

INTERNATIONAL SOCIAL-CULTURE ENVIRONMENT

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MEANING OF INTERNATIONAL BUSINESS ENVIRONMENT

The definition of an international business environment is the environment in which international business operate and communicate with each other with trade relationship in order to promote trade and commercial transactions between two regions.

TYPES OF BUSINESS ENVIRONMENT



MACRO



➤ Social and culture Environment

- Political/Govt. Environment
- Legal Environment
- Technological Environment
- Economic Environment
- Global Environment



MICRO



- Public
- Suppliers
- Customers
- Competitors
- Intermediaries

SOCIO-CULTURE ENVIRONMENT

It can be defined as a combination of social & culture factors in a population. It can also be used to refer to the way people behave in their surrounding.

Social environment:- Social environment consists of

- religious aspects
- Language
- customs
- Beliefs
- Tastes & preferences
- living habits
- eating habits
- dressing
- Traditions
- social institutes etc.

Social environment influences the level of consumption.

CULTURE ENVIRONMENT

According to E.B. TYLOR–

Culture of civilization is that complex whole which includes knowledge, belief, art, morals, law and other capabilities and habit acquired by man as a member of society.

CHARACTERISTICS OF SOCIAL-CULTURAL ENVIRONMENT

➤ Prescriptive ➡

It prescribes the kinds of behavior considered acceptable in the society . It limits product choices to those which are socially acceptable.

➤ Subjective ➡

Culture is subjective in the sense that of different ideas about the same object.

➤ Dynamic ➡

Culture is not immune to change. It goes on changing New ideas are added and Old ideas are dropped.

The present generation youth want to become slim.

➤ ***Learned and acquired***



Culture is not something which is inherited but is learned and acquired. This feature learning , makes it possible for individual to learn the culture of other place or groups.

Asian countries have been complaining of late how there culture are being affected by the western culture.

➤ Stable and permanent



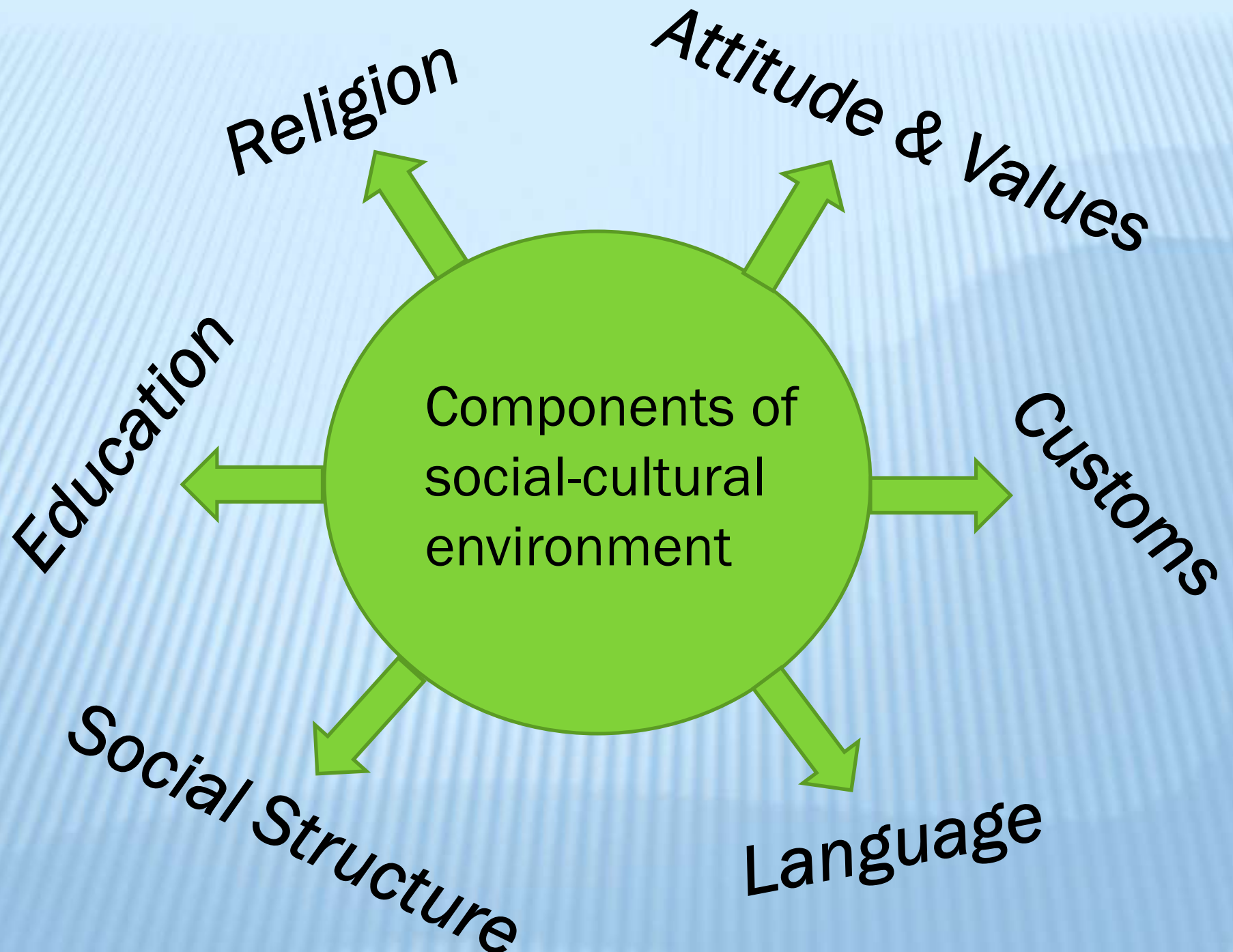
International social culture environment is relatively stable and somewhat permanent.

Old habit die hard and people tend to maintain their culture value and traditions.

➤ Social interaction and creation



Out of necessity , culture has be socially shared. It can't exist by itself & it has to be based on social interaction. Social values, culture, norms and belief help the individual in hid decision making process.



1.language



verbal

For Example:-A marketer must be careful even when the same language is used in two or more market such as U.K ,USA.

There are significant difference between BRITISH & AMERICAN ENGLISH.

Non-verbal

For Example:-Gesturing by forming a circle with thumb and forefinger has more than one meaning. To AMERICAN it means 'ok' or 'Its all Right', to JAPANESE it means 'Money' while it has a vulgar meaning in GREECE & TURKEY .

2.customs

A business firm should also take into account the social custom of the customers . The purchase decisions of consumers are , generally dictated by culture, gender roles, buying patterns of society, family structure etc.

For Example:-*In NORTH INDIA, It is customary for people to make their major purchases during DIWALI festival. People keep on postponing their shopping till the festive season.*

Thus a firm will have to prepare its marketing strategy to fulfill the demand requirements of festive season.

3.education

Example:- In India people are less educated , so business should prepare advertisement in a simple manner,

Like CIAT tires , give their advertisement earlier in English and after analysis Indian environment they start advertising in Hindi to make it understandable for more Indian customers.



4.religion

Islam



Buddhism



Hinduism



Confucianism

5.Social Structure



Individual

Groups

Example:- *In India there is a changing trend from joint family system to nuclear family system resulting in more demand for consumer durables.*



6. Attitude & values

Example:- Indian customer are more price sensitive while European customer are more quality conscious and ready to pay a little high price.

Quality Conscious



Price Conscious



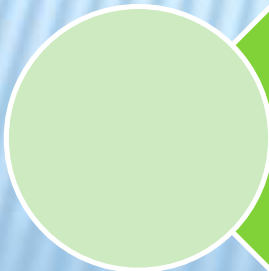
IMPACT OF SOCIAL-CULTURAL ENVIRONMENT



Impact on
consumption



Impact on thinking
process



Impact of culture on
consumer behavior

FOCUS ON MANAGERIAL IMPLICATIONS OR STRATEGIES FOR DEALING WITH CULTURE DIFFERENCES

1. Making Adjustment, Wherever necessary



2.Communication



3.CROSS-CULTURE LITERACY

Cross culture literacy it's a way to protect your self from the danger of being ill formed. This is one of the biggest danger confronting a company that goes abroad for the first time.

CROSS-CULTURE LITERRACY INCLUDES

- The Study of Value system & Norms
- The Name of the Product
- The Tenor of relation b/w Management & Labour
- The manner in which a product is promoted

OTHER FACTORS

- ➡ Family
- ➡ Marriage
- ➡ Time & Culture
- ➡ Space & Culture
- ➡ Gift & Culture
- ➡ Preferences , Habit & Beliefs