Globalization, branding and multicultural consumer behaviour

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With globalization on the rise, the world is shrinking and people can more easily move across physical and virtual borders, rapidly intensifying the interaction and integration among consumers and companies of different countries. These global interactions have facilitated the emergence of a consciousness of the world as a whole (Robertson, 1992) and have increased the cultural diversity of the marketplace, making it more complex and challenging for marketers. Increased cultural diversity due to globalization has brought dramatic changes to both the demand (i.e., consumers’ values and desires) and supply (i.e., brands that are offered) sides of markets.

The need for marketers to better understand how these globalization forces on both the demand and supply side impact the marketplace and consumer behaviour has never been more important (Shavitt, Lee, & Torelli, 2008). Doing so will help them identify the drivers of success for building global brands and thrive in this increasingly multicultural marketplace. In the pages that follow, we review the market trends towards multiculturalism and discuss the impact that these globalization forces have on consumer behaviour. This chapter will shed light on the cultural factors that shape consumers’ responses in the marketplace, the ways in which multicultural consumers react to the cultural meanings in brands and the psychological processes underlying these responses. We start by describing the globalization forces on the demand and supply sides, followed by defining culture and identifying the key cultural dimensions used to predict consumer behaviour. This discussion is followed by an exploration of cultural meanings in global brands and the implications for consumer behaviour. Finally, the chapter discusses how marketers can leverage their cultural understanding for building stronger brands and identifies knowledge gaps for guiding a future research agenda.

Globalization forces

Globalization forces on the demand side

Increased cultural diversity of the demand side of the market is fuelled by two main forces: growing multiculturalism and increased connectivity and co-creation. Multiculturalism is on the rise, driven by the emergence of a robust middle class in emerging economies (such as those of China, Russia, Brazil and India), the immigration patterns changing the cultural landscape
of developed markets (e.g., the growth of Hispanics in the United States or that of Muslim populations in Europe), and the increased cultural curiosity of worldwide consumers thanks to Internet connectivity, social media platforms and global travel (e.g., in the last 10 years Chinese travellers have become the top source of tourism cash in the world; UNWTO, 2012).

Technology has also enabled a highly interconnected world, with developed countries almost reaching complete penetration of Internet access and developing countries rapidly catching up. This interconnectivity has allowed consumers to voice their opinions and be active players in the co-creation of meaning in the marketplace. For example, Dove’s Campaign for Real Beauty was a huge success, mainly due to consumers sharing the content with each other, and their input shaped future extensions of the campaigns (www.dove.us/Our-Mission/Real-Beauty/default.aspx). Consumers’ increased influence due to increased connectivity has also gone beyond impacting marketing campaigns (e.g., Arab Spring’s Twitter revolution).

**Globalization forces on the supply side**

On the supply side of the market, two main forces are increasing the cultural diversity of the global marketplace: competition from every corner of the world and cultural mixing. While major American brand names such as Coke and Nike have traditionally enjoyed sustained growth in emerging economies, including China, India and Brazil, the last decade has witnessed a tremendous growth in the number of new American and European brands successfully establishing a global presence in emerging markets. For instance, one may consider the American brand Jack Daniel’s success in China and Europe, which has helped the company to sell more whiskey abroad than in the United States (Kiley, 2007), or the high-stake expansion of Spanish phone company Telefónica into Latin America, which has been instrumental in helping the company become the largest telecommunications company in Europe (O’Brien, 2012). More importantly, brands from emerging markets have also recently emerged as global challengers. Consider, for example, the leadership position achieved in recent years by Chinese Lenovo Group in the personal computer industry, overtaking competitors Hewlett-Packard and Dell in worldwide sales (Hachman, 2014), or the recent entry of Indian’s Tata Group into the luxury cars segment via the acquisition of the Jaguar and Land Rover brands, or the growth of Brazilian’s Embraer in the Western-dominated aerospace industry.

Not only does globalization enable the proliferation of global brands; it also results in cultural mixing, whereby symbols of different cultural traditions are often found in the same location or product. Some examples of this phenomenon are the presence of Starbucks in Beijing’s Forbidden City, the ownership of Budweiser, an American icon, by ABInBev, a Belgian company, and Apple products with a “Designed by Apple in California Assembled in China” label. Globalization has also increased the tension between accepting foreign cultural influence and preserving the heritage culture (Fu & Chiu, 2007). Such tension is evident in the marketplace, where contrastive cultural meanings and messages of global and local brands interact to jointly influence consumer perceptions (Robertson, 1995).

**Understanding multicultural consumers**

**What is culture?**

Culture is defined here as shared elements that provide the standards for perceiving, believing, evaluating, communicating and acting among those who share a language, a historical period and a geographic location (Triandis, 1989, 1996). Two important aspects of this definition
deserve careful attention. First, as a collective phenomenon, culture consists of shared meanings that provide a common frame of reference for a human group to make sense of reality, coordinate their activities and adapt to their environment (Shore, 2002). Culture is the lens through which individuals see and provide meanings to the phenomenal world. A group of individuals who share the same standards form a cultural category or group, and such a cultural group can reside within a single country, extend across several country boundaries or coexist within the same nation as other cultural groups. In other words, cultural groups and nations are not necessarily the same thing. However, for historical and geographical reasons, nations and cultures can often overlap. Second, culture is a time-bound concept. The shared meanings that provide a frame of reference for a social group are dynamic and fluid, so American culture in the 1950s is quite different from that of the twenty-first century. Thus, cultural elements are moving targets that are not always easy to classify into discrete categories.

As a collective phenomenon, culture exists in different forms. Culture is subtly reflected in thinking styles, ideas, beliefs and values that are shared by members of a social group. At the individual level, culture can exist in two related, yet different, forms. First, culture can be present as values and beliefs that are endorsed by individuals, such as individualist versus collectivist cultural orientations (Triandis, 1989). Second, culture can exist in the form of intersubjective perceptions of culture – beliefs and values that members of a social group perceive to be widespread in their society (often referred to as intersubjective culture) (Chiu, Gelfand, Yamagishi, Shteynberg, & Wan, 2010). In other words, culture can be evident in a distinctive pattern of beliefs, thinking styles and values that are endorsed by individuals in a given group, as well as in the shared understanding that group members have about how widespread these beliefs, thinking styles and values are.

Culture exists both as a mental representation “in the head” of individuals – values and beliefs shared by a cultural group – as well as an external reality represented in material objects, social practices and social institutions (Kitayama, Duffy, & Uchida, 2007). For instance, Japanese culture is represented in beliefs about the importance of modesty and humility (Markus & Kitayama, 1991) and in the endorsement of collectivistic values of harmony and appreciating the beauty of nature (Howard, Shudo, & Umeshima, 1983). These values and beliefs are also represented externally in the Japanese tea ceremony, which embodies the recognition of harmony and the beauty of nature and life that characterizes Japanese culture (Watanabe, 1974). Similarly, Indian culture exists in the collective endorsement by its members of values of parental control, ancestral lineage and sense of kinship. These values are also externally represented in the matchmaker (or nayan) – the individual who serves as a broker for families trying to arrange a marriage for their marriageable-age children (Rao & Rao, 1982).

How to study culture?

The previous discussion highlights how complex it is to study culture and how cross-cultural research can be conducted at multiple levels of analyses. A first dichotomy in the study of culture is whether it should be studied inside the person (i.e., focusing on beliefs, values and interpretive frameworks for making sense of reality) or outside the person (i.e., analyzing practices, objects or institutions shared by a group) (Triandis, 2007). A second issue when studying culture is deciding the social level of analysis: across nations, across ethnic groups within nations, across individuals within nations (focusing on cultural orientation) and even across situations within individuals through the priming of cultural frames.

Regardless of how culture is studied, differences emerge in relation to the standards, behaviours and practices adopted by cultural groups throughout the world. Cross-cultural
psychologists who study these differences attempt to identify the constructs underlying these cultural variations in psychological functioning (i.e., cultural syndromes; Triandis, 1996). Understanding these cultural distinctions has been demonstrated to have important implications for advertising content, persuasiveness of appeals, consumer motivation, consumer judgement processes and consumer response styles. We turn to these issues next.

Cultural effects on consumer behaviour

Research in the last three decades has demonstrated how culture impacts basic psychological domains such as self-definition, perception, knowledge organization, self-presentation, motivation and self-regulation (Shavitt, Lalwani, Zhang, & Torelli, 2006; Shavitt, Torelli, & Riemer, 2010; Triandis, 1995). A great deal has also been learned in recent years about the role of culture in consumer psychology (see Briley, Wyer, & Li, 2014; Shavitt et al., 2008, for reviews). For instance, in the persuasion domain, extensive research has clearly established that the content of and responses to advertising appeals are culturally influenced. Some cultures are more likely to use certain kinds of ad appeals than are other cultures (e.g., Alden, Hoyer, & Lee, 1993; Han & Shavitt, 1994; Kim & Markus, 1999). Culturally matched ad appeals are more likely to be effective than mismatched appeals (e.g., Aaker & Maheswaran, 1997; Han & Shavitt, 1994). A consumer’s culture or cultural orientation also influences the nature of information processing that accompanies a message (Aaker & Maheswaran, 1997; Aaker & Sengupta, 2000), the role of affect in that processing (Aaker & Williams, 1998) and the types of goals that motivate consumers (Aaker & Lee, 2001).

Although most of the cross-cultural research in consumer behaviour has focused on culture as an aspect of consumers, recent research has started to acknowledge that culture is also present in products and brands. As such, consumers respond to the cultural meanings in brands and form bonds with these brands due to their ability to fulfil cultural identity goals (see Torelli, 2013; Torelli & Cheng, 2015, for reviews). Considering culture as an aspect of products and brands adds to the traditional view of culture as an aspect of consumers and highlights the fact that culture exists both “in the head” and “in the world”, and as such should be incorporated in models of consumer behaviour.

Cultural dimensions driving consumer behaviour

Individualism–collectivism classification

The majority of the cross-cultural research has involved the individualism (IND) and collectivism (COL) cultural classifications (Shavitt et al., 2008). This classification was originally introduced by Hofstede (1980), and it refers to the different ways in which individuals construe their self and where they place the emphasis on the attainment of goals. In individualistic cultures, people prefer to define themselves independently of others and place the attainment of their personal goals above the goals of their in-group. In contrast, in collectivistic cultures, people prefer to define themselves interdependently with others and place the goals of their in-group above their personal goals.

National cultures that celebrate the values of independence, as in the United States, Canada, Germany and Denmark, are typically categorized as individualistic societies in which an independent self-construal is common. In contrast, cultures that nurture the values of fulfilling one’s obligations and responsibilities over one’s own personal wishes or desires, including most East
Asian and Latin American countries, such as China, Korea, Japan and Mexico, are categorized as collectivistic societies in which an interdependent self-construal is common (Hofstede, 1980; Triandis, 1989).

**Vertical–horizontal distinction**

While the IND–COL classification is the most widely used for comparison across cultures (Gudykunst & Ting-Toomey, 1988), it is too broad, resulting in potential limitations (Shavitt et al., 2006). Describing a delineation of different “species” of individualism and collectivism, Triandis and his colleagues noted that, nested within individualism and collectivism categories, some societies are horizontal (valuing equality), whereas others are vertical (emphasizing hierarchy) (Singelis, Triandis, Bhawuk, & Gelfand, 1995; Triandis & Gelfand, 1998). The vertical–horizontal distinction emerges from the observation that American or British individualism differs from, say, Australian or Norwegian individualism in much the same way that Chinese or Japanese collectivism differs from the collectivism of the Israeli kibbutz. Whereas individuals in horizontal societies value equality and view the self as having the same status as others in society, individuals in vertical societies view the self as differing from others along a hierarchy and accept inequality (Triandis, 1995). Thus, combining the horizontal–vertical distinction with the individualism–collectivism classifications produces four cultural orientations: horizontal individualist, vertical individualist, horizontal collectivist and vertical collectivist.

In vertical individualist societies (VI; e.g., the United States and the United Kingdom), people tend to be motivated by self-enhancement values of power and achievement – standing out, displaying success and status. On the other hand, in horizontal individualist societies (HI; e.g., Australia and Scandinavia), people tend to consider themselves equal to others in terms of status and instead are motivated by stimulation and self-direction – modestly expressing uniqueness and being self-reliant. In vertical collectivist societies (VC; e.g., Singapore and Mexico), people are motivated by maintaining in-group status and traditions – prioritizing collective goals over their personal goals and believing in the importance of existing hierarchies. Finally, in horizontal collectivist societies (HC; e.g., the Israeli kibbutz), people are motivated by the welfare of others – focusing on sociability and cooperation (Shavitt, et al., 2006).

The horizontal–vertical distinction resembles the power distance (PDI) continuum at the national level (Hofstede, 1980, 2001). However, there are important conceptual and structural differences between the horizontal–vertical distinction and power distance. From a conceptual standpoint, the horizontal–vertical distinction refers to differences in the acceptance of hierarchies as being valid or important in one’s society. Power distance reflects the degree to which the less powerful members of organizations and institutions in a society perceive and accept inequalities in power (Hofstede, 2001). From a structural standpoint, power distance is conceptualized as a single dimension (from high to low PDI; Hofstede, 1980, 2001). The horizontal–vertical classification represents distinct categories that are conceptualized as nested within collectivism and individualism classifications and that have divergent validity (Triandis & Gelfand, 1998). Although Hofstede (1980) conceptualized IND and power distance as distinct dimensions, data do not appear to support the independence of these dimensions at the national level. The high correlation between power distance and IND, before controlling for country wealth, obtained with his operationalization suggests that there may be overlap between these two constructs (e.g., Earley & Gibson, 1998), leading to an association of high-PDI societies with VC and low-PDI societies with HI (Singelis et al., 1995).
Cultural meanings in global brands

Brands as cultural symbols

Culture not only exists in the values, beliefs and thinking styles of individuals, but also manifests itself in objects such as brands and products. Brand meanings originate in the culturally constituted world and move into brands through several instruments, such as advertising, the fashion system and reference groups (McCracken, 1986). Thus, brands can acquire cultural meanings (Aaker, Benet-Martínez, & Garolera, 2001) and become associated with the abstract characteristics that define a cultural group. There is evidence that consumers attribute cultural significance to certain commercial brands (Aaker et al., 2001). For example, some brands in the United States are associated with ruggedness (e.g., Harley-Davidson associations with strength, masculinity and toughness) and some brands in Japan are associated with peacefulness, and ruggedness and peacefulness are abstract dimensions characteristic of American and East Asian cultures, respectively. Brands that acquire cultural meanings can reach the level of a cultural symbol. This happens when the brand is consensually perceived to symbolize the abstract image that characterizes a certain cultural group (Torelli, Keh, & Chiu, 2010). To the extent that these brands are associated with knowledge about the culture, they can reach an iconic status and act as cultural reminders (see Betsky, 1997). Encountering such iconic brands can serve as subtle cultural primes that can lead to culturally patterned responses (Torelli & Cheng, 2011).

The dynamic constructivist view of culture

The notion that brands can bring to mind their attendant cultural knowledge is consistent with the dynamic constructivist view of culture. According to the dynamic constructivist theory of culture (Chiu & Hong, 2007; Hong, Morris, Chiu, & Benet-Martínez, 2000), culture is stored in memory as an associative network of knowledge. It is internalized in the form of a loose network of domain-specific knowledge structures consisting of a central concept (e.g., American culture) and its associated categories (e.g., individualist values of freedom and self-reliance), implicit theories (e.g., an individual’s behaviour originates in internal dispositions) and cultural icons (e.g., the statue of liberty or the American flag) (Hong et al., 2000; Torelli & Ahluwalia, 2012; Torelli & Cheng, 2011). These knowledge structures guide cognition and behaviour only when they come to the fore in an individual’s mind – because they are either chronically accessible or activated by environmental stimuli (Hong et al., 2000).

A culturally symbolic brand, which belongs to the cultural knowledge network, connects to the central cultural concept (e.g., Harley-Davidson’s symbolism of American culture) as well as to the values, beliefs, ideas and other shared elements that form part of the culture (e.g., American cultural values of freedom and independence; Torelli & Cheng, 2011). Like other cultural icons, a culturally symbolic brand can activate its associated cultural knowledge and lead to culturally appropriate behaviours (Chiu, Mallorie, Keh, & Law, 2009; Torelli & Ahluwalia, 2012; Torelli, Chiu, Keh, & Amaral, 2009). For instance, after encountering American iconic brands such as Coke or Levi’s (vs. non-iconic brands such as Dasani or New Balance), American participants feel more comfortable and are more successful explaining to others what it means to be an American (Torelli et al., 2009).

Consumer behaviour in a global village

Global brands and the fulfilment of cultural identity goals

Consumers often buy brands as a way of signalling to the self and others those aspects of their personality that are self-defining (Levy, 1959). For instance, a consumer might buy a
Harley motorcycle as a way of signalling the importance of being free and independent (core associations with Harley-Davidson brand) in his self-definition. However, another consumer might buy the same product due to its meanings for American culture (because of the consensual belief that Harley-Davidson is an American icon). In the latter case, the consumer uses the brand to symbolize to the self and others a cultural identity (Swaminathan, Page, & Gürhan-Canli, 2007; Torelli, 2013). A cultural identity relates to the membership in a particular cultural, or subcultural, group that is clearly distinguishable from other cultural groups (Chiu & Hong, 2006). Culturally symbolic brands are public expressions of the abstract meanings of a cultural group and, because such brands symbolize culturally important beliefs, ideas and values, consumers with a heightened need to symbolize a cultural identity will judge culturally symbolic brands as highly instrumental for fulfilling such needs (Torelli, 2013). By consuming a culturally symbolic brand, one can emphasize the possession of the cultural identity and the alignment with and adherence to the culture (Escalas & Bettman, 2005).

Making salient a cultural identity triggers favourable attitudes towards objects that are identity-congruent. For instance, when making an ethnic identity salient (e.g., Asian), consumers evaluate more favourably advertisements that are targeted to the ethnic in-group (e.g., by means of the copy or the images in the ad) (Forehand, Deshpandé, & Reed, 2002) or that include a spokesperson from the ethnic in-group (Forehand & Deshpandé, 2001) than when the identity is not made salient. Because commitment to a cultural identity makes the identity more likely to be salient in different contexts, highly identified consumers are especially motivated to favour culturally symbolic brands (over non-symbolic ones) to fulfil their salient cultural identity needs (Torelli et al., 2009; Torelli, Chiu, Keh, & Amaral, 2010; Torelli, Keh, et al., 2010).

A salient cultural identity increases the desirability of brands that symbolize it, which causes consumers to evaluate more favourably and to be willing to pay more for culturally symbolic brands (Torelli, Chiu, et al., 2010). Furthermore, because a salient social identity brings to mind identity-consistent decisions that do not require further reflection, the higher valuation of culturally symbolic brands occurs rather automatically and without conscious deliberation. In other words, consumers process information about a culturally symbolic brand easily and feel that it is right to favour the brand. In turn, this feeling results in a pleasing processing experience and an accompanying enhanced brand valuation (Torelli & Ahluwalia, 2012).

**Consumer relationships with culturally symbolic brands**

Over time, continued reliance on culturally symbolic brands for fulfilling salient cultural identity needs can result in the development of strong self-brand relationships (Torelli, Chiu et al., 2010). This is particularly true among consumers with a chronic need to identify with a cultural identity – or who are highly identified with the culture. Because chronic identification with a cultural identity increases the likelihood that the identity is salient when evaluating a brand, highly identified consumers establish stronger bonds with culturally symbolic brands. Recent research illustrates this phenomenon (Torelli, Chiu, & Keh, 2010). In one study, American and Chinese participants were prompted to spontaneously elicit their favourite brand and assessed the extent to which they were likely to elicit a brand that was high (vs. low) in cultural symbolism, as well as rating the brand in terms of their self–brand connections. In addition, participants indicated their level of identification with their American or Chinese identity. Results showed that participants with a chronically salient cultural identity (i.e., those highly identified with their cultural group) (a) were more likely to spontaneously list a brand that was strongly associated with their salient cultural identity and (b) reported a higher level of self–brand connection for brands that were high in cultural symbolism for their corresponding
cultural group. No such relationships emerged for participants low in identification with the cultural identity. In a second study, upon heightening the level of cultural symbolism of an American brand (Sprite) by telling participants that most Americans believe that Sprite is associated with other American icons such as the Statue of Liberty and the Super Bowl, American participants reported a stronger level of self–brand connection with Sprite to the extent that the brand was perceived to be higher in cultural symbolism. This effect was absent in a neutral condition in which the brand’s associations with American culture were not made salient.

The results just described illustrate how a brand’s cultural symbolism impacts the strength of the relationship that consumers establish with the brand. Stronger bonds with culturally symbolic brands are more likely to emerge when cultural identities are chronically or temporarily salient. This occurs because identity salience heightens the valuation of culturally symbolic brands. Furthermore, forming a strong bond with a culturally symbolic brand, due to its cultural identity meaning, can also shield the brand against negative publicity when cultural identity needs are salient (Swaminathan et al., 2007).

**Culture mixing and its consequences**

In globalized markets, symbols of different cultures often occupy the same space at the same time. Unlike the situation investigated in most monoculture priming research (e.g., Hong et al., 2000), exposure to symbols of multiple cultures or culture mixing, activates not only one, but two or more, cultural representations at the same time. Recent research has found some distinctive effects of culture mixing that are different from the effects of typical cultural priming (i.e., single-culture priming). Specifically, culture mixing draws attention to cultural differences, resulting in the expectation that cultures are discrete entities with relatively impermeable boundaries. For instance, compared with showing American participants culture-neutral products that carried prototypic British brand names (monocultural priming), showing them iconic Mexican products that carry British brand names (culture-mixed product) activates representations of Mexican and British cultures at the same time and increases perceived differences between cultures (Torelli, Chiu, Tam, Au, & Keh, 2011). This effect emerges not only for the target cultures (e.g., Mexican and British), but also for other cultures (e.g., Puerto Rican and Canadian). Culture-mixed products can also trigger negative consumer reactions. For instance, American participants evaluate less favourably a culture-mixed product (Sony cappuccino machines – the Sony brand is iconic of Japan whereas cappuccino machines are iconic of Italy) than a monocultural product (Sony toaster oven – only the Japanese Sony is culturally symbolic), in spite of the similar levels of moderate fit of the two products with the Sony brand (Torelli & Ahluwalia, 2012). This unfavourable evaluation is driven by the subjective experience of disfluency triggered by the simultaneous activation of two different cultural schemas.

Recent studies (Cheng, 2010; Cheng et al., 2011; Chiu & Cheng, 2007; Torelli & Ahluwalia, 2012; Torelli et al., 2011) have uncovered two factors that foster negative reactions towards culture mixing: salience of intercultural competition and culture defence mindset. First, salient intercultural competition highlights the in-group–out-group boundary and heightens a sense of distrust of out-groups (Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). This should result in more unfavourable attitudes towards potential cultural mixing and exclusionary reactions towards other cultures. Cheng et al. (2011) investigated this notion with Chinese consumers during the 2008 Beijing Olympics. Mainland Chinese participants evaluated brands that symbolize either Chinese (e.g., LiNing) or American cultures (e.g., Nike) before and after the Beijing Olympics. Before the Olympics, only respondents who were highly identified with Chinese culture showed favouritism for Chinese- (over American-) symbolic brands. However,
as the Olympics progressed, presumably because of the salient rivalry between the United States and China, participants who were both high and low in their identification with Chinese culture exhibited favouritism for Chinese- (over American-) symbolic brands. This finding suggests that, in the face of salient intercultural competition, people shifted their preferences in favour of brands that symbolize the local culture over brands that symbolize a competing foreign culture.

Second, resistance to culture mixing can be fostered by a culture defence mindset, such as that triggered by thoughts of one’s own death (Torelli et al., 2011). When reminded of their mortality, people adhere to and defend their cultural worldview as a way to achieve symbolic immortality (Greenberg, Porteus, Simon, & Pyszczynski, 1995). This in turn encourages aggression against those who violate the cultural worldview (McGregor et al., 1998) and evokes intolerance of using cultural icons in an inappropriate way (e.g., using the crucifix as a hammer; Greenberg et al., 1995). Extending this notion to culture-mixed situations, Torelli and colleagues (2011) show that people are particularly intolerant of contamination of brands that symbolize their culture when they are under the joint influence of culture mixing and mortality salience. Upon inducing (vs. not) mortality salience, American participants were asked to evaluate a marketing plan of Nike (an American icon), which involved some questionable actions to increase its competitiveness in a foreign market (e.g., eliminating the “Swoosh” symbol and replacing the Nike brand name with the Arabic word for “Sportsmanship” to penetrate the Middle East market). Results showed that, only upon making mortality salient, participants evaluated the marketing plan less favourably after evaluating culture-mixed products (e.g., a Chinese brand of breakfast cereal) than after evaluating monocultural products (e.g., an American brand of breakfast cereal).

However, there are also instances in which culture mixing in brands can be favourably received by consumers. This is particularly likely among young biculturated consumers (i.e., knowledgeable about two cultures) who tend to be proficient in foreign languages and are familiar with foreign and domestic brands alike. This kind of multicultural exposure is associated with appreciation of the complementary strengths of dissimilar cultures, which in turn promotes integrating the two mixed cultures and recognizing the value of such cultural integration (Leung & Chiu, 2010; Leung, Maddux, Galinsky, & Chiu, 2008). Furthermore, younger (vs. older) biculturated consumers are also more likely to value autonomy, independence and individualism (Zhang, 2009), and endorsement of autonomy values is positively correlated with openness to experience (Roccas, Sagiv, Schwartz, & Knafo, 2002), a personality variable that also promotes integrating dissimilar cultures (Leung et al., 2008). Thus, because of their multiculturalism and openness to experience, younger biculturated consumers can evaluate more favourably culture mixing in the marketplace.

Recent research with younger, educated Chinese consumers illustrates how these highly biculturated consumers respond favourably to culture mixing in brand name translations (Keh, Torelli, Hao, & Chiu, 2011). Translation of Western brand names into Chinese represents a complex case of name translation, as it involves translation from a phonographic system into a logographic system (Zhang & Schmitt, 2001). There are three common ways of translating brand names into Chinese: by sound (phonetic translation), by meaning (semantic translation) and by sound plus meaning (phonosemantic translation). Because this latter approach mixes a Western-sounding name with the meaning of the name in Chinese language, phonosemantic translations result in a culture-mixed brand name. In contrast, phonetic and semantic translations include only symbols of a single culture (via sound or meaning only). Studies conducted by Keh and colleagues (2011) demonstrate that young, educated Chinese consumers evaluate more favourably culture mixing in phonosemantic translations than they do in monocultural
phonetic or semantic ones. This occurs because young, educated Chinese consumers integrate
the autonomy values associated with a phonosemantic brand translation (due to its Western-
sounding name) with inferences about the cultural sensitivity of the marketer (due to the brand
meaning in Chinese language), which in turn leads them to evaluate more favourably cul-
ture-mixed phonosemantic (vs. monocultural semantic or phonetic) brand name translations.
Furthermore, such favourable attitudes towards culture mixing are more likely to emerge among
individuals with a higher (vs. lower) endorsement of autonomy values, as well as for products
higher (vs. lower) in value-expressiveness – which are more easily able to communicate things
about their users.

Regional cultural identities and social identity needs

Several cultures can coexist within the same region, and the geographic borders that delineate
a cultural region might or might not coincide with country boundaries (Triandis, 1995).
Furthermore, it is often the case that different cultures that coexist within a common region
compete with each other, collaborate with each other or interact with each other within a
hierarchical arrangement of social groups. For instance, people in the United States share
the same American culture. However, we can easily identify subgroups of individuals within
the United States that share distinctive cultural elements on the basis of ethnic background
(e.g., White Americans, Black Americans, Latinos or Native Americans) or regional history
(e.g., Southerners or Upper Midwesterners). We refer to the patterns of cultural meanings
shared by these subgroups as sub-cultures within the superordinate American culture. These
sub-cultures often compete with each other for the allocation of economic resources, but also
cooperate with each other in shaping a common American identity.

National groups with different country-level identities (e.g., Americans or Canadians) can
also develop a sense of belongingness to a superordinate regional identity (e.g., North American
identity; Resnick, 2012). For instance, researchers often consider that East Asians share com-
mon cultural meanings rooted in Confucianism (Nisbett, 2003; Triandis, 1995), or deliberate
about the emergence of an overarching European identity (Checkel & Katzenstein, 2009).
Nevertheless, Chinese, Korean and Japanese cultures have their distinct cultural elements
(e.g., the notion of amae in Japan (Doi, 1973) or that of chong in Korea (U. Kim & Choi,
1994)) in the same way that Spanish and Danish cultures share unique cultural scripts (e.g., the
Janteloven in Denmark (Nelson & Shavitt, 2002) or the cultural script of simpatía in Spain
(Triandis, Marín, Lisansky, & Betancourt, 1984)).

Because people can define themselves in terms of either subgroup or superordinate regional
identities depending on the context, consumers can factor in their sense of belongingness to
a superordinate cultural group when interacting with brands that symbolize an out-group.
Specifically, when members of different subgroups (e.g., Koreans and Japanese) are induced to
think of themselves as a single superordinate group (e.g., recategorization as East Asians) rather
than two separate groups, attitudes towards former out-group members (i.e., Koreans’ views
of Japanese) can become more positive (i.e., pro-in-group bias; Gaertner, Dovidio, Anastasio,
Bachman, & Rust, 1993).

Because symbolic markers of identities are potential substitutes for one another (Braun &
Wicklund, 1989), when the need to symbolize a cultural identity is heightened (e.g., being a
Minnesotan), encountering a brand associated with a subgroup (e.g., Wisconsinite) nested within
a superordinate regional identity (e.g., Upper Midwesterner) can trigger recategorization at this
superordinate level, which in turn results in more favourable brand evaluations, or pro-in-group
bias. Recent research (Torelli, Ahluwalia, Stoner, & Cheng, forthcoming) investigated the factors
and psychological processes that impact people’s reactions towards brands that symbolize out-group cultures that are nested within the same superordinate regional identity. Specifically, this research shows that salient cultural identity needs induce recategorization processes, which in turn result in preference for products associated with a subgroup nested within a common superordinate social identity (i.e., pro-in-group bias towards a former out-group). For instance, one study shows that Mexican immigrants living in the United States – a minority group that commonly exhibits higher levels of cultural identity salience (Forehand et al., 2002) – prefer more Argentine products compared with Mexican consumers living in Mexico (for whom cultural identity needs are less salient). Furthermore, this higher preference for Argentine products is mediated by the inclusion of the nested subgroup (i.e., Argentines) within participants’ social group.

However, this recategorization effect is more likely to occur when in-group–out-group rivalries are not salient. Because aggregate regional identities consist of subgroups that can compete for resources, supremacy or cultural dominance, the salience of intergroup rivalries can interfere with recategorization (Torelli et al., forthcoming). When recategorization at a superordinate regional identity becomes a threat to positivity and distinctiveness, as when negative aspects of a rival subgroup are made salient, such recategorization processes can backfire and increase intergroup bias (Crisp, Stone, & Hall, 2006). In the face of antagonism or when strong rivalries between subgroups are situationally salient (e.g., during sports competitions; Cheng et al., 2011), recategorization at the superordinate social identity level does not occur and people are even more likely to devalue what can be perceived as a rival out-group brand. This effect is illustrated in a study conducted during the 2014 Sochi Winter Olympics (Torelli et al., forthcoming). American participants were interviewed the day before the women’s curling final between Canada (nested subgroup in the regional North American identity) and Sweden (non-nested subgroup), just a few hours before the highly publicized gold medal final between the American women’s hockey team and its archrival Canadian team (a loss for the US women’s team). It is important to note that throughout the Winter Olympics, the American media focused heavily on the Canada vs. United States rivalry in the medal count and particularly on the flagship hockey games between Canada and the United States (both men and women). Participants were asked about their support for Canada or Sweden in the curling final. Results showed that a heightened need to express their cultural identity led Americans to support the Canadian (Swedish) team less (more). This effect occurred because the recategorization process was interrupted due to the salient intergroup rivalry, and instead, it triggered an alternative process for expressing the salient cultural identity – denigrating the rival.

**Leveraging global brands**

Given the above review on the positive and negative reactions to global brands that have cultural symbolism attached to them, how does a brand’s status as a cultural symbol influence its ability to leverage its brand equity through product extensions? Prior research on this topic suggests that for well-known brands, country or culture associations play only a nominal role in attitudes and choices (Balabanis & Diamantopoulos, 2008). However, the discussion in the previous pages suggests that, depending on the context, a culturally symbolic status might be an asset or a liability when leveraging brand equity.

Exposure to a culturally symbolic brand activates its associated cultural schema. Previous research suggests that cueing of a schema, via the process of spreading activation, can create expectancies by activating other concepts strongly related to it (Whittlesea, 1993). The increased activation of these associated concepts facilitates their identification (Biederman, 1995), making their processing easier or more fluent (i.e., rendering them conceptually fluent; Shapiro, 1999).
Conceptual fluency, or the ease with which a target stimuli is processed when primed by an associated concept, is known to enhance stimuli evaluations (Lee & Labroo, 2004; Whittlesea, 1993). Fluency effects are typically driven by the perceiver attributing “ease of processing” to better quality of the target (Avnet & Higgins, 2003). It stands to reason that when a product extension is associated with the cultural schema activated by the brand (i.e., the brand and extension product category are culturally congruent) the extension is likely to be processed fluently, generating a feeling of ease and leading to a more favourable evaluation of the extension. Importantly, if the context involves lower involvement or motivation conditions, such as those typically prevalent in the marketplace, people are even more likely to rely on this fluency experience for their evaluations (Fang, Singh, & Ahluwalia, 2007).

In a series of studies using familiar culturally symbolic brands from a variety of cultures (Italian, American, British, Mexican or Japanese), Torelli and Ahluwalia (2012) demonstrate the advantage in terms of favourable evaluations enjoyed by culturally symbolic brands when extending into culturally congruent products, beyond what one might expect given the brand–product fit. These advantages emerged relative to extensions into culturally neutral products with similar levels of fit with the parent brand, as well as relative to product extensions introduced by brands low in cultural symbolism. For instance, in one study (Torelli & Ahluwalia, 2012), participants evaluated more favourably an extension by Sony (a Japanese icon) into the culturally congruent sushi serving set product (a product symbolic of Japan) compared with an extension into the culturally neutral food serving set. This effect emerged in spite of the similar levels of low fit between the Sony brand and the two product extensions (food-related products are incompatible with Sony’s image) and after controlling for participants’ prior attitudes towards both Sony and the extension product. In another study (Torelli & Ahluwalia, 2009), participants also evaluated more favourably a Sony sushi serving set compared with a similar product extension introduced by Panasonic – a brand that, although associated with Japan, is relatively neutral in terms of its cultural symbolism. Attesting to the generalizability of the cultural congruity effect, Torelli and Ahluwalia (2012) demonstrate that this effect emerges for both moderate and low-fit brand extensions, as well as for narrow and broad brands. Furthermore, empirical evidence confirmed that the effect was driven by the processing fluency generated by the simultaneous activation of the same cultural schema by the product and the brand.

What if the brand and the product category activate incongruent or different cultural schemas? As indicated earlier, the simultaneous activation of two different cultural schemas can increase perceptions of cultural contamination. When two contrasting cultural schemas are activated, their incongruency is also likely to result in a decreased fluency or ease in processing the new product. This sense of unease or disfluency generated by the incongruency is likely to make consumers less receptive to the extension, overriding the effects of conscious elaboration on the potential fit between the brand and the extension product. In support of this prediction, Torelli and Ahluwalia (2012) demonstrated that people exhibit more unfavourable evaluations of culturally incongruent brand extensions (e.g., Sony cappuccino makers or Budweiser tequila) compared with culturally neutral ones (e.g., Sony toaster oven or Budweiser brandy) with similar levels of brand–product fit. However, the effects only emerged when both the brand and the product were culturally symbolic, likely to automatically activate a cultural schema; they did not emerge for brands low in cultural symbolism (e.g., for Coors tequila – where Coors, although clearly an American brand, is rated relatively low in American culture symbolism). Furthermore, the effects were driven by the processing disfluency generated by the simultaneous activation of different cultural schemas by the product and the brand.

In summary, the findings reviewed in this section show that a brand’s cultural symbolism can be a liability or an asset, and to harness it profitably, a manager needs to understand the cultural
symbolism of the potential extension categories under consideration. Culturally symbolic brands may successfully extend into culturally congruent products regardless of fit, and may backfire in culturally incongruent categories despite their perceived fit. Cultural associations, however, are not likely to be of concern for managers of brands that are neutral or low in cultural symbolism, as these associations are unlikely to drive people’s judgements.

Conclusions and future directions
Marketing efforts are becoming increasingly globalized, so it is imperative for marketers to understand how the multiculturalism triggered by globalization forces impact consumer behaviour. Our discussion above sheds light on the cultural factors that shape consumers’ responses in a global marketplace, as well as providing marketers with a theoretical framework for deepening consumer–brand bonds in multicultural markets. However, many questions still remain unanswered. What other cultural dimensions beyond the ones discussed in this chapter have the greatest potential to further refine our predictions of consumer behaviour? How is knowledge about different cultures acquired and organized in consumers’ minds? Would the way in which people organize cultural knowledge in memory influence their consumption behaviour? How do iconic cultural brands emerge? How are meanings for different cultural groups appropriated by consumers to build their identities?

In trying to uncover the cultural dimensions that would provide a more nuanced understanding of consumer behaviour, researchers should consider the distinction between cultures that are “tight” – having strong norms and a low tolerance of deviant behaviour – and those that are “loose” – having weak norms and a high tolerance of deviant behaviour (Gelfand et al., 2011). This distinction has important implications for a variety of psychological domains. For instance, individuals in tight (vs. loose) cultures are more prevention-focused (i.e., concerned with avoiding mistakes) and have higher self-regulatory strength (i.e., higher impulse control) (Gelfand et al., 2011). Research linking the cultural dimensions of tightness and looseness with consumer behaviour aligned with these culturally distinctive self-regulatory tendencies offers great potential.

This chapter discussed how the coexistence of two or more cultures within a consumer or within a market offering can impact consumer behaviour. One fruitful avenue to further advance this domain of inquiry is to investigate the cognitive and motivational principles governing activation and application of cultural knowledge. Recent research suggests that making a cultural identity salient triggers a motivational pull towards identity-congruent judgements and behaviours (i.e., identity-based motivation; Oyserman, 2009; Oyserman, Fryberg, & Yoder, 2007). When situations cue an identity, the cued identity triggers a general readiness to make sense of the world in identity-congruent terms, including the norms and goals associated with that identity. Furthermore, research also suggests that the way in which cultural frames are organized in memory can impact the motivations triggered by exposure to cultural primes (Mok & Morris, 2013). Thus, research should further investigate the differential effect on behaviour of cultural knowledge acquired by a substantial cultural immersion (e.g., growing up in a culture and developing a cultural identity) or by more superficial encounters via international travel and indirect cultural contacts. In general, cultural knowledge acquired through substantial cultural immersion seems more likely to be identity relevant. Thus, activation and application of this knowledge might have not only cognitive consequences (as is also the case for cultural knowledge acquired through briefer encounters) but also motivational consequences.

Due to the rise in globalization, people are increasingly recognizing the commonalities rather than dissimilarities among people around the world and are also more interested in...
global events. The emergence of a global culture, characterized by cosmopolitanism and a
zest for wide international experience, is evident in the growing number of individuals who
identify themselves with people from around the world (Arnett, 2002). These individuals seem
to develop a bicultural identity that can foster the integration of the meanings from different
cultural traditions and appreciate the cultural mixing in brands (Keh et al., 2011). However,
because the values of a global culture are closer to those of the Western world, it seems plausi-
bly that a global mindset might be more easily embraced by individuals with different cultural
backgrounds. For a Westerner, a global identity might be more similar to the local identity than
for an Easterner. If so, Westerners (vs. Easterners) might find it easier to integrate a global and a
local identity. Future research should investigate these issues by trying to uncover the psycho-
logical processes underlying the fulfilment of global identity goals among consumers of different
cultures, as well as to more clearly delineate the psychological characteristics of a global mindset
as manifested in different cultures.

Research has just started to investigate how brands that symbolize regional identities
consisting of subgroups in close geographical proximity can help consumers fulfil their salient
identity needs. These subgroups are likely to share common resources (e.g., waterways
and ecosystems) and to have common historical and cultural roots, which should help in develop-
ing the sense of a shared regional cultural identity. However, shared identities could also
emerge from colonization processes in which a dominant power spreads its cultural influence
across diverse geographies. Consider for instance the Commonwealth, a group of 53 coun-
try-states spread throughout the world that were mostly territories of the former British Empire.
Although many of these countries are not in close proximity to one another, they are united
by language, history and culture (thecommonwealth.org, 2015). Indeed, the Commonwealth
can play a role in providing a sense of cultural identity to the people in some of these countries
(Merchant & Rich, 2004), or even infuse their identity with a level of Britishness (Meaney,
2001). Further research should investigate the more complex identity processes associated with
regional identities emerging from colonization processes.

Little is known about how brands emerge as cultural symbols. Unlike some cultural icons
such as the American national flag that are created to symbolize a nation, brands and products
are originally created for commercial purposes. Yet, some brands or products gradually become
widely regarded as cultural icons. Torelli and colleagues (Torelli, 2013; Torelli, Keh et al.,
2010; Torelli & Stoner, 2015) identify some of the factors that contribute to a brand’s cultural
symbolism (or its cultural equity). They propose that country (or region) of origin associations,
global-ness associations (i.e., perceiving the brand as being global), embodiment of abstract
cultural characteristics, and cultural authority are four building blocks of cultural symbolism.
This chapter discussed how both translating a brand name into a foreign language and devel-
oping a communication campaign in a foreign market can help the brand to shape its cul-
tural meanings. However, little is known about the sociological or psychological processes that
determine how these different actions are integrated into a consensual view of brands as symbols
of a culture. Although marketers might spend time and resources in positioning brands as cul-
tural symbols, not all attempts will succeed. It seems important, then, to study the psychological
conditions that would facilitate, or hinder, the emergence of cultural symbols within a group.

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