing countries?

The consumption of this product might divert resources from other, more important, food purchases. For example, high fat, high sodium burgers and fries may cost more and be less nutritious than fruits and vegetables. Disposal of the product may be more difficult and therefore create an environmental problem.

40) Should U.S. tobacco firms be allowed to market cigarettes in developing countries? Why or why not?

The answer depends more on one's value system than on any set of facts. It is critically important to respect the views of all students in such discussions. You can play devil's advocate but it is sometimes easy to intimidate students this early in the term. If no one mentions it, an interesting point is that it is somewhat condescending for the U.S. to attempt to govern what occurs in another country.

41) How can developing countries keep their cultures from being overly Westernized or Americanized?

There is no answer to this question. Legal restrictions can have a modest impact. However, cultural change (or lack of change) cannot be legislated in the long run. Fortunately, while there are many trends toward Americanization, there are increasing forces supporting local traditions and cultures (including the increased sensitivity of at least some multinationals to local custom and values).

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CHAPTER 2
CROSS-CULTURAL VARIATIONS IN CONSUMER BEHAVIOR

1 THE CONCEPT OF CULTURE

2 VARIATIONS IN CULTURAL VALUES

2.1 **Other-Oriented Values**

- ***2.1.1 Individual/Collective***
- ***2.1.2 Youth/Age***
- ***2.1.3 Extended/Limited Family***
- ***2.1.4 Masculine/Feminine***
- ***2.1.5 Competitive/Cooperative***
- ***2.1.6 Diversity/Uniformity***

2.2 **Environment-Oriented Values**

- ***2.2.1 Cleanliness***
- ***2.2.2 Performance/Status***
- ***2.2.3 Tradition/Change***
- ***2.2.4 Risk Taking/Security***
- ***2.2.5 Problem Solving/Fatalistic***
- ***2.2.6 Nature***

2.3 **Self-Oriented Values**

- ***2.3.1 Active/Passive***
- ***2.3.2 Sensual Gratification/Abstinence***
- ***2.3.3 Material/Nonmaterial***
- ***2.3.4 Hard Work/Leisure***
- ***2.3.5 Postponed Gratification/Immediate Gratification***
- ***2.3.6 Religious/Secular***

3 CULTURAL VARIATIONS IN NONVERBAL COMMUNICATIONS

3.1 **Time**

- ***3.1.1 Time Perspective***
- ***3.1.2 Meanings in the Use of Time***

3.2 **Space**

3.3 **Symbols**

3.4 **Relationships**

3.5 **Agreements**

3.6 **Things**

3.7 **Etiquette**

3.8 **Conclusions on Nonverbal Communications**

4 GLOBAL CULTURES

4.1 **A Global Teenage Culture?**

5 GLOBAL DEMOGRAPHICS

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CHAPTER 2
CROSS-CULTURAL VARIATIONS IN CONSUMER BEHAVIOR

6 CROSS-CULTURAL MARKETING STRATEGY

6.1 Considerations in Approaching a Foreign Market

6.1.1 ***Is the Geographic Area Homogeneous or Heterogeneous with Respect to Culture?***

6.1.2 ***What Needs Can This Product or a Version of It Fill in This Culture?***

6.1.3 ***Can Enough of the People Needing the Product Afford the Product?***

6.1.4 ***What Values or Patterns of Values Are Relevant to the Purchase and Use of This Product?***

6.1.5 ***What Are the Distribution, Political, and Legal Structures for the Product?***

6.1.6 ***In What Ways Can We Communicate about the Product?***

6.1.7 ***What Are the Ethical Implications of Marketing This Product in This Country?***

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PART II
CASE SOLUTIONS

CASE 2-1 IKEA USES MARKET RESEARCH TO ADAPT FOR GLOBAL MARKETS

1) IKEA spends a considerable amount of time researching new markets before entering them. What are some issues that IKEA should be considering?

- Is the geographic area homogeneous or heterogeneous with respect to culture?
- What needs can this product or a version of it fill in this culture?
- Can enough of the people needing the product afford the product?
- What values or patterns of values are relevant to the purchase and use of this product?
- What are the distribution, political, and legal structures for the product?
- In what ways can we communicate about the product?

2) Chapter 2 discusses individual versus collective other-oriented values.
a) China is one of the countries discussed in this case. On face value, would you expect China to have a more individual or collective orientation?
b) The text discusses how cultural values evolve and individualism is on the rise in some Asian countries, especially among younger consumers. What evidence do you see in this case of both individualism and collectivism?

a) China is a classic example of a country having a collective orientation.
b) Collectivism is represented by the Chinese consumers napping together in groups of families and strangers in the store. Individualism is represented by Chinese consumers preferring to spend more money for conspicuous consumption of Western goods.

3) Another cultural value discussed in Chapter 2 is tradition/change. In most of the cultures described in this case, it is traditional for furniture to be already assembled upon purchase, and perhaps even delivered.
a) In which of the countries mentioned in the case would the consumers likely have the hardest time dealing with the change of purchasing furniture in a flat-packed form that needs assembly?
b) How does IKEA overcome this discomfort?

a) The case mentions that ethnography revealed that Indian consumers particularly do not favor the do-it-yourself culture.
b) IKEA emphasized ancillary products of delivery, assembly, and installation so that the do-it-yourself aspect is no longer a consideration.

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4) IKEA's model of purchasing furniture that is flat-packed and then assembling it yourself at home is a new and different way of doing things for consumers in many countries.
   a) In terms of innovations (see Chapter 7), what type of innovation would this be considered?
   b) Does your answer for part a change if the furniture is delivered and assembled or installed by IKEA?

   a) Because there is some amount of learning and a moderate change in behavior involved in assembling furniture, IKEA furniture could best be categorized as a dynamically continuous innovation.
   b) However, if the delivery, assembly, and installation is included in the purchase of the furniture, then it is best categorized as a continuous innovation since there is really no learning or behavior change required from purchasing the traditional already assembled furniture from other retailers.

5) Consider the ten factors that affect the spread of innovations discussed in Chapter 7 (see Table 7-3 for quick reference).
   a) Which of these factors would play a positive role in how quickly acceptance of shopping for furniture using the IKEA model would spread? Explain your answer(s).
   b) Which of these factors would play a negative role in how quickly acceptance of shopping for furniture using the IKEA model would spread? Explain your answer(s).

   a) Answers will vary. However, examples of acceptable answers are relative advantage and trialability. IKEA furniture is relatively less expensive than that of its competitors. Also, IKEA has samples of their furniture set up throughout the stores so that customers can experience it before making a purchase decision. In China, for example, consumers spend a considerable amount of time trying out the beds!
   b) Answers will vary. However, examples of acceptable answers are type of decision and observability. Furniture purchases are often group decisions within a family, which can slow the spread of innovation. Also, furniture is typically kept in one's home and not easily observable in public.

6) Perform a search on the internet to discover the list of countries where IKEA is currently located (hint: in 2018, there are 30). Find a country that is not listed and imagine that you are an executive at IKEA. Brainstorm ideas of how you would need to adapt the products, communications, pricing, etc. to fit the culture of your chosen country.

   Answers will vary, but there should be some incorporation of the values discussed in Chapters 2 and 3.

7) Chapter 5 discusses marketing to the Hispanic subculture in America. IKEA made an effort to better understand American Hispanics in California through ethnography.

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a) What adaptations did IKEA make to better target the American Hispanic segment?
b) Based on your knowledge of this subculture from reading the text and your personal experiences, what suggestions would you give a marketing manager at IKEA to best target this segment?

a) IKEA modified products in stores in that region to have more bold colors and elaborate picture frames.
b) Other ideas that IKEA could do would be to use Spanish language in catalogs, promotions, and other communications. Also, employing bilingual salespeople would make this segment feel more welcomed and that IKEA was "in-culture."

CASE 2-2 CVS CAREMARK DISCONTINUES THE SALE OF TOBACCO PRODUCTS

1) What type of marketing strategy is CVS using?

Cause-related marketing is the type of strategy in this case. By discontinuing the sale of tobacco products, CVS Caremark are tying their products to the cause of reduced tobacco consumption and health. Their focus on this cause is also reinforced by its plans to introduce a smoking cessation program and expand its MinuteClinics. CVS Caremark hopes to better align the company's products sold to their image of being a health care provider. Students may also discuss the repositioning effort as part of the marketing strategy.

2) What nonverbal communication category does cigarette smoking fall under?

Cigarette smoking relates to the nonverbal communication category of etiquette. While in the past it was acceptable to smoke indoors in public places, it is usually considered taboo today. Many cities and states have outlawed smoking in public places, even in bars and restaurants where it was commonplace at one point. With health concerns on the rise, smoking indoors or around non-smokers is becoming increasingly frowned upon. It is perceived to represent a lack of respect for other people's property and health.

3) Chapter three discusses several American cultural values. Smoking can relate to individual values from each of the three categories. Decide which of the values in each of the following categories best relates to smoking and describe that relationship.
   a) Other-oriented values,
   b) Environment-oriented values
   c) Self-oriented values

   a) In self-oriented values, smoking relates to individualism/collectivism. The choice to smoke is an individual choice to behave in a way that does not conform to group norms of American society. With only one in five Americans smoking, the numbers of people continuing to choose to smoke is dwindling.
   b) In environment-oriented values, smoking relates to cleanliness. Personal hygiene is an important value in America. However, tobacco products are associated with a foul smell and ashtrays full of ashes are not the cleanest items to have lying about a household or

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business.

c) In self-oriented values, smoking relates to both sensual gratification/abstinence and postponed/immediate gratification because smokers choose the immediate sensual gratification of experiencing nicotine in their blood streams, while shirking the abstinence of smoking that would lead to postponed gratification of a longer and healthier life with a lowered risk of cancer.

4) What impact do you think CVS's decision to stop selling tobacco products will have on a) it's long-term sales and b) smoking trends in America?

a) Answers will vary here. Some students may point out the lost revenue that was once provided by tobacco sales. While others may argue that the favorable image created by the move and smoking cessation programs will compensate for the lost revenues.

b) Answers will vary. However, many students may be hopeful that this move will start a trend with other pharmacies and that many people will enroll in CVS Caremark's smoking cessation programs.

5) The case mentions a trend since the 1950s that there has been a cultural trend away from smoking. Young people today may have a different perceptions and level of exposure to the shifts in cultural norms dealing with smoking than those in other generations. Perform a brief interview with members of different generational groups to find out how perceptions may differ for different age cohorts. Compare and contrast their perceptions and stories of how smoking was normally treated in different periods of American history. Interviewees should be drawn from at least three of the following generations

a) Pre-Depression Generation
b) Depression Generation
c) Baby Boom Generation
d) Generation X
e) Generation Y
f) Generation Z

Answers will vary widely based on the generations and individual interviewees that the students select.

6) What type of reference group would best describe smokers today? How would your answer differ if you were referring to smokers in the early to mid-1900s?

In today's society, smokers are often a dissociative reference group. This group now has a negative desirability because of health-care concerns and shifting social norms. In the early to mid-1900s, smoking was often seen as a social norm. Smoking was portrayed in movies and entertainment as being casual, cool, and sexy. Smokers were an aspiration reference group during this period in American history. In modern times, smoking is rarely portrayed in films and is seen as unhealthy rather than a social aspiration.

The following questions are based on the tables provided in the case.

7) Which demographic groups have the highest incidence of lung/bronchus cancer (in terms of race and sex)? Would this group be a good target market for CVS Caremark?

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The highest incidence of lung/bronchus cancer is in African American men, followed by Non-Hispanic white men. Either of these groups could benefit from CVS Caremark.

8) What effect has CVS Caremark's decision had on public perceptions of the retailer?

   CVS Caremark's decision has enhanced its image in public perception.

9) Do you feel that the consumers who are fully-engaged, indifferent, or actively disengaged represent the best target market for CVS Caremark? Why?

   Answers may vary and each group could be correct given sufficient explanation. One possible solution is that the indifferent consumers are a good target because they are already minimally engaged with the brand and they indicate that they are 27% more likely to patronize CVS in light of its recent change.

10) Based on your answers for questions 7 and 9, devise a marketing strategy for CVS Caremark to market their smoking cessation program to an ideal target market (as described by demographics and level of engagement). Make sure to consider the sections of chapter five that discuss nuances of ethnic subcultures.

    Answers will vary.

CASE 2-3 BEATS BY DR. DRE'S RISE TO THE TOP

1) Please reference the other-oriented, environment-oriented, and self-oriented values in the text. Choose a few of these values and explain how they are relevant to Beats by Dr. and Beats Music?

   Answers will vary, but here are some possible solutions:

   a) Youth/Age: Cultures that value youth will be attracted to the youthful "cool factor" of Beats.
   b) Tradition/Change: In a fast-paced market like the music streaming industry, consumers are more will to adopt new innovations.
   c) Sensual gratification/Abstinence: Music, especially with heavy bass, is a very sensual experience, which can evoke various emotions.
   d) Postponed gratification/immediate gratification: Music streaming provides immediate gratification by allowing the listener to hear millions of songs on demand.

2) Refer to the generation groups and social classes in chapter 4, the ethnic subcultures in chapter 5. With all of these concepts in mind, describe an ideal target market segment for Beats Music?

   Answers will vary. However, here is one possible answer:

   a) Generation Z, because they are the most digital savvy generation and many own

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smartphones and tablets
b) Middle to Upper-class Americans in social structure, because this group has disposable income
c) African American, because Dr. Dre is a popular celebrity among this group.

3) Refer to Table 5-2 in chapter 5, entitled, "African American Segments Identified by Yankelovich." Imagine that Beats has decided to target African Americans. Which of these segments would be the best target market for Beats? Explain your answer.

Several answers may be correct, given that the student provides a good rationale. However, here are two possible answers:
a) Black Onliners, because they are 18-34 years old, middle to upper income, and the heaviest users of technology
b) Digital Networkers, because they are teens and in their early twenties and heavy tech users

4) Refer to the three categories of innovation in chapter 7. Which category of innovation are the following products? Justify your answer
a) Beats headphones?
b) Beats Music?

a) Beats Headphones are a continuous innovation. They plug into existing products and are placed on the head just as pre-existing headphones operated. No new learning is required of the consumers.
b) Beats Music is a discontinuous innovation because it requires a small amount of learning for consumers. Beats has some customizable features and consumers must learn the software.

5) Think in terms of family decision making from chapter six. What members of the household are likely to play each of the following roles in the purchase decision for Beats Music of Beats headphones?
a) Initiators
b) Information gatherers
c) Influencers
d) Decision makers
e) Purchasers
f) Users

a. Several members of a household could play each of these roles. Here is an example of a common answer:
a) Children, teens, and young adults and/or parents
b) Children, teens, and young adults and/or parents
c) Children, teens, and young adults
d) Parents or young adults
e) Parents or young adults
f) Children, teens, and young adults

6) Reference the section of chapter 7 on reference group influence.

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a) Are Beats headphones a necessity or nonnecessity?
b) Are Beats headphones visible or private?
c) Given your answers for a and b, how has beats by Dr. Dre capitalized on this in the past?
d) Do you feel reference group influence will play an important role in the success of Beats? Explain your answer.

a) Beats headphones are a nonnecessity.
b) Beats headphones are visible.
c) Beats' use of celebrities publicly wearing Beats headphones is a source of group influence. The headphones have a distinctive design that raises visibility and are now even used as a fashion accessory. Being positioned as an accessory that conveys meaning that the wearer cares about music and is cool makes it desirable even if not necessary.
d) Yes. Beats has a history of using celebrities and other influential people in its marketing with great success. This pattern is likely to continue in innovative ways to keep the brand fresh.

7) Review the section of chapter 7 on marketing strategy, WOM, and Opinion Leadership. Which strategy or strategies of those listed has Beats by Dr. Dre used to become so popular in its market?

Beats by Dr. Dre used several of these strategies in the past, especially product sampling, retailing, and creating buzz. Beats has not relied heavily on advertising.

CASE 2-4 HOW SOCIAL MEDIA NEARLY BROUGHT DOWN UNITED AIRLINES

1) When Dave Carroll posted his video on YouTube, it went viral. What American value do you feel motivated consumers to pass along this "video complaint" to others?

One of the American values discussed in Chapter 3 that applies to this situation is the value of problem-solving. Many Americans take pride in solving problems and feel that most problems can be fixed with enough persistence. After persisting in his attempts to reason with United Airlines for nine months, Carroll found another way to solve his problem: by spreading negative WOM through his online videos. Aside from finding the videos entertaining, others who viewed Carroll's videos may have felt a sense of providing aid to Carroll in solving his problem by spreading his videos to others.

Another American value that students may mention is immediate gratification. Passing along "juicy" information may provide some influence with an immediate sense of pleasure.

2) Of the three groups of influencers identified by Forrester, which group or groups do you think were most likely responsible for Dave Carroll's video going viral? Explain.

The group of influencers that would most likely be responsible for Carroll's video going viral is the group in the middle of the pyramid: the Mass Influencers. This group communicates with the largest audience of viewers. Mass Influencers are not extremely motivated to spread a message, unless the message is entertaining or gossip-laden. Carroll's video fits that description and so it spread quickly throughout social media with the help of these

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consumers.

3) Based on your answers to 1 and 2, develop a marketing strategy for United to "recover" from their service failure. Specifically, address the following:
   a) What "message" should United be sending to the general public?

   United Airlines was shamed (and their stock took a dive) in response to Dave Carroll's videos telling the world how they provide terrible service from the baggage handlers to the customer service representatives. So United should focus their message on apologizing for the failure and letting consumers know that their service will be better in the future. Consumers need to trust that United will address their issues appropriately, should any issues arise. Research suggests that apology and problem correction (in this case reimbursing Carroll for his loss) can be effective in handling a problem or failure.

   b) What "media" outlets (traditional, online, and/or social) should they be using?

   Because the attack on their brand was launched via online social media, that same outlet should be one of the most heavily used in a damage control/image rebuilding campaign. However, other types of media may be used in conjunction with online social networks to reinforce the message.

   c) Develop a video or ad concept that United could place on social media that could help offset consumer anger over its service failure.

   Student responses will vary. However, the key is that their proposed message should be consistent with their previous answers.

   d) Identify which of the three Forrester groups United should focus on with its recovery campaign and defend your answer.

   Of the three Forrester groups, United should focus on the Mass Influencers because it is likely the group that spread the initial videos due to their entertainment value. So these consumers would already have an interest in United and its service. In addition, Mass Influencers create the most impressions among the general population.

4) Chapter 7 defines and discusses opinion leaders. Are the individuals that create viral complaint videos opinion leaders? Why or why not?

   The key aspect of opinion leaders is that they are product specific based on enduring involvement with the product category. Influencers, as discussed in this case, do not meet this criteria. They are general influencers who are interested in numerous categories of information, news, and gossip. Indeed, it appears that the "gossip" value, not enduring involvement with airlines or guitars, was the motivation behind the videos going viral.

5) Chapter 7 also discusses guiding principles that marketers should use when engaging in social media. How have United Airlines or other companies who have had similar issues operate based on these principles?

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The text lists three guiding principles: transparency, being part of the community, and leveraging the unique characteristics of the venue.

Clearly, United and others who find themselves embroiled in a product or service failure situation need to clearly and honestly communicate about what went wrong and how they plan to fix it (transparency). Being part of the community can simply in these types of cases mean that the marketer "monitor" online "chatter" about the situation in order to better understand and respond to consumer reactions. It may also mean that recovery is not a one-time campaign, but an ongoing conversation about the progress being made by the company with the online community at large *over time*. Students will have various suggestions about the unique characteristics of each venue. Facebook fan pages offer the "wall" for posting of ongoing news items and Twitter feeds can allow the company to push their recovery message to large numbers of users quickly.

6) Several companies are using crowdsourcing as a way for customers to help solve one another's problems. How might companies harness the power of crowdsourcing to combat instances of viral negative WOM?

Companies can use crowdsourcing in multiple beneficial ways. The most relevant to this case is for companies to set up forums in which customers can seek advice from one another, provide ideas for product improvements, and provide feedback. It is important that companies monitor these forums for signs of discontent among the users and address their issues promptly before dissatisfied customers start a negative WOM campaign. Another beneficial use for crowdsourcing is to hold contests for consumer-generated advertising, which is engaging to the participants and saves the company promotional funds that would have been spent at an advertising agency.

7) Besides being a method of communication, online social networks are also innovations that are being diffused. Are online social networks continuous, dynamically continuous, or discontinuous innovations?

Students may suggest that online social networks are dynamically continuous or discontinuous innovations. Either of those options could be correct if the student gives a logical rationale.

8) Describe the typical user of each of the seven social networks described in Table A.

- Facebook: Users are more likely to be female, younger, with higher incomes, more educated, and more urban. The ethnic groups are roughly even.
- YouTube: Users are more likely to be male, Hispanic or black, younger, higher incomes, more educated, and urban.
- Instagram: Users are more likely to be female, black, younger, more educated, and urban. Two of the income groups tie for the highest percentage: $30,000-$49,999 and $75,000+
- Pinterest: Users are more likely to be female, younger to middle-aged white, higher income, more educated, and suburban.
- Snapchat: Users are more likely to be female, black, younger, with some college, and urban. The highest income group is $30,000-$49,999.
- LinkedIn: Users are more likely to be black or white, middle-aged, higher income, more

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educated, and urban. Men and women are equally likely to use LinkedIn.

- Twitter: Users are more likely to be black or white, younger to middle-aged, more educated, and urban. There is little difference in the incomes and sex of the users.

CASE 2-5 GRACE AND FRANKIE: THE INVISIBILITY OF BABY BOOMER WOMEN

1) Chapter 3 discusses several values in American society.
   a) Which of those values relate to the situations described here in this case study? Why?
   b) How well do you feel the values you described in part a of this question match with the textbook's interpretation of each value's placement of current, traditional, and emerging states in Figure 3-1 in Chapter 3? Justify your response.

   a) Age/Youth and Sexuality/Abstinence are obvious answers. However, other answers such as immediate/delayed gratification could also work. The key is that students explain their reasoning.
   b) Answers will vary due to this being an opinion-based question. There may be some discussion about how the combination of older age with sexuality has been somewhat of a taboo topic in the past but is now emerging to be more normalized.

2) Chapter 2 examines values from a cross-cultural perspective, while Chapter 3 examines those same values from an American perspective. The value placed on aging can vary from culture to culture. This particular case is written in an American culture context, where youth is valued over age. Do you think the story would be different in another country, such as Japan, that places a greater value on age? Explain your answer.

   Answers will vary. However, an article about Japanese advertising to Baby Boomers, found here (http://www.dw.com/en/advertising-to-the-baby-boomers/a-5213937) details how advertisers are paying lots of attention to Baby Boomers in Japan. They are respected and recognized as a powerhouse of spending in this country. Aside from cultural reasons, the majority of the Japanese population are Baby Boomers or older.

3) The case highlights how Baby Boomer women are largely invisible and forgotten by marketers, especially at New York Fashion Week. Why do you think this once sought after and valuable segment of women is now virtually ignored?

   Answers will vary. However, the case suggests the neglect of Baby Boomer women is not intentional, but marketers simply maintain their focus on a younger age range and the Baby Boomers have aged out. Another explanation could be that marketers believe that using older models in advertisements for products could deter younger buyers, whereas using younger models would be less likely to deter older buyers.

4) Baby Boomers have not become invisible to all marketers and companies. Brainstorm and research an example of a company that actually is targeting Baby Boomer women. Write a brief summary of: a) the name and background of the company, b) describe the product the company makes targeting these women, and c) how is this product being received by Baby

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Boomer women.

Answers will vary. However, one good example is Unilever and its product Dove. Dove targets women that includes Baby Boomers with its "Campaign for Real Beauty," originally launched in 2004. This campaign features models of a variety of ages and ethnic groups, including several older women. Within two months of the campaign's initial launch, sales rose 600% in the U.S.

5) Chapter 4 discusses many different generational groups.
   a) According to what you read in the case, which of these generational groups is most and which is least targeted by marketers?
   b) What are some suggestions that you would give marketers on how to reach out and be more appealing to Baby Boomer women.

   a) Millennials are popularly known as the coveted generation. They are still at a youthful and vivacious stage of life. The older part of this generation has settled into careers that provide a fair amount of disposable income. Finally, this is the largest of all generations, in part due to being the children of the Baby Boomers in many cases.
   b) Answers will vary. However, some good options might be to create ads with older women as models in them or otherwise have the advertisements targeted toward Baby Boomer women in other ways that recognize their unique needs and wants.

6) Perform primary data collection yourself to investigate this phenomenon. Assemble a small focus group of Baby Boomer women. If you have trouble locating enough participants, perform a depth-interview with one Baby Boomer woman. Ask them/her about their/her opinion as to whether marketers are ignoring their segment. Using the Grace and Frankie example could be a good way to start the conversation. Ask them/her about how they/she feel(s) about being ignored (if that is the sentiment). Ask them/her what they/she would prefer marketers and advertisers to do differently in order to better target Baby Boomer women. Write a brief summary of your findings.

   Answers will vary on this item. The experience of performing the primary data collection in itself will be valuable for students. This is a good activity to assign students as a homework assignment and then come share their findings with the class for a group discussion.

CASE 2-6 AMERICAN BEAGLE OUTFITTERS: APRIL FOOL'S JOKE TURNED REALITY

1) Given the unusual circumstances of American Eagle's launch of its American Beagle line, do you feel that this April Fool's prank was genuinely a prank turned reality or do you think that it was actually a planned launch and American Eagle was testing the waters in a way that created consumer engagement and buzz in the market place? Or perhaps you have another opinion? Explain your answer.

   Answers will vary. This question could be used as a class activity. Organize the students into groups according to their opinions and carry on a debate between the two (or more) opposing views.

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2) As part of the launch, American Beagle allowed the consumer to sign up for early sales before the dog apparel was released.
   a) What category of adopters discussed in the section of chapter 7 on diffusion of innovations would the consumers that signed up early fall into?
   b) What are some possible reasons behind American Beagle offering early sign ups?

   a) Innovators because this is the very first group of consumers that will adopt the product.
   b) American Beagle probably offered early sign ups for various reasons. First, it engages the consumers when they visit the American Beagle website. Second, it provides a quantitative measure of the interest and likely sales if/when the offer the dog apparel for sale. Third, it could lead to consumers clicking through and making purchases on the normal American Eagle website.

3) Chapter 3 describes four consumer types with respect to their responses to cause-related marketing. Describe how each of the following groups would have a different perspective on cause-related marketing and how they would react to the American Beagle campaign partnering with ASPCA.
   a) Skeptics
   b) Balancers
   c) Attribution-oriented consumers
   d) Socially concerned consumers

   a) Skeptic: This group doubts sincerity or effectiveness of CRM and will not buy from the clothing line based on the CRM.
   b) Balancers: This group believes in CRM but generally does not act accordingly. Thus, this group believes in supporting the ASPCA but can buy dog apparel at another retailer for lower cost and no wait time.
   c) Attribution-oriented consumers: This group is concerned about motives behind CRM. They would do more research about the partnership of American Beagle and ASPCA to form an opinion on intentions.
   d) Socially concerned consumers: These consumers are driven by desire to help. They would believe that ASPCA is a good cause and sign up to purchase dog apparel from American Beagle early so that they could donate to the cause.

4) Refer to question number 3, which of those groups of perspectives on cause-related marketing do you personally belong? Why? Explain your answer thoroughly.

   Answers will vary. The important part is that the student provides a reasoned rationale for his or her answer.

5) Chapter 4 discusses several generational groups. Which generational group do you think would serve as the best target market for American Beagle dog apparel? Would more than one be viable? Explain your answer.

   Answers will vary. American Eagle is known to already target Generation Y with its other products, so that is a logical choice because there is already existing awareness of the brand among that group. Another good answer is Baby Boomers because the case says that they are

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good customers for dog accessories and services, given that many of them do not have children in the household and treat dogs as family members.

6) Chapter 6 describes various stages in the household life cycle. Which of these stages would serve as best target market for American Beagle dog apparel? Would more than one be viable? Explain your answer.

   Many of the stages would be viable. However, the stages that include children in the household (any that say full nest) would be least viable due to there being less discretionary income available after paying for children. Further, the case states that empty nesters make up a significant portion of the market for dog products.

7) Please refer to the table called "Pet Owners Behavior during Recession" with shows results of a survey in the midst of the recession in 2008. Now that there has been some economic recovery, the results may differ.
   a) Perform a survey of modern-day pet owners asking the same questions. Compare and contrast your results with those from 2008.
   b) Record the generation for your respondents and perform a cross-tab analysis based on that data.
   c) Record household lifecycle stage and perform a cross-tab analysis based on that data.

   The answers will vary here. However, attention should be paid to the process and reporting standards.

CASE 2-7 TIDE GOES AFTER GREEN WITH NEW PODS

1) Table 3-1 describes a green segmentation scheme of consumers that includes psychographic and demographic information. Choose four of the eight segments and describe the likely reaction that each segment will have to the introduction of Tide Pods.

   - *Eco-Centrists (16 percent):* Highly committed to and concerned about the environment. Beliefs reflected in their consumption behaviors across a wide range of products. Will pay more for eco-friendly products. Cynical about corporate green efforts – viewed as merely marketing tactics. This group is likely to buy Tide Pods, even at a premium. But, they may question P&G's motives behind its greener offering.

   - *Respectful Stewards (7 percent):* Most highly concerned about the environment. Beliefs reflected in their consumption behaviors. Will pay more for eco-friendly products. Not cynical about corporate green marketing efforts. This group is likely to buy Tide Pods, even at a premium.

   - *Proud Traditionalists (14 percent):* Environmental efforts focused on keeping home running efficiently and effectively (insulation and water-efficient products). Focused on family and hard work. This group may be interested in Tide Pods because of the increased efficiently of reduced waste (water, detergent, wear on the washer).

   - *Frugal Earth Mothers (18 percent):* Environmental efforts focused on running a more efficient home to save money (buy used, wash in cold water, air dry clothes). Focused on

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practicality and lowering day-to-day costs. This group may be attracted to the fact that Tide Pods waste less detergent.

- *Skeptical Individuals (13 percent):* Believe in environmental issues like global warming and carbon emission concerns. Skeptical of corporate green efforts. This group is likely to buy Tide Pods because of its green characteristics, but will be wary of any "greenwashing," or deceptive environmental claims.

- *Eco-Chic (14 percent):* Environmentally concerned, but actions don't match beliefs. More interested in appearing to be green to "ride the wave of environmental consciousness." May try eco-friendly products but tend to return to their favorite non-green brands. This is not a group for Tide Pods to rely on for long-term growth.

- *Green Naives (11 percent):* Environmental issues have not registered with this group in terms of beliefs or actions. This group would not buy Tide Pods based on its environmental impact. However, they may be interested in other aspects of Tide Pods, such as ease of use.

- *Eco-Villians (7 percent):* Highly dismissive of environmental concerns. Don't believe global warming exists. Highly suspicious of corporate green efforts and seen as marketing ploys. This group would not buy Tide Pods based on environmental impact, but other aspects such as convenience, may be appealing.

2) Chapter 7 discusses diffusion of innovations.
   a) Identify whether Tide Pods is a continuous, dynamically continuous, or discontinuous innovation.

      Tide Pods is a continuous innovation because it requires little change in consumers' behaviors. Instead of pouring or scooping detergent into a cup and adding it to the laundry (along with fabric softeners, etc.), consumers simply drop a small tablet into the wash.

   b) Then, evaluate Tide Pods as an innovation based on Table 7-3 (use college students as the group of consumers for this example).

      Students will provide various answers. The following is one example solution and is entirely subjective on the part of the author:

Nature of group	8	College students are typically more open to change, and their laundry habits may not yet be well formed which is good for Tide Pods.
Type of decision	9	Likely an individual decision which aids diffusion.
Marketing effort	9	Heavily marketed - $150 million marketing effort.
Felt need	3	Solve the "too much detergent" problem. However, consumers are often unaware of this and marketing will need to focus on creating awareness of the problem.

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Compatibility	7	Fairly compatible – still putting product in washer with clothes. Though some users who have well-established habits of "mixing" their own solutions may find it incompatible.
Relative advantage	7	Have a relative advantage due to convenient "all-in-one" formulation. Competition may erode this in the future.
Complexity	9	Not complex to use.
Observability	1	Low which limits diffusion rate.
Trailability	9	Free samples and coupons will make this product highly triable.
Perceived risk	8	Low absolute risk involved.

3) Consumer tests show that some people are reluctant to use premeasured laundry tablets because they learned to do laundry differently from their parents.
   a) How does this apprehensive attitude toward Tide Pods relate to the consumer socialization process discussed in Chapter 6?

      During the consumer socialization process, parents are role models of consumer behavior to their children. Sometimes, parents explicitly instruct their children on how to consume products through instrumental training. Other times children learn from observing their parents through modeling. Parents can also educate their children through mediation, or altering a child's initial interpretation of stimuli. A major part of the consumer socialization process is that parents impart consumption-related preferences to their children. The majority of Americans have grown up seeing their parents use liquid or powder detergents in the laundry, not premeasured tablets or sachets. Some parents may have specifically told their children which types of detergent are preferable. Thus, many Americans have been socialized to use detergent in a way similar to their parents.

   b) Recall and discuss examples of how your family has influenced your own consumer behaviors.

      Students will have a wide variety of examples of how their parents socialized them as consumers. Some popular examples are automobile brands, clothing, methods of cooking, and beauty care products.

4) Chapter 7 discusses influencers.

   a) Who are likely to be the influencers for Tide Pods?

      Student answers may vary. However, the attributes of Tide Pods suggest several different influencers.

      - The convenience aspect suggests that busy professional women might be influencers since the product provides so much value in time savings and simplicity for this task. Busy moms would also fit here due to the convenience.

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- The green aspect suggests that environmentally conscious consumers might serve as influencers here as well.

b) How can P&G best target and utilize them?

If P&G can find influential bloggers (so-called "mommy bloggers" or environmental bloggers), they might use product sampling (in which case new blogger rules would apply). Other aspects might be through social media such as Twitter and Facebook.

5) How could P&G build buzz or WOM for Tide Pods?

Marketers can create buzz or WOM in many ways, such as communicating with, and giving product samples to, influencers, using product placement, getting celebrities to mention the product, and conducting guerrilla marketing campaigns such as flash mobs.

6) Using the demographic characteristics of green cleaners listed in the case develop a marketing campaign including (a) core theme, (b) body copy, (c) key visual aspects, and (d) media considerations for one or more target groups.

Answers will vary depending on the target group. The key is that all aspects of the campaign tie into the selected group. For example, if it is households with children, the convenience theme may be appropriate, along with a visual of a mom or dad overwhelmed with daily tasks using the Tide Pods to make laundry a snap. If targeting one of the ethnic groups, considerations of cultural heritage and values, as well as language (Hispanics), need to be addressed.

CASE 2-8 HISPANIC MARKETING IN ONLINE AND MOBILE FORMATS

Questions 3 and 4 could be the basis of a longer-term project.

1) What are the opportunities and challenges facing marketers that are targeting the lucrative Hispanic market through online and mobile marketing?

A great opportunity for marketers relates to the size, growth, and purchasing power of the Hispanic market. Table A shows that the Hispanic market is more likely than average consumers to use certain social network (e.g. Quizlet, Ask.fm, Tumblr, Twitter, and Facebook). Further, the Hispanic market's attitudes and purchasing behaviors are influenced by social media to a greater degree than Non-Hispanics on almost every dimension in Table B. Also, Table D shows that Hispanics use social networks and blocks to a higher degree than Non-Hispanics.

One primary challenge for marketers is language. Rather than simply translating English messages into the Spanish language, communication should be completely reworked in

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order to be more meaningful to Hispanics. Table B shows that Hispanics are less likely to pay attention to ratings and reviews than Non-Hispanics are. Also, Table E displays several product categories in which Hispanics are less likely to make purchases than all adults.

2) Based on the information in Tables A, B, C, D, and E, develop an overall marketing strategy for targeting the Hispanic market.

This is an interesting and useful exercise. Students should be encouraged to combine information from Chapter 5 along with information in the tables to identify core marketing strategy issues, opportunities, and challenges for the Hispanic market.

3) Based on the information in Tables A, B, C, D, and E, develop an advertising campaign include (*i*) overall positioning strategy and core theme, (*ii*) key advertising copy points, (*iii)* visual elements, and (*iv*) key media outlets.

This is an interesting and useful exercise. Students should be encouraged to combine information from Chapter 5 along with information in the tables to identify core marketing strategy issues, opportunities, and challenges for the Hispanic market.

4) Based on the information in Tables, A, B, C, D, and E, develop training materials for entry-level marketing professionals to enhance their interactions with consumers and to enhance their selection of media outlets when communicating with consumers.

This can drive interesting and useful discussions relating to the communications challenges across ethnic subcultures (both verbal and nonverbal) and how these issues then can be incorporated into training materials. You might encourage students to interview local marketing professional who target the Hispanic market, when possible, as a way to gain specific insights into the opportunities and challenges involved.

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