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Discussion Questions

1. Why is counterfeiting so popular in places such as India?
2. Why is it hard for Indian consumers to detect counterfeit products?
3. How are companies fighting against counterfeit products?

Social and Cultural Barriers

Most businesspeople engaged in international trade underestimate the importance of social and cultural differences, but these differences can derail an important transaction. For example, when Big Boy opened a restaurant in Bangkok, it quickly became popular with European and American tourists, but the local Thais refused to eat there. Instead, they placed gifts of rice and incense at the feet of the Big Boy statue (a chubby boy holding a hamburger) because it reminded them of Buddha. In Japan, customers tiptoed around a logo painted on the floor at the entrance to an Athlete's Foot store because in Japan it is considered taboo to step on a crest.²³ And in Russia, consumers found the American-style energetic happiness of McDonald's employees insincere and offensive when the company opened its first stores there.²⁴ Unfortunately, cultural norms are rarely written down, and what is written down may well be inaccurate.

Cultural differences include differences in spoken and written language. Although it is certainly possible to translate words from one language to another, the true meaning is sometimes misinterpreted or lost. Consider some translations that went awry in foreign markets:

- Scandinavian vacuum manufacturer Electrolux used the following in an American campaign: "Nothing sucks like an Electrolux."
- The Coca-Cola name in China was first read as "Ke-kou-ke-la," meaning "bite the wax tadpole."
- In Italy, a campaign for Schweppes Tonic Water translated the name into Schweppes Toilet Water.²⁵

Translators cannot just translate slogans, advertising campaigns, and website language; they must know the cultural differences that could affect a company's success.

Differences in body language and personal space also affect international trade. Body language is nonverbal, usually unconscious communication through gestures, posture, and facial expression. Personal space is the distance at which one person feels comfortable talking to another. Americans tend to stand a moderate distance away from the person with whom they are speaking. Arab businessmen tend to stand face-to-face with the object of their conversation. Additionally, gestures vary from culture to culture, and gestures considered acceptable in American society—pointing, for example—may be considered rude in others. Table 3.3 shows some of the behaviors considered rude or unacceptable in other countries. Such cultural differences may generate uncomfortable feelings or misunderstandings when businesspeople of different countries negotiate with each other.

Family roles also influence marketing activities. Many countries do not allow children to be used in advertising, for example. Advertising that features people in nontraditional social roles may or may not be successful either. One airline featured advertisements with beautiful hostesses serving champagne on a flight. The ad does not seem unusual in Western markets, but there was a major backlash in the Middle East. Saudi Arabia even considered restricting the airline from flights in that country. Not only is alcohol usage forbidden among Muslims, unveiled women are not allowed to interact with men—especially without their hands around. Some in Saudi Arabia saw the airline as being insensitive to their religious beliefs and customs.²⁶