

THE INTERCULTURAL MODEL OF NATIONAL LEBANESE MARKET

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Abstract: *The paper emphasizes the importance of intercultural marketing approaches on the internationally globalized market. The ethnical structure of population determines the fractionation of consumers' characteristics on the national market. The paper presents the elements of the intercultural Lebanese model which generate the national specificity of Lebanese market. The Lebanese cultural model is validated with the dimensions of Hofstede's model and based on the results of a quantitative market research. The paper formulates marketing strategies for the intercultural marketing approach on Lebanese market.*

Key words: *intercultural marketing, national culture, marketing strategies.*

1. Introduction

The globalization phenomenon of the international contemporary markets emphasizes the interdependencies between the national markets, making the pace of changes to be propagated until the national level of each economy.

On the internationally globalized market, the consumers became more educated, more informed and they have certain criteria in the decision buying process, meantime being well influenced by the traditional consumption, but also under the pressure of wide offers of products and services from all over the world.

In the context of a powerful competition, the companies need information of high quality about the economic, social, cultural and environmental factors which influence the consumers.

Identification of the national cultural characteristics expressed in the

consumption behaviour has an important role for the companies in order to make efficient management decisions, to find opportunities for businesses. The complexity of the cross influences on the local markets overcome the economic sphere, entering in the political, cultural and technological fields.

The marketers are studying the particularities and the tendencies on the national markets and consider the unique conditions on the national market and the local culture in their marketing programs.

2. National Market and National Culture

Interconnected in a huge economic system, producers and consumers from each country, they all participate influencing and being influenced by the national values of their cultures.

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National market is linked to the territorial space within which the buying-selling transactions are unfolding, the relationships are established and influenced by the unique characteristics of a society, defined by its history, economic development, cultural and traditional motivations, educational system and rules.

The national market is influenced by global and local factors. The global factors have an external nature, being caused by the development of global market, where the competition creates different and unpredictable situations for the businesses on a national market. The local factors have gradual actions ensuring the long term equilibrium between offer and demand. The individual behaviours give specificity to the community behaviour at local, regional, national and zone level, in the social and consumption life.

The intercultural marketing identifies the characteristics of the demand generated by the national specificity, to better adapt the offer to the expectations of consumers.

The proposal for considering the cultural diversity in marketing programs was achieved by integrating the ethnical aspects in the concepts and practices of marketing in U.K. [5].

Ahmad Jamal in his scientific paper *“Marketing in a multicultural World”* emphasizes the idea that *“marketing liberates lifestyles and facilitates openness and tolerance or different ways of being and living among consumers of different ethnic backgrounds”* [4].

Craig and Douglas established as a tendency in the intercultural marketing research: *“Deterritorialization, market fragmentation and the development of linkages across national borders imply that national culture is no longer as relevant as the unit of analysis for examining culture”* [1]. To identify the unit of analysis in cross-cultural research Craig and Douglas concluded: *“Rather the*

dominance of national culture and national borders has been replaced by a multiplicity of complex cultural influences, which may be studied at the global, regional, cross-national or sub national (e.g. urban/rural) level. Research designs must begin to take into account these different levels of culture.” [1]

On a national market there can co-exist segments of consumers from other cultural models than that of the national majority.

The dimension and the ethnical structure of national population determine a fractionation of consumers’ characteristics on the national market.

The national market can be considered as a multicultural market with more cultural models, having their own particularities and requirements, for which there are prepared adequate marketing programs for identified niche markets.

3. Lebanese Culture - a National Intercultural Model in Marketing

Lebanon is a country with its own powerful cultural traditions. Historical events for centuries influenced the contemporary national culture which hosts 8 ethnicities and 18 religions with their own traditions, customs, rites and cultural values of the place, all give the specificity of Lebanese culture, which manifests itself in the behaviour of each individual.

Cultural dimensions that have direct influences on the formation of national cultural profile must be submitted and underlined *language, religion, values, education, traditions and customs, nonverbal human behaviour.*

Lebanese language has been historically formed on traditional elements of Arabic culture, to which the influences from the conquering peoples have been assimilated. The 400 years of the Ottoman Empire made mark emphasizing character Islamic on the Lebanese language and religion.

Influences intervened throughout history, the sound, phonetic or linguistic form and content make as symbolism, multiple meanings, accents, compound words, pronunciation and writing itself, to be true barriers for those who learn this language and is complicated even for individuals who speak Arabic.

Although the official language is Arabic, also French is also equally spoken, according to the regulations, in institutions and in trade relations, which gives complexity to any action and constitutes a barrier for foreign companies to develop business in Lebanon.

Religion is one of the main elements and also sensitive of Lebanese culture, with powers for defining the character and life ideals of the individual. The basic religion is Islam with the two main streams: Sunni and Shia. Christianity (Catholic, Orthodox) and Judaism - are religions officially recognized and respected. Islam believes that both good and evil are divine nature; the individual accepts the fate. The man is the decision maker in the family and society, who thinks, and takes part in the social and political life.

Although the years of French domination brought about some European Christian influences, Islam imposes rituals to the Lebanese people, both in social life and in consumption behaviour. Thus, fasting is required for one month, in Ramadan, Islamists do pilgrimage to Mecca, at least once in a lifetime, and the rich provides support to the poor. Ethnic and religious diversity in Lebanon give the complexity of national cultural model. Cultures existing side keep themselves important features of the culture of origin, as the dialect spoken in the community, some specific religious rituals and traditions, customs consecrated religious, acting to preserve the form taken from the ancestors.

Lebanese *cultural values*, the beliefs shared by the community, bearing the

imprint of religious attitudes and fundamental beliefs deeply rooted in individual and collective behaviour. From early childhood, they are educated for social integration in the community.

Lebanese culture, although rich in forms and ways of expression, sometimes is rigid to text of advertisements, but the responsiveness of individuals, especially the youth, who as novelty, make possible acceptance of new foreign products.

Culture is transmitted to new generations through *education*, regardless of the country's development. The organizational form and the structure of the education system are nationally specific and closely related to economic and socio-cultural development of society. In Lebanon, public education is not mandatory. The national illiteracy rate is about 8-10%. But the interest in education is obvious, by the state schools and pre and university education centres in French, English, Canadian, and so on, and those who can, they study abroad.

The education differences require different policies of communication, promotion and choice of appropriate distribution channels in the marketing projects of foreign and local companies, to ensure a correct communication with understanding in all social classes and for meeting the needs expressed by the market.

The *traditions and customs* have a strong cultural-religious emphasis and they are often rooted in individual behaviour. Knowledge and understanding of the traditions, customs and attitudes of costumers behaviour is achieved only through direct and in time observation, through actual participation in the events of everyday life.

The *nonverbal human behaviour* is a form of perception and communication, which gives colour and importance in the attitude of a representative of the Arab

culture, in the negotiation process and everyday attitude.

The multitude of communication signs used by any individual, in the simplest expressions, increases the complexity of the issue in knowledge and diversifies the communication channels. Nonverbal behaviour can influence business decisions. Inappropriate gestures, inappropriate language, discrete signs that may have religious overtones or eccentric clothing can be decisive in the communication process and interpreted as disrespect. Such interpretations can be avoided by studying the significance of movements and nonverbal signs characteristic of Arab culture, which are of utmost importance when negotiating, because unilateral interpretations can lead to erroneous conclusions or social and religious offenses.

Cultural values acquired through education and created in a cultural model, shape the individual behaviour. The individual on his turn forms his typology of goods and services consumption that meets his requirements. All these are found in the judgment and behaviour of each individual, giving him the order, direction, action and personal motivation in the decision to purchase a product or a service that would satisfy the physiological, social, economic, cultural and spiritual needs.

4. Validating the Lebanese Cultural Model through Hofstede's Dimensions

Identification of Lebanese cultural specificity and its expression in a model of national consumer behaviour can be achieved by using Hofstede's cultural dimensions: *power distance*, *collectivism versus individualism*, *masculinity versus femininity*, *uncertainty avoidance*.

Hofstede extended these dimensions with the fifth one, for explaining the large range

of national cultures, depending on the life's view on *the long-term orientation versus short-term orientation*. The long-term orientation is characteristic for the economic developed countries and the opposite short-term orientation, being for the less developed countries.

Hofstede's "cultural dimensions" can be shaped for the model of Lebanese national culture. The four dimensions of national cultures, identified by Hofstede [2-3] for fifty countries and three regions, using a survey, based on a questionnaire among people working at IBM Company in 2001, were established by the author not for Lebanon, but for Arab countries [2].

Even though the values of the first four indices of Hofstede's dimensions are for Arab countries and established more than ten years ago, the cultural profiles of nations are not dramatically changing in time and these values can be considered with certain indulgence for analysis of consumption behaviour, which itself is not easily changing in time.

The validation of Lebanese cultural model with Hofstede's dimensions is based on a quantitative marketing research of the market of organic products.

The results of this marketing research show that the Lebanese cultural values, found in attitudes, appreciations and views of respondents determine consumer behaviour for organic consumption [6].

Power Distance was measured by Power Distance Index (PDI) from small to large; it was 80 for Arab countries placing them on 7th rank. The countries with high values of PDI respect hierarchy at every organizational level. Lebanese society presents a *polarization of political and social decision-making power*, and income polarization.

According to respondents [6], both in society and in consumption, inequality exists. Important decisions in revenue distribution in society, and satisfaction of

personal needs are conditioned by the available material values [6]. Only 0.8% of respondents in group of monthly income up to \$200 per family member sometimes consume organic products, compared to 46.7% of those with income of \$501-1000 per family member. A proportion of 23.8% of respondents does not hesitate to appreciate that these groups of products are available, primarily for the rich [6].

Collectivism versus individualism is a dimension characterized by Individualism index (IDV), which was 38 for Arab countries placing them on ranks 26th /27th, at equality with Brazil.

The rapport individualism-collectivism expresses the degree to which the society focuses on personal and group values, involvement in collective activities, and the influence of community on the privacy.

Lebanon is an example of integration into the group; the individuals are doing performance for being respected by the family or the group.

The most important group is the family, then extended family, friends and the community in which the individual lives - it is the universe of life and mutual influence. In family, the strong helps the weak, the rich give to the poor, this makes life easier due to respect and servitude.

The family and community print the behaviour of each individual with its consumer cultural specificity, of socialization and self-help. This is reflected by the opinion of 58.9% of respondents who believe that their behaviour was made under the influence of traditions and consumption habits of the family and the community, education and friends [6].

Lebanese life within the family and community has rules strictly followed, while the individual owes loyalty. The conducted research shows that among respondents, attitude reported to the family

and to community influence, prevails on personal behaviour [6].

The responsibility of those who shop reflects over the whole family rather than personal consumption. All these express the manifestation of *an emphasized collectivism form*.

Masculinity-femininity dimension refers to the distribution of gender roles in society and at the nature of actions and at hardness of institutional decisions.

The Masculinity index (MAS) was 53 for Arab countries, which occupied the 23rd rank. Lebanese society is recognized *as masculine type*; the man has the main role in the family and society, his role being rough and less consultative. This cultural trait, specific for Lebanese society, was present as an important characteristic of individual behaviour.

Uncertainty avoidance showing "the level of stress in a society in the face of an unknown future" (6) is characterized by Uncertainty Avoidance index (UAI) from weak to strong. For Arab countries it was 68, placing them of rank 27th.

Uncertainty avoidance dimension expresses the extent to which members of society feel threatened by uncertainty, ambiguity or unknown, which can be avoided by rules, laws and regulations. The whole society through its legal content has a low degree of uncertainty avoidance. For the studied market segment there are few laws or regulations; decision of production or consumption is a personal one [6].

The organic market is regulated and controlled by subsidiary "Lebanon Cert" of Mediterranean Institute of Certification, headquartered in Italy, both accredited by the Ministry of Agriculture [7].

The quantitative research shows that the main reason for buying is the belief "to be organic product", expressing *an uncertainty* of certifying the organic products on Lebanese market [6].

The dimension of *long-term / short-term orientation* shows the extent to which values of national culture encourages people for the future. Principles of thrift, perseverance and economy are reflected in attitudes and opinions of Lebanese consumers.

Consumers are convinced that the sector of organic market will develop, being willing to pay more than conventional products because they are aware of the benefits for personal health and for family welfare [6]. Analyzing the existence and development of organic market in Lebanon, can be appreciated that the practice of consumption based on natural, clean, found in history on this territory, is really a *long term orientation* [6].

5. Market Strategies in Lebanon

Companies which intend the penetration of the Lebanese market act to identify cultural, commercial and social similarities, allowing the implementation of its strategy, as well as differences, as barriers for its synergic ability to adapt. Information obtained through marketing research shows that there is a nascent market, with potential for bio consumption.

To identify consumer segments, companies use demographic and economic criteria to find information on the size of the application, the number of consumers and purchasing power.

The cultural model developed for consumers' behaviour, those dimensions manifested by a strong sense of collectivism, in extended families or politically defined groups. The individual is at a distance from the power and decisions, most of them are taken on short and medium term, leading to the hypothesis that the market seems to be generally accessible for *standardized marketing strategies* [6]. Standardized

products of global market are present in the most remote corners of the country.

However, the vast majority remain attached to the culture and its rituals, local consumption being oriented to preservation of traditions and customs rooted in family and community. Favourable conditions are created for using *adaptive marketing strategies*.

Meanwhile, in addition to the spirit of collectivism formed in family and groups, individuals develop and manifest feelings of national pride to nationalism, which causes different attitudes depending on the country of origin of imports. The brand of product is appreciated or rejected depending on its place in the hierarchy already created in the mind of the individual. The French brands are highly valued and then the Italian, Spanish, Arabic, but products coming from Israel are rejected; this attitude is kept also for organic products.

Lebanese market is marked by the presence of some political, social and cultural barriers that require a specific orientation of the communication system of *adapted marketing strategies* [6]. The low level of Individualism Index in favour of collectivism Hofstede's dimension may attest the existence of a relational system in businesses, involving political or religious groups at power, making impossible the penetration of foreign capital.

This system of working and relationships with companies providing organic products allows more stability, fairness and accessibility in communication with consumers and in relation to the outside [6]. The foreign company is only providing products, technical work, information, and it is not directly confronted with the specificity of local consumption with complicated language problems, cultural, religious or political.

6. Lebanese cultural influences in the marketing mix strategies

Marketing mix as form of realizing of the adapted strategy will be drawn for consumer segments identified at national level, taking some standardized elements of product, promotion and distribution, which may be used as they are or may be adapted to the linguistic, cultural, social and economic features.

Concerning *the product strategies*, on Lebanese market, structure of products offer, in most cases standardized, is influenced by the information way of consumers, which need to take into account: religion, education, norms/ values and traditions. The origin of the product is considered by cultural and religious dogmas and also the distances from where the products are imported [6].

The price strategies often used are adapted to local conditions of the market. The use of different strategies in different contexts has a single purpose, conviction customer to buy, ensuring a good profit to seller. Different price strategies are *the competitor's price*, *the negotiated price* with each customer, who buys a larger quantity or is a loyal consumer but the dealer will have a substantial profit for himself. For processed products from import, the price strategies are *premium price* and *conjectural price*, which address to those who are willing to pay the benefits offered by products. Perception of good quality at a more expensive price belongs to a relatively small segment of consumers, not neglected by the Arab market, which is concerned by marketing practices adapted for not disappointing it. *The price strategy with complementary product included* gives an impetus especially at the first purchase and providing information for lesser known products, thus stimulating the buyers' curiosity for consumption. In supermarkets, *the high price strategy* is

conjectural and accepted by the market, when is low productivity of the production, being a consequence of reduced supply.

The promotion strategies are determined by objectives and the ability of traders to support the costs of various communication media and promotional tools: advertising, sales promotion, direct advertising, personal selling and public relations. The promotion policies are most strongly influenced by local cultural context because their implementation requires the use of spoken language, religious knowledge, all rules and restrictions and understanding the customs and traditions of purchase and consumption [6].

Advertising is the most powerful culturally influenced; it raises real communication barriers for the foreign companies, with intricate forms of local dialogue which make them avoid the direct contact with potential customers. Often sales promotion is associated with price strategy.

The Lebanese cultural context is a great barrier for the communication policies of foreign companies. The high degree of adaptation to local conditions, for each element of the promotional mix, determine foreign companies to work with local agencies in developing marketing strategies for communication, keeping the essential about product and company interest, the rest of expressed solutions through adapted messages are local creations [6].

The strategy of distribution is adapted of local commercial infrastructure. Decisions on distribution channels are critical when products are highly perishable, production and consumption are unevenly distributed at large distances on the country territory, some products are imported, the expensive transport, and sales network is spread throughout the country.

Marketing mix policies with varying degrees of adaptation, express the interests of companies which collaborate and the local market conditions, strongly influenced by culture.

7. Conclusions

In Lebanon, the sporadic direct investments in production and trade are done through various forms of cooperation with local agents, thus the foreign companies avoid the direct contact with the local markets. After the cooperation was established, the local agent takes know-how, the products made in the country of origin and the targets line of foreign company, which is entirely or partially adapted to environmental conditions of the market, ensuring his profit share. Whatever form of cooperation, funding, developing and implementing marketing strategies is performed by local businesses with assistance from foreign exporting or associated company [6].

The intercultural market researches identify the structure of population, the family size, the role of traditions and customs in the mechanism of buying decision, the existence of some reference groups, in order to characterize the national consumption behaviour, with its relevance in evaluation of the demand on the national market.

The global demand generated by the cultural differences identified on the national market target, related to the cultural model of the international company, will be covered by the marketing policies with the appropriate solutions to answer the preferences and expectations of consumers in efficient conditions and performance for the company.

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