Chapter 3

The Roles of Cross-Cultural Perspectives in Global Marketing

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ABSTRACT

This chapter introduces the roles of cross-cultural perspectives in global marketing, thus explaining theoretical and practical concepts of cross-cultural consumer country-of-origin perceptions, cross-cultural consumer trust, cross-cultural consumer animosity, cross-cultural consumer ethnocentrism toward global brand, cross-cultural global brand reputation, and cross-cultural social networking services. Businesses must recognize, respect, and reconcile cultural differences if they hope to successfully contract in the global business environments. Cross-cultural understanding and cultural knowledge for global marketing approaches are the key issues to be considered for a favorable integration into the cross-cultural organizations. Applying cross-cultural perspectives in global marketing will vastly improve organizational performance and achieve strategic objectives in the social media age.

INTRODUCTION

Globalization processes during the past decades has led to the development of the large multinational corporations expanding their activities across countries and continents (Muratbekova-Touron, 2008). Diverse cultural factors affect the cross cultural and cross border competitive advantage projects, and research into the cultural dynamics affecting a society is a prerequisite for its success (Adidam, Gajre, & Kejriwal, 2009). It is necessary to develop a cross-cultural competitive advantage program in order to beat competition in the globalized economy (Adidam et al., 2009).

Country-of-origin is one of the key determinants widely cited in the marketing literature impacting foreign product consumption (Muchtar, Kingshott, Wong, & Laksamana, 2012). Jimenez and Martin (2014) stated that trust plays a mediating role on the country-of-origin brand reputation and consumer animosity effects in determining consumers’ purchase intentions in both emerging and developed mar-

DOI: 10.4018/978-1-4666-8262-7.ch003
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The role of international trust among the different stimulus that country-of-origin produces (Nijssen & Herk, 2009; Usunier, 2011). Cultural knowledge and cultural competence are the key factors of organizational success (Calza, Aliane, & Cannavale, 2014). Cultural norms can vary at national, business, social, corporate levels, and departmental levels (Jones et al., 2014). Culture may modify the practical way in which trust is built (Hofstede, Fritz, Canavari, Oosterkamp, & Sprundel, 2010). Reputation is an important success or failure factor for traders in general in many cultures and countries (Hofstede et al., 2010). Many studies have shown how country-of-origin affective and cognitive effects vary across countries with different level of development (Sharma, 2011) and with different levels of institutional-based trust (Winder, 2001). Cross-cultural research is a challenging endeavor because the application of a given methodology in a different social context can encounter significant practical and cultural difficulties (Morales & Ladhari, 2011).

The strength of this chapter is on the thorough literature consolidation of cross-cultural perspectives in global marketing. The extant literature of cross-cultural perspectives in global marketing provides a contribution to practitioners and researchers by describing a comprehensive view of the functional applications of cross-cultural perspectives in global marketing to appeal to different segments of cross-cultural perspectives in global marketing in order to maximize the business impact of cross-cultural perspectives in global marketing.

BACKGROUND

With the globalization of the world economy, culture’s role in shaping business relationships has become a critical focus of academic researchers’ attention as well (Dash, Bruning, & Guin, 2009). Globalization of markets and international competition are requiring firms to operate in a multicultural environment (Luna & Gupta, 2001). Businesses are increasing working with individuals and corporations from multiple nations (Sims, 2006). While considerable progress in the area of cross-cultural consumer ethics exists, much research remains to guide the marketing strategies of international organization (Barry, Dion, & Johnson, 2008; Vitell, 2003).

Some research designs require more convenient measures in order to examine the effects of cultural differences (Yeganeh, 2013). The theoretical understandings of culture that underlies these marketing perspectives are based on the function of culture (Jack, Calas, Nkomo, & Peltonen, 2008). Globalization of markets inevitably results in significant changes to consumption patterns (Hu & Wang, 2010; Kotabe & Helsen, 2008). The popularity of culture as an explaining factor in international business has resulted in the proliferation of many multidimensional cultural frameworks (House, Hanges, Javidan, Dorfman, & Gupta, 2004; Schwartz, 2006).

Because the world economy is becoming increasingly cross-cultural, the need for conducting cross-cultural studies has been well recognized (Luna & Gupta, 2001; Nilsson, 2007; Veloutsou, Gilbert, Moutinho, & Goode, 2005). Neglecting cultural differences in the role of trust can create breakdowns of trust in trade relations and frictions in the global marketplace (Hofstede et al., 2010). Trust is a central aspect of culture itself, correlated with cultural differences across nations (Hofstede et al., 2010).
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