

**GLOBALIZATION, LIFESTYLE SEGMENTATION AND ADVERTISING
DESIGN:
A REVIEW OF DEBATES ABOUT STANDARDIZATION**

by

Benjamin T. Q. Guo

B.A. Nanjing University, 1982

M.A. Nanjing University, 1987

**THESIS SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ARTS**

**in the School
of
Communication**

© Benjamin T.Q.Guo 1994

SIMON FRASER UNIVERSITY

December 1994

**All rights reserved. This work may not be
reproduced in whole or in part, by photocopy
or other means, without permission of the author**

APPROVAL

NAME: TONGQING GUO

DEGREE: MA

TITLE: GLOBALIZATION, LIFESTYLE SEGMENTATION AND ADVERTISING DESIGN: A REVIEW OF DEBATES ABOUT STANDARDIZATION

EXAMINING COMMITTEE:

CHAIR: Rowland Lorimer

Steven Kline
Senior Supervisor
School of Communication, SFU

William Leiss
Supervisor
School of Communication, SFU

Robert Sparks
External Examiner
School of Human Kinetics - UBC

Date: Dec 5/94

PARTIAL COPYRIGHT LICENSE

I hereby grant to Simon Fraser University the right to lend my thesis, project or extended essay (the title of which is shown below) to users of the Simon Fraser University Library, and to make partial or single copies only for such users or in response to a request from the library of any other university, or other educational institution, on its own behalf or for one of its users. I further agree that permission for multiple copying of this thesis for scholarly purposes may be granted by me or the Dean of Graduate Studies. It is understood that copying or publication of this thesis for financial gain shall not be allowed without my written permission.

Title of Thesis/Project/Extended Essay

GLOBALIZATION, LIFESTYLE SEGMENTATION AND ADVERTISING DESIGN:
A REVIEW OF DEBATES ABOUT STANDARDIZATION

Author: _____
Signature

TONGQING GUO

Dec. 5 2014
Date

ABSTRACT

The development of transnational media technologies and marketing organizations, the growth of multinational enterprise, and the economic integration of states through trading relationships are three important trends which taken together characterize the current expansion of global markets. This thesis discusses some of the implications of these trends for marketing communication and advertising design by reviewing the debates surrounding Theodore Levitt's argument that marketing efficiencies would arise from standardized advertising which promotes universal products.

Noting the very limited evidence for practical efficiencies in standardized approaches to marketing communication, the thesis argues that the narrow economic model of marketing fails to appreciate the complexity of cultural dimensions of products or the social communication process through which they are promoted in different societies. However, the thesis also disagrees with those critics who insist on advertising being tailored to local markets on a country-by-country basis. Cross-cultural studies are cited to show that there are indeed considerable differences in

consumer response to advertising, but the differences can no longer be adequately described in ethno-geographic terms.

Challenging both the notion of distinct national markets and the predictions of uniformity via universal utilities, the thesis goes on to explore the potential of global lifestyle segmentation as an alternative basis for advertising standardization. This approach recognizes a rich variety of market segments defined by value-lifestyles that cut across national boundaries. Such a global market is best understood as what Michael Featherstone calls "globalization of diversity" rather than cultural convergence or a jigsaw of insulated nation blocks.

ACKNOWLEDGMENTS

I wish to thank Professor Stephen Kline, my senior supervisor. It was Professor Kline who aroused my interest in marketing communication, offered me research assistantships to study advertising, and patiently guided me through the eventful process of drafting and revising the thesis. Without his help, none of this would have been possible. His enjoyment of learning and indefatigable pursuit of knowledge set an inspiring example for me as a student.

I am fortunate in having Professor William Leiss and Professor Robert Wyckham on my committee. Their writings on advertising and the comments I received on the draft of my thesis demonstrated the kind of scholarship that I admire and aspire to.

My thesis also benefited from the Graduate Colloquium I attended. Professor Jan Walls, the seminar supervisor, and the participating fellow graduate students challenged me to rethink many of my arguments.

A word of thanks is due to the Centre for Policy Research on Science and Technology, the David Lam Centre for International Communication, and the School of Communication for sponsoring my trips to three international conferences, where I tried out some of the ideas in my thesis.

I am particularly grateful to Professor Rowland Lorimer for introducing me to this school, which has proven to be highly conducive to thesis projects like mine.

TABLE OF CONTENTS

APPROVAL	ii
ABSTRACT.....	iii
ACKNOWLEDGMENTS	v
INTRODUCTION	10
CHAPTER 1. THE BACKGROUND OF THE DEBATE.....	5
GLOBALIZATION OF MARKETS	5
UNIFORMITY OR DIVERSITY	10
CHAPTER 2. THE DEBATE	14
THE ISSUE OF STANDARDIZATION	14
THE GROWTH OF GLOBAL ADVERTISERS	16
CHANGES IN THE INFRO-STRUCTURE OF GLOBAL ADVERTISING	18
PAST PRACTICES (1950s-1980s)	25
CURRENT DEBATES.....	29
CHAPTER 3. A CRITIQUE OF THE DEBATE.....	42
PROBLEMS WITH “UNIVERSAL UTILITIES”	42
<i>The Cultural Complexity of Consumption.....</i>	<i>43</i>
<i>The Social Communication through Advertising.....</i>	<i>50</i>
PROBLEMS WITH “CULTURAL CONVERGENCE”	54
PROBLEMS WITH THE ETHNO-GEOGRAPHIC CLASSIFICATION OF CONSUMERS.....	57
CHAPTER 4. MOVING BEYOND THE DEBATE	63
THE EVOLUTION OF THE LIFESTYLE APPROACH	63

THE POTENTIAL OF GLOBAL LIFESTYLE SEGMENTATION.....	72
<i>Social Differentiation through Lifestyle Consumption Pattern</i>	72
<i>The New Media Environment of Microcasting</i>	77
<i>Multi-Product Ads and Lifestyle Unity</i>	84
INCREASING RECOGNITION OF THE LIFESTYLE APPROACH.....	86
GLOBALIZATION OF DIVERSITY--A PROPOSED NEW MODEL FOR STANDARDIZATION	91
CONCLUSION.....	96
SELECTED BIBLIOGRAPHY	100

LIST OF TABLES

TABLE 1	7
TABLE 2	8
TABLE 3	23
TABLE 4	27
TABLE 5	28
TABLE 6	87
TABLE 7	88

LIST OF FIGURES

FIGURE 1.....	32
FIGURE 2.....	33
FIGURE 3.....	46
FIGURE 4.....	48
FIGURE 5.....	53
FIGURE 6.....	70
FIGURE 7.....	75
FIGURE 8.....	97

INTRODUCTION

“Global advertising’ is in fashion again”, declares Rachel Kaplan in his
article for *International Management* published in April 1994.¹ He quotes Tim
Corrigan, executive vice-president for worldwide client services at Backer
Spielvogel Bates Worldwide (BSB) in New York as saying, “If you look at the
world’s top 100 advertisers, 90 of them are global advertisers”. As a result,
“International advertising agencies are drawing ever closer to their clients’
business in a bid to cash in on multinational marketing”. Not surprisingly, BSB’s
motto is, “Globalize or die”.

One of the issues for global advertising is standardization in ad content
design. Current literature documents an intermittent debate on whether such
advertisements should be standardised or localised. The issue of standardization is
receiving more attention now that the cold war is over and global markets are
expanding rapidly. The title of one study gives it a dramatic expression:
International Advertising Messages: To Adapt Or Not To Adapt--that is the question
(James, 1991).

¹ Rachel Kaplan, “Ad agencies take on the world”, *International Management*. April 1994. p.50.

The topic intrigued me during a class discussion in Professor Stephen Kline's CMNS 815. It is an academic and emotional issue for me as a student from China where, in 1986, Coke commercials were considered “spiritual pollution”. I compiled a set of selected readings entitled, *Global Advertising: Fantasy or Reality*. The collection is divided into three sections: Part One: Globalization of the economy, communication network, and advertising agencies; Part Two: Arguments for and against standardisation in global advertising; Part Three: Academic theory-construction based upon global advertising practices and experiments.

My understanding of the issue underwent substantial change as I worked my way through various courses. With the help of my supervisors, fellow graduate students, and the students attending the tutorials I organised as teaching assistant, I started putting together my thoughts on the issue into a thesis.

The thesis will review the literature on the issue of standardization in designing advertisements for brand name consumer products. Such complex economic and cultural phenomena as advertising call for a multi-disciplinary approach. That is exactly what the thesis is trying to do: applying critical theories of communication to a marketing issue.

Chapter 1. takes a brief look at the expansion of global markets that gives rise to the debate on standardization in advertising. The chapter brings together some

background information on global economic integration. The implications of these changes are discussed in terms of theoretical arguments over globalization.

Chapter 2. reviews past practice of and current debates about global advertising. Changes in practice are considered in connection with the growth of multinational enterprise and the internationalization of media and marketing organizations. Current debates on global advertising are framed as an opposition between those who advocate standardization based upon the notion of a universal consumer and those who support localization in order to suit ethno-geographical markets.

Chapter 3. critiques both positions on the issue. Cross-cultural studies are cited to question standardization based upon “universal utilities” and “cultural convergence”. It is pointed out that “universal utilities” fail to appreciate the socio-cultural context of consumption and the unique role advertising plays in its promotion. It is also pointed that available research casts doubt on the notion of “cultural convergence”, though the rationale for country-by-country advertising is found to be equally problematic since evidence shows that global markets can no longer be neatly segmented along ethno-geographical boundaries.

Chapter 4. searches for an alternative basis for standardization. The chapter traces the development of the lifestyle approach in marketing and discusses its

potential as a global segmentation strategy. It is argued that new trends in social differentiation, the emergence of multi-product ads, and the current environment of microcasting conspire to make it feasible to standardize advertising based upon lifestyle segmentation. Studies indicate that lifestyle segmentation is gaining recognition.

The scenario of global markets segmented along lifestyle lines is described as what Featherstone calls “globalization of diversity”.

The thesis concludes by proposing a new model outlining the various considerations for targeting global lifestyle segments through standardized advertising.

CHAPTER 1. THE BACKGROUND OF THE DEBATE

Team Canada signed more than 50 contracts or letters of intent in China...the second Asian-Pacific Economic Co-operation forum set the timetable for establishing a free trade zone...Swedes voted to join EEC...Eurostar trains started services through the English channel...headline news every day report the rapid expansion of global markets. But how global are the markets? Who are the prime movers? What are the implications of globalized markets? These questions cannot be answered in a thesis, though a sketchy picture will be presented below so as to outline the background against which the debate on advertising standardization is unfolded.

GLOBALIZATION OF MARKETS

In her Conference Board of Canada report, Catherine G. Johnson offers a pragmatic definition of globalization, i.e., "...the increasing interdependence and interconnectedness of national economies including consumers, suppliers, competitors, and markets in general" (1990:1). According to her observation, "Globalization, a trend of the 1980s, is now a reality for the 1990s and beyond.

World-wide de-regulation and improved systems of communication and transportation--the root cause of these major changes--have resulted in a major increase in international integration and global interdependence of previously independent countries" (1990: vi).

Such interdependence of national economies manifests itself in many ways. John Dunning (1993b:96) considers three sets of spatial economic activity linking nation states: firstly, emigration and immigration of people (especially professional, managerial and skilled workers); secondly, trade in assets, goods and services; and thirdly, the acquisition or colonization of new territory. Trade and flow of capital used to dominate international economic relationships, although migration and multinational enterprise in production are increasingly more important.

Out of the massive statistics on the topic, let's pick a few as indicators of economic integration of the world. According to John Williamson and Chris Milner (1991:3), gross world product (GWP) in 1990, measured properly on the basis of purchasing power comparisons, amounted to about 26 trillion. About a fifth of world expenditure is now directed at goods (or services) produced abroad. A more precise indicator of international interdependence is the speed at which the ratio of import/export to national gross domestic product (GDP) is changing. *The Economist*

reports (Nov. 1, 1985:105) the growth of average of exports and imports of goods and services as a percentage of GDP in several countries:

Table 1
The Relative Significance of International Trade

<u>COUNTRY</u>	<u>1965</u>	<u>1985</u>
US	5%	9%
JAPAN	10%	16%
CANADA	20%	28%
BRITAIN	19%	29%
W.GERMANY	19%	32%
BELGIUM	36%	77%

* All figures are interpolations from a bar chart.

According to the Europa World Year Book 1994², the rate of import/export to these countries's GDP has been fluctuating but generally remains quite high.

Interdependence is also reflected in the ratio of foreign direct investment (FDI) to GDP (Dunning, 1993b:17):

² *The Europa World Year Book*, Europa Publications Ltd.,1994. The specific figures are not comparable because the two sources did not use exactly the same method of calculation.

Table 2**Outward Stock of Foreign Direct Investment and Its Ratio to GDP**

<u>COUNTRY</u>	<u>VALUE(1967)</u>	<u>% OF GDP</u>	<u>VALUE(1988)</u>	<u>% OF GDP</u>
U.S.	56.6	7.1	345.4	7.1
U.K.	15.8	14.5	183.6	26.1
JAPAN	1.5	0.9	110.8	3.9
W.GERMANY	3.0	1.6	103.4	8.6
CANADA	3.7	5.3	50.7	11.6
SWEDEN	1.7	5.7	26.2	16.4

* Value figures are in billions of US dollars.

These global links through trade and investment (including cross-border production) occur in vital areas of world economy. For instance, the world's largest multinational corporations (MNC) operate in such industries as automotive, petroleum, electronics, electrical, food, chemicals, machinery, utilities, metals, metal products, and aerospace. They also provide essential services like retail trading, food services, telecommunications, financial services, utilities, banking, construction, accounting, hotels and motels, air transportation, newspapers, wholesale trading, and advertising (Dunning 1993b, 47-48). In fact, as Aharoni reports (1993:1), "Services are often provided by large multinational enterprises (MNEs) on a global basis. By the end of the 1980s, foreign direct investment (FDIs) in services accounted for 40 per cent (about \$400 billion) of the world stock and more than 50-60 per cent (about \$600 billion) of annual flows of FDI".

The activities of MNEs are not only integrating the developed countries, but also bringing fundamental changes in the developing countries.

In his overview of MNE, Dunning observes (1993a:287),

There can be no question that MNEs are not only assuming an increasingly important and pluralistic role in the global economy, but that, in the early 1990s, they are one of the principal engines of its growth and development...Such an engine is fueled not just by the cross-border transfer of finance capital, technology and management capabilities, but also by the way in which MNEs, by their hierarchical control, and product marketing and sourcing strategies, influence economic integration and the international division of labor, and by their entrepreneurship, provide an impetus for the efficient restructuring of national economies. For example, MNEs not only account for 80 per cent of the private R&D expenditure in the world; they are also directly or indirectly responsible for about the same proportion of world trade.

He seems to be rather optimistic, especially with regard to “efficient restructuring of national economies”. More on this later.

One more indicator of the interdependence of national economies is the emergence of regional trading blocks--European Economic Area, North American Free Trade Zone, and Latin American trade agreement zone. Other lesser regional trading blocks are also in the making. The Asia-Pacific Economic Co-operation Forum is entering its second year; talks are going on about an expanded South-Eastern Asian trading zone. Even the split-up former Soviet republics are back together again through trade and tariff agreements.

UNIFORMITY OR DIVERSITY

Changes in global markets have found various theoretical interpretations. Controversies abound over the socio-cultural implications of globalization. The results of the exchange of people, products and ideas on a global scale have been called, “acculturation”, “civilization”, “Americanization”, “Westernization”, “economic development”, “urbanization”, “industrialization”, “detrribalization”, or “assimilation”. Another common reference is simply “modernization”.

Segall et al. summarized some of the key elements in defining modernism (and the researchers who have identified them):

- . Independence from traditional authority figures (Inkeles and Smith, Dawson)
- . Belief in the efficacy of science (Inkeles and Smith, Doob, Dawson)
- . Activism--abandonment of passivity and fatalism (Inkeles and Smith, Kahl, Adinolfi and Klein, 1972, Kiray, 1968)
- . Ambition for oneself and one’s children (Inkeles and Smith, Kiray)
- . Interest in civic affairs (Inkeles and Smith, Schnaiberg, 1970)
- . Mass-media participation (Kahl, Schnaiberg, Dawson)
- . Individualism (Kahl, Adinolfi and Klein, Dawson)
- . Emphasis on the future (Doob, Kiray)
- . Low valuation of traditional beliefs and practices (Doob, Dawson)
- . Egalitarian attitude toward family role structure (Kahl, Schnaiberg, Dawson).

This kind of “modernization” would be a cultural convergence upon the value system of a largely Western consumer culture.

Wallerstein (1974, 1991) viewed globalization as an irresistible conquest of diverse national systems by a world system operating through the dictates of an overarching global money economy. Mattelhart (1979) foresaw the capitalist consumer culture as a universal replacement of unique national cultures.

As for the role of MNCs in globalization, there are two perspectives, according to Kefauver (1994:28-30), namely, the academic viewpoints (the Sovereignty at Bay School, the Dependencia School, and the Mercantilist School), and the practitioner's viewpoints (optimistic, pessimistic, and melioristic).

As these discussions deal more with the macro socio-cultural consequences of globalization and thus fall beyond the scope of the present thesis, we will focus instead on Levitt and Featherstone, whose visions of globalization have direct bearing upon advertising.

Levitt (1983) used the term "modernity" to describe what he perceived to be a homogenization of markets. On the other hand, Featherstone (1987) regards globalization not as "homogenisation", but as "globalization of diversity".

Levitt's basic proposition is: technology is driving the world towards "a converging commonality"; to survive and succeed, "companies must learn to operate as if the world were one large market" and "benefit from enormous economies of scale"

through “suitably standardized products and practices” “with low prices, high quality, and blessed reliability” (1983: 92-102).

In Levitt’s opinion, globalization is not confined to import/export business. Global competition takes place not only in London, Tokyo, Paris, or Hong Kong; it is taking place everywhere, including the grocery store in your neighbourhood. As Levitt puts it, “trouble increasingly stalks companies that lack clarified global focus and remain inattentive to the economies of simplicity and standardization. The most endangered companies in the rapidly evolving world tend to be those that dominate rather small domestic markets with high value-added products for which there are smaller markets elsewhere” (1983: 94).

These endangered companies might suffer two losses, or so Levitt believed: losing their long-held domestic market to foreign competition and missing great opportunities among overseas consumer segments for their products or service. The result may be a repeat of what happened to a whole species of local business at the turn of the century when national brand-name products flooded every regional markets.

Contrary to Levitt’s vision of a uniform market, Featherstone (1987, 1991, 1993) believes the future of globalization lies in diversity. He contends,

...uniformities progressively decline with a) changes in technical capacity which allow greater product variety and differentiation to be built into production runs. and b) increasing market

fragmentation...This, coupled with the tendency for more diffuse, ambiguous lifestyle imagery in advertising noted by Leiss, encourages a variety of readings of messages...Consequently the consumer culture is apparently able to come nearer to delivering the individuality and differences it has always promised (1987:60).

He concludes,

we are moving towards a society without fixed status groups in which the adoption of styles of life (manifest in choice of clothes, leisure activities, consumer goods, bodily dispositions) which are fixed to specific groups have been surpassed...With postmodernism, traditional distinctions and hierarchies are collapsed, polyculturalism is acknowledged, which fits in with the global circumstance... (1987:69).

These versions of globalization are highly speculative and solid evidence is not yet available to predict which one is more likely to materialize. People disagree over the cause or extent of globalization, but there is no denying the fact that global markets are expanding and the world is moving towards economic integration at an accelerated speed.

The debate over advertising standardization, to be reviewed in Chapter 2, is only part of the general discussion about globalization. It is no easy matter to measure economic activities in different countries, let alone measuring such culturally sensitive things as international advertising. The review and the subsequent critique only propose to clarify some of the confusions and to help make the debate more productive.

CHAPTER 2. THE DEBATE

The expansion of global markets renewed discussions about globalization. Within marketing communication, such discussions often center around standardization of advertising. Two developments are instrumental in creating the tantalizing prospect of designing one advertisement to target diverse national or ethnic markets: the rapid growth of multinational enterprise (MNE) and the internationalization of media and marketing organizations. This chapter will take a brief look at the symbiotic global structure of business, media, and advertising in connection with the issue of standardization--its various aspects, past practices and current debates.

THE ISSUE OF STANDARDIZATION

To reach each individual consumer with a unique advertising message would be most effective, whereas to prepare one message for all consumers would be most economical. In actual practice, *cost-efficient* advertising lies somewhere in between. Any shift (no matter how small it might appear) toward either extreme, however, would mean millions of dollars saved or wasted, given the tremendous scale of multinational

advertising campaigns. A recent report on a Kodak pan-Asian advertising drive says, "Kodak estimates it saved more than 50% of what it would have cost to shoot separate commercials for each target market."³

This 50% saving on the production of the advertising content is surely impressive, though greater saving might be possible on media placement. For example, networks like BBC's World Service Television, Asian Star, or CNN serve diverse regions and countries. The placement of one standardized advertisement with such networks could theoretically function as several previously separate placements. The potential for savings can hardly be overestimated⁴.

Standardization in the design of advertisements for brand-name consumer products has several related issues. To begin with, there has to be a standardized product made available to diverse markets (through trade or local production or some combination of the two). To promote the product in diverse markets, ideally there ought to be a global advertising agency handling the standardized advertisement copy to be delivered by a global media network.

³ Jonathan Karp, "Medium and message", *Far Eastern Economic Review*, 25 February, 1993, p.52.

⁴ This is so only in terms of conceptual strategy. The specific financial calculation varies from one case to another.

Let's look at recent changes in the production and delivery of products first before checking the latest development of global media and advertising agencies.

THE GROWTH OF GLOBAL ADVERTISERS

A. G. Kefalas defines four stages of international business. 1. International trade; 2. Portfolio investment (partial exchange of the physical corporate assets of one company for the capital assets of another); 3. Foreign direct investment (acquisition of an entire company or the establishment of productive facilities owned and managed by a firm with economic interests in more than one country); 4. Global corporation which is involved in all three modes of international business.

International trade used to be almost the only way to make products available to different markets. An important trend today is, however, the rapid growth of transnational production, a form of multinational enterprise (MNE) that is redefining global markets.

Statistics show that, in 1988, there were 17,500 to 20,000 enterprises with foreign affiliates; global assets of MNEs stood at \$9-10 trillion; value of worldwide sales reached \$13 trillion; worldwide employment fluctuated around 50 to 55 million (Dunning, 1993b:16). According to United Nations sources, "...Of the 300 largest

industrial enterprises in the world in 1987, 102 or 34% produced more than 40% of their output from their foreign subsidiaries" (Dunning, 1993b:11). Dunning believes, "Foreign production undertaken by MNEs--either via FDI⁵ or some kind of collaborative agreement--has replaced trade in goods as the leading form of international commerce" (1993b: xvi).

Dunning traces the development of such multinational enterprise from the Middle Ages onward, in six stages: (1) from the 13th century to the 18th century, a period of colonization and merchant capitalism during which the state was directly or indirectly involved in most kinds of overseas venture; (2) the early 19th century, an era of industrial capitalism and embryonic MNEs; (3) from 1870 onwards till the Great War, the emergence of modern MNEs; (4) from 1918 to 1939, the maturing of foreign production; (5) from the Second World War to 1960, the American domination of new MNE activity; (6) the three decades after 1960, which witnesses the increasingly important role first of Continental Europe, then of Japanese and finally some Third World countries as international direct investors (1993b:96-132). Dunning concludes his review with the following,

The growth of international production in modern history essentially reflects the way in which changes in the structure and organization of the world's resources and capabilities impinge on the cross-border

⁵ FDI refers to foreign direct investment.

production and transaction strategies of companies. While historically the role of the MNE has been both a pro-active and re-active one--and is certainly a very pro-active one today--the discovery of new territories, increases in population, advances in the stock of knowledge of production and organizational techniques, and the response of governments to these changes have been the prime movers (1993b:132).

According to A.G. Kefalas (1994: 26), “the multinational corporation (MNC) is at the center of the entire world-reshaping scheme”. This scheme includes global advertising.

In assessing the new challenges for advertising agencies, Kaplan believes, global advertising has become critical “to the agencies’ survival”⁶. For example, 75% of McCann-Erickson Worldwide’s billings comes from global advertisers like Coca-Cola, General Motors, Goodyear Tyre Company, Exxon, McDonald’s and L’Oréal.

CHANGES IN THE INFRO-STRUCTURE OF GLOBAL ADVERTISING

To serve such global marketers, advertising agencies have to restructure themselves and work closely with global media network. Due to these and other

⁶ Rachel Kaplan, “Ad agencies take on the world”, *International Management*. April 1994. p.50

reasons, there have been worldwide mergers and acquisitions of the media and advertising agencies.

Anthony Smith says, "By globalization of mass media firms we mean the concentration into large international companies of previously more locally owned information and entertainment businesses...chain ownership of newspapers, cross-ownership between media, and acquisition of media by ordinary industrial concerns" (1991:1).

He points out that, even in the 19th century, French, German, British, and American news agencies divided the world according to their spheres of influence. But today such concentration is occurring on a global scale and at an accelerating pace. In our present world, many non-residents control much of the information media that is crucial to the socio-political life of many countries; and whole sections of the entertainment industry, important as they are for national or ethnic traditions, are now managed by people whose outlook is exclusively global. Smith observes,

Right across the industries of information--whether based on text or image, on paper or the cathode-ray tube--contemporary economics have come to prevail, and politicians and regulators see it as their duty to help, through deregulatory measures, to serve the consumer by forcing margins down. Thus, deregulation and computerization have become the parents of globalization. The result is that all of the companies concerned are driven toward self-protective merger, scale economy, constant reorganization, and a search for the ultimate in

rationalized markets. Such has been the central energy of globalization (1991:10).

The result is, as Smith sees it, the coming of an age of Behemoths: in the film industry, just seven film libraries and studios fill much of the world cinema market; the Time-Warner merger produced the largest single media enterprise known anywhere in the world, with a total sales figure of \$8.7 billion in 1989; Murdoch's News Corporation has such in-house facilities that it is theoretically possible for it to discover and nurture an author, represent and publish his or her works, serialize them in newspapers and magazines, turn them into films, finally use them on television, satellite, cable, and cassettes--perhaps even review them; the Walt Disney Company tries to operate as if indigenous to every country; Berlusconi's media empire lords it over various film, television, publishing, and advertising enterprises that spread across Italy, France, Germany, and Britain; with its purchase of CBS Records and Columbia Pictures Entertainment, Sony is pursuing a conspicuously global policy--in the sense of deliberately naturalizing itself in foreign lands; until the Time-Life merger, Bertelsman was already the biggest integrated media company in the world, but its self-concealment style is so successful that most of its consumers around the world are probably ignorant of the name of the

source of the material they are reading or hearing: from *Stern* magazine to RCA and Ariola Records to Bantam and Doubleday publishing.

Little wonder Bagdikian protests, “The lords of the global village have their own political agenda. Together, they exert a homogenizing power over ideas, culture and commerce that affects populations larger than any in history. Neither Caesar, nor Hitler, Franklin Roosevelt nor any Pope, has commanded as much power to shape the information on which so many people depend on to make decisions about everything from whom to vote for to what to eat”.

Although these observations fail to do justice to the positive effects of media globalization or the intelligence of the average consumer, they nonetheless call our attention to the magnitude of these media empires.

The dramatic expansion of MNE and the emergence of media giants went hand in hand with the internationalization of the advertising industry. In recent decades, advertising agencies have been enjoying stunning growth in their overseas billings. Peter W. Turnbull and Lauren Doherty-Wilson find out,⁷ “The world-wide advertising business has grown to an astounding \$200 billion a year industry in 1988, from \$33 billion in 1970” (1989:7). They also notice a sudden awareness even among

⁷ Peter W. Turnbull and Lauren Doherty-Wilson, "The Internationalization of the Advertising Industry", *European Journal of Marketing*, 24, 1, 1989, pp.6-15.

the major players themselves, "...the potential of global advertising, real or otherwise, was never really recognised until Levitt raised the challenge of 'globalize or die' " (1989:7).

After discussing the advertising business in the 1980s, the mega-agencies, and the move to public quoted company status, the two researchers conclude, "The process of internationalisation of advertising agencies which began in the 1950s has not yet fully tapered off. Industry trade press sources agree that internationalisation has restructured the agency business...While agencies generally see internationalisation as a natural business progression, whether they choose to exist as a multinational or national agency, they must position the agency properly within that environment to ensure its survival and prosperity" (1989:15).

Ad agencies have to follow their clients--the multinational corporations--and they have to match the media giants if they want better deals in media buying. Besides, Turnbull and Doherty-Wilson add, "...other factors have emerged which have had an influence on the reasons for the agency business's rapid escalation toward international expansion. Like most rapidly maturing industries, it has become crucial to identify ways and means of achieving additional growth. Additionally, the industry's entry onto the stock market, and the financial pressures that follow, have

made it necessary to achieve 'critical mass' or greater size, in order to meet tougher financial targets" (1989:14).

Consequently, a few mega-agencies come to dominate the global advertising scene, as the following table indicates.

Table 3

The World's Fifteen Largest Advertising Agencies in 1987 (Toyne and Walters, 1989:570)

<u>AGENCY</u>	<u>COUNTRY OF ORIGIN</u>	<u>GROSS INCOME*(1985)</u>	<u>NUMBER OF COUNTRIES(1978)</u>
Young & Rubicam	U.S.A.	536.00	21
Ogilvy & Mather	U.S.A.	481.10	27
Dentsu Inc.	Japan	473.10	n/a
Ted Bates Worldwide	U.S.A.	473.10	22
J.Walter Thompson	U.S.A.	450.90	29
Saatchi & Saatchi	U.K.	440.90	n/a
BBDO International	U.S.A.	377.00	23
McCann-Erickson Worldwide	U.S.A.	345.20	58
D'Arcy Masius Benton & Bowles	U.S.A.	319.50	n/a
Foote, Cone and Belding	U.S.A.	284.20	14
Leo Burnett	U.S.A.	269.40	22
Grey Advertising	U.S.A.	259.30	18
Doyle Dane Bernbach Group	U.S.A.	231.80	n/a

Hakuhodo			
International	Japan	198.90	n/a
SSC & B: Lintas			
Worldwide	U.S.A.	190.90	31

* Millions of U.S. dollars.

According to 1994 data quoted by Kaplan⁸, the number of countries in which these advertising agencies operate have greatly increased: Olivy & Mather 57; J. Walter Thompson 48; BBDO 59; DDB Needham 56; DMB&B 42; Leo Burnett 48; FCB Publicis 51; Grey 52; Lintas 46; McCann-Erickson 82; Saatchi & Saatchi 50; BSB 39; Young & Rubicam 55.

Toyne and Walters (1989:571) estimate, these large agencies accounted for nearly 50 percent of the total advertising expenditures in industrialized countries. In most developing countries, their share was even higher. They accounted for 58.2 percent of the total advertising expenditures in Latin America, 83.3 percent in Africa, and 91.8 percent in the Caribbean.

Turnbull and Doherty-Wilson sum up the trend in these words,

Over time, the intensity of the industry's virtually "client-driven" ambitions have given way to more "agency-driven" pursuits: the existence of increased profit and wealth, and self-fulfilling protectionist (defensive) and aggressive (offensive) movements rather than purely

⁸ Rachel Kaplan, "Ad agencies take on the world", *International Management*. April 1994. p.52.

client needs, or a blatant fear of the “globalization” of advertising (1989:14).

Together with the growth of MNE, the internationalization of the media and marketing organizations pushes the expansion of global markets and keeps advertising standardization a hot issue. The following sections will address two related questions about standardization: what has been done (past practices) and what should be done (current debates).

PAST PRACTICES (1950s-1980s)

Due to the expansion of global markets reviewed in Chapter 1 and the symbiotic nature of MNE, media, and advertising agencies, advertising appears to be going global in a big way.

As far as decision-making is concerned, global advertising agencies have several options. Leiss, Kline and Jhally (1991:177) classify them into three categories: 1. the advertising headquarters hands down an advertising copy to be delivered (with necessary minimal modifications) by its branches or affiliates around the world (globalized or centralized format); 2. the advertising home office provides a limited number of alternative advertising copies for the various branches or affiliates to choose from (combined format); 3. the advertising headquarters either authorizes its branches or

contracts separate advertising agencies/boutiques to design their own copies (adapted, localised or decentralised format). Of the three choices, which has been most popular since the Second World War? What is the pattern, if any, of change over time?

Unfortunately, only limited data are available. In one study published in the 1991 October issue of *International Journal of Advertising*, Kanso points out that during the period of late 1950s and early 1960s, American international network of subsidiaries “tended to use a separate agency in each country” because of “the sensitivity of locals to their cultural environment and the wide variations of media structure in foreign markets” (1991:130). According to the data he quotes from a 1963 *Business International* study, “two-thirds of the investigated companies dealt directly with the best agency in each country, whether locally owned or a US affiliate”. How about the 1970s and 1980s? Studies show that at the beginning of the 1970s, there was a significant shift towards the use of one single agency for the overseas advertising efforts of multinational corporations (B. Ross, 1987:10), and the dominance or concentration of American advertising agencies in international business continued throughout much of the 1970s (Aydin et al., 1986:49). However, towards the end of the 1970s and all through the 1980s a backlash against globalization seems to have occurred, as the results of one study indicate (Hite et al., 1988:12). Converted into percentages, the data are as follows:

Table 4

Shifts in Popularity of Standardisation and Localisation in International Advertising*

	1976	1986	1987
standardized	70%	20%	10%
combined	10%	40%	55%
localized	20%	40%	35%

* Percentage here refers to proportion of firms surveyed.

Notice the sharp drop from 70% to only 10% in standardized advertising from 1976 to 1987. The researchers assume that multinational corporations have come to realise that “...it is important to adapt advertising components (language, models, scenic backgrounds, and product attributes) to blend with the culture”(1988:17). According to these authors, barriers to transferability of advertising strategies include (in order of importance): acceptance of trademarks, applicability of slogans, levels of education, attitude toward the United States, degree of nationalism, competence of personnel in foreign offices, rate of economic growth, independence of media from government control, attitudes toward work and monetary gain, eating patterns, and attitudes toward authority (1988:11).

Other studies have revealed specific modifications in advertising standardization.

For instance, J.J. Boddewyn et al compare levels of adaptation in branding, product, and advertising (1986:74).

Table 5

Percentage of Very Substantial Standardization in All EEC Countries for Products, Branding, and Advertising, 1983

	Products	Branding	Advertising
Consumer nondurables	42%	50%	25%
Consumer durables	38%	38%	13%
Industrial goods	33%	35%	20%

The researchers explain their findings this way: “Standardization of product, brand, and advertising do not necessarily move apace, and advertising is more resistant to uniformization than are the other two” (1986:74).

When analysing the content of advertising, researchers pay special attention to picture, size, colour, general layout, caption, and explanatory text (Whitelock et al., 1987:302). Others have noted the differences between the print and broadcast media in terms of the advertiser's relative reliance on selling pitches such as product identification, benefit awareness, dominant photo, testimonial, slice-of-life, reminder,

competitive demonstration, humour, animation, spokesperson, interview, singing message, etc.(Synodinos et al., 1989:48).

It should be added that these studies generally take it for granted that globalization of advertising means that the home headquarters makes decisions and sends copies to its overseas offices or branches, while localization means a delegation of decision-making to local branches or a straightforward placement of advertising orders with a local foreign agency (Kanso, 1991:134-135). But standardization in management does not necessarily mean standardization of content design.

CURRENT DEBATES

Data assembled above portray a global advertising picture that appears more standardized than its opponents believe but less so than its proponents have claimed or predicted. The extremely volatile nature of the market with its multiple variables opens itself to much controversy in interpreting the present situation or forecasting the future. This is further complicated by the self-interest of those engaged in the debate.

Other things being equal, multinational corporations would prefer standardized global advertising: firstly, it would save huge sums of money spent on the production

and delivering of different advertising copies; secondly, it would streamline overall management of their sprawling business empire; last but not least, the maintenance of a uniform brand or company image has tremendous psychological and selling potentials. Overseas offices or foreign advertising agencies, on the other hand, would prefer localized advertising, which means more involvement in the decision-making process and greater share of the profit.

Another group of people whose interest is affected are managers at different levels of the business hierarchy. Robert O. Jordan, Chairman of Saatchi & Saatchi Compton Inc., considers it no easy job to sell the idea of global advertising, "People who have to implement the shift to global marketing--the middle levels of management--are often sceptical, fearful, and even hostile to the process. Convincing your managers that going global is good for them will tax your powers of salesmanship to the limit".⁹

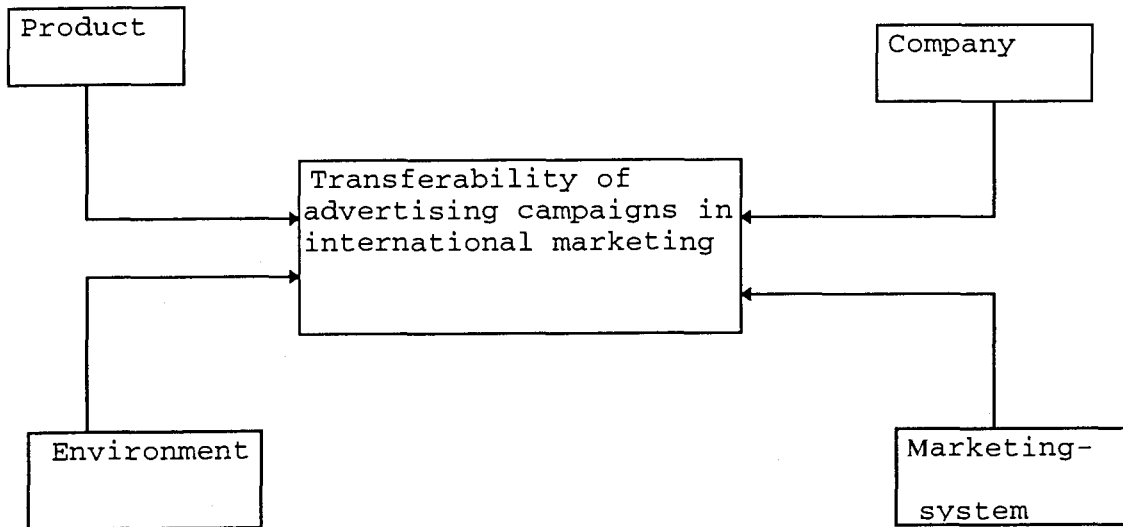
Apart from these conflicts of interest, there is a real debate going on about whether or not advertising can or should be standardized. The various considerations are shown in two models cited below.

One was put forward by Meffert and Althans in 1986.

⁹ quoted in *Marketing News*, July 31, 1987. p.26.

Figure 1

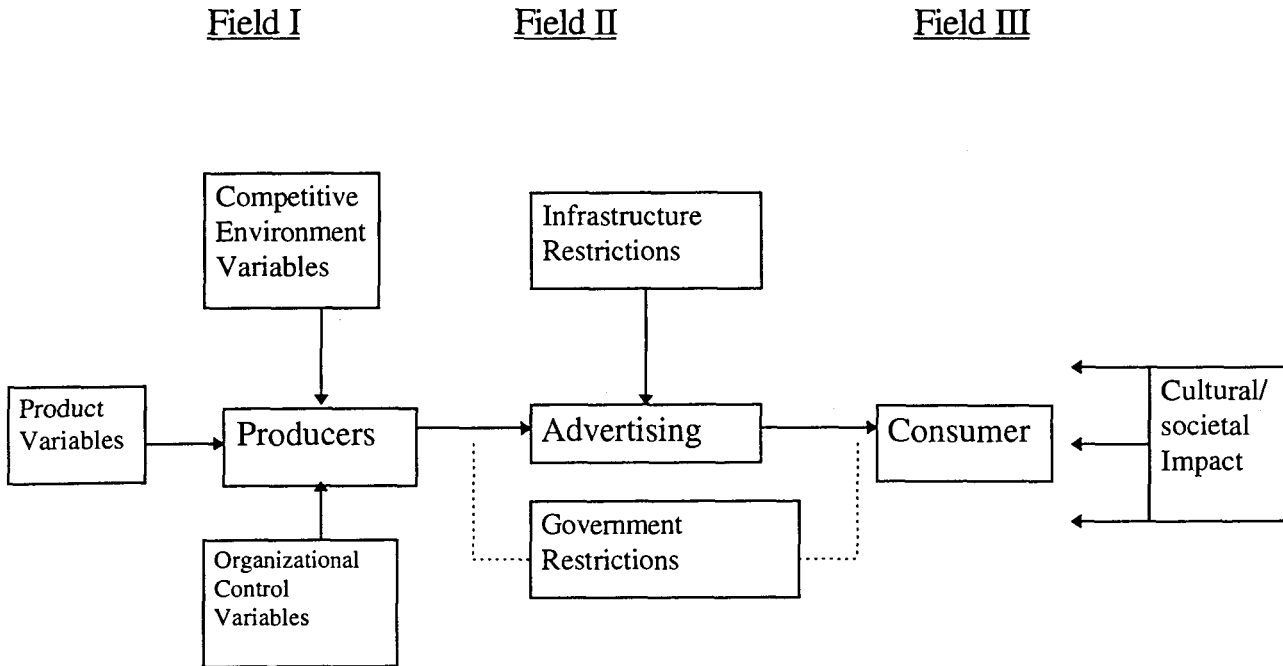
Contingency Approach to the Transferability of Advertising Campaigns in International Marketing



This is clearly a producer-oriented model. More emphasis is given to consumer behaviour in a later model by Harvey (1993) as shown below:

Figure 2

Descriptive Model to Determine the Degree of Standardisation/Localization of Advertising



This model is more comprehensive and represents a move towards greater emphasis upon the consumer. These models are cited here to outline the four sets of considerations concerning advertising standardization: producer, product, marketing (including advertising), and consumer. Different considerations of these elements lead to opposing views regarding standardization of merchandizing, branding, or advertising.

The debate was reopened, in the early 80s, by Theodore Levitt, a controversial advocate of global marketing. He was a Harvard professor of international business and now sits on the communications board of Saatchi & Saatchi Compton World-wide. In 1983, he contended that consumers all over the world were basically the same and

could be reached by more or less the same advertising appeals. He criticized those American companies that failed to recognize or simply ignored the potential of standardized global marketing (1983:92-102).

Levitt's general argument is that technology, among other things, is converging the world on a kind of commonality; companies have to adapt to this new environment and strive for scales of economy through standardization in products and practices; low prices, high quality, and reliability are the means that business must rely on to win over the global consumer.

The Harvard marketing expert asserts, companies should ignore “superficial regional and national differences”, because “an aggressive low price, combined with heavy promotion of this kind, would have overcome previously expressed preferences for particular features”. What is more, “many of today's differences among nations as to products and their features actually reflect the respectful accommodation of multinational corporations to what they believe are fixed local preferences” (1983:96).

To support his assumption of global homogenization, he quotes Daniel Boorstin, “the Republic of Technology [whose] supreme law...is convergence, the tendency for everything to become more like everything else”¹⁰. He goes further when he asserts, “the same countries that ask the world to recognise and respect the individuality of their

¹⁰ Daniel Boorstin, as quoted in Levitt, 1983. p.93.

cultures insist on the wholesale transfer to them of modern goods, services, and technologies” (1983:96).

A similar argument follows Levitt’s line of thinking with some minor modifications. Instead of regarding the world as one uniform market, a few trans-national blocks are defined for standardized advertising. A recent study (Sriram et al., 1991:142-144) uses three series of indicators ¹¹ and defines 6 country clusters: 1. Argentina, Brazil, Mexico, Yugoslavia¹²; 2. Australia, Canada, Hong Kong, Ireland, New Zealand, Peru, S. Africa, Singapore, UK, USA, Venezuela; 3. Austria, Belgium, Chile, Colombia, France, W. Germany, Greece, Israel, Italy, Portugal, Spain, Switzerland, Taiwan, Turkey; 4. Denmark, Finland, Holland, Norway, Sweden; 5. India, Iran, Pakistan, Philippines, Thailand; and 6. Japan.

The authors suggest, “In this instance, ignoring for the moment issues of the appropriateness of the clustering variables, 40 countries can be reached with six distinct approaches. Each approach will undoubtedly require some slight modifications in every

¹¹ These indicators are, 1. Economic: male/female life expectancy, average manufacturing working week, telephones in use per 100 inhabitants, percentage urban population, percentage annual inflation rate, per capita GNP, percentage literacy, percentage population growth rate; 2. Cultural: power distance index, uncertainty avoidance index, individualism, masculinity; and 3. Media: paper circulation/1000 population, television/1000, radios/1000, television advertising spending per capita, radio advertising spending per capita, outdoor advertising spending per capita, cinema advertising spending per capita.

¹² Former Yugoslavia--the present author's note.

country in which it is used, but it is a definite improvement over designing 40 different campaigns” (1991:148).

Another modified Levittian model proposes standardization with certain product categories. For example, Carolyn Hulse, a former assistant international editor of *Advertising Age*, conducts an *Advertising Age* survey of eight markets in 1984 and identifies eight popular categories that cross cultural boundaries¹³. The eight markets include Australia, Brazil, Britain, Canada, France, Germany, Japan and South Africa. The eight product categories are personal computers, video equipment, healthful food, fitness clothing and equipment, beer and low-alcohol beverages, convenience foods, toys and financial services. She believes, “Marketers who claim international media and advertising have diminished the role cultural differences play in consumer buying decisions may be right.”

These standardization strategies have been put into practice during many global advertising campaigns. One such example was reported in the Nov.21, 1991 issue of *the Globe and Mail* that features a cross-column headline: “Coke would like the world to see same ads”¹⁴. According to this report, McCann-Erickson World-wide, Lintas

¹³ Carolyn Hulse, "Popular Categories cross Cultural Boundaries", *Advertising Age*, December 24, 1984, p,25.

¹⁴ New York Times Service, "Coke would like the world to see same ads". *The Globe and Mail*. Nov.21, 1991. p. B4.

World-wide and the Lowe Group have just prepared 20 commercials for Coke, Diet Coke, Sprite and Fanta to be delivered in more than 100 countries, starting Jan. 1, 1992. Peter Sealey, senior vice-president and director of global marketing for Coca-Cola, said, "The time is right; the world has changed...There is global media now, like MTV. And there is a global teenager. The same kid you see at the Ginza in Tokyo is in Picadilly Square, in London, in Pushkin Square, at Notre Dame". The report ends with a declaration, "The campaign ... illustrates the coming of age of a much-debated practice: global advertising."¹⁵

On the other hand, there is much criticism of and strong resistance to standardized advertising. One of Levitt's many critics is Joseph T. Plummer, Executive Research Director of all Young & Rubicam agencies , who makes his attitude known at the end of a 1986 *Journal of Advertising Research* article, "Perhaps global marketing is just a figment of Ted Levitt's imagination" (1986:15). He recommends copy research in multinational advertising based "on a single-market-by-single-market concept; more in a traditional framework, looking for subtleties and insights using in-depth approaches that best fit the campaign".

¹⁵ New York Times Service, "Coke would like the world to see same ads". *The Globe and Mail*. Nov.21, 1991. p. B4.

In 1987, Julie Hill and Joseph M. Winski wrote an article for *Advertising Age*. The title reads: "Goodbye Global Ads--Global village is fantasy land for big marketers" (1987:16). They cited various examples to support their claim. For instance, Parker Pen Co.'s "one world, one voice" sales format and Procter & Gamble's "a baby is a baby" promotion strategy both failed miserably on the market and had to be modified. They found out that the percentage of companies adapting their advertising "very substantially" to local EEC markets became "significantly higher in 1983 than it was 10 years earlier". According to their report, Philip Morris Cos. began to provide five, instead of the usual uniform, TV commercials for each country to choose from and McDonald's was trying different spices and texture in different countries, etc.

The authors referred to the fact that Coca-Cola, perhaps the epitome of 'global' marketing, had local flavour incorporated in its 'General Assembly' campaign, created by McCann-Erickson World-wide". The most devastating evidence against global advertising is, according to this article, that some big marketers have come to "suspect that the U.S.--let alone the world--cannot be addressed effectively as a monolithic market". For instance, Campbell Soup was allocating 10% of its national advertising dollar to local marketing efforts in 25 recently recognised U.S. marketing regions.

These critics of Levitt received much support in later studies, though a few concessions were made to the Levittian arguments. An interesting report was prepared

by McCollum Spielman World-wide and presented in Tokyo at an international conference focusing on "Marketing and Research under a New World Order".¹⁶ The report observes,

At century's end, the great growth market for most manufacturers is in the international arena. Yet lacking a common language or culture, the 500 million consumers in the so-called unified European community are far from homogeneous. A vast cultural chasm exists between "West" (Europe, the U.S., Canada) and "East" (Asia, Africa, the Middle East) which holds most of the world's population. Enormously different markets are found in Latin America (population: 451 million) and the emerging markets of the former U.S.S.R. (292 million). Not only is it difficult for advertisers to find common ground among societies as they are presently constituted, but many of the world's communities are in extraordinary flux, if not upheaval.

This implies that advertising has to be adapted to local consumers. The report finds out, only 9% were using totally standardized advertising in all markets; 37% used completely localized advertising; the majority, 54%, had local agencies tailor an umbrella strategy theme to the customs, values and lifestyles of their native markets.

As for McCollum Spielman World-wide itself, this advertising giant relies on copy test data from its international affiliates who make the AD*VANTAGE/ACT system available on five continents. The system's normative data bank now contains

¹⁶ McCollum Spielman Worldwide, "Global Advertising Standardization or Multi-Cultural?", *Journal of Advertising Research*, Vol.32, No. 4, July/August 1992 (cover flyer).

over 26,000 commercials in over 300 product categories, from the more than two dozen countries where AD*VANTAGE/ACT tests are conducted. Its basic evaluative measures are Clutter Awareness (brand/product recall), and Persuasion/Attitudes Shift (a pre/post measure of inclination to buy the advertised product or service). Its guiding principle is an emphasis on the existence of multi-cultural factors in the global marketplace and the need for advertiser sensitivity to cross-cultural differences.

The report's conclusion: firstly, "standardized strategies and campaigns appear most appropriate and effective when the product is utilitarian and the message is informational", e.g., glue, batteries, and gasoline; secondly, "standardized campaigns would also appear appropriate and effective when the brand's identity and desirability are integrally linked to a specific national character", e.g., Coca Cola and McDonald's as "quintessential American products", or Chanel as "quintessential French product"; thirdly, "For most products, it is generally more appropriate and effective to gear strategies and campaigns to local customs and cultures: 'think global, act local'".

The report also acknowledges a paradoxical phenomenon. It quotes Uwe Munzinger, former head of Advertising Research for Europe at MSW's affiliate, Gfk, on two opposing mega trends in the marketing world,

As a result of increasing international media, products and companies, trend researchers like John Naisbitt predict a superficial standardization in international consumer habits. Simultaneously, there

is a trend to individualism in all countries, based on religious, cultural, lingual, national and personal values. General norms and values are losing relevance while emotional attitudes and a personal mix of values are getting more important. As a consequence, consumers are asking for customized products and services.

In spite of its awareness of these opposing trends and the acknowledgement of certain apparently universal product categories, McCollum Spielman World-Wide is generally inclined against standardization: "We are far from one world. There may be certain similarities among sectors of the world market (such as Europe, North America, Latin America). Yet, advertisers probably should not expect a campaign to work equally well in the United States and Japan, or the in the United States/Europe and the Middle East. Certain parts of the world are just too far apart to be serenaded in the same voice."

The above brief review indicates that the general historic pattern of international advertising appears to be localization--> standardization--> localization--> debates. Both sides of the debate are quite vociferous, though those who oppose Levitt seem to be gaining the upper hand. But the debate has not been very productive due to several problems. For instance, Levitt's prescription for marketing strategic thinking is often mistaken for description of marketing practice. Standardization of advertising content sometimes gets confused with other aspects of standardization, such as merchandizing or sales promotion. In addition, advertising practice and marketing results are usually difficult to measure and interpret.

While not downplaying the importance of these problems, this thesis proposes to concentrate, in the next chapter, on the faulty assumptions that undermine the debate.

CHAPTER 3. A CRITIQUE OF THE DEBATE

The debate reviewed in Chapter 2 involves such assumptions as universal utilities, cultural convergence, and the ethno-geographic identity of the consumer. By cross-referencing the literature on the topic, this chapter critiques these assumptions and calls for a paradigmatic shift in identifying an alternative basis for standardization.

PROBLEMS WITH “UNIVERSAL UTILITIES”

The argument for standardization relies largely upon the notion of “universal utilities”. Those who think with Levitt (Elinder, 1965; Fatt, 1967; Buzzll, 1968; Sorenson and Weichman, 1975; Killough, 1978; Peebeles, 1978) treat advertising as just part of the four P's in marketing. In their opinion, there are universal products that provide universal utilities to meet universal needs. These “universals” can be promoted through standardized advertising. As Harvey (1993) puts it, “Essentially, advocates of standardization of promotional efforts base their beliefs on the premise that wants and needs are universal to all people, and that a carefully conceived and executed appeal can strike responsive chords in consumers of every nation”.

Their position has been queried by academics (i.e., Ricks, Arpan, and Fu, 1974;), the media (i.e., Hill and Winski, 1987), and practitioners (i.e., Plummer, 1986). But their criticism of “universal utilities” has not yet fully addressed two related problems with the notion of “universal utilities”: (1) the confusion of consumer’s diverse wants with human’s essential needs; (2) a failure to recognize advertising’s socio-cultural function that is different from that of other components of the marketing mix.

The Cultural Complexity of Consumption

Supporters of the Levittian model of global advertising are inclined to think that today’s consumers are basically the same everywhere despite superficial differences or idiosyncratic preferences. Such assumptions fail to distinguish between human “needs” and “wants”.

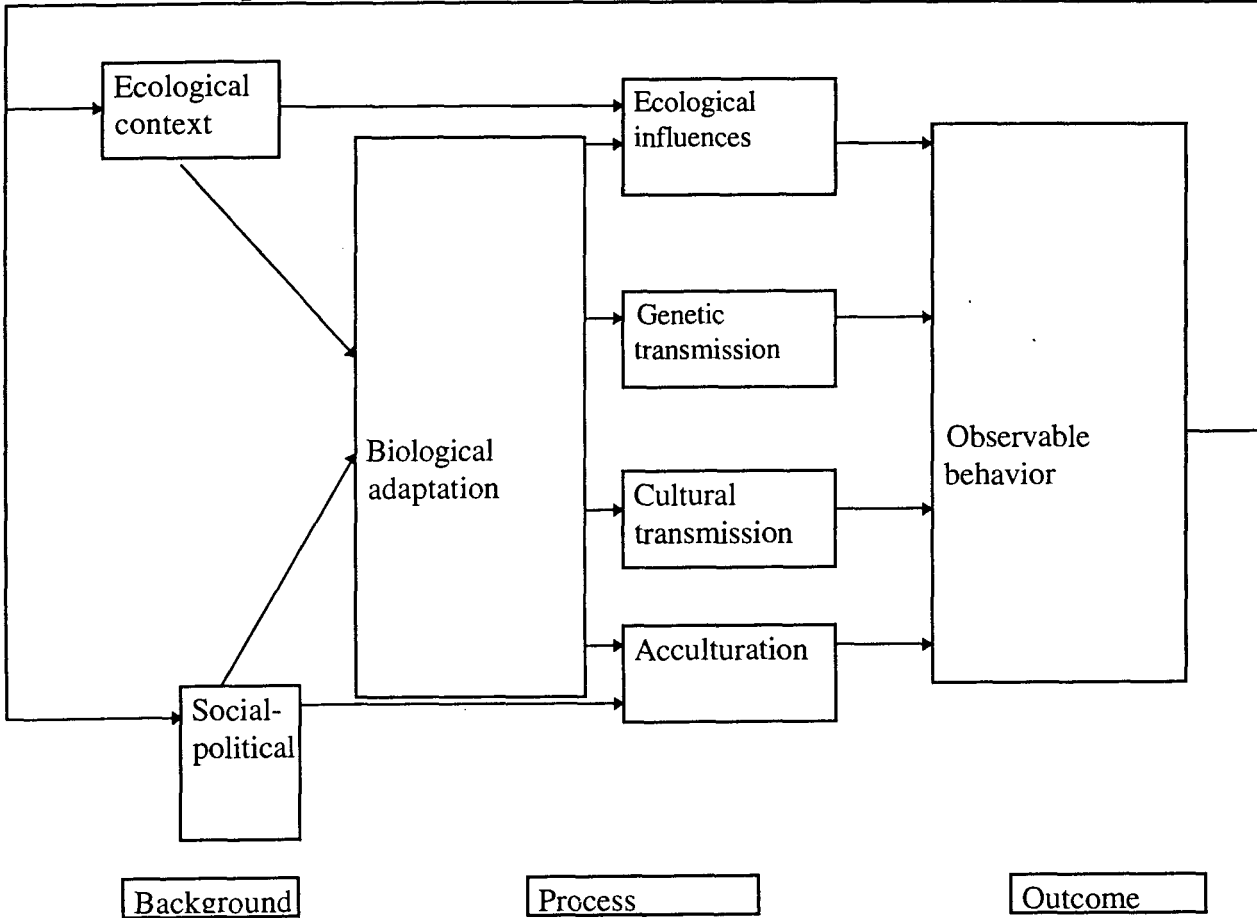
It may be true that people all over the world share a series of common “needs”--hunger, thirst, body temperature maintenance, sexual gratification, social interaction, etc. In fact, as Boyd and Richardson (1985) note, the action of biological evolution (Darwin selection) is very slow, and there has been virtually no biological evolution to speak of since the beginnings of Homo Sapiens. This implies

we still share all the genetic needs that have remained the same all through human history.

But, to quote S.L. Washburn, a well-known primate expert, , “Biology determines the basic need for food, but not the innumerable ways in which this need may be met”. The same idea is expressed in Segall et al.(1990)’s conceptual model:

Figure 3

A Conceptual Framework for Cross-Cultural Psychology (Segall et al. 1990)



The dynamic interaction between biological and cultural adaptation determines what we call “needs” and “wants”. According to Philip Kotler, a “need” is “a state of felt deprivation in a person. Humans have many complex needs. They include basic physical needs for food, clothing, warmth, and safety; social needs for belonging

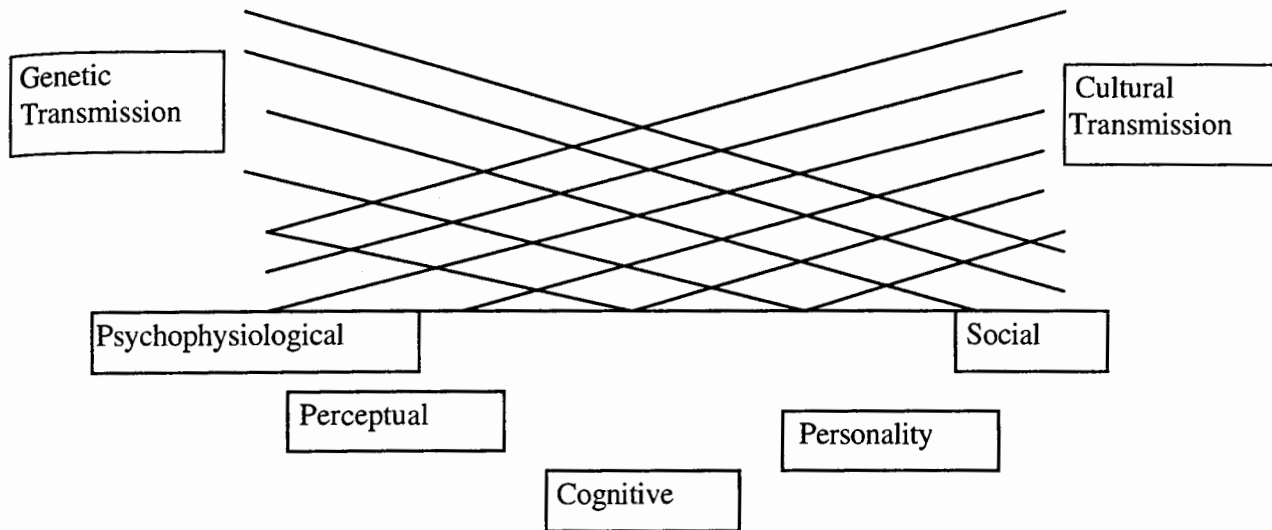
and affection; and individual needs for knowledge and self-expression. These needs are not created by Madison Avenue, but are a basic part of human makeup". He goes on to define "wants" as "the form human needs take as shaped by culture and individual personality...Wants are described in terms of objects that will satisfy a need. As a society evolves, the wants of its members expand."

It could be argued that what we experience is always human "wants", since no human beings can live a purely biological existence. In the case of consumer behavior, the so-called "needs" are something that we infer from the "wants". True enough that we share the same basic biological "needs", but what we deal with are for ever those needs' cultural manifestations in the form of "wants".

The question of interest becomes then the relative impact of nature and culture rather than the simple dichotomy between nature and culture. Poortinga (1992) conceptualizes the relationship this way:

Figure 4

A Schematic Representation of the Extent of Genetic and Cultural Inheritance in Five Domains of Behavior (cf. Poortinga, Kop & Van de Vijver, 1989)



As shown above, psychophysiological, perceptual, and cognitive aspects have more to do with biology, whereas social and personality aspects have more to do with culture. But it is only a matter of degree in the relative importance of biology and culture. Theories of consumer motivation would have to reckon with both.

In *Limits to Satisfaction*--an essay on the problems of needs and commodities, Leiss traces three patterns of thinking about needs (1976:53-61). In his judgment, "the oldest and most common framework that has been developed for understanding the structure of human needs rests on the attempt to distinguish between a biological dimension and a cultural or social dimension". But Leiss points

out, “the symbolizing or cultural activity of human beings is so intense and so complex that the biological activity of human dichotomy is never present in the everyday activities of social groups.”

The second major pattern of thinking arranges human needs into a hierarchy. The most influential has been Abraham Maslow's hierarchy of needs. According to Maslow, once the “deficiency” needs (physical, safety, love, affection, and belongingness) are taken care of through market exchanges of commodities, man ought to transcend materialism and enter the uniquely human domain of self-esteem and self-actualization. Abstractions like this, unfortunately, do not help much in comprehending real behavior in a given socio-historical context, since different contexts would have different rankings, as Leiss explains,

The way in which expression of self-esteem and self-actualization function as integral components of a high-consumption lifestyle was depicted brilliantly more than half a century ago in Thorstein Veblen's *Theory of the Leisure Class*. Social developments since that time have merely intensified that process and have allowed a much larger proportion of the population in the industrialized nations to participate in it...there is little inducement for individuals to transcend their fixation on the world of objects--indeed, this would be directly contrary to the innermost tendency of that social practice which systematically orients personal activities toward the acquisition of ever-larger sets of commodities (1976:57).

The suspicion of the adequacy of the whole “social practice” Leiss referred to in the previous quote resides at the heart of the third pattern of thinking about human needs, namely, the critical viewpoint, which “based its negative judgment of the high-consumption lifestyle on some form of the distinction between spontaneous vs. artificial or true vs. false needs.” The latter “are created by social pressures, especially the constant barrage of advertising.”

However, it is emphasized that as a whole, “the principal difficulty in the critical perspective is the generally unconvincing mien of its contention that (in Fromm's words) the ‘study of man’ will supply an objective standard for judging the relative authenticity of felt needs,” while “the valuable contribution of the critical perspective is its insistence that the formation of needs can only be understood as the outcome of a dynamic interaction between individual psychology and socio-economic interest.”

Leiss’s criticism emphasizes the social-historical context of consumer motivation and cautions us against the kind of Levittian proposition about “universal” human qualities, since what is universal and what is special to a given culture are always in dynamic interplay. That is where marketing communication fits in to serve a unique socio-cultural function, a function not always appreciated by advocates of standardization.

The Social Communication through Advertising

Critics of consumer culture¹⁷ have long observed the complexity of cultural dimensions of consumption and the unique role advertising plays in its promotion.

The authors of *Social Communication in Advertising* point out,

Advertising is not just a business expenditure undertaken in the hope of moving some merchandise off the store shelves, but is rather an integral part of modern culture. Its creations appropriate and transform a vast range of symbols and ideas; its unsurpassed communicative powers recycle cultural models and references back through the networks of social interactions. This venture is unified by the discourse through and about objects, which bonds together images of persons, products, and well-being (1990:5).

This would suggest that a coke and a hamburger are more than “utilities” for thirst and hunger. An intricate layer of symbols, emotions, images, values, etc., surround the consumption of these two simple products. Instead of merely informing the consumer of

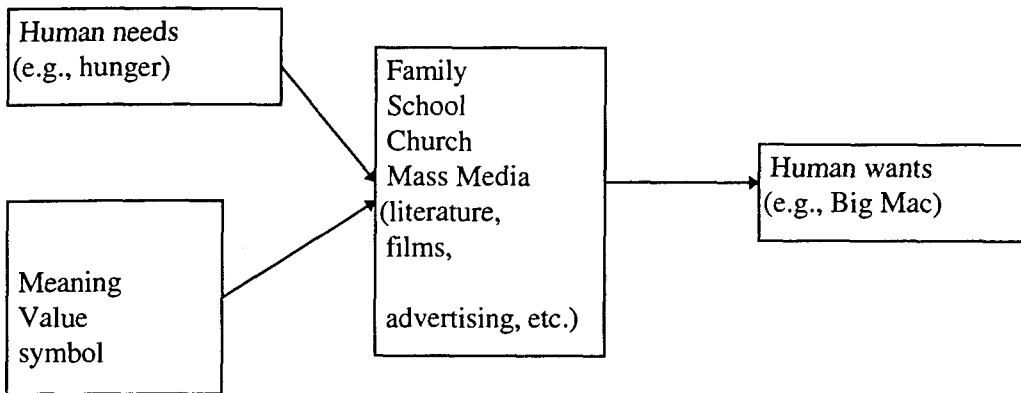
¹⁷ Noticeably, Stuart Ewen's *Captains of Consciousness* (1976), Judith Williamson's *Decoding Advertisements* (1978), Erving Goffman's *Gender Advertisements* (1979), Gillian Dyer's *Advertising as Communication* (1982), Daniel Pope's *The Making of Modern Advertising* (1983), Stephen Fox's *The Mirror Makers* (1984), Michael Schudson's *Advertising, the Uneasy Persuasion* (1984), Armand Mattelart, Xavier Delcourt and Michele Mattelart's *International Image Markets : in Search of an Alternative Perspective* (1984), Roland Marchand's *Advertising the American Dream* (1985), and Arman Mattelart's *Advertising International : the Privatization of Public Space* (1991).

the liquid or beef, advertising imbues the physical goods with pleasure, family fun, friendship, or sex, things that the economic model cannot accommodate and the accountant's balance sheets cannot adequately assess.

Advertising is part of the socio-cultural forces that shape human "wants". It can be argued that advertising may do little about human needs but it does help create human wants, "create" in the sense that McDonald's commercials associate our hunger with hamburgers, even though there are a million ways of satisfying the hunger in its "pure" form.

A solid body of scholarly work (Leiss et al., 1990; McCracken, 1988; Marchant, 1985, etc.) has long established the thesis that today's consumers do not merely consume products; equally importantly if not more importantly, they also consume the meanings, values, and symbols that have been invested in the products. And advertising is precisely in the business of investing products with meanings, values, and symbols, which are of course socio-culturally generated and maintained. The process may be diagrammed as follows:

Figure 5
Needs, Wants, and Advertising's Role



Following the argument that advertising is a critical part of the socio-cultural conditioning of consumption, one might suspect that advertising would be more resistant to standardization as compared with branding and merchandising. This is indeed confirmed by Table 1-2 quoted in Chapter 1.

Here crosswise the table becomes more understandable: due to its rich symbolism or imagery, advertising is more resistant to standardization than merchandising and branding. When reading the table from top to bottom, one can find new interpretations of the pattern: non-durable consumer goods are less loaded with prior meaning (therefore more adaptable for standardisation), whereas durable consumer goods tend to have more stable meanings in their local cultural framework

(hence more tailoring is necessary in advertising). This also helps explain why, with durable consumer goods, there is a sharp drop in standardisation from product (38%), branding (38%), to advertising (13%), while the difference is less noticeable with industrial goods (33%, 33%, 20%) because they are less meaning-ridden.

As an integral part of the social communication process, advertising ought to be distinguished from other components of marketing, such as product design or on-spot sales promotion. This would help clarify the confusion over the many success stories or debacles cited by either side of the debate over standardization. For instance, it is often quoted that both Parker Pen Co.'s "one world, one voice" sales format and Procter & Gamble's "a baby is a baby" promotion strategy failed miserably. The question relevant for the debate over global advertising should be: Are they failures of product design or marketing communication? The same goes for the observation that the percentage of companies adapting their advertising "very substantially" to local EEC markets became "significantly higher in 1983 than it was 10 years earlier". Here the key is the definition of "adapting": Is it a change of venue in decision/copy making or a substantial differentiation in emotional/symbolic appeal?

PROBLEMS WITH “CULTURAL CONVERGENCE”

It is possible to recognize the socio-cultural context of consumption and still argue for standardized advertising if, as the Levittian model asserts, there is convergence of cultures. If this is so, a uniform cultural appeal could be applied to reach the universal consumer. But, as shown below, the assumption of “cultural convergence” is problematic just as that of “universal utilities”.

The Levittian rationale for standardization would argue that technology and modernization have rendered socio-cultural differences largely “superficial” and consumers are becoming more or less the same culturally all over the world.

This argument for cultural convergence has always been vulnerable to sharp criticism on the ground of both ideology and empirical studies. Let’s cite a few studies that relate advertising to regional or ethnic cultural through surveys, opinion polls, and meta-analysis of literature or advertising.

A questionnaire survey of 75 French-speaking, 54 bilingual, and 187 English-speaking Canadian families, conducted by Schaninger and Bourgeois (1985), produced data that showed considerable between-group differences for a wide variety of consumption and shopping behaviors, media usage, and durable-goods ownership. These differences existed even after social class and income factors

were removed. Proceeding from these results, the researchers suggested that “separate marketing mixes and programs, advertising themes, media, and distributional policies should be developed and targeted to address these culturally based differences...”

Sex and romantic love are the exclusive topic of an early study by Rosenblatt (1966) which shows, for a sample of 18 traditional societies, significant variation in the importance attached to romantic love for marriage considerations. His research provides empirical support for a Freudian-based hypothesis that initial indulgence and later severity of oral socialization (because oral needs are presumably related to a general need for affection) would co-vary with the importance of romantic love in adult life. His conclusion is that “romantic love was more likely in societies that did not orally indulge their infants and that did severely socialize childhood orality.” This, if confirmed, would prove immensely important for advertising in developing countries.

In his comparison of 60 prime time national television advertising campaigns in Japan and America, Kline (1988) notices that practicality (usefulness, effectiveness) is a primary value in 25% of the American ads but only 12% of Japan's; Americans valued work in 12% of ads (0% in Japan) and convenience

(5%) while Japanese valued leisure (7%), beauty (7%), sensuality (5%), and health more; Japanese also valued traditionalism, whereas Americans valued modernism.

In a content analysis of print ads from women's magazines, Hong and Muderrisoglu (1987) compared the features of Japanese and American advertising. They found that Japanese ads were more emotional and less comparative than were American ads, although Japanese ads were found to contain at least as many information cues as did American ads.

Biswas et al.(1992) analyzed 279 American ads and 259 French ads chosen from one news magazine and one women's magazine in both countries. According to their report, French ads were found to resort more to emotional appeals than American ads, and American ads contained more information cues than French ones. This is interpreted as reflecting the cultural differences between the two countries (the United States being low-context and French being high-context). Sex appeals were found to be used more frequently in French ads, consistent with the perception that France is a more "sexually liberated country than the United States". At the same time, they also found that American ads made greater use of puns and satire, whereas French ads made greater use of jokes as humorous devices. They concluded that "the advertisements produced in one country cannot simply be standardized or directly translated for use in another".

Apart from emotional and cultural differences in response to advertising, Andrews and his colleagues (1991) also reported significant differences across countries on self-generated thoughts regarding advertising's functions, practices, affective responses, the industry, and advertising users. They based their conclusion upon a survey of 553 undergraduate students from the United States, New Zealand, Denmark, Greece, and India. They warned that "Advertisers should recognize that these underlying factors (e.g., political climate, culture, media choices, etc.) will guide perceptions of advertising in general and, subsequently, perceptions of specific ads as well".

These studies argue against standardization because there is considerable socio-cultural differences that affect consumers' perception of and response to advertising.

PROBLEMS WITH THE ETHNO-GEOGRAPHIC CLASSIFICATION OF CONSUMERS

The above-cited research results cast serious doubt on the proposition of advertising standardization based upon cultural convergence, because there is still a

great deal of diverse socio-cultural conditioning of consumer reaction to advertising. However, this line of criticism of the Levittian model has its own problems.

The most obvious is the unjustified leap from the sample to the population. Most studies cited earlier picked a sample and then applied the label of “French” or “American” to it. At the same time, many critics of global advertising do not fully recognize the accelerated pace of cultural change and diffusion. As Segall et al.(289) admits, “In the research reviewed...culture was, for the most part, treated as if it were merely ‘there’, one culture per society, serving as an unchanging context in which individual behaviors are acquired and shaped, through socialization and enculturation. Viewed as such, culture--we must now confess--is a convenient fiction.” Many opponents to global advertising seem to be stuck with this fictional notion of culture. For them, culture co-terminates with geography and ethnicity, a notion that is becoming increasingly questionable every day given the relentless social transformation brought about by modern transportation and communication of ideas, technology, and people.

A considerable body of literature exists to make the point that culture is in constant change as a result of either internal development or inter-cultural contact or both. This being so, the above-mentioned socio-cultural differences have to be treated with suspicion.

First, a study on cultural change. In their study of Need for Achievement, an important theme for advertising, Berlew (cited in McClelland, 1961,1971) analyzed Greek literary documents from three distinctive historical periods: one of growth, one of climax, and one of decline economically. He found such themes to have peaked well before the economic growth peaked and to have declined in advance of the economic decline. A similar finding for 15th-through 19th-century England, based on street ballads and other literary products and relating the times at which achievement themes were high to temporal fluctuations in coal imports, was reported by Bradburn and Berlew (1961). These are intriguing empirical documentation of cultural change.

The assumption of distinct national culture as a defining factor of consumer behavior can also be questioned on two other grounds: (1) the existence of substantial similarities among countries or ethnic groups; and (2) significant differences within a specific national culture or ethnic group.

For example, humor has always been regarded as quintessential to national culture, yet the cross-cultural study by Alden et al.(1993) identified both global and cultural-specific dimensions of humor in advertising. They examined the content of humorous television advertising from Korea, Germany, Thailand, and the United States. The universal cognitive structures underline most of the ads, which

inevitably build contrasts in terms of actual/nonactual, expected/unexpected, or possible/impossible. Yet the specific content of such contrasts (e.g., number of people, their relative status, etc.) varies across national cultures along major normative dimensions such as collectivism-individualism.

As quoted in Chapter 2, Sriram et al., 1991 employs a series of indicators¹⁸ for identifying country clusters. The reasoning is that consumers in a given country block or clusters would behave similarly to marketing stimulus. If future empirical evidence supports such grouping, people would have to rethink the significance of a single nation state in determining consumer behavior.

Cross-cultural comparisons of consumer decision-making have also been attempted. One study by Durvasula et al. (1993) tested an eight-factor model of consumer style characteristics on a New Zealand sample and compared the result with those of American studies. They felt that the cross-cultural generalizability of the scale in both dimensionality and reliability was supported. The characteristics they identified include, perfectionist, brand conscious, novelty-fashion conscious, recreational shopping conscious, price-value conscious, impulsive, confused by over-choice, and habitual, brand-loyal. These similarities challenge the ethno-geographical identity of the consumer.

¹⁸ For details, please refer to Chapter 2.

Studies on internal differences also undermine the validity of concepts like national consumer character. Within the United States, regional and ethnic subcultures have been shown to affect consumer behavior. Kotler and Armstrong (1989), Engel et al (1990), as well as many others, have documented the existence, within USA, subcultural divisions such as Hispanic consumers, black consumers, Asian-American consumers, and senior consumers, etc. According to these studies, blacks are more likely to hold egalitarian sex role perceptions about household decisions; black adult consumers are more likely than their white counterparts to emphasize consumption; Hispanics value the family and care a lot about the quality and status symbol of the product.

Like national identity, ethnic identity can be shown to be problematic. In a recently published book entitled, "Consumer Behavior in China" (Yau, 1994), the author developed a Chinese Cultural Value Scale based upon 100 common Chinese sayings from three well-known sources. Factor analysis of testing results revealed twelve underlying dimensions: interdependence, continuity/respect for authority, harmony with the universe, harmony with people, sincerity/suspicion, Pao (reciprocity), group-orientation, face, abasement, and past-orientation, which together constitute the Chinese value orientation, or so the researcher believes. However, Tse et al.'s study (1989), entitled, "Becoming a Consumer Society: A

Longitudinal and Cross-Cultural Content Analysis of Print Advertisements from Hong Kong, People's Republic of China and Taiwan", reports substantial cultural differences among Chinese consumers.

These studies of today's global consumer demonstrate the need to modify current marketing segmentation strategies. They suggest that the narrow economic model does not adequately address the cultural dimension of products. They show that socio-cultural differences conditioning consumption still exist despite all the predictions of cultural convergence. However, studies just reviewed also indicate that such socio-cultural differences can no longer be neatly defined in ethno-geographical terms. This dilemma over standardization calls for other ways of dealing with segmentation or alternative basis for standardization.

The new approach has to take full account of the cultural dimensions of consumption and at the same time recognize the changing cultural demarcation of global markets. The next chapter finds such an alternative in global lifestyle segmentation.

CHAPTER 4. MOVING BEYOND THE DEBATE

The expansion of global markets sketched in Chapter 1 led to the debate over advertising standardization reviewed in Chapter 2. Chapter 3 challenged some of the assumptions in the debate and pointed to the need for an alternative basis for standardization. This chapter will trace the development of the lifestyle approach and discuss its potential use for global advertising.

THE EVOLUTION OF THE LIFESTYLE APPROACH

Lifestyle segmentation provides a different way of looking at the global markets of heterogeneous consumers. One of the premises is, to borrow a term from statistics, that the intra-variation within an ethno-geographic market may be greater than inter-variation between ethno-geographic markets. Consumers from different countries who adopt similar lifestyles may very well be treated as a global segment. Cost-effective global advertising would therefore target similar segments that exist in various ethno-geographic markets. Within each segment, advertising can be fairly standardized.

Now where did the lifestyle approach come from? What makes it a promising tool for global segmentation?

According to *Oxford English Dictionary*, the word “lifestyle” was first coined in 1929 by Alfred Adler, a Freudian psychiatrist, to refer to “a person's basic...reactions and behavior”. “After three decades of relative obscurity in the psychoanalytic community”, observed Daniel Czitrom and David Marc (1985:16-17) who traced the origin of the word, “lifestyle became popular, in 1960s, as a rubric under which to designate types of deviance...hippie lifestyle, gay lifestyle, communal lifestyle, student lifestyle--all these falling under the general label ‘alternative lifestyles’”. The liberal impulse of the word was somewhat lost when “the word made its way from Greenwich Village and Berkeley to Madison Avenue and Hollywood”, where it became a catchall expression for consumption patterns.

Today, the word is spelt in three ways, “life style” (e.g. in *USA Today*), “life-style” (by the *Oxford English Dictionary*, *The New York Times*, *The Atlantic*, and others), while more and more people prefer “lifestyle”, which indicates, according to Czitrom and Marc, “The time has passed when style modified life or life modified style. Lifestyle has taken on a life of its own. Most advertisers seem to have made the single word the notation of choice.”

There are quite a lot of lifestyle studies. For example, Newspaper Advertising Bureau Inc.'s *Psychographics--A Study of Personality, and Consumption Patterns* (1973), William Wells's *Life Style and Psychographics* (1974), Michael Sobel's *Lifestyle and Social Structure* (1981), Arnold Mitchell's *The Nine American Lifestyles--Who We Are and Where We'er Going* (1981), Alexander Matejko's *In Search of New Organizational Paradigms* (1986), and Chester Swenson's *Selling to a Segmented Market* (1990).

The lifestyle approach in marketing has been evolving for quite some time. It was reported (1989)¹⁹ that Backer Spielvogel Bates World-wide divides the general population into "five distinct consumer classes that span national borders and transcend cultural differences."²⁰ The global segments include: 16% traditionalists, 13% pressured, 22% achievers, 26% strivers, 18% adapters, and 5% unassigned. Michele Levine (1988), at the Roy Morgan Research Centre Pty. Ltd in Melbourne, Australia, follows a similar approach. He and his colleagues have developed 10 value segments for international marketing: the basic needs, the fair deal, the traditional family life, the conventional family life, the look-at-me group, the something better, the real conservatism, the young optimism, the visible achievement, and the socially aware.²¹ A

¹⁹ "Universal Consumer Identified by Ad Agency". *Broadcasting*, July 24, 1989. p.81.

²⁰ ditto. p.81.

²¹ "Value Segments Help Define International Market". *Marketing News*, Nov. 21, 1988. p.17.

similar type of research has also been done in Japan. The Hakuodo Institute of Life and Living (1982)²² developed six market-segment categories: crystal tribe (attracted to famous brands), my home tribe (family-oriented), leisure life tribe, gourmandism tribe, ordinary people tribe, impulse buyer tribe.

The most influential figure in lifestyle studies is perhaps Arnold Mitchell, who, together with his colleagues at Stanford Research Institute set up a data bank on VALS--value and lifestyle profiles. After winning national fame with his *The Nine American Lifestyles* in 1983, he and his team went on to conduct a comparative study between American and European lifestyle types. They found that, with minor variations, there are, in the United States, France, Italy, Sweden, United Kingdom, and West Germany, similar lifestyle segments.

Mitchell's notion of lifestyle is initially pretty close to that of Adler's. He states, "We started from the premise that an individual's array of inner values would create specific matching patterns of outer behavior--that is, of lifestyles" (1983:25). And he goes on to caution his readers, "It should be recognized from the start that lifestyles are, happily, not fixed and immutable" (1983:28), and "Human growth can be thought of as an ordered sequence--a hierarchy--advancing in response to

²² "Hitonami: Keeping Up with the Satos", Hakuojodo Institute of Life and Living, Kyoto: PHP Research Institute., 1982

changing drives from the undeveloped toward the developed” (1983:3). Such a hierarchy is incorporated in his value and lifestyle typology, which builds upon data obtained in a large scale (sample size exceeding 1,600) mail survey conducted in 1980.

The survey includes 800 questions on Attitudes, Background information, Media habits (movie viewing, television viewing, radio listening, reading newspapers and magazines, reading books), Activities (sports and outdoor recreation, attendance at sporting and other events, indoor recreation and hobbies, shopping and related activities, eating, drinking, and food preparation, business travel, vacation or pleasure travel, eating and food preparation patterns, cigarette smoking, vitamins and nutrition, alcoholic beverages, medical, teaching and learning), Financial issues, Household inventory and product use (household appliances, household equipment and tools, home electronic equipment, recreation and sports equipment, motor vehicles, auto insurance, photography, pets, buying patterns, brand purchases, special household services and appliances, clothing use, product use, specific foods and products).

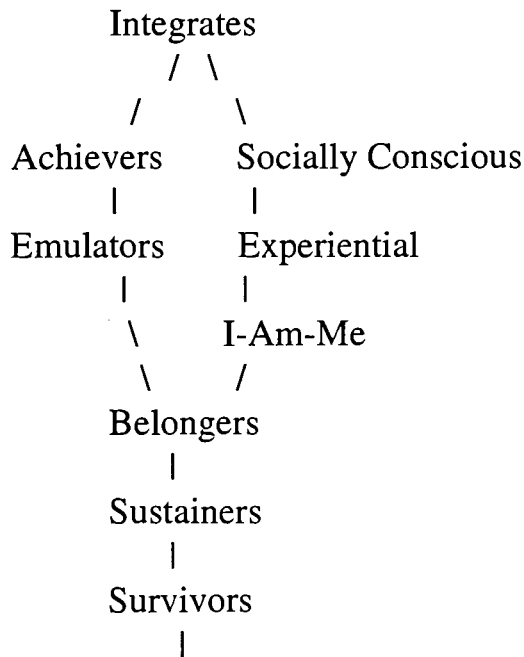
Statistical processing yields various significant clusters, or VALS categories. According to Mitchell, the lifestyle groupings include: Survivor (old, intensely poor; fearful; depressed; despairing; far removed from the cultural mainstream; misfits);

Sustainer (living on the edge of poverty; angry and resentful; streetwise; involved in the underground economy); Belonger (aging; traditional and conventional; contented; intensely patriotic; sentimental; deeply stable); Emulator (youthful and ambitious; macho; show-off; trying to break into the system and make it big); Achiever (middle-aged and prosperous; capable leaders; self-centered; materialistic; masters of the “American dream”); I-Am-Me (transition state; exhibitionistic and narcissistic; young; impulsive; dramatic; experimental; active; inventive); Experiential (youthful; seek direct experience; person-centered; artistic; intensely oriented toward inner growth); Societally Conscious (mission-oriented; leaders of single-issue groups; mature; successful; some live lives of voluntary simplicity); Integrated (psychologically mature; large field of vision; tolerant and understanding; sense of fittingness).

This grouping is dynamic rather than static, as the subtitle of his book makes clear, “Who We Are and Where We're Going”. Mitchell illustrates his thinking in the following diagram (1983:32):

Figure 6

Lifestyle's Double Hierarchy



Two features stand out as of particular importance for our current discussion. The first is psychological development, as Mitchell puts it, “Developmental hierarchies of this sort have been proposed in explanation of many human characteristics, such as psychological maturity, motivations, personality, morality, intellect, communications, and so on” (1983:29). The second has to do with the specific ways of development. Again, in Mitchell's words, “...people can arrive at the Integrated level over the distance of the double zone by either an outer-directed or an inner-directed route, we are also saying that both routes must provide, in their own ways, appropriate satisfactions and insights to cope with the fundamental human needs over that span of development” (1983:32).

Such a dynamic mechanism is crucial for advertising, which in essence deals with the status-to-be rather than the status quo.

As the editor rounds it up, “Americans are a diverse people, but their values, dreams, and attitudes place them in distinct lifestyle groups. Here, social scientist Arnold Mitchell portrays nine adult lifestyle groups and shows how they may change in response to future economic, social, and political conditions.” Notice here the “values, dreams, and attitudes” are all stuff that make up advertising. And Mitchell's later cross-cultural comparative study indicate that the lifestyle segmentation approach is a promising tool for both national and global advertising.

This is in fact the impression of many advertising practitioners. An executive at a major agency said, “VALS is a classic research model..It's a whole new dimension for us. Before VALS, we didn't really have a sense of who the consumer out there was. Now we know how they live and what they buy--and why they buy it.”²³ It may be an overstatement, but it clearly expresses the general excitement over the new approach.

There has been no lack of empirical studies and statistic analysis to test the validity of such lifestyle typologies. One such study (Latstovicka et al., 1990)

²³ Joseph Plummer, as quoted in "Beyond Demographics", by James Atlas. *The Atlantic Monthly*, October, 1984. p.49.

observed, "Lifestyle or psychographic segmentation is a standard element in the development of many advertising and marketing plans. In part, its popularity can be attributed to both the quality of the motivational insights provided and the flexibility of psychographic methods that allows application to many different marketing problems."²⁴

Many successful advertising campaigns have been reported using the value-lifestyle approach. One example is Ogilvy & Mather's ad for Merrill Lynch Pierce Fenner & Smith. The 1960s's copy featured a herd of bulls galloping across a plain with the slogan of "Bullish on America". By 1979, the account was taken over by Young & Rubicam: the herd was gone, replaced by a lone bull; the slogan was changed to "A Breed Apart"; the rationale for the new copy: appealing to the Achiever target audience.

Mitchell's VALS was further revised in 1988 (Riche, 1989). The new scheme is called VALS 2, which includes eight groups: strugglers, believers, strivers, makers, fulfilleds, achievers, experiencers, and actualizers. Although basically the same, the new version shows improvement in question design, segmentation result, and the target population coverage. A major problem remains unresolved, however.

²⁴ John L. Lastovicka, John P. Murry, Jr., and Erich A. Joachimsthaler, "Evaluating the Measurement Validity of Lifestyle Typologies with Qualitative Measures and Multiplicative Factoring". *Journal of Marketing Research*, Vol. XXVII(February 1990), 11-23.

There has been still only limited cross-cultural study of lifestyle segmentation apart from Mitchell's European test of his model. Nevertheless, there is reason to believe that the lifestyle segmentation enjoys great potential as a basis for advertising standardization.

THE POTENTIAL OF GLOBAL LIFESTYLE SEGMENTATION

The new trend in social differentiation through lifestyle consumption pattern and the new media environment of microcasting both argue against standardization of advertising. Together with the emergence of multi-product advertising, these developments are very likely to facilitate lifestyle segmentation around the world and provide an alternative basis for advertising standardization on a global scale. As a matter of fact, there are already signs that it is gaining increasing recognition as a strategic concept for global segmentation.

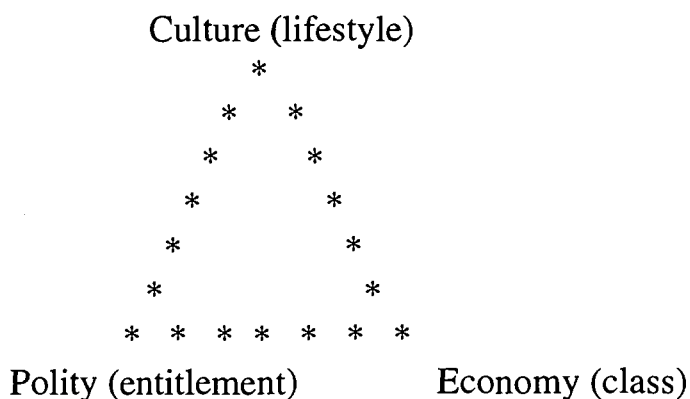
Social Differentiation through Lifestyle Consumption Pattern

The question of standardization is basically a question of on what basis to segment the market. Income, age, sex, ethnicity, geography, family size, social class, cultural background, etc., have all been used for market segmentation. Value-

lifestyles may prove a promising alternative on global markets because they offer more useful description of the on-going social differentiation through consumption. Many observers have pointed out that products serve first to sustain life, then to provide comfort and status, and finally, for an ever growing proportion of the population at least, to construct existential identity and meaning.

In his discussion of the long-term transformation of social structure following the industrialization of Europe and North America, Bryan Turner says, “the development of modern society can be viewed in terms of a transition from particularistic-ascriptive standards or values to a social system based upon universalistic-achievement values, because contemporary societies place a greater emphasis on individual social mobility than upon deference or traditions of prestige and honor” (1988:4). He presents his idea through the following graph:

Figure 7
Three Dimensions of Stratification (1988, 67)



He maintains that, in pre-industrial ages, members of the social elite, given their wealth, stood above the economically impoverished and politically disenfranchised masses; with their inherited titles and privileges, they also distanced themselves from the parvenus or newly-rich. When it comes to internal status competition, they differentiated among themselves by their personal styles of living. Today, most welfare states offer basic livelihood for the general population; the establishment of democracy grants its citizens nearly equal rights in the socio-political realm.

As a result, the process of social differentiation is increasingly (though far from exclusively) unfolded in the arena of culture or lifestyle that, as an “expressive”, distinctive, and therefore recognizable, mode of living” (Sobel, 1981:3), may be reasonably operationalized in terms of consumption. As Mike Featherstone puts it,

Rather than unreflexively adopting a lifestyle, through tradition or habit, the new heroes of consumer culture make lifestyle a life project and display their individuality and sense of style in the particularity of the assemblage of goods, clothes, practices, experiences, appearance and bodily dispositions they design together into a lifestyle...the production of lifestyle tastes can be considered within a structured social space in which various groups, classes and class fractions struggle and compete to impose their own particular tastes as the legitimate tastes, and to thereby, where necessary, name and rename, classify and reclassify, order and re-order the field (1987:60).

This is not to deny the importance of one's ethno-cultural background or social class membership in determining one's identity. The shifting structure of differentiation only implies that value-lifestyles are gaining more weight in consumption decisions. Such a trend appears to be gathering momentum in consumer societies, including newly industrialized countries.

To be sure, modern society is not yet class-free, nor is it culturally homogeneous. Featherstone makes it perfectly clear that lifestyle is only one of the three grids or dimensions preconditioning the consumer, "Each group, class and class fraction has a different habitus, hence the set of differences, the source of the distinctions and vulgarity of taste, can be mapped onto a social field which should in effect form a third grid to be superimposed onto the space of lifestyles and class/occupational capital..."(1987:64).

If lifestyle is accepted as an added dimension, a new layer, in the complexity of the consumer, then several misconceptions about lifestyle ought to be cleared up. Lifestyle segmentation will not render ethno-cultural identities and differences "superficial" as Levitt imagined; nor will lifestyle segmentation disguise class distinctions, as Judith Williamson suspected. As a matter of fact, Mitchell's definition of the value-lifestyle categories have, as its core, socio-economic status

and beliefs, or “ideology” as Williamson would have called it. Mitchell's contention is, however, “The time seems at last to be arriving when many people are able to employ the full range of their powers to choose what kind of lives they truly want to lead” (1983:viii).

The argument here is that lifestyle segmentation in the meaning-signifying consumer society takes away some of the power monopolized, in the past, by traditional culture or class structure in determining the thinking and behavior of the consumer. The lifestyle approach simply recognizes such a change and therefore offers a better conceptual device for marketing communication.

As Michael Sobel puts it, majority affluence “...provides the initial conditions for the de-emphasis of the subsistence problem, thereby allowing for secondary motivations to enter the forefront of everyday consideration” (1981:171) e.g., the anxieties associated with alienation. Sobel believes, “the modern significance of a lifestyle may arise as a solution to the existential problems of boredom, meaninglessness, and lack of control, problems created by the confluence of affluence and the destruction of the traditional centers of meaning, religion, work, family, and community”. He emphasizes that “work...appears to be increasingly losing much of its intrinsic importance among a large fraction of the population” (1981:171).

The adoption of a lifestyle reflects consumers' conscious choices based upon their interpretation of themselves and society at large. It also maintains diversity, if we recall the origin of the word's respectful reference to deviations from mainstream living. For example, vegetarianism, environmentalism, feminism, and what Mitchell called I-Am-Me or Experiential type of living.

In the post-modern society, there is the means, access, and urge to create, maintain, and vary lifestyles through consumption in order to secure social distancing as well as to find meaning and identity. The lifestyle model of segmentation more adequately describes the reality of consumer societies: social differentiation through consumption patterns.

The New Media Environment of Microcasting

Further argument for a lifestyle approach to advertising standardization comes from the changing media context. Parallel to its internationalization in ownership and organization discussed in Chapter 2, the media have been undergoing, simultaneously, fragmentation in programming. One of the driving forces behind media fragmentation is unprecedented technological new configuration.

Take the magazine industry for example. In its May 24 issue, *Advertising Age* ran a special panel discussion under the topic of "Looking to the 90's".²⁵ Christine Hefner outlines the situation, "Today's magazine publishers face a changing environment, a marketplace very different from the one in which many magazines were founded. With the segmentation of the magazine market over recent years, special interest titles have proliferated, creating more competition than ever for a reader's time and an advertiser's dollar."

The exact number of magazines varies from one estimate to another. In the United States alone, some put the figure around 12,000 in total. As for consumer magazines, the number grew from 271 in 1960 to 504 in 1988.²⁶ But the distinctions between 'trade' and 'consumer' journals is blurring, according to Thomas J. Tyrer, as "business publishers are making more frequent forays into special-interest consumer magazine projects in a critical effort to extract the greatest yield from their combined assets." The consumer magazines for their part are "taking on a greater 'business

²⁵ For reference, see a special issue on "Looking to the '90s" in *Advertising Age*, May 24, 1989, which included, Thomas J. Tyrer, "Crossing Over", John McDonough, "In Step with History", and Nicholas Niles, "Personalization will reach new levels next decade", Christi Hefner, "Niche Players Must Target". Also see Walter Joyce's article "Positioning Your Magazine" published in *Folio*, February 1990.

²⁶ Source: Audit Bureau of Circulations, Advertising Age Graphic: John Hall. *Advertising Age*, May 24, 1989.

orientation””. The new code of positioning is no longer ‘business’ or ‘consumer’, but recording, women's fashions, or other special interests--that is, consumer segments.

“Positioning actually comes in two flavours,” according to Walter Joyce, once promotion director of *The Saturday Evening Post*, *Psychology Today*, *Careers Today*, and *Fortune*.²⁷ “One is emotional positioning that creates permission to buy...the second aspect of positioning focuses on placing a magazine in a media context that allows it to be bought along with others.” Such companionship is again defined by consumer segments, e.g.,

- . Home--1001 Home Ideas, House Beautiful, Metropolitan Home;
- . Epicurean--Bon Appetit, Cooking Light, Food & Wine, Gourmet, Good Food;
- . Parents--American Health, Health, Prevention;
- . Women's services--BH & G, Family Circle, Good Housekeeping, LHM, McCall's, Redbooks, Woman's Day;
- . Lifestyle--New York, Southern Living, Town & Country, Victoria;
- . Women's--Cosmopolitan, New Woman, Self, Working Woman;
- . General editorial--New Choices, People, Reader's Digest, TV Guide, Parade;
- . News and current affairs--Time, Newsweek, U.S. News, etc.

The list above clearly footnotes Joyce's observation, “In the world of magazines, there is less and less frequently a number five or higher in any category on any magazine schedule [for advertisers]”. Each category occupies a market niche. For instance, *Good Housekeeping*, targets the “New traditionalist” who integrates solid American values

²⁷ Walter Joyce, "Positioning Your Magazine", *Folio*, February 1990, pp.118-121.

with contemporary lifestyles. Some publishers try combinations within or across categories. The New York Times Company claims that its *McCall's* and *Family Circle* “reach women more efficiently than any other combination buy [for advertisers] in the women's service field”.

More dramatic segmentation in magazine publishing is foreseen by Nicholas Niles, publisher of *Food & Wine*.²⁸ “In the 1990s,” he predicts, “magazines will be deeply and comfortably imbedded in today's trend toward increased personalization...finely tuned special interest magazines. Our readers will expect us to speak directly to them, to their lifestyles, needs, leisure pursuits and aspirations. Both the magazines themselves and the products advertised in them will be counted upon to show a closeness to consumers' individuality.” Furthermore, technology has made advertising copy splitting possible and precise in alternative editorial forms that vary geographically.

“The added bonus to this scenario is,” Niles believes, “that advertisers will have unparalleled targeting ability. And with precise interactive telemarketing fast becoming a reality, marketers also will have unequalled proof that their advertising works.” Some

²⁸ Nicholas Niles, "Personalization Will Reach New Levels Next Decade", *Advertising Age*, May 24, 1989.

magazines such as *Time* and *Newsweek* are even offering personally “customised” versions of their products.

The fragmentation of the magazine as a mass medium is put into historical perspective in John McDonough's cultural analysis entitled, “In Step with History”.²⁹ To begin with, he notices,

The general-interest magazine was an ironic alliance of 19th century provincialism and 20th century mass consumption...While manufacturers packaged corn flakes, soap and transportation, magazines packaged fashions, dreams and myth. They shaped and enforced a national pop culture as nothing had before. And when they surrendered that role to radio, then TV, they burrowed into society, discovering consumer micro-profiles, and became the most precise targeting tool of modern marketing (1989:23).

One of the watershed shifts McDonough detects is, “America had drifted from a need-driven economy to a style-driven one. All needs are basically the same, but style comes in a million variations...The result was a cultural fragmentation of seismic proportions. Smart publishers saw opportunities in every fragment, and advertisers began finding the best media deals sometimes came in small packages” (1989:72). McDonough's conclusion is, “Among magazines, those that saw the future caught the tide. Those that stood by old values suffocated on their own integrity” (1989:26).

²⁹ John McDonough, "In Step with History", *Advertising Age*, May 24, 1989. p.23.

Television and radio today are facing similar challenges. Sounding the alarm, one recent *Newsweek* feature story warns³⁰,

In the beginning there was broadcasting: three mammoth networks reaching for the widest possible audience with mass-appeal programming. Then came narrow-casting: a score or so round-the-clock cable channels catering to special tastes. Now, thanks to a technological leap, the number of such specialized channels is about to soar into the hundreds--each targeted at even tinier slivers of the population. Call it microcasting. For better or worse--and there's much to be said for both--it's TV's next age.

Radio has been experiencing comparable fragmentation for a long time, "as more and more stations position themselves to deal with the proliferation of signals in the market, demographic fluctuations, changing consumer tastes and economic pressures, audience shares are shrinking and competition is becoming tighter."³¹ That is why one article declares that "Radio's new 'F word' is fragmentation". It reports that 50% of stations surveyed subscribe to nationally syndicated programming services that supply tape and satellite-delivered lifestyle formats, such as contemporary hit radio, adult hit radio, adult contemporary, new AC, soft AC, oldies, album-oriented rock, classic rock, the Mix and numerous variations of country. With high-tech mediated brand formats

³⁰ Harry F. Waters with Lucille Beachy, "Next Year, 500 Channels". *Newsweek*: March 1, 1993. p.75.

³¹ "Format Suppliers' Future in Fragmentation", *Broadcasting*, July 8, 1991, Radio 40.

like these, “stations and advertisers alike now can pick specific categories of potential customers.”³²

Publishing of books and newspaper, rental of video and CD disks, sale of records, as well as pay-per-view services, all bear witness to accelerating audience/reader/user differentiation along lifestyle lines. And the trend is not confined to North America and Western Europe.

An interesting example of advertiser's reaction to the new media environment can be found in an *Advertising Age* report entitled, “CAA's³³ Coke Ads Set New Ground Rules--Strategy Caters to Fragmented Media”.³⁴ It quotes Peter Sealey, Coca-Cola's senior VP-director of global marketing as saying, “We will match the message to the medium to the audience.” The reporter notices that “for the first time, Coca-Cola is dropping its traditional ‘one sight, one sound, one sell’ approach in favour of advertising tailored to specific audiences, media and even seasons.” The purpose is to “follow the global trend towards fragmented media”.

The unfolding landscape in the new media world works very much in favor of lifestyle advertising: lifestyle “micro niches” within the more-than-500-channel media

³² "Advertisers, Marketers Set Sights on Target", *Broadcasting*, Sept.16, 1991, Radio 33.

³³ CAA stands for Creative Artists Agency, a Hollywood talent shop that has taken over some of the Coca-Cola accounts from McCann-Erickson.

³⁴ "CAA's Coke Ads Set New Ground Rules--Strategy Caters to Fragmented Media", *Advertising Age*, February 22, 1993.

context cannot yield any economies of scale unless similar niches are sought out around the globe.

Multi-Product Ads and Lifestyle Unity

In addition to changes in media environment and social differentiation, there are other factors that argue for the lifestyle approach as an alternative basis to standardization.

One such factor is the phenomenon that more and more advertisers are combining their marketing efforts to reach a consumer segment, e.g., gas stations and airlines advertise together to attract business travellers; snack companies and local newspapers work together to promote a concert. The lifestyle approach is capable of accommodating such multi-product ads, since a lifestyle always goes with a cluster of products that can very well be promoted in one advertising copy.

The complementariness of products has been carefully analysed by Grant McCracken under the topic of consistency or “Diderot Unities” in his influential treatise, *Culture and Consumption* (1988). The term originates from a humorous essay the 18th century French Encyclopedist Denis Diderot wrote. In that essay, entitled, “Regrets on Parting with My Old Dressing Gown”, Diderot described how a gift from a friend started a chain of replacements in his study. The desk, the tapestry, chairs,

engravings, bookshelf and clock were all changed to match the new scarlet dressing gown which, he concludes, “forced everything else to conform with its own elegant tone”.

McCracken elaborates on the idea and defines “Diderot Unities” as situations where, “...product constellations occur because the products so unified all carry role information...individuals must use entire complements of products to play the parts assigned them in the drama of social life” (1988:119). He identifies three ways in which Diderot effect works: it functions to “prevent an existing stock of consumer goods from giving entry to an object that carries cultural significance that is inconsistent with that of the whole”; it serves to “force the creation of an entirely new set of consumer goods”, or it is “deliberately manipulated, exploited by the individual for symbolic purposes” (1988:123-124). Further, McCracken recommends, “let us begin this research with the understanding that lifestyle unities are, in part at least, Diderot unities” (1988:123)

Now the ensemble of products that match a lifestyle are complementary rather than competitive, it might be more effective to promote them together in the same advertising copy. This advertising format may prove an interesting medium to reach global lifestyle segments, though little empirical research is available on the topic.

INCREASING RECOGNITION OF THE LIFESTYLE APPROACH

It must be admitted that hard data are difficult to come by given the complex nature of global advertising. Nevertheless, there are indications that the lifestyle approach is gaining recognition.

First of all, there is the general shift in orientation, i.e., away from the product to the consumer and consumer segmentation.

For example, in his study of Pillsbury Company's managerial strategies, Michman (1991:4) notices a general movement first from product to consumer; then from consumer mass to consumer differentiation.

Table 6

Three Managerial Stages in Pillsbury Company(1900-1960)

<u>STAGE</u>	<u>PERIOD</u>	<u>FOCUS</u>
Product orientation	1900-30	manufacturing and producing more product units; marketing was frequently subcontracted out to wholesale firms
Sales management Orientation	1930-50	selling the product; advertising and marketing research was used to obtain the highest possible price from potential customers
Consumer Orientation	1950-60	shifting from product to consumers with the belief that the firm's product could help consumers solve selected problems

As part of the marketing mix, advertising seems to have undergone a similar shift away from product utility to consumer problem solving. Based upon their extensive study of Canadian magazine advertising from the beginning of this century up to the present, Leiss, Kline and Jhally observe a four-stage evolution of advertising, as illustrated below (1990:282)

Table 7

Four Stages in the Evolution of Advertising Format

INFORMATION	utility	1910-1920
SYMBOLISM	personal use	1930-1940
PERSONALIZATION	gratification	1950-1960
LIFESTYLE	social context	1970-1980

The dates are used only for rough approximation and different product types tend to have slightly different patterns, some being rather stable over the years. But the overall pattern is undeniable: advertising shifted its focus from material functions to social symbolism, from the product to the consumer, from mass marketing to segmentation.

Michman and Leiss based their findings on a national market. Whether the global advertising scene will follow the pattern remains to be seen. As both standardized and localized advertising approaches are troublesome in theory and practice, there is much room for the development of the lifestyle approach. Even the McCollum Spielman World-Wide's report quoted in chapter 2³⁵ acknowledges that "the global marketer's job (and budget) can be made a little easier if a strategy or campaign is aimed at a targeted market segment that may have many common characteristics regardless of nationality."

³⁵ McCollum Spielman Worldwide, "Global Advertising Standardization or Multi-Cultural?", *Journal of Advertising Research*, Vol.32, No. 4, July/August 1992 (cover flyer).

The increasing recognition that lifestyle segmentation may be a viable way out of the dilemma over standardization is shown in a study by Kanso (1992), who surveyed 118 firms from the Fortune directory of the 500 largest industrial corporations. He divided the managers who responded into two groups, those with localized approach, and those with standardised approach. Some of the survey questions are reproduced below (the two groups of managers' respective mean ratings together with P values are included in the brackets). The result has special implications for overseas advertising.

- . To guarantee effective advertising, an advertiser should design messages that fit the unique traditions, values, and beliefs in each country (5.23, 4.58; <.005)
- . Although need satisfaction is based on cultural considerations, advertising campaigns can be standardized in all foreign markets (2.69, 4.16; <.0005)
- . Consumer differences in various countries are diminishing, but the time to devise a universal campaign has not come yet (4.59, 3.58; <.0005)
- . Due to differences in traditions and customs, an advertiser must use symbols that are recognizable and meaningful to each market (4.84, 3.91, <.0005)
- . In presenting advertisements for foreign use, an advertiser must make sure that appeals are entirely compatible with consumer's lifestyle (4.87, 4.58; N.S.D.)
- . Despite cultural differences, the perception of an advertising theme can be the same for all markets (2.50, 4.16; <.0005).

As the statistics indicate, the two groups of managers disagreed on all the issues except the one on lifestyle.

Such acceptance of the value of lifestyle segmentation was confirmed when the Conference Board of Canada conducted personal interviews with approximately 65 senior executives from 15 companies across Canada that are doing extremely well in

global competition. Some of the conclusions (Johnston, 1990) are, “Improved communication and transportation systems now enable consumers to make their purchasing decisions on a world-wide comparison basis” (1990:vii); “Choices are motivated more by quality and variety for the best price than by nationality” , therefore, “there is a move away from segmenting consumers on a geographical basis. Instead, consumers are beginning to be divided into increasingly smaller niche markets along other lines as they demand more variety in their goods and services...In some industries, the benefits from large economies of scale are now in danger unless the product can be sold to a precisely defined consumer in a large number of markets” (1990:14). Here “large number of” “niche markets along other (than national or cultural) lines” come very close to lifestyle segments.

In a comparative study of the cultural themes in Brazilian and U.S. auto ads, Tansey et al.(1990), content analysed a sample of 819 automobile ads that appeared between 1971 and 1980. They found that (1) urban themes were used more frequently in Brazilian ads than in U.S. ads; (2) leisure themes were used more frequently in U.S. ads than in Brazilian ads; and (3) work themes appeared as frequently in Brazilian ads as in U.S. ads. Above all, the authors warned that, “In terms of hours spent working, income, literacy, education, and economic opportunity, the average Brazilian business person is more like a U.S. business person than like the average Brazilian worker”.

Kaplan registered similar recognition in his 1994 article³⁶. He writes, “Shared sensibilities are also emerging among social classes across different countries.” Michael Sennett, vice-chairman and director of multinational accounts at McCann-Erickson in New York, is quoted as saying, “A male middle executive in Italy has more in common with a male middle executive in UK than with a farmer in Italy”.

These studies demonstrate that people are coming to appreciate the great potential of lifestyle segmentation for global marketing communication.

GLOBALIZATION OF DIVERSITY--A PROPOSED NEW MODEL FOR STANDARDIZATION

Instead of a homogeneous global market or a country-by-country fragmentation, the foregoing discussion sides with Featherstone in anticipating an alternative scenario: i.e., globalization of diversity. And the lifestyle approach promises to be an alternative basis for global advertising standardization.

Globalization in this sense does not lead to uniformity; on the contrary, it expands the spectrum of cultural diversity by making available to consumers of the global village the diverse traditions, customs, and lifestyles that originate in different

³⁶ Rachel Kaplan, “Ad agencies take on the world”, *International Management*. April 1994. p.52.

parts of the world. “Diversity” in the sense of a much richer repertoire of lifestyles to choose from; “global” in the sense of nearly universal availability. Lifestyle segmentation in advertising would be a good match for social differentiation around the world.

To better appreciate Featherstone’s point of view, it might be of some help to refer to Segall et al.’s conceptual framework cited earlier in Chapter 3. Human behaviour results from the dual adaptation of biology and culture to environmental--ecological and socio-political--contexts. In time past, life was restricted to a fixed time and space, relatively isolated from other geographic zones or historical periods. But the situation has now changed, as Featherstone puts it,

The flows of information, knowledge, money, commodities, people and images have intensified to the extent that the sense of spatial distance which separated and insulated people from the need to take into account all the other people which make up what has become known as humanity has become eroded...Hence one paradoxical consequence of the process of globalization, the awareness of the finitude and boundedness of the planet and humanity, is not to produce homogeneity but to familiarize us with greater diversity...”(as in Bird et al., 1993).

Applied to consumer behaviour, this would suggest that today’s consumers are interacting with an environmental context that is no longer limited by geography or ethnicity. With the coming of the 500-channel media world and virtual reality, the

individual is enjoying increasing freedom in choosing the kind of environment to live in and respond to. His/her behaviour can no longer be adequately explained by social class or culture alone. Increasingly, personal choice exerts a decisive influence in shaping consumption patterns. For instance, Yau's generalization of Chinese cultural orientation discussed in Chapter 2 may be misleading if not applied properly. Advertising geared to appeal to this value system may run into trouble because the target consumer group, say, the emerging Chinese middle class with newly acquired discretionary money, are likely to deviate from these perceived cultural norms.

Here a tentative answer can be provided to the fear that globalization will lead to homogeneity. Culture may become less of a self-contained, ethno-geographically defined system. Different traditional cultures might coexist as a mosaic of rich diversity. Market forces, with the help of science and technology, would make a common pool of commodities available to consumers, who could construct their lifestyle based upon this unprecedented wide range of cultural choice. Marketing communication could tap into these universally diversified lifestyle segments.

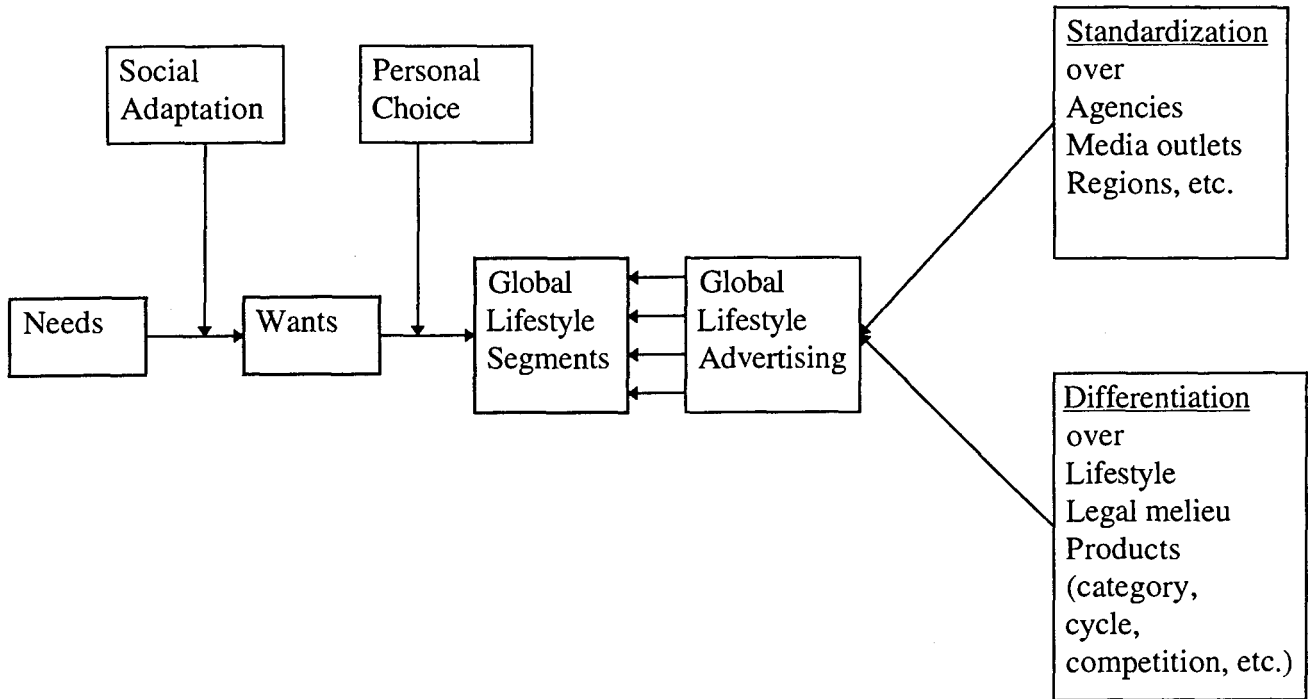
A related concern has to do with "monotony." Some critics took "globalization" for "uniformity" or "monotony". This can hardly be the case. A segment of consumers from different social or ethnic background may come to converge in taste or preference about one specific product. The market as a whole is not impoverished; rather it is

immensely diversified. Globalization standardizes specific brands of product but diversifies the range, variety, or spectrum of products and their socio-cultural complexity.

The implication for global advertising would be that, on the one hand, you may have to create two advertising messages to sell chamber music to New Yorkers and Californians; on the other hand, you might prepare just one T.V. commercial to promote rock video among young rock fans in many parts of the world. In short, this would require marketers to identify global lifestyle segments and standardize the selling pitch to address those similar segments scattered in diverse ethno-geographic regions.

The previous discussion could be summarized in the following diagram.

Figure 8
Global Advertising to Diverse Lifestyle Segments



This model focuses upon global lifestyle segmentation, an outcome of the interaction between the consumer and the social environment, which is no longer totally defined in spatial, temporal, or ethnic terms. It is at the expense of such ascribed conditions as locality, ethnicity, or culture that self-constructed lifestyle is gaining importance as a determinant of consumer behaviour. Similar lifestyle segments are emerging in diverse ethno-geographical markets and provide opportunities for standardized advertising.

CONCLUSION

The thesis reviews debates about standardization in the design of advertisements for brand-name consumer products. It explores the potential of global lifestyle segmentation as an alternative to either standardization based upon universal utilities or localization according to ethno-geographical classification.

Debates about standardization are considered to be part of marketing communication's response to the expansion of global markets, i.e., the rapid growth of multinational enterprise, the increasing interdependence of national economies, and the internationalization of media and marketing organizations. These changes in the market and the various interpretations of globalization are reflected in advertising in the form of a controversy over whether global advertising should be standardized or localized.

The two opposing positions on the issue of standardization are shown to be both problematic. The Levittian vision of standardized marketing has two assumptions: universal utilities and cultural convergence. The former neglects the cultural complexity of consumption whereas the latter has so far received little empirical support. On the other hand, studies indicate that localized advertising on a country-by-country basis fails

to consider the fact that ethno-geographical blocks no longer constitute monolithic entities.

As an alternative strategic concept for global advertising, lifestyle segmentation is recommended because of its potential to accommodate contemporary social differentiation, the new media environment of microcasting, and the emergence of multi-product advertising. Studies are cited to show that there is growing acceptance of lifestyle segmentation as a viable basis for advertising standardization around the world.

The proposition of targeting global lifestyle segments that exist in diverse local markets remains just that, a proposition. It needs further conceptual clarification and empirical research.

For instance, many critics of the lifestyle approach take lifestyle segmentation as a replacement of class stratification or cultural diversity. This is simply not accurate. Lifestyle segmentation is only intended as a new layer over the complexity of consumption.

Further empirical studies are necessary to expand Arnold's cultural comparison of lifestyles and to include newly industrialized countries in areas like Latin America or Asian Pacific.

There are many other areas for future research on standardization. For example, the impact of global advertising on the advertising industry of a specific country ought

to be closely examined. There are some such studies already. Take Japan for example. Kline questions the assumption that “advertising and marketing are the ultimate means by which the developing world is integrated into the social framework of the developed West” (1988:103). His comparison of American and Japanese advertising indicates, “these two distinctive worlds--the traditional/privacy Japanese and the modern/public Western--do coexist in Japanese advertising.”

Japan is also the topic of Barbara Mueller’s study (1992) which measures the degree to which Westernization increased or decreased within the period 1978-1988 and finds that the use of the Western product-merit appeal, Western celebrities and American artifacts and settings becomes less common. Therefore, he is convinced Japanese advertising has not become Westernised, but may actually be taking on a decidedly Japanese identity.

It is most urgent for future research to work out operational definitions of lifestyles and to design widely applicable scales to measure them. Otherwise, the current debate will remain unproductive if the participants mean different things when they use the term “lifestyle”. For instance, Featherstone’s discussion of lifestyles is part of his Marxist theory of contemporary consumer culture against the background of class struggle, whereas Mitchell’s VALS is a strictly marketing concept. The two are related but need to be carefully defined and differentiated.

Despite the limitations, the literature reviewed in the thesis lends support to the central arguments of the thesis: 1. Standardization based upon universal utilities does not account for the socio-cultural complexity of consumption; 2. Localization according to ethno-geographic classification fails to recognize those market segments that span national or ethnic boundaries; 3. Lifestyle segmentation offers an alternative basis for standardization because it takes care of the cultural dimension of products and accepts the fact that the relative free movement of ideas, technology, and people promotes awareness and access to a rich diversity of lifestyles that may come from all kinds of temporal, spatial, or ethnic origins. The new global markets may come closer to what Featherstone calls “globalization of diversity”. Each global lifestyle segment can be cost-effectively targeted through standardized advertising.

SELECTED BIBLIOGRAPHY

- Alden, Dana L., Wayne D. Hoyer, and Chol Lee. 1993. Identifying Global and Cultural-Specific Dimensions of Humor in Advertising: A Multinational Analysis. *Journal of Marketing*. Vol. 57(April):64-75.
- Andrews, J.Craig, Steven Lysonski and Srinivas Durvasula. 1991. Understanding Cross-Cultural Student Perceptions of Advertising in General: Implications for Advertising Educators and Practitioners. *Journal of Advertising*. Vol. XX, No.2, June:15-26.
- Atlas, James. 1984. *The Atlantic Monthly*, October, 49.
- Aydin, N., V. Terpestra, and A. Yaprak. 1984. The American challenge in international advertising. *Journal of Advertising Research*. V13, 49-59.
- B., Ross. 1970. A study of US advertising practices and procedures of US firms selling product overseas. Unpublished manuscripts, Department of Marketing, Texas Tech University.
- Barthes, Roland. 1972. *Mythologies*. Selected and translated from French by Annette Lavers. London: Jonathan Cape Ltd.
- Berger, John. 1972. *Ways of Seeing* (based on the BBC television series with John Berger). London: British Broadcasting Corporation and Penguin Books.
- Biswas, Abhijit, Janeen E. Olsen and Valerie Carlet. 1992. A Comparison of Print Advertisements from the United States and France. *Journal of Advertising*. Vol. XXI, No.4, December:75-81.
- Boddewyn, J.J., Robin Soehl, and Jacques Picard. 1986. Standardization in International Marketing. *Business Horizon*. Nov-Dec. 69-75.
- Bradburn, N.M. and D.E. Berlew. 1961. Need for Achievement and English Economic Growth. *Economic Development and Cultural Change*. 10:8-20.

- Buzzell, R. 1968. Can You Standardize Multinational Marketing? Harvard Business Review. 46, 6:102-113.
- Czitrom, Daniel and David Marc. 1985. The Elements of Lifestyle--The term has not always been the property of mass-marketing. The Atlantic, May, v255. 16-17.
- Danna, Sammy R. 1992. Conventional and Alternative Advertising Media: Two Views, Two Purposes. In Advertising and Popular Culture. Ed. Sammy R. Danna. Bowling Green, Ohio: Bowling Green State University Popular Press.
- Dunning, John H. 1993. The Globalization of Business. Routledge. London, England.
- Dunning, John H. 1993. Multinational Enterprises and the Global Economy. Addison-Wesley Publishing Company. Wokingham, England.
- Durvasula, Srinivas, Steven Lysonski and J. Craig Andrews. 1993. Cross-Cultural Generalizability of a Scale for Profiling Consumers' Decision-Making Styles. The Journal of Consumer Affairs. Vol.27, No.1:55-65.
- Eales, Roy. 1989. The Multinational Media Industry. Multinational Business. Number 1:37-40.
- Engel, James, Roger D. Blackwell and Paul W. Miniard. 1990. Consumer Behavior. 6th ed. Chicago: The Dryden Press.
- Europa Publications Ltd. 1994. The Europa World Year Book 1994.
- Fatt, Arthur. 1967. The Danger of 'Local' International Advertising. Journal of Marketing. 31, 1:60-62.
- Featherstone, Mike. 1987. Lifestyle and Consumer Culture. Theory, Culture & Society. Vol. 4. February:55-69.
- Featherstone, Mike. 1991. Consumer Culture and Postmodernism. London: Sage.
-----, 1993. Global and Local Cultures. in Local Cultures. Global Change. ed. Bird et al., London: Routledge, 169-187.

- Griffin, Tom 1993. *International Marketing Communications*. Butterworth Heinemann. Oxford, England.
- Guo, Benjamin T.Q. 1991. *Global Advertising: Fantasy or Reality--Selected Readings in Recent Periodical Literature*. School of Communication, Simon Fraser University. Unpublished manuscript prepared for a graduate course.
- Hakuhodo Institute of Life and Living. 1982. *Hitonami: Keeping up with the Satos*. Kyoto: PHP Research Institute.
- Harvey, Michael G.. 1993. Point of View: A Model to Standardization of the Advertising Process in International Markets. *Journal of Advertising Research*. July/August:57-64.
- Hill, Julie Skur, and Joseph M. Winski. 1987. Goodbye, Global Ads. *Advertising Age*. November 16, 16.
- Hine, Thomas. 1986. *Populuxe*. New York: Alfred A. Knopf, Inc.
- Hite, Robert, and Cynthia Fraser. 1988. International Advertising Strategies of MNCs. *Journal of Advertising Research*. Aug/Sept. 9-17.
- Hogarth, Don. 1991. Global market can be a minefield. *Financial Post*, November 25, 2.
- Hong, Jae W. and Aydin Muderrisoglu. 1987. Cultural Differences and Advertising Expression. *Journal of Advertising*. Vol.16. (1):55-62.
- James, William L. and John S. Hill. 1991. International Advertising Messages: To Adapt or Not to Adapt. *Journal of Advertising Research*. June/July, 72-78.
- Jameson, Fredric. 1983. Postmodernism and Consumer Society. in *The Anti-Aesthetic: Essays on Postmodern Culture*. Ed. Hal Foster. Port Townsend, Washington: Bay Press.
- Johnston, Catherine G. 1990. Globalization: Canadian Companies Compete. A Conference Board of Canada Report from the International Business Research Centre. Report 50-90-E. February.

- Jordan, Robert. 1989. As quoted in "Marketing can be global, but ads must remain cultural. Marketing News. July 31, 26.
- Kanso, Ali. 1991. The Use of Advertising Agencies for Foreign Markets. *International Journal of Advertising*. V10, 129-136.
- 1992. International Advertising Strategies: Global Commitment to Local Vision. *Journal of Advertising Research*. January/February:10-14.
- Kaplan, Rachel. 1994. Ad agencies take on the world. *International Management*. April. 50-52.
- Karp, Jonathan Karp. 1993. Medium and message", *Far Eastern Economic Review*. 25 February, 50-53.
- Killough, J.. 1978. Improved Payoffs from Transnational Advertising. *Harvard Business Review*. 56, 4:102-114.
- Kline, Stephen. 1988. The Theatre of Consumption: on Comparing American and Japanese Advertising. *Canadian Journal of Political and Social Theory*, Volume XII, No. 3 (Fall) 101-120.
- Kotler, Philip and Gary Armstrong. 1989. *Principles of Marketing*. 4th ed.. New Jersey: Prentice Hall.
- Lastovicka, John L., John P. Murry, Jr., and Erich A. Joachimsthaler, 1990. Evaluating the Measurement Validity of Lifestyle Typologies with Qualitative Measures and Multiplicative Factoring. *Journal of Marketing Research*, Vol. XXVII (February), 11-23.
- Leiss, William. 1976. *The Limits to Satisfaction: An essay on the problem of needs and commodities*. Toronto and Buffalo: University of Toronto Press.
- Leiss, William, Stephen Kline, and Sut Jhally. 1990. *Social Communication in Advertising*. 2nd edition. Enlarged. Scarborough, Ont. Nelson Canada.
- Levitt, Theodore. 1960. Marketing Myopia," *Harvard Business Review*, V38, July-August.
- 1983. The globalization of markets. *Harvard Business Review*. May-June, 92-102.

- Michman, Ronald D. 1991. *Lifestyle Market Segmentation*. New York, NY: Praeger Publishers.
- McClelland, D.C.. 1961. *The Achieving Society*. Princeton, NJ: Van Nostrand.
-----1971. *Motivational Trends in Society*. New York: General Learning Press.
- McCracken, Grant. 1988. *Culture and consumption--new approaches to the symbolic character of consumer goods and activities*. Bloomington and Indianapolis: Indiana University Press.
- Marchand, Roland. 1985. *Advertising the American Dream--Making Way for Modernity. 1920-1940*. Berkeley and Los Angeles: University of California Press. Mattlehart, A.. 1979. *Multinational Corporations and the Control of Culture*. Brighton: Harvester.
- Meffert, Heribert and Jurgen Althans. 1986. *Global Advertising: Pros and Cons*. *International Advertiser*. February: 34-37.
- Mitchell, Arnold. 1983. *The Nine American Lifestyles--Who We Are and Where We're Going*. New York: Macmillan Publishing Co., Inc.
-----1984. *Nine American Lifestyles--Values and Social Change*. *The Futurist*, August. 8-9.
- Mueller, Barbara. 1992. *Standardization vs. Specialization: an examination of Westernization in Japanese advertising.* *Journal of Advertising Research*. Jan-Feb v32 n1. 15-25.
- Peebles, D.. 1978. *Coordinating International Advertising*. *Journal of Marketing*. 42, 1:28-34.
- Plummer, Joseph. 1986. *The Role of Copy Research in Multinational Advertising*. *Journal of Advertising Research*. Oct/Nov. 11-15.
- Poortinga, Ype H.. 1992. *Towards a Conceptualization of Culture for Psychology. Innovations in Cross-Cultural Psychology*. Netherlands: Swets & Zeitlinger. 3-17.

- Popcorn, Faith. 1991. *The Popcorn Report--on the Future of Your Company, Your World, Your Life*. New York, NY: Doubleday.
- Riche, Martha Farnsworth. 1989. Psychographics for the 1990s. *American Demographics*. July. P.26.
- Rosenblatt, P.C.. 1966. A Cross-Cultural Study of Romantic Love. *Journal of Personality and Social Psychology*. 4:336-338.
- Robert, Michel. 1992. Market fragmentation versus market segmentation. *Journal of Business Strategy*. Sept-Oct V13 n5: 48-54.
- Schaninger, Charles M. and Jacques C. Bourgeois. 1985. French-English Canadian Subcultural Consumption Differences. *Journal of Marketing*. Spring. Vol. 49(2):82-92.
- Smith, Anthony 1991. *The Age of Behemoths--the Globalization of Mass Media Firms*. Priority Press Publications. New York, NY.
- Sobel, Michael E. 1981. *Lifestyle and Social Structure*. New York, NY: Academic Press.
- Sorenson, Ralph and Urick Weichman. 1975. How Multinationals View Standardization. *Harvard Business Review*. 54, 3:38-45.
- Sriram, Ven, and Pradeep Gopalakrishna. 1991. Can Advertising Be Standardized among Similar Countries". *Journal of Advertising Research*. Vol.10:137-149.
- Stewart, Edward C. 1987. American Assumptions and Values: Orientation to Action", in *Towards Internationalism*. Ed. Louise Fiber Luce, Elise C. Smith. Cambridge,Massachusetts: Newsbury House Publishers. 51-72.
- Synodinos, Nicolaos, and et al, 1989. Transnational Advertising Practices. *Journal of Advertising Research*. April/May. 43-50.
- Tansey, Richard, Michael R. Hyman and George M. Zinkhan. 1990. Cultural Themes in Brazilian and U.S.Auto Ads: A Cross-Cultural Comparison. *Journal of Advertising*. Vol.19, No.2:30-39.

- Toyne, Brian and Peter G.P. Walters 1989. *Global Marketing Management--A Strategic Perspective*. Allyn and Bacon. Boston, USA.
- Turnbull, Peter W. and Lauren Doherty-Wilson. 1989. The Internationalization of the Advertising Industry. *European Journal of Marketing*. 24, 1:6-15.
- Turner, Bryan S. 1988. *Status*. London: Open University Press.
- Wallerstein, I. 1974. *The Modern World System*. New York: Academic Press.
----- 1991. *Geopolitics and Geoculture*. Cambridge: Cambridge University Press.
- Waters, Harry F. with Lucille Beachy. 1993. Next Year, 500 Channels. *Newsweek*: March 1. 75-76.
- Whitelock, Jeryl, and Djamila Chung. 1989. Cross-cultural Advertising--An Empirical Study. *International Journal of Advertising*. V8. 291-310.
- Williamson, John and Chris Milner 1991. *The World Economy*. Harvester Wheatsheaf. New York, NY.
- Williamson, Judith. 1978. *Decoding Advertising--Ideology and Meaning in Advertising*. London: Marion Boyars Publishers Ltd.
- Yau, Oliver H.M.. 1994. *Consumer Behavior in China*. London: Routledge.