Vietnamese cultural dimensions and its effect on the marketing strategy for international ventures
Vietnamese cultural dimensions and its effect on the marketing strategy for international ventures
É AUTORIZADA A REPRODUÇÃO PARCIAL DESTA DISSERTAÇÃO APENAS PARA EFEITOS DE INVESTIGAÇÃO, MEDIANTE DECLARAÇÃO ESCRITA DO INTERESSADO, QUE A TAL SE COMPROMETE;

Universidade do Minho, ___/___/____

Assinatura: ________________________________________________
ACKNOWLEDGEMENT

I would like to express my deepest gratitude and appreciation to my supervisor, Prof. Doutora Raquel Meneses Moutinho for assisting and suggesting significant advice to enhance my research, for inspiring the best in me to complete the route of my dissertation and most of all, for always understanding my situation.

I greatly appreciate the agreement of eight interview participants, who took their narrow time to join in my research interview, really contributed a lot of useful ideas toward my research.

I wish to present my special thanks and affection to my parents, my younger sisters and brothers, my fiancé for your unconditional support and encouragement through all this lengthy period. I specially thank to my friends for helping me find respondents to the data of my research.

Lastly, I would like to extend my warmest thanks to Erasmus Mundus Euro Asia program for approving and giving me an opportunity to experience the study life in Europe.
ABSTRACT

“Even if multi-national companies hire foreigners for key positions, the Vietnamese clients are still Vietnamese in so many ways: acting, wardrobe, setting, and concepts”

(Rodolfo, Director, Philippines).

Culture has been increasingly one of the most interesting topics in cross-cultural marketing research and practice in recent years. The issues researched reflected the importance and the effects of culture on customer demand, advertising, managerial behavior and business negotiation. Cross-cultural knowledge drives managers and international marketers to overcome this hidden entry barrier and thoroughly adapt to a new cultural environment. Culture is often defined as a set of learned characteristics that influences the response of a group to its environment with many of the dynamics remaining invisible. Most of researchers use two countries to test the differences at the national level, while some of researchers investigate the underlying dimensions of their targeted cultural values in specific country. With regard to the most attractive destination for international ventures in Asia, pertaining to a lack of research is Vietnamese culture and marketing, thus we choose Vietnam as a specific case to research.

In this master dissertation, we aim to discover the question of which dimension of Vietnamese culture can be established as a new framework which effect Vietnamese consumption decisions and the impact on devising marketing strategies for Multinational Corporations in Vietnam. Based on Grounded Theory research methodology, we conducted eight semi-structured interviews to eight different expatriates who are professors in marketing, directors or international marketers are working in Vietnam. The emerged theory of Vietnamese culture including nine dimensions: Value of family and kinship system; Trust building; Master over nature; Maintaining traditional beliefs; Hierarchical social structure; High context of communication; Performance orientation; Independence of new generation and Self-reliance, clearly contributes to the marketing research from both the theoretical and practical point of views. This research built a very first theory of Vietnamese cultural framework in the field of marketing and its potential implications on the combined marketing strategy within international ventures.

Keywords: culture, cultural dimension, cross-cultural marketing, Vietnam, Grounded Theory.
SUMÁRIO

“Mesmo que as empresas multinacionais contratem estrangeiros para as posições chave, os clientes Vietnamitas serão vietnamitas em muitos aspetos: na maneira de agir, no guarda-roupa, e nos valores”

(Rodolfo, Diretor, Filipinas)

A Cultura tem vindo a ser um dos tópicos que mais interesse tem suscitado, quer em termos de investigação, quer na prática do marketing internacional. Tudo isto reflete a importância que os efeitos da cultura têm na procura, na promoção, nas práticas de gestão e, até, nas negociações internacionais. O conhecimento cross-cultural permite aos gestores e aos marketeers internacionais ultrapassarem estas barreiras invisíveis, adaptando-se ao novo contexto cultural. A cultura é muitas vezes definida como um conjunto de caraterísticas apreendidas que influenciam a resposta do grupo em relação ao seu contexto, mas em que estas dinâmicas continuam invisíveis. Grande parte das investigações dedica-se à comparação entre dois países, de forma a avaliar o nível de diferença entre ambos; enquanto outros trabalhos apresentam as dimensões a incluir, os valores específicos para determinados países e as implicações em termos de marketing daí decorrentes. Com este trabalho pretende-se preencher a lacuna existente em termos de investigação da cultura e suas consequências no marketing internacional em relação ao Vietnam, destino mais atrativo para as multinacionais na Ásia.

Nesta dissertação de mestrado, pretendeu-se, assim, descobrir quais as dimensões da cultura vietnamita que podem ser usadas como uma nova ferramenta de análise das decisões de consumo no Vietnam e qual o seu impacto na definição de estratégias de marketing de empresas multinacionais. Tendo por base a metodologia da Grounded Theory, foram levadas a cabo oito entrevistas a oito expatriados, professores de marketing, diretores ou marketeers internacionais a trabalhar no Vietnam. As dimensões culturais resultantes das entrevistas incluem nove categorias emergentes: Valor da Família e Sistema de Parentesco, Construção da Confiança, Relação com a Natureza, Manutenção dos Valores Tradicionais, Estrutura Hierárquica da Sociedade, Comunicação de Alto Contexto, Orientação para o desempenho, Independência da Nova Geração e Autoconfiança contribuem claramente para a investigação de marketing internacional, quer do ponto de vista teórico, quer do ponto de vista práctico. Com esta investigação construiu-se um primeiro quadro cultural da sociedade vietnamita, chamando a atenção para as suas implicações em termos de marketing e estratégia internacionais.

Palavras chave: dimensões culturais, marketing cross-cultural, Vietnam, Grounded Theory.
# TABLE OF CONTENTS

## Chapter 1  Introduction

1.1  International marketing and culture in Vietnam ................................. 1

1.2  Research question and scope ................................................................ 2

1.3  Dissertation structure .......................................................................... 3

## Chapter 2  Theory part

2.1  Description ......................................................................................... 5

2.2  The concept of culture ........................................................................ 5

2.3  Elements of culture ............................................................................ 7

2.3.1  Language ......................................................................................... 7

2.3.2  Religion .......................................................................................... 8

2.3.3  Values and Attitudes ...................................................................... 8

2.3.4  Education ....................................................................................... 9

2.3.5  Social Organization ....................................................................... 9

2.3.6  Technology and Material Culture ................................................... 9

2.3.7  Law and Politics ............................................................................ 9

2.3.8  Aesthetics ...................................................................................... 10

2.4  Culture and international marketing .................................................... 10

2.5  Culture as international constraints ...................................................... 12

2.5.1  Kluckhohn and Strodebeck’s framework on culture orientation ............ 13

2.5.2  Hofstede’s cultural dimension ......................................................... 18

2.5.3  Hall’s Dimensions of Culture as Related to Communication ................. 21

2.5.4  Trompenaars and the Consultant’s Contribution ............................... 23

2.5.5  Schwartz ...................................................................................... 25
## Chapter 4  Introduction to Vietnam ................................................................. 53

4.1  Introduction...................................................................................................... 53

4.2  Elements of Vietnamese culture...................................................................... 53

4.2.1  Language ..................................................................................................... 53

4.2.2  Religion ....................................................................................................... 55

4.2.3  Social organization ..................................................................................... 56

4.2.4  Aesthetics .................................................................................................... 57

4.2.5  Education .................................................................................................... 57

4.2.6  Value and attitude ...................................................................................... 58

4.2.7  Technology and material culture ............................................................... 58

4.2.8  Law and politics ......................................................................................... 59

4.3  Chapter Summary .......................................................................................... 60

## Chapter 5  Data analysis .................................................................................... 61

5.1  Introduction...................................................................................................... 61

5.2  Data ordering .................................................................................................. 61

5.3  Coding procedures ......................................................................................... 63

5.3.1  Qualitative Research Software NVivo ....................................................... 63

5.3.2  Open coding ................................................................................................ 64

5.3.3  Constant Comparison Method .................................................................. 65

5.3.4  Axial Coding ................................................................................................ 66

5.3.5  Core category ............................................................................................. 67

5.3.6  Selective Coding ....................................................................................... 68

5.4  Emerged categories ....................................................................................... 69

5.5  Chapter summary ........................................................................................... 72
Chapter 6  Discussion of emerged and theoretical categories

6.1 Introduction

6.2 Culture of Vietnamese consumption decision

6.3 Nine underlying emerged categories

6.3.1 Value of Family and Kinship System

6.3.2 Trust Building

6.3.3 Master Over Nature

6.3.4 Maintaining Traditional Beliefs

6.3.5 Hierarchical Social Structure

6.3.6 High Context of Communication

6.3.7 Face Orientation

6.3.8 Self-reliance

6.3.9 Independence of New Generation

6.4 Conclusion of emerged and theoretical categories

6.5 Chapter summary

Chapter 7  Conclusion and Implications

7.1 Summary of research findings

7.2 Academic implications

7.3 Marketing Implications

7.3.1 Consumer Behavior

7.3.2 Advertisements and advertising

7.3.3 Product

7.3.4 Distribution channel

7.3.5 Price
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.3.6</td>
<td>The method of word of mouth and reference group</td>
<td>103</td>
</tr>
<tr>
<td>7.3.7</td>
<td>Relationship marketing</td>
<td>104</td>
</tr>
<tr>
<td>7.3.8</td>
<td>B2B marketing</td>
<td>104</td>
</tr>
<tr>
<td>7.4</td>
<td>Limitations and potential for further research</td>
<td>105</td>
</tr>
</tbody>
</table>

**Bibliography** ........................................................................................................... 107

**Appendice** .................................................................................................................. 121
LIST OF FIGURES

Figure 3.1 - Underlying variables of research questions ................................................................. 40
Figure 3.2 - Systematic combining process .................................................................................... 43
Figure 5.1 - Illustration of free nodes from QRS NVivo software .................................................... 65
Figure 5.2 - Illustration of tree nodes from QRS NVivo software ................................................... 66
Figure 5.3 - The emerged category “Value of family and kinship system” ..................................... 67
Figure 5.4 - A sample of memo on “Value of family and kinship system” ..................................... 69
Figure 5.5 - Emerged categories and its sub-categories ................................................................. 71
Figure 5.6 - Theoretical categories and its subcategories ............................................................. 72
Figure 6.1 - Culture of Vietnamese consumption decision and its underlying categories ................ 76
Figure 6.2 - Value of family and kinship system dimension from underlying subcategories ........... 78
Figure 6.3 - Trust Building dimension from underlying subcategories ........................................... 80
Figure 6.4 - Master Over Nature dimension from its underlying subcategories ............................ 82
Figure 6.5 - Maintaining Traditional Beliefs dimension from its underlying subcategories ............ 84
Figure 6.6 - Hierarchical Social Structure dimension from its underlying subcategories ............ 86
Figure 6.7 - High Context of Communication dimension from its underlying subcategories .......... 87
## LIST OF TABLES

Table 2.1 - Description of Human-Nature dimension .............................................................. 14
Table 2.2 - Description of Person-Nature dimension .............................................................. 15
Table 2.3 - Description of Relation dimension ....................................................................... 16
Table 2.4 - Description of Activity dimension ........................................................................ 16
Table 2.5 - Description of Space dimension .......................................................................... 17
Table 2.6 - Description of GLOBE’s cultural dimensions ....................................................... 28
Table 2.7 - Description of integrated six existing cultural frameworks .................................. 37
Table 3.1 - The Process of Building Grounded Theory ............................................................. 46
Table 5.1 - Respondents and their properties ........................................................................ 62
Table 6.1 - Comparisons between emerged and theoretical categories ................................ 90
CHAPTER 1

INTRODUCTION

1.1 International marketing and culture in Vietnam

According to the Financial News Bloomberg, 6th April, 2010, Vietnam is becoming the most attractive country for international investment of Multinational Corporations. Vietnam is also one of the preferred destinations involving the choice of operating across a number of Asian countries when Multinational Corporations expands their operation into new international markets (American Chamber of Commerce in Shanghai, 2009). At the time of starting its journey in a new country, as Vietnam, the best approach a firm can adopt is to accept major issues involved with culture and value (Banerjee, 2008). Furthermore, before deciding whether or not to sell abroad, a company must thoroughly understand the international marketing environment: economic, political-legal, and cultural environment (Kotler et al., 2005). Our globalized world demands cross-cultural expertise if we are to survive (Gannon, 2001). This is the reason why cultural environment is the most important issue that firms must understand how it impacts on customer behavior and vice-versa. In response to a survey of Fortune 1000 companies enquiring about “the biggest barrier in doing business in the world market”, cultural differences ranked at the top of the list (The Guardian, September 20, 2007). The report stated that the failure to recognize these differences was the most common cause of failure for cross-national enterprises. (Mead and Andrews, 2009)

On the other hand, we give an example of marketing failure in Vietnam of Multinational Corporations named Triumph International. Billboard with the image of three girls dressed in Sloggi underwear were presented on every major street in Ho Chi Minh City and on the cover page of famous magazines. Actually, Triumph International implemented the same advertisement for brand Sloggi all over the world, including Vietnam. Unfortunately, this advertisement had to be removed immediately because of indignant feedbacks from Vietnamese consumer. Contrary to Western consumer perception, presentation of sexy imagery in advertising, isn’t accepted by Asian the consumers and Vietnamese particularly. Consequently, an understanding of culture and its effect does not guarantee successful decision-making; but it does reduce the possibilities of failure (Mead and Andrews, 2009).

Vietnam, as a country, is complicated in nature with a long-established and diverse cultural tradition, consisting of 54 hill tribes with their distinct language and cultures; hence Multinational Corporations have to build Vietnamese cultural empathy in deep in order to avoid embarrassing mistakes and to take advantage of cross-cultural opportunities (Kotler et al., 2005). Otherwise, according to a report from The World Bank (2012) related to starting business tutorial in the case of Vietnam, it stands at the rate of 103 in the ranking of 183 economies for assessing how easy it is for an entrepreneur to start a business. This means that despite the open-policy shifting business investment of Vietnamese Government in recent years, this country is not one of the easiest places to start a business and cultural barrier is an example of a big constraint. Additionally, there was lack of research and study in terms of Vietnamese culture and its effect on the field of business and economic, especially marketing. Only a few studies focused on overall environment of Vietnam country useful for overseas investments on Vietnam (Dinh, 2010), cross-cultural comparative study of behavior on negotiation between Vietnamese and American (Pickle and Dinh, 2009) or several shortage research on cross-cultural hospitality industry. We rarely find other studies involving in specific characteristics of Vietnamese culture which effect a change in economic and marketing strategy. This motivated the develop of this dissertation aimed at constructing a new international marketing research theory for Multinational Corporations related to the Vietnamese cultural framework as well as proposing a cultural model in order to facilitate the formulation of marketing strategies accurately when they penetrate into the Vietnamese market.

1.2 Research question and scope

For the purpose of this study, we dissected the problem into two research questions: first, which dimension of the Vietnamese cultural environment had an impact on the international marketing strategy for Multinational Corporations; second, what effect do these Vietnamese cultural dimensions have on the decision of an international company in the development of their marketing plan.

The fundamental methodological approach we will conduct is the Grounded Theory developed by Glaser and Strauss (1967). This dissertation, the aim of which is to create a new marketing model based on Grounded Theory that takes into consideration different dimensions of the Vietnamese culture, will involve eight marketers and directors from different Multinational Corporations operating in Vietnam over the period of one year. A detailed description of Grounded Theory as research methodology including its application to
Chapter 1 - Introduction

the processes of data collection, data analysis, the emergence and the development of theory will also be presented in our research. We will use two techniques to collect data by triangulating semi-structured interviews data and data from published documents. Semi-structured interviews initially through internet video calls will be conducted with foreign business persons, marketers and managers working cross-culturally in Vietnam over a one year. We will additionally provide some documentary sources such as pages, newspaper records, which allowed us to contribute a richer image than could be obtained through interviews alone. Moreover, this study also discusses our research finding relation to existing literature in order to make comparisons of the emerging cultural dimensions and existing literature within a similar and conflicting cultural framework.

1.3 Dissertation structure

Due to the objectivity of this dissertation on the topic of cultural framework in international marketing, we will describe the proceeding of this study divided into in the following seven chapters.

In chapter 1, we have introduced the motivation of our research, the objectivity of research and the research questions. Chapter 2 will provide a short introduction to the concept of culture and its elements, followed by a presentation of the multifaceted effects of culture on international marketing. After that, we will discuss the international constraints imposed by six cultural frameworks addressing different aspects of societal values, beliefs and norms of national culture pertaining to their surrounding critiques. At the end of this chapter, we will provide our conclusion integrating the six overlapping cultural models into single model which will serve as a foundation upon which we developed the first list of interview research questions.

In chapter 3, we will introduce the research design based on Grounded Theory methodology used for this dissertation. Background and description of Grounded Theory and its process including data collection, data analysis and emergence of theory will also be provided.

Vietnamese characteristics based on eight elements of culture defined by Terpstra and Sarathy (1997) will be introduced in chapter 4. In order to gain insight into the long-established and diverse Vietnamese culture, we included a review of documentary and online sources as described in this chapter.

We’ll start chapter 5 with the description each steps in the coding process of the Grounded Theory method used by the support of qualitative research software NVivo9 as well as the result of emerged categories.
Chapter 6 will discuss each emerged dimension of Vietnamese culture impacting on Vietnamese consumption behaviors. This will be through interview transcript, and the approach to international marketing strategies developed to achieve the most effective outcome.

In chapter 7, we will conclude with the discussion of the overall research contributions, describe the implication of this study’s findings on our academic knowledge of the relevance of understanding and including cultural awareness in marketing by MNCs. Finally, its limitations and the directions for further research will be discussed.
CHAPTER 2

THEORY PART

2.1 Description

We future develop conceptual framework followed by literature review of culture, a number of cultural dimensions relating to international marketing, and its conceptual integration. In the opening of literature review section, the definitions of culture concept are referred in section 2.1. In the subsequent section 2.2, we show eight categories of cultural nature regarding international marketing strategy suggested by the Terpstra and Sarathy (1997). The impact of culture and its elements have taken an additional importance on the international marketing strategy across countries dealing with consumer behavior, market research, and distribution channel and marketing communication that are identified in the section 2.3.

In the section 2.4, we will describe six critical well-known cultural frameworks, namely Kluckhohn and Strodtbeck (1961), Hofstede (1980), Hall (1976, 1990), Trompenaars (1993), Schwartz (1992, 1994), and House et al.’s (2004) as well as their surrounding critiques simultaneously. Finally, in the section 2.5, in order to create the technical literature review for Grounded Theory approach, we will suggest a single cultural model relating to the international marketing is integrated from six existing frameworks.

2.2 The concept of culture

The term of culture is an ambiguous notion in which there are many schools of thought for the ultimate definitions. In the 18th century, the concept of culture first appeared as the very basic connotation in different versions, such as stems from the Latin ‘colere’ as to build on, to cultivate, to foster (Soley and Pandya, 2003), translated as ‘cultivation, farming activity’ in French, as ‘civilization’ in German. During the late of 19th century, its theories emerged as values shared amongst distinctive social groups and classes (Soley and Pandya, 2003).

Already in 1977, Gregory pointed that over 450 definitions of the word culture exist. Kroeber and Kluckhohn (1952) even devoted an article to review the definition of culture listed no less than 164 and furthermore did not prevent them from adding their own (Usunier, 1996). Hofstede (2001:9) stated that culture as “the collective programming of the people in an environment. Culture is not a characteristic of individuals; it
encompasses a number of people who were conditioned by the same education and life experience.” And culture is as interplay of sameness and differences, is simultaneously very similar and very different (Triandis, 1996). This means every culture distinguishes itself from others by the specific solutions it chooses to certain problems which reveal themselves as dilemmas (Peters et al., 1997) 

From anthropological perspective, Kluckhohn (1951) quote as follows:

“Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values.” (Kluckhohn, 1951:86)

Inevitably, culture is specific characteristic and personal feature of human. On the basic of the above definition, culture is comprehensive block in which all parts must fit together. The first narrow sense, culture reflects education or knowledge in the way of their thinking, feeling by symbols or language for instance. Secondly, culture consists of the literary and arts of music, dance, painting, architecture. In other words, they refer to a historic performance and traditional cultural work. Another psychological scholar view culture as a “pattern of shared attitudes, beliefs, categorizations, self-definitions, norms, role definitions, and values that is organized around a theme that can be identified among those who speak a particular language, during a specific historic period, and in a defined geographic area.” (Triandis, 1996:408). Moreover, political, social, economic and technological forces can reshape the cultural landscape (Usunier and Lee, 2005).

Consequently, culture’s characteristics, which are not inherited, are learned rather than being something we are born with. Many notions cited culture is as “the integrated sum total of learned behavioral traits” (Hoebel, 1960:168) and transmitted through the process of learning and interacting with man’s environment (Ferraro, 2009). “Culture is a learned and interrelated set of symbols and meanings. Furthermore, it is shared by a group of people, a society. It influences the behavior of the group members in predictable and uniform ways” (Vihakara 2005:22).

Furthermore, it obtains from one’s social environment, not from one’s personality. The important thing is that culture is socially shared, must be based on social interaction between individual and human groups. Culture is a system of communications that makes the human’s society has possibility to incorporate the
biological and technical behavior of human beings with their verbal and nonverbal systems of expressive behavior (Herbig, 1998). Onkvisit and Shaw (2004) also stated that culture can facilitate communication and makes it easier for people to communicate with one another. Additionally, the share of cultural indicators among members of a given society was emphasized, culture is the shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations (House et al., 2004)

2.3 Elements of culture

Culture, which is not a unique element, is a complicated and interrelated collectivism of many interesting components comprising knowledge, beliefs and values, arts, law, manners and moral, and all other kinds and habits acquired by a human being as member of a particular society (Tylor, 1913). The most cited widely regarding the cultural nature for the international marketing strategy was assessed by the Terpstra and Sarathy (1997) Cultural Framework including eight categories, namely Language, Religion, Values and Attitudes, Education, Social Organizations, Technology and Material Culture, Law and Politics and Aesthetics. There are other aspects of culture, but the study of Terpstra and Sarathy (1997) covers the main characteristics of culture taken account of international marketing.

2.3.1 Language

Language is an important native element of culture; express the thinking patterns of culture and is central to human communication. It is not only in the literal sense as the spoken word, but also as symbolic communication of time, space, things, friendship, and agreements (Hall, 1960). There is a close relationship between language and culture, language reflects culture since it depicts ideas, thoughts and artifacts that are relevant to cultural human group on one hand. On the other hand, culture reflects language since language provides the means with which human organize their thinking and describe the world around them. According to Steer et al. (2010), language and linguistic structures (i.e., the manner in which words, grammar, syntax, and the meaning of words are organized and used) are closely linked to cultures which provides the meaning and meaning-making mechanisms, language provides the symbols to facilitate the expression of such meanings.

Terpstra and Sarathy (1997) found that language is as a cultural mirror but unfortunately as a problem. In real sense, a language defines a culture; thus, if a country has several languages, it has several cultures.
However, diversity in language within a nation may indicate social as well as communication problems, since many tribal languages are not written. They also outlined some problem of language in world trade market such as advertising, branding, packaging, personal selling and marketing research, marketing which is highly dependent on communication. Despite that problems could be insuperable issue managers had to master, it’s true that cultural bridges between a foreign and local operation are available. For instance, the establishment of local agencies or connection with subsidiaries is required.

### 2.3.2 Religion

Terpstra and Sarathy (1997:128) stated that in general, the religion of a culture provides “a full understanding of culture, we must gain a familiarity with the internal or mental behavior that gives rise to the external manifestation”. In conjunction with the understanding of how people behave as consumers or workers, management’s task will be aided by the knowing of why people behave as they do. Patterns of product consumption are greatly impacted by the religion, thus the organization needs to make sure that their products and services are not offensive, unlawful or distasteful to local nation.

### 2.3.3 Values and Attitudes

Terpstra and Sarathy (1997:138) suggested values and attitudes “help determine what we think is right and appropriate, what is important and what is desirable”. Values often have a religious origination and attitudes refer to economic activities. Terpstra and Sarathy (1997) explained some illustrations to ascertain attitudes towards marketing activities which lead to wealth gain and acquisition, change, risk taking, and consumer behavior. In some societies, wealth and acquisition are often considered the signs of success and achievement, nonetheless in Buddhist or Hindu society where people may not be so motivated to produce and consume. Additionally, when a company enters to foreign market, in seeking to gain acceptance of its new products, they might do better to relate it to traditional values rather than addressing what is new and different about the products. When the consumers try a new product, marketer must seek to reduce the risk of trying as perceived by customers or distributors. In the market place, the attitudes discussed above are relevant to understanding consumer’s needs on which culture and values have a great impact (Banerjee, 2008; Terpstra and Sarathy, 1997). Despite the firm is interested in changing attitudes, most generally have to adapt to them.
2.3.4 **Education**

Education relates to the transmission and exchange of skills, ideas and attitudes as well as training in particular disciplines (Terpstra and Sarathy, 1997). Education can transmit cultural ideas or be used for change, for example the local university can build up an economy's performance. The level and nature of education in each international market will vary, as the learning process from older generation to new ones and cultural aspects can also be seen as education. This may impact the type of message or even the medium when choosing the markets to enter.

2.3.5 **Social Organization**

This aspect refers to how a national society is organized, “to the way people relate to other people” (Terpstra and Sarathy, 1997:140). The level influence of class or casts upon a society needs to be considered. So social mobility could be restricted where caste and class systems are in place. Particularly, the relationship of members between societies extended families, units, kinship. Kinship may be a tribe and have based on segmentation in some countries. Other forms of groups may be religious or political, age, caste and so on. All these groups may affect the marketer in his planning.

2.3.6 **Technology and Material Culture**

Material “includes the tools and artifacts of a society, excluding those physical things found in nature unless they undergo some technological procedure” (Terpstra and Sarathy, 1997:113). On the other hand, technology is a term that includes many other elements, refers to the techniques or methods of making or using those things. Technology and material culture are somewhat means for comparing different societies with each other; reflect the way our society is created. For instance, some questions must be taken into consideration regarding internationalization activity: it includes questions such as is where energy to power our products? Or is there a transport infrastructure to distribute our goods to consumers?

2.3.7 **Law and Politics**

The underpinning social culture will drive the political and legal landscape of international marketing which “includes any national or international political factor that can affect its operation” (Terpstra and Sarathy, 1997:152). When a company is going into a foreign market it is also important to look at the ownership regulations, the employment law, health and safety system, financial law and patent protection (Freitag, 2005). Political environment can be shown in three dimensions: the host-country, international and the
home-country environment that are consistent challenge facing international marketer and spends their larger time than any other management function.

2.3.8 Aesthetics

Aesthetics include the art, the drama, the music, the folkways and the architecture endemic to a society conveying the concept of beauty and expression revered in a culture (Jain, 1996). Aesthetics relate to your senses, and the appreciation of the artistic nature of something, including its smell, taste or ambience. (Terpstra and Sarathy, 1997:123) defined aesthetics “is the ideas in a culture concerning beauty and good taste, as expressed in the arts and the appreciation of colour and form”. For example, is something beautiful? Does it have a fashionable design? Was an advert delivered in good taste? Do you find the color, music or architecture relating to an experience pleasing? Is everything relating to branding aesthetically pleasing? This is not easily done, though, as deep knowledge of the local culture and aesthetics is needed.

2.4 Culture and international marketing

Jain (1996) stated that the effects of culture taking on additional importance for the international marketing ventures are multifaceted with the increasing criticism at the level of multinational enterprise. A cultural approach recognized that international marketing being more than a technique consists of a constellation of understandings such as the relationship between individuals and society (Cayla and Arnould, 2008). Sojka and Tansuhaj (1995) also developed the framework of culture relating to marketing research into three crucial streams. The first stream is abstract or intangible elements of culture seem as values and belief systems. The second one is material aspects of culture, such as artifacts, symbols and rites. The last one is language and communication links which bind and perpetuate a cultural system.

The impact of culture on fundamental marketing strategy emphasizes on the key challenges dealing with consumer behavior, market research, product, and marketing communications. First of all, an international manager needs to know and aware the complexities of cultural environment which affect consumers’ perception, patterns of buying behaviors and the implications on the way a product may be used in a market, later its brand name and the advertising campaign they have for international marketing management (Doole and Lowe, 2001). According to Kolter et al. (2005), wants, the form of human needs take, are shaped by culture and individual personality. Thus how people relate to each other in the buying process and whether their decisions are individual decisions or group decisions are influenced by the
culture to which they belong (Mooij, 1998). Jones (2000) found that in order to satisfy their needs, although every consumer share similar needs, they vary considerably in characterizing products. Basing on the importance of consumer behaviors, culture is widely described as a set of value patterns, as assumptions that members of culture group about how they should behave and do behave (Mead and Andrews, 2009).

The most compendious definition stated by Rokeach (1973:5) refers values as “an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to alternative modes of conduct or end states of existence.” A later conceptual definition of values consisting of five basic features of values was set out by Schwartz and Bilsky (1987, 1990): values (1) are concepts or beliefs, (2) pertain to desirable end states or behaviors, (3) transcend specific situations, (4) guide selection or evaluation of behavior and events, and (5) are ordered by relative importance. Values are widely accepted as the core element of culture (Kroeber and Kluckhohn, 1952; Hofstede, 1991) and defined as the socially learnt vehicles by which culture is transmitted through generations (McIntyre et al., 1994; Rose and Shoham, 2000; and Watkins, 2009).

Another domain is the concept of adaption or standardization (globalization) in product policy, which is a central issue in international marketing strategy, is the decision whether to adapt products for foreign markets. Customer followed by the national markets and their particular characteristics have been surveyed, or to standardize products, which is a simplified strategy based on experience effects and cost reduction (Usunier, 1996). According to an argument of Levitt (1983) for standardized marketing, the world is undergoing a globalization, a converging of all cultures toward one common global culture. In other words, standardization is a concept that views the world as one market in conjunction with increasing customer preference, company’s productivity and profit. Standardization was proposed that in a world of increasingly homogenized markets and consumers, it is possible for firms to standardize advertising program and messages across countries (Levitt, 1983; Ohmae, 1989). Though company have advantages of standardization across boundaries, it is difficult to implement in the volatile international market, firms become less responsible to local needs, distances itself from market, reduce adaption to local behavior, and often become less competitive locally (Herbig, 1998). In fact, the successful companies stated that international marketing works only with some brands, some places, sometimes, and will never replace brands and ads geared to the locals (Lapman, 1988). Sometimes, international firms realize that adaption is necessary to succeed by adapting cultural tastes, for instance modifying component and possibly of
entire products. But it is not only about product, the importance of understanding the local cultural values is often considered as a pre-requisite for successful international advertising (Keegan, 1989). In the short word, the debate over whether to adapt or standardize is not over yet (Fam and Grohs, 2007).

Since advertising largely based on symbol and tool of communication which is influenced by culture, so that advertising campaigns must be extremely careful when illustrating words, characters, slogan and media channel. In literature review, “most cross-cultural studies have focused on advertising content, explaining the differences in relation to the cultural values of the society in which the advertising has appeared” (Fam and Grohs, 2007:520). There additionally exists struggle with the issue of adaption or standardization of advertising program. Tai (1997) claimed that this issue should be of particular interest for multinational companies vying for a share of the largely untapped Asian market in which hundreds of languages, dozens of religious values and customs, it is advisable to understand consumer attitudes towards advertising content.

Additionally, the choice of distribution channel through new international market may need to be modified to match the local conditions. Cultural boundaries affect the mapping of sales territories where sometimes its arrangement overlapped with a number of tribes area and created a great deal of confusion in the assignment of sales responsibilities (Jain, 1996).

2.5 Culture as international constraints

Hofstede (1991) views culture as the software of mind that differentiates individual, one group or society from another. Culture is a toolkit of many elements, but in order to understand in deeply and compare the cultural differences and similarities between societies, many researchers proposed some kind of tool or mechanism. They offered measurements or indicators to compare cultural dimension between various countries as the starting point of mechanism. In this study, we further layout six models emphasizing different aspects of societal values, beliefs and norms of national cultures comparison in organizational research. There are Kluckhohn and Strodtbeck (1961), Hofstede (1980), Hall (1976, 1990), Trompenaars (1993), Schwartz (1992), and House et al. (2004). We will briefly underline each of these six models in order to create a specific framework for our own research.
2.5.1 Kluckhohn and Strodbeck’s framework on culture orientation

As we referred above, fundamental feature of culture is value related behavior prediction. Kluckhohn (1951:395) defined value as "a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means and ends of action". Later, Kluchhohn and Strodtbeck (1961), two cultural anthropologists, developed an earliest theoretical approach based on the value concept found by Kluckhohn (1951). They believed that a limited number of problems that human must correspond are definitely variable within a range of possible solutions.

Kluckhohn and Strodtbeck (1961) interviewed people in five different cultural groups in the South-West USA. These included itinerant Navaho, Mexican-Americans, Texan homesteaders, Mormon villagers, and Zuni pueblo dwellers. They concluded that their proposed value orientations discriminated among the communities explained the important patterns of behavior among individuals. They also proposed that, culture has a wide variety of dimensions and all cultures will represent all possible dimensions at some time or through some individuals although each society could have a general preference that is foremost. Carter (1990) added to these propositions with his finding that cultures could share the same rank order of dimensions, but differ substantially if there was relative difference of preference for each of the dimensions. Their most useful framework is “value orientation” including six dimensions: Human nature, Person-nature, Relation, Activity, Space and Time orientation. This framework has been cited as a foundation for later research developed by Hofstede (1980), Hall (1986), Trompenaars (1993), and GLOBE (Gutterman, 2011). Hill (2002). They argued that Kluckhohn and Strodbeck’s work clearly demonstrates a very practical employment of a theory of universal human values. Nevertheless, there are some weaknesses of Kluckhohn and Strodbeck's (1961) work could be easily to realize that it is vague and hard to measure and the authors did bit describe the implications for management.

Six questions are proposed by Kluckhohn and Strodtbeck (1961) accordanced with six tables representing the answer is as following:
(a) What do members of a society assume about the nature of people?

The first value orientation proposed the essence nature of man are good, bad or a combination, or whether we are nature like we are and cannot change, or can learn or change. Taking all these considerations into account simultaneously gives us the possible orientations shown in table 2.1.

Table 2.1 - Description of Human-Nature dimension (adapted from Hills M. D, 2002:6)

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>evil/mutable</td>
<td>Born evil, but can learn to be good. However danger of regression always presents.</td>
</tr>
<tr>
<td>evil/imutable</td>
<td>Born evil and incapable of being changed. Therefore requires salvation by an external force.</td>
</tr>
<tr>
<td>mixture/mutable</td>
<td>Has both good and bad traits, but can learn to be either better or worse.</td>
</tr>
<tr>
<td>mixture/imutable</td>
<td>Has both good and bad traits, and their profile cannot be changed</td>
</tr>
<tr>
<td>neutral/mutable</td>
<td>Born neither good nor bad, but can learn both good and bad traits</td>
</tr>
<tr>
<td>neutral/imutable</td>
<td>Born neither good nor bad, and this profile cannot be changed</td>
</tr>
<tr>
<td>good/mutable</td>
<td>Basically good, but subject to corruption</td>
</tr>
<tr>
<td>good/imutable</td>
<td>Basically good, and will always remain so.</td>
</tr>
</tbody>
</table>

The table 2.1 shows the characters of human nature that people are naturally good or evil, mixture or neutral of good and evil. These characters whose the people basically can learn to be another one or cannot be changed are all about the natural characteristics of human.

(b) What do members of a society assume about the relationship between a person and nature?

Relationship between a person and nature is beliefs of the need or responsibility in controlling nature. Kluckhohn and Strodtbeck's (1961) believe that human should live in mastery, harmony or subjugation with nature, as described in table 2.2.
Table 2.2 - Description of Person-Nature dimension (adapted from Hills M. D, 2002:5)

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mastery</td>
<td>We can and should exercise total control over the forces of, and in, nature and the super-natural</td>
</tr>
<tr>
<td>Harmonious</td>
<td>We can and should exercise partial but not total control by living in a balance with the natural forces</td>
</tr>
<tr>
<td>Submissive</td>
<td>We cannot and should not exercise control over natural forces but, rather, are subject to the higher power of these forces.</td>
</tr>
</tbody>
</table>

The table 2.2 answers the question that people should willing accept to nature by subjecting to the higher power of these forces, attempt to control it by living in a balance with the natural forces or control over nature and the super-natural.

(c) What do members of a society assume about the relationship between people?

That are, Kluckhohn and Strodtbeck (1961) identified that a person should act in an individual manner or consider the group before taking actions. Relationship orientation is recognized in three types: hierarchical, equal or individualistic manner, as shown in table 2.3.
Table 2.3 - Description of Relation dimension (adapted from Hills M. D, 2002:5)

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchical (&quot;Lineal&quot;)</td>
<td>Emphasis on hierarchical principles and deferring to higher authority or authorities within the group</td>
</tr>
<tr>
<td>As equals (&quot;Collateral&quot;)</td>
<td>Emphasis on consensus within the extended group of equals</td>
</tr>
<tr>
<td>Individualistic</td>
<td>Emphasis on the individual or individual families within the group who make decisions independently from others</td>
</tr>
</tbody>
</table>

The relationship of the individual to others emphasize on natural leaders and followers, on the equal rights toward collective decisions, and on independent decision of individual.

*d* What is the primary mode of activity in a given society?

This dimension relates to the mode of human activity represents whether people accepted their desires or tried to meet their desires. Table 2.4 shows in detailed three orientation of activity dimension and its description.

Table 2.4 - Description of Activity dimension (adapted from Hills M. D, 2002:5)

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being</td>
<td>Our motivation is internal, emphasizing activity valued by our self but not necessarily by others in the group</td>
</tr>
<tr>
<td>Being-in-becoming</td>
<td>Motivation is to develop and grow in abilities which are valued by us, although not necessarily by others</td>
</tr>
<tr>
<td>Achievement (&quot;Doing&quot;)</td>
<td>Our motivation is external to us, emphasizing activity that is both valued by ourselves and is approved by others in our group.</td>
</tr>
</tbody>
</table>
Is it "being," or accepting the status quo, enjoying the current situation, and going with the flow of things; or, "doing," or changing things to make them better, setting specific goals, accomplishing them within specific schedules, and so forth?

(e) What is the society's dominant temporal orientation: past, present or future?

All societies are similar some conception of the dimensions of time ranging from the past orientation to present-oriented view of the world to future goal-oriented which is referred in table 2.5.

Table 2.5 - Description of Space dimension (adapted from Hills M. D, 2002:5)

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past</td>
<td>We focus on the past (the time before now), and on preserving and maintaining traditional teachings and beliefs.</td>
</tr>
<tr>
<td>Present</td>
<td>We focus on the present (what is now), and on accommodating changes in beliefs and traditions.</td>
</tr>
<tr>
<td>Future</td>
<td>We focus on the future (the time to come), planning ahead, and seeking new ways to replace the old.</td>
</tr>
</tbody>
</table>

Time orientation on the past, the time before now, is description on preserving and maintaining traditional teachings and beliefs. Present orientation focus on accommodating changes in beliefs and traditions. And the time to come, we will plan ahead and seek new ways to replace the old.

(f) What is the conception of space in a given society?

That is, is it considered private in that meetings are held in private, people do not get too close to one another physically, and so on; or public, that is, having everyone participate in meetings and decision making, allowing emotions to be expressed publicly, and having people stand in close proximity to one another? However, this value dimension of space did not explored further.

Along with corresponding the above six questions of basic human problem, Kluckhohn and Strodtbeck (1961, p.346) bring us the whole concept of categorizing culture about ourselves and our relationship to the world, that “were common to all peoples at all time and all places”. Although several criticisms around
the limitation of this model is that the model is static while cultures are dynamic and cannot apply to culture for the rest of time (Zaharna, 2000), Kluckhohn and Strodtbeck (1961) framework can be viewed as a first, systematic, disciplined tool for discussion of culture.

### 2.5.2 Hofstede’s cultural dimension

Hofstede’s (1980) classification originally developed as an interpretation of work-related behaviors and values in IBM Corporation. In his framework, the cultural values that distinguished countries (rather than individuals) from each other grouped themselves statistically into four clusters. They dealt with four anthropological problem areas that different national societies handle differently: ways of coping with inequality, ways of coping with uncertainty, and the relationship of the individual with her or his primary group, and the distribution of roles between genders. Such differences became the Hofstede’s dimensions of national culture: Power Distance, Uncertainty Avoidance, Individualism versus Collectivism, and Masculinity versus Femininity. Between 1990 and 2002, these dimensions were largely replicated in six other cross-national studies on very different populations from consumers to airline pilots, covering between 14 and 28 countries. In 2010, the third edition of Hofstede’s book Cultures and Organizations: Software of the Mind, scores on the dimensions is listed for 76 countries.

Following the study of Søndergaard (1994) and Steenkamp (2001), the acceptance of Hofstede’s (1980) work on culture are widespread in a various themes, consisting of psychology, management and marketing. Numerous articles and research papers, range from mentioning, reviews and criticisms discussed and assessed the paradigmatic application, replication and extensions of his empirical framework. An and Kim (2007) argued that Hofstede’s framework hold maximum potential for applications in the area of the cross-cultural advertising.

First of all, the scope of Hofstede’s work contributed within various fields of paradigmatic application in conjunction with theoretical framework to empirical phenomena. This framework was analyzed through large-scale and careful quantitative research in more than 70 countries over 115,000 questionnaires. Previously frameworks were predominantly theoretical or validated only with small sample sizes (Eysenck and Eysenck 1969; Inkeles and Levinson 1969; Kluckhohn and Strodtbeck 1961).

Fernandez et al. (1997:43) stated this framework as “a watershed conceptual foundation for many subsequent cross-national research endeavors”. In Schumann (2009) study, he explained the reason...
why later researcher choose Hofstede’s framework as a theoretical basis is to provide good theoretical foundation, external validation and further develop existing knowledge. Hofstede’s findings are not only related to prior work on cultural dimensions (Inkeles and Levinson, 1969), but also are supported by subsequent studies (House et al., 2004; Schwartz 1992; 1994).

Therefore, thirdly, Hofstede’s dimensions possess external validity in various disciplines, from business to psychology to sociology, which shows that culture affect literally every aspect of human perception and behavior theoretical foundation and external validation (Schumann, 2009). Particularly, Steenkamp (2001) outlined the application of his framework has been to investigate a number of marketing issues such as the use of humor in ads (Alden et al., 1993), response style tendencies (Baumgartner and Steenkamp, 1999), consumer responses to market signals of quality (Dawar and Parker, 1994), consumer tipping decisions (Lynn et al., 1993), new product development (Nakata and Sivakumar, 1996), brand market share (Roth, 1995), and consumer innovativeness (Steenkamp et al., 1999).

Although three widely application of Hofstede’s work and his innovative method, there exists criticized and natural questioned. First his critique states that only four or five dimensions of the description of countries may be missing the other important dimensions “related to equally fundamental problems of mankind which were not found . . . because the relevant questions simply were not asked” (Hofstede, 1980:313). Further, this framework was investigated work-related behaviours among employees in the context of organizational research in only industrial area. Okazaki and Mueller (2007) stated that Hofstede should transfer of his results to other groups (such as consumers) or other areas (for instance, marketing of advertising) and the use of his results to discriminate national cultures in general. Schumann (2009:72) outlines replication studies find major within-country differences in places like China (Koch and Koch, 2007) or Russia (Naumov et al., 2000) and other studies cultural values (Inglehart and Baker 2000; Ralston et al. 1997) find a shift in values over time though, in a generally predictable direction according to their economical development (Inglehart and Welzel 2005).

Therefore, many critiques around issues of replication and extensions are being appeared. The later research have carried out a designed extension to countries and regions not in the IBM set based on matched samples across these countries. For instance, Nanhekhan (1960) extended scored for a former Dutch colony in South Amecia or Nasierowski and Mikula (1998) for Poland. Furthermore, another critique
that his work is data driven and that his framework lacks an empirical foundation (Baskerville, 2003; McSweeney, 2002).

(a) Power distance

In Hofstede’s research, he defines power distance as the degree to which members of a national culture automatically accept a hierarchical or unequal distribution of power among individuals. High-power distance societies tend to be less innovative and subordinates tend to be afraid of their bosses and bosses tend to be autocratic (Hofstede, 2001; Yeniyurt and Townsend, 2003; Yalcinkaya, 2008). In low-power distance cultures subordinates are more likely to challenge bosses and bosses tend to use a consultative management style.

(b) Uncertainty avoidance

Uncertainty avoidance is the degree to which members of a given national culture deal with the uncertainty and risk of everyday life and prefer to work with long-term acquaintances and friends rather than with strangers (Hofstede, 2001). High uncertainty avoidance implies a relatively high level of anxiety in a given society, which leads to more stress. Low uncertainty avoidance cultures, anxiety can be reduced through passive relaxation; hence people are expected to control their emotions.

(c) Individualism-collectivism

Individualism on the one side versus its opposite, collectivism reflects the degree to which individuals in a given national culture perceive themselves as separate from others and free from group pressure to conform (Hofstede 2001). Whereas in individualist cultures, the most important distinction is between self and others, in collectivist cultures, the self is always described in the context of social networks, and the important distinction is the line between in-group and out-group. According to Hofstede (2001), collectivists are often born into extended families or clans, which protect them in exchange for their loyalty. Individualists instead live in a society in which everyone is supposed to take care of him- or herself and his or her immediate family only.

And
(d) Masculinity/femininity

The masculinity/femininity refers to societies’ decisions about “what implications the biological differences between the sexes should have for the emotional and social roles of the genders” (Hofstede, 2001: 279). These dimensions differ in the social roles that are associated with the biological fact of the existence of the two sexes, and in particular in the social roles that are attributed to men. Masculinity stands for a society in which men are supposed to tough values, such as assertiveness, success, or competition, dominate tender values with the quality of life, such as solidarity, nurturance, or service. These differences can appear in how the culture defines and deals with the gender roles of men and women. Femininity stands for a society in which both men and women are supposed “to be modest, tender, and concerned with the quality of life” (Hofstede, 2001:297)

Later

(e) Time orientation

Short-term versus long-term orientation is degree to which members of a national culture will defer satisfaction to achieve long-term success. Research an additional Chinese value survey by Michael Bond (Hofstede and Bond, 1984) and colleagues among students in 23 countries led him in 1991 to adding a fifth dimension called Long- versus Short-Term Orientation. In 2010, research by Michael Minkov (Minkov and Hofstede, 2010), allowed to extend the number of country scores for this dimension to 93, using recent World Values Survey data from representative samples of national populations. Long- term oriented societies foster pragmatic virtues oriented towards future rewards, in particular saving, persistence, and adapting to changing circumstances. The opposite is short-term oriented societies foster virtues related to the past and present such as national pride, respect for tradition, preservation of "face", and fulfilling social obligations.

2.5.3 Hall’s Dimensions of Culture as Related to Communication

Edward T. Hall, an anthropologist, has spent more than 40 years discovering the key cultural classifications. Hall (1976, 1990) concentrated on the cultural system factors related to communication patterns including three dimensions: context, space and time. His work emphasized on qualitative insight rather than quantitative data.
Hall’s model (1990) is useful in understanding how members of different cultures develop business relationships, negotiate with insiders and outsiders, and implement contracts (Mead, 1998). Gannon (2001) argued that Hall seems to describe the classic in-group/out-group phenomenon rather than overarching dimensions along which societies can be arrayed, however his work has been significant and insightful, particularly his treatment of time and space. Hall’s (1990) ideas have also had a significant impact on theory of communication, especially intercultural communication, where it inspired research on spatial perception that continues until today (Niemeir et al. 1998).2

(a) Context

Context is described as the amount of information that must be explicitly stated if a message or communication is to be successful. Hall (1976, 1990) arranged societies into high-context and low-context dimension. High and low-context cultures differ in their approaches to power hierarchies, social relationships, work ethics, business practices and time management. Low-context cultures are those in which individuals need a great amount of background or written and oral information before the communication can be effective. High-context cultures are those in which individuals are heavily socialized through long lasting relationships. People in authority are personally responsible for the actions of subordinates. Communication is economical, fast and efficient; so that they do not need a great amount of written and oral information, in other words accepting a wide range of communicative expressions.

With language one should consider whether or not the national is predominantly a high context culture or a low context culture. The concepts relates to the balance between the verbal and the non-verbal communication. The first important means of communication is the verbal language of vocal sounds in patterns that have meaning. And the second powerful one is non-verbal language which is the communication through body language, silences and social distance. The importance of non-verbal communication is greater in some countries and particularly form the marketing viewpoint in sales negotiations and other forms of business meetings as well.

(b) Space

Space is organized differently in each culture reflecting the ways of communicating through specific handling of personal space. It is the extent to which people are comfortable sharing physical space with

---

2 [http://www.csiss.org/classics/content/13](http://www.csiss.org/classics/content/13)
others. Territorial space focuses on centre of power in which personal space need for clearly delineated between them and others while communal concentrates on centre of community in which personal space are comfortable sharing with others.

(c) Time

The handling of time is one of the crucial features of culture, is revealing of how unconscious implicit patterns work in a culture and how tenaciously people hold on to them. Hall (1990) describes how culture structure their time based on the concept of monochromic or polychromic time orientation. The monochromic time concept follows the notion of scheduling and completing one activity at a time and is characteristic of low-involvement people, who compartmentalize time. Meanwhile, the polychromic time orientation focuses on not distinguishing between activities and completing them simultaneously, as well as gives a multiple tasks handed at one time, and time is subordinate to interpersonal relations. Polychromic people, who are more involved, tend to have several operations going at the same time.

2.5.4 Trompenaars and the Consultant’s Contribution

Building on the work of Hofstede (1980), Trompenaars (1993) provided a somewhat different model of culture based on his study of Shell and other managers over a ten-year period. His model is based on the early work of Harvard sociologists Parsons and Shils (1951) and focuses on parameters for analyzing “cultural difference and how they affect the process of doing business and managing” (Trompenaars, 1993:1). He based on questionnaire responses given by 15,000 informants representing a range of companies in 50 countries. He argued that valid framework of national culture values are necessary to establish a nomological framework of culture that integrates diverse behavioral phenomena and can develop hypothesis regarding the systematic variations of countries in terms of their attitudes and behavior. His finding consists of seven dimensions, the first five dimensions focus on relationships among people, while the last two focus on time management and society’s relationship with nature. These dimensions were found to express different dilemmas of common life. The response to each dilemma portrays the deep value of different human interactions from different national cultures.

This model gives employees who deal with cross-cultural relations a tool/context to better understand value and behaviors, however it not provide recommendations on how to work with specific cultures.³

(a) Universalism versus Particularism

Universalism versus Particularism describes relative importance of applying standardized rules and policies across societal members as well as role of exceptions in rule enforcement. The question here is what is more important, rule or relationships? Universalism set society into rule-based regardless of particular situations on where personal emotions and feelings are put aside. Moreover, rule-based society refers to the tendency excepted in the rule construct could lead to weaknesses. In contrast to Universalism, the Particularism attaches more the specific situations or the personal backgrounds and personal feeling is not aside but as a support.

(b) Individualism-Collectivism

Individualism-Collectivism is the extent to which people derive their identity from themselves or group. The question here is that we function in a group or individual? Trompenaars (1993) differentiate a collectivistic culture as the characteristic of traditional societies, while an individualistic refers of modernizing societies. The individualist culture sees the individual as the end and improvements to communal arrangements as the means to achieve it, while the communitarian culture sees the group as its end and improvements to individual capacities as a means to that end.

(c) Specific-Diffuse

Specific versus Diffuse is the extent to which the role of human are compartmentalized or integrated, which is expressed at the level of an individual affected by a particular situation or action. Areas of life such as work and family are recognized broadly in a specific-oriented culture in which its member is more open in the public area but very closed in the private one. A member of diffuse-oriented cultures is more closed in public area but is very open in private one.

(d) Neutral-Affective

This dimension is extent to which people are free to express their emotions in public, address the importance of feelings and relationships. In a neutral culture, emotions are controlled leading its members do not carry out their feelings. In a high affective culture, people show their feelings by realizable emotions. But in such cultures, words or expressions which are adequate for the strongest feelings, is difficult to find.
(e) Achievement-Ascription

Achievement-Ascription dimension refers to manner in which respect and social status by religion, origin or age result of an individual has accorded to his own performance. In achievement-oriented cultures, the status of an individual refers mainly to his own performance whose respect for managers is based on the individual knowledge and skills. In ascription-oriented cultures a title is extensively used when these clarify you in an organization and a status refers to the religion, origin or age of the individuals.

(f) Sequential-Synchronic

This dimension focuses on time description of how people do things one at a time or several things at once. Trompenaars (1993) defines two ways of managing time: a sequential and a synchronic way. People with the kind of managing time sequentially feel time as a series of passing events. Time is very important as a commodity to be used up. On the other hand, for synchronic time management events have a past, present and future in which people show how they value people by giving their time, less insistent upon punctuality.

(g) Internal vs. External control

This dimension relates to the relationship with environment in which people believe they control the environment or it controls them. Internal control of culture tends to identify with a mechanism that is the organization is conceived of as machine that obeys the will of its operators. The second, external control, tends to see an organization as itself a product of nature, owing its development to the nutrients in its environment and to a favorable ecological balance.

2.5.5 Schwartz

From psychological viewpoint, Schwartz (1992, 1994) provided the typology of cultural values through survey of large groups of individual values rating on the seven domains for 31 countries, in a motivation to develop a framework of essential distinction between societal values. Schwartz (1994) argued that individual and cultural levels of analysis are conceptually independent. Individual-level dimensions reflect the psychological dynamics that individuals experience when acting on their values in the everyday life, while cultural-level dimensions reflect the solutions that societies find to regulate human actions. Steenkamp (2001) argued that the items in Schwartz’s (1992) work are broader than Hofstede’s (1980) framework, but sets limited the derivation of the cultural domains. Schwartz’ model has been applied to basic areas of social behavior and human values, but its application to organizational and marketing studies
has been limited (Steenkamp, 2001). Nonetheless, because of its strong theoretical foundation, Schwartz’s typology has proven useful to some researchers (Watson et al., 2002).

At the cultural level of analysis, Schwartz identified three basic social dimensions: relations between individual and group (conservatism versus autonomy), assuring responsible social behavior (hierarchy versus egalitarianism), and the role of humankind in the natural and social world (mastery versus harmony).

The first dimension is Conservatism-Autonomy, is extent to which individuals are integrated in groups. Conservatism describes cultures in which individuals are embedded in a collectivist, finding meaning through participation and identification with a group that shares their way of life. Autonomy describes in which individuals are autonomous from groups, finding meaning on their own uniqueness. Two types of autonomy are distinguished: Intellectual autonomy refers to independent pursuit of ideas and rights to follow their own intellectual directions. Affective autonomy relates to independent pursuit of affectively positive experience such as feelings and emotions.

The second dimension is Hierarchy versus Egalitarianism reflecting extent to which equality is valued and expected. Cultures are organized hierarchical way in which individuals are socialized to comply with their roles and are sanctioned if they do not. An alternative way to assure socially responsible behaviour is in which individuals are seen as moral equals who share basic interests as human beings. In egalitarian cultures, people are induced to recognize that they have shared interests that can serve for voluntary agreements to cooperate with others.

The extent to which people seek to response the natural and social world to advance personal or group interests, can take two forms: Mastery versus Harmony. One response, called mastery, is in which individuals value getting ahead through self-assertion and seek to change the natural and social world to advance personal or group interests. Another response, labeled harmony, is in which individuals accept the world as it is and try to preserve it rather than exploit it.

2.5.6 GLOBE (Global Leadership and Organizational Behavior Effectiveness)

The last most ambitious efforts on cultural dimensions, Robert House and his team of researchers extremely focus on understanding the influence of cultural differences on leadership processes in different cultural contexts (House et al., 2004). Their finding was labeled the “GLOBE study” standing from Global
Leadership and Organizational Behavior Effectiveness. Based on assessing in 62 societal cultures into 10 societal clusters, their work was designed to conceptualize and measure the similarities and differences among various societal, organizational cultures and leadership effectiveness. The GLOBE study identifies nine core cultural dimensions and six leadership attributes was designed to examine a number of theoretical propositions and research questions. They built on existing findings developed by Hofstede (1980), Schwartz (1994), Smith (1995), Inglehart (1997), and others. Particularly, GLOBE’s analysis of culture expands Hofstede’s (2001) five broadest dimension to nine. Five of these are presented as improved versions of Hofstede’s dimensions; the other four is performance orientation, gender egalitarianism, assertiveness and human orientation based on the other.

Table 2.6 is description of each dimension. The first two dimensions are designed to reflect the same constructs as Hofstede’s (2001) dimensions, named as Power distance and Uncertainty avoidance. Hofstede’s (1980) measure of individualism influenced the basis of the collectivism dimension; however, a factor analysis of the GLOBE items measured collectivism in general resulted in these two dimensions: In-Group Collectivism and Institutional Collectivism. Institutional Collectivism dimension has not been studied in prior research. In-Group Collectivism has its roots in research conducted by Triandis (1995). On the basic of Hofstede’s work of masculinity dimension, GLOBE separated this dimension into two dimensions labelled Gender Egalitarianism and Assertiveness. Future Orientation which focuses on the temporal orientation of most people in the society is derived from Kluckhohn and Strodtbeck’s (1961) Past, Present, Future Orientation dimension. Performance Orientation was derived from McClelland’s (1961) work on need for achievement, which is assumed to be a non-conscious individual-level motive, but differs from that of McClelland’s measure of need for achievement. The origin of Human Orientation derived from several concepts, in Kluckhohn and Strodtbeck’s (1961) dimension entitled Human Nature as well as Putnam’s (1993) work on the civic society and McClelland’s (1985) conceptualization of the affiliative motive.

According to Nardon and Steers (2009:8), they briefly summarized each dimension and related scale anchors of GLOBE work as table 2.6.
Table 2.6 - Description of GLOBE's cultural dimensions (adapted from Nardon and Steers, 2009:8)

<table>
<thead>
<tr>
<th>Cultural Dimensions</th>
<th>Scale Anchors</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Power distance</strong></td>
<td>High: Society divided into classes; power bases are stable and scarce; power is seen as providing social order; limited upward mobility.</td>
<td>Low: Society has large middle class; power bases are transient and sharable; power often seen as a source of corruption, coercion, and dominance; high upward mobility.</td>
</tr>
<tr>
<td></td>
<td><strong>Uncertainty avoidance</strong> is the extent to which members of a society strive to avoid uncertainty, by relying on established social norms and practices</td>
<td>High: Tendency to formalize social interactions; document agreements in legal contracts; be orderly and maintain meticulous records; rely on rules and formal policies. Low: Tendency to be more informal in social interactions; reliance on word of people they trust; less concerned with orderliness and record-keeping; rely on informal norms of behavior.</td>
</tr>
<tr>
<td></td>
<td><strong>Collectivism I, Institutional Collectivism</strong>, is the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action. It may take the form of laws, social programs, or institutional practices designed to encourage collective behavior.</td>
<td>High: Individuals integrated into strong cohesive groups; self viewed as interdependent with groups; societal goals often take precedence over individual goals. Low: Individuals largely responsible for themselves; self viewed as autonomous; individual goals often take precedence over societal or group goals.</td>
</tr>
<tr>
<td>Cultural Dimensions</td>
<td>Scale Anchors</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td><strong>Collectivism II, In-Group Collectivism</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>is the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families</td>
<td>High: Members assume they are interdependent and seek to make important personal contributions to group or organization; long-term employer-employee relationships; organizations assume major responsibility of employee welfare; important decisions made by groups.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Low: Members assume they are independent of the organization and seek to stand out by making individual contributions; short-term employer-employee relationships; organizations primarily interested in the work performed by employees over their personal welfare.</td>
<td></td>
</tr>
<tr>
<td><strong>Gender Egalitarianism</strong></td>
<td>is the degree to which an organization or a society minimizes gender role differences while promoting gender equality</td>
<td>High: High participation of women in the workforce; more women in positions of authority; women accorded equal status in society.</td>
</tr>
<tr>
<td></td>
<td>Low: Low participation of women in the workforce; fewer women in positions of authority; women not accorded equal status in society.</td>
<td></td>
</tr>
<tr>
<td><strong>Assertiveness</strong></td>
<td>is the degree to which individuals in organizations or societies are assertive, confrontational and aggressive in social relationships</td>
<td>High: Value assertiveness, dominance, and tough behavior for all members of society; sympathy for the strong; value competition; belief in success through hard work; values direct and unambiguous communication.</td>
</tr>
<tr>
<td></td>
<td>Low: Prefers modesty and tenderness to assertiveness; sympathy for the weak; values cooperation; often associates competition with defeat and punishment; values face-saving in communication and action.</td>
<td></td>
</tr>
</tbody>
</table>
Table 2.6 - Description of GLOBE’s cultural dimensions (continued)

<table>
<thead>
<tr>
<th>Cultural Dimensions</th>
<th>Scale Anchors</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Future orientation</strong> is the degree to which individuals in organizations or societies engage in future-oriented behaviours such as planning, investing in the future, and delaying individual or collective gratification.</td>
<td>High: Greater emphasis on economic success; propensity to save for the future; values intrinsic motivation; organizations tend to be flexible and adaptive.</td>
</tr>
<tr>
<td><strong>Performance orientation</strong> is the degree to which an organization or society encourages and rewards group members for performance improvement and excellence</td>
<td>High: Belief that individuals are in control of their destiny; values assertiveness, competitiveness, and materialism; emphasizes performance over people.</td>
</tr>
<tr>
<td><strong>Human orientation</strong> is the degree to which individuals in organizations or societies encourage and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others</td>
<td>High: Interests of others important; values altruism, benevolence, kindness, and generosity; high need for belonging and affiliation; fewer psychological and pathological problems.</td>
</tr>
</tbody>
</table>
Furthermore, Triandis (2004) calls the GLOBE research is "the Manhattan Project" of the study of the relationship of culture to conceptions of leadership. GLOBE offers researchers an alternatives perspective to the existing frameworks on cultural dimensions that is measurement individual-level values is a robust way of measuring cultures (Okazaki and Mueller, 2007). GLOBE provides data on the societal level, rather than on the individual level, individuals are socialized through the values that are held and the behaviors that are practiced in their cultures, and therefore they are likely to adopt the practices that are shared by members of their society (Markus and Kitayama, 1991).

GLOBE is the most comprehensive study to date that empirically researched the deep understanding of relationship between culture and leader behavior in so many societies, with so many different quantitative and qualitative measures and methods, and in so many different organizations (Hoppe, 2007). Brewer (2007) allowed the GLOBE cultural dimensions to investigate the importance of cultural distance on Australian export outcomes. There appears to be significant potential for the application of the GLOBE framework of societal values and practices to marketing and advertising research (Terlutter et al., 2006; Okazaki and Mueller, 2007). House et al. (2010) argued GLOBE study may serve as a useful theoretical base from which international researchers can design empirical studies and derive practical application. For instance, Terlutter et al. (2005) was the preliminary attempt to apply the GLOBE dimensions to advertising which is focused on the dimension of assertiveness. A second investigation (Diehl et al., 2007) explored the dimension of performance orientation. In addition to these two dimensions, the GLOBE framework offers additional dimensions that are worthy of analysis by international marketing and advertising researchers (Okazaki and Mueller, 2007). Another recent study (Okazaki et al., 2010) examined how hard-sell versus soft-sell advertising techniques were perceived by US vs Japanese consumers.

As noted by Terlutter et al. (2006), however, GLOBE has been somewhat limited in its relatively small sample of middle managers, should continue the trend of collecting data from respondents regarding societal culture. In 2004, House et al. (2004) critique that their project is impacting on the fields outside of the management/organizational behavior research, and they further look forward to the new and creative applications of the GLOBE framework within the field of global advertising in the years to come.
2.6 Conclusion as integrating six cultural frameworks

To approach the classification of national culture, we provided the discussion about the use of cultural frameworks developed by Kluckhohn and Strodtbeck (1961), Hofstede (1980), Hall (1976, 1990), Trompenaars (1993), Schwartz (1992, 1994), and House et al.’s (2004) as well as the critiques around these frameworks. In details, we have illustrated each dimension of each cultural model and its applications to be the theoretical-based in international marketing research. There exist many different aspects in accordance to the level of analysis (individual versus culture level); the number of countries measure; the number of dimensions; dimensional approaches (quantitative, qualitative approach); the subjects (Schwartz – teachers and students, GLOBE – middle managers, Trompenaars and Hofstede – all levels of employees in a company); and the conceptual, methodological differences. Although there are many differences in wordings and in the number and scope of proposed fundamental values, these models conceptually overlap together. For instance, the most recent review argued by Soares et al. (2007), suggests that power distance dimension of Hofstede accords to the concepts of orientation toward human relationships (Kluckhohn and Strodtbeck 1961), and masculinity dimension relates to the conceptions of human-nature perception (Kluckhohn and Strodtbeck 1961). Along with the meaning of each concept, we provide an overview of six above frameworks and their overlaps together.

Before Hostede’s (1984) study, it seems that national culture framework drawn “too many conclusions, not enough conceptualization” (Negandhi, 1974:60). Therefore, we can recognize that the frameworks of later researches are getting more conceptualized. According to Kale (1991), these classifications approach to cultural comparison suffered from lack of comprehensiveness, and lack of a universal, broadly generalized framework within which to visualize national cultures. The measurement of culture into dimension let future researcher confront to choose which of them is suitable for theoretical-based.

Since each of six frameworks steadily exist some important cultural elements which are contributed to our study, hence we will integrate various theoretical models for better creating a conceptual framework. In order to represent a single principal theme that can cover all aspects of six model of culture, we will seek the important overlapped cultural characteristic side by side pertaining to the other related dimension. We must determine a number of multiple dimensions in the original frameworks merged into a more comprehensive single cultural model. From our point of view based on literature, we can breakdown
culture into five dimensions: man-nature orientation, power distribution, social relationship, time orientation and the context of communication.

\section*{2.6.1 Man-nature orientation}

The man-nature category refers to a human being’s relation to nature. We supposed the understanding of this link between human and environment is the first important dimension of culture affecting on the marketing implication, because it points out the natural interaction of customer’s attitude toward the product, service or the other tactical campaign of firm. This dimension which is taken from Kluckhohn and Strodbeck (1961) related to the mode of adaption of members in society toward the internal and external cultural environment. They identify three streams along with man-nature orientation; people have responsibility to control nature, to maintain harmony or must submit to nature: mastery-over-nature, harmony-with-nature, and subjection-to-nature. Schwartz’s study (1992) also recognized two dimensions: mastery over nature and harmony with nature in which people seek to change the natural and social world to advance personal or group interests. Trompenaars (1993) realized two types the relationship between people and environment is that Internal versus External control in which people control the environment or they focus on living in harmony with nature.

\section*{2.6.2 Power distribution}

The concept of power distribution is taken from the term power distance from Hofstede’s (1980) model which is defined as the degree of inequality in power determination between the behavior of less powerful individual and a more powerful other, in which they belong to the same social system (Mulder, 1977 and Hofstede, 1984). Inequality can occur as basic fact of human existence in a variety of criteria including: social status and prestige, wealth, power, laws, rights and rules (Hofstede, 2001). In every society, social status organization could force to Hierarchy way or Egalitarianism way, the second value dimension adapted by Schwartz (1992, 1994).

Trompenaars (1993) recognizes a somewhat similar approach referring to social status of individual by religion, origin or age is allocated in different culture; which he calls Achievement versus Ascription. Achievement status refers to doing and ascribed status refers to being. He also takes a cultural dimension referring to standardized rules approach across societal individual basing on rule (Universalism-oriented) or relationship (Particularism-oriented). This term which is defined as the degree to which members of a
society expect and accept that power is distributed unequally, is repeated with the similar label in GLOBE’s framework (2004).

2.6.3 Relationship between people

The relationship between individual and human group is not a matter in the way of living together, it is intimately linked in the sense of values systems. All six frameworks recognize that individualism–collectivism is the crucial structure within social organization. The most common concepts used to describe by Trompenaars (1993), Hofstede study (1980) and the GLOBE study (House et al., 2004) in terms of culture being more individualism and collectivism. This issue surrounds the attitude of society’s members towards their decision making first as individual or member of a group. Kluckhohn and Strodtbeck (1961) solve the problem of relationship between members of a society in three types: an individual or group manner including collateral and lineal. Belief of individualistic is that social structure should be arranged based on individuals. Social structure based on groups of people in which collateral manner is with relatively equal status and lineal manner is with clear and rigid hierarchical relationships.

Usunier (1996:111) states that “most of available marketing literature depicts individual consumers who make their own decisions”. The family is seen as an interacting group of individuals, all influencing each other. An organic conception of the family as a single decision-making unit is not easily grasped. However, various authors within the field of cross-cultural marketing have pointed out the role of the group as an organic entity.

2.6.4 Time orientation

As Kluckhohn and Strodtbeck (1961) and Trompenaars (1993) noted time orientation which is splitting into three dimension: past, present or future orientation. Hall (1976) recognizes cultural variation in how people understand and use time. They could prefer to take attention to individual goals, to complete one task at a time. He dichotomizes time-orientations into monochronic and polychronic. They could prefer to take attention to multiple goals, have no problem integrating task-oriented activities with socio-emotional ones and maintain social relationships. Hofstede’s (1984) study lately found out an additional dimension into his framework: long-term versus short-term orientation. GLOBE’s study (2004) only focuses on future orientation behaviors when people have greater or less emphasis on planning and investing for the future.
2.6.5 The context of communication

The context of communication which explains the context of a message with the way people communicate with each other is as important as the message itself is adapted from Hall (1976) model. He suggested the distinction of culture on the way of human communication labeled high-context and low-context. Gudykunst and Toomey (1988) have argued that Hall’s context dimension can be considered as an aspect of collectivism versus individualism: High-context communication fits the collectivist society and low-context communication is typical for individualist cultures. However, in marketing implication turn towards global markets, communication extremely impact on the understanding each other between firm and customer, marketer and customer, customer and customer. Substantially, the key to successive communication between countries is knowledge of how society conveys meaning.

Mead and Andrews (2009) summarize the distinguished characteristics between high-context and low-context culture within international marketing as follow:

(a) High-context cultures have the following characteristics:

- Relationships (both positive and negative) are relatively long lasting, and individuals feel deep personal involvement with each other.
- Because so much is communicated by shared code, communication is economical, fast, and efficient in a routine situation.
- People in authority are personally responsible for the actions of subordinates.
- Agreements (between members) tend to be spoken rather than written. This can mean that a written contract is only “best guess”.
- Insiders and outsiders are closely distinguished; insiders include firstly, members of the family, then clan, organization. Foreigners are usually treated as outsiders.
- Cultural patterns are ingrained, and slow to change.

(b) Low-context cultures have the opposite characteristics:

- Relationships between individuals are relatively shorter in duration, and deep personal involvement with others is valued less.
- Messages must be made explicit, and the sender can depend less on the receiver inferring the message from the context. Members depend less on using non-verbal communications codes.
• Authority is diffused throughout the bureaucratic system and personal responsibility is difficult to pin down.

• Agreements tend to be written rather than spoken. Low-context cultures treat contracts as final and legally binding and are less willing to renegotiate. The obsession with precision may bewilder members of high-context cultures.

• Insiders and outsiders are less closely distinguished. This means that foreigner find it relatively easier to adjust.

• Cultural patterns are faster to change.

2.6.6 Conclusion

In conclusion, our suggestion aim at integrating six existing frameworks into one cultural theory consisting of five critical components in better understanding the effect of culture on international marketing plan. Each framework has contributed something of value to our model including the following: mastery versus harmony with culture; high and low power distance; individualism versus collectivism; past, present and future-oriented and high versus low context. Accomplishment together, these dimensions of cross-cultural management create an extensive concept of how marketer recognizes the different between cross-cultural markets. A review of each cultural category in conjunct with its properties and descriptions are summarized in table 2.7.
Table 2.7 - Description of integrated six existing cultural frameworks

<table>
<thead>
<tr>
<th>Categories</th>
<th>Properties</th>
<th>Description</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man-nature orientation: human</td>
<td>Mastery over culture</td>
<td>Individuals value getting ahead through self-assertion and seek to change</td>
<td>Kluckhohn and Strodtbeck (1961)</td>
</tr>
<tr>
<td>being’s relation to nature</td>
<td></td>
<td>the natural and social world to advance personal or group interests</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td></td>
<td>Harmony with culture</td>
<td>Individuals accept the world as it is and try to preserve it rather than</td>
<td>Schwartz (1992)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>exploit it.</td>
<td></td>
</tr>
<tr>
<td>Power distance: degree inequality</td>
<td>High power distance</td>
<td>Society divided into classes; power bases are stable and scarce; power is</td>
<td>Hofstede (1980)</td>
</tr>
<tr>
<td>in power determination in same</td>
<td></td>
<td>seen as providing social order; limited upward mobility.</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td>social system</td>
<td>Low power distance</td>
<td>Society has large middle class; power bases are transient and sharable;</td>
<td>GLOBE (2004)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>power often seen as a source of corruption, coercion, and dominance; high</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>upward mobility.</td>
<td></td>
</tr>
<tr>
<td>Relationship between people:</td>
<td>Individualism</td>
<td>Individual interests generally take precedence over group interests. Focus</td>
<td>Hofstede (1980)</td>
</tr>
<tr>
<td>individuals in a given national</td>
<td></td>
<td>on individual achievement and independence</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td>culture perceive themselves as</td>
<td></td>
<td></td>
<td>GLOBE (2004)</td>
</tr>
<tr>
<td>separate from others and free</td>
<td>Collectivism</td>
<td>Group interests generally take precedence over individual interests. Focus</td>
<td>Kluckhohn and Strodtbeck (1961)</td>
</tr>
<tr>
<td>from group pressure to conform</td>
<td></td>
<td>on group achievement and welfare</td>
<td></td>
</tr>
</tbody>
</table>
Table 2.7 - Description of integrated six existing cultural frameworks (continued)

<table>
<thead>
<tr>
<th>Categories</th>
<th>Properties</th>
<th>Description</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time orientation: people is</td>
<td>Past-oriented</td>
<td>Focus on the past (the time before now), and on preserving and maintaining traditional teachings and beliefs</td>
<td>Kluckhohn and Strodtbeck (1961)</td>
</tr>
<tr>
<td>principally influenced by past</td>
<td>Present-oriented</td>
<td>Focus on the present (what is now), and on accommodating changes in beliefs and traditions.</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td>events, present circumstances or</td>
<td>Future-oriented</td>
<td>Focus on the future (the time to come), planning ahead, and seeking new ways to replace the old.</td>
<td>Hofstede (1980)</td>
</tr>
<tr>
<td>The context of communication:</td>
<td>High context</td>
<td>Individuals are heavily socialized through long lasting relationship</td>
<td>Hall (1976, 1990)</td>
</tr>
<tr>
<td>the context of a message with</td>
<td>Low context</td>
<td>Individuals need a great amount of background or written and oral information before the communication can be effective</td>
<td></td>
</tr>
<tr>
<td>the way people communicate with each other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
CHAPTER 3

METHODOLOGY PART

3.1 Introduction

The following sections provide our research design including research method in the section 3.2 as well as the theory and application of qualitative research of Grounded Theory method and Systematic Combining approach in the section 3.3. The aim of our study fundamentally proposes a model of cultural dimensions affect on the international marketing plan for Multinational Corporations in case of Vietnam. Over the past years, there has not been exist the general framework of Vietnamese cultural distance that marketer and management of Multinational Corporations must pay greatly important attention to. Consequently, we deal our study aiming at theory development of Vietnamese cultural dimensions. For this purpose, we suggest an application of Grounded Theory and Systematic Combining approach which has been widely increase the implication in social science research.

3.2 Research Design

3.2.1 Research questions

A central research question that this dissertation aims to explore is, “Which dimension of Vietnamese cultural environment had an impact on the international marketing strategy for multinational firm and how the implications of these dimensions on marketing is?” In order to explore this problem, a preliminary set of underlying research questions which become the foundation question from the initial data gathering are generated from ‘technical literature’ source in figure 3.1. Our discussion on some literature resources at an initial stage (in chapter 2) partly facilitates to identify the appropriate research questions and preliminary sampling plan.
3.2.2 **Research method**

We start a detailed description of research design by discussing our motivation for choosing Grounded Theory. Our research purposes are to develop an additional theory and a new concept of cross-cultural management in case study of Vietnam where provide a fresh slant on existing knowledge in which Grounded Theory method as a methodology that has been used (Goulding, 1998). Implication of Grounded Theory as a qualitative research method that is as a set of relationships inductively derived from a plausible explanation of the impact of Vietnam culture distance on marketing strategy under study (Strauss and Corbin, 1994).

Additionally, in the early stages of Grounded Theory method, the researcher should not conduct any definitive literature review. The emergent theory is derived from a significant element of the data gathering and analytical processes will influence to relevant literature. Nevertheless, according to Dubois and Gadde (2002:559), the action of no review all of the literature beforehand might “pose obstacles to the desired process". Therefore, Dubois and Gadde (2002) found a new matching framework between theory and empirical study labeled “Systematic Combining” which arises from Grounded Theory. Hence, in Systematic Combining, the identification all the literature would not be able, but the need for theory is created in the process. Our investigation is not dealt to confirmation of theory, we stress generation of theory in which literature plays quite a different role than. That is the motivation we choose Grounded Theory methodology and systematic combining approach in particular. In the rest of this chapter, we briefly provide a detailed description of Grounded Theory application as well as systematic combining approach.
3.3 Grounded Theory

3.3.1 Introduction to Grounded Theory

Grounded Theory is firstly originated from a work named *The Discovery of the Grounded Theory: Strategies for Qualitative Research* found by Glaser and Strauss (1967), one of the very first researches to systematically contribute a set of techniques for the generation of theory from qualitative data. Later on, its more explanations was modified and added by Glaser (1978, 1992, and 1998) and Strauss and Corbin (1990, 1994, and 1998). However, over continuous years after, their research became gradually different and distinguished into two version of Grounded Theory. Glaser (1992) selected an area for study and proposed a methodological framework that is freely emergent phenomenon while Strauss and Corbin (1990) structured to identify issue or a phenomenon (Douglas, 2006). Consequently, Glaser claimed that Strauss’s approach is not Grounded Theory anymore and Strauss argued that Glaser approach puts too much emphasis on the introduction of nature of Grounded Theory (Mansourian, 2006).

Grounded Theory, “the discovery of theory from data”, is “a qualitative research method that uses a systematic set of procedures to develop an inductively derived Grounded Theory from a phenomenon” (Strauss and Corbin, 1990:23). It also is defined as “a general methodology for developing theory that is grounded in data systematically gathered and analyzed” (Strauss and Corbin, 1994:3). Really in Grounded Theory, researchers do not involve the formulation of a hypothesis. Instead, they develop and generate new theory rather than verify theory which evolves during actual research through continuous interplay between analysis and data collection. Grounded Theory is “inductively generating theory through qualitative analysis of qualitative and/or quantitative data” (Glaser, 1992:8). Essentially, researcher views data in fresh ways and explores ideas about data through analytic writing (Chamaz, 2000).

Furthermore, Tan (2010) outlined the following mainly discipline for the application of Grounded Theory when the researchers find to create a theory about human interaction, explore new territory (Denscombe, 2007), the study of new socio-technical phenomena (Fernández, 2004) or develop new one not have empirically based literature yet (Goulding, 1999). According to Bailey *et al.* (1999), McCallin (2003) and Tan (2010), there are six basic premises of Grounded Theory:

1. The world is in a constant state of flux and the individuals are not all equally placed;

2. Qualitative data analysis is basically pragmatic;
(3) the aim of qualitative analysis is to generate new concepts and theories;

(4) theories should be “grounded” in empirical reality;

(5) the researcher is open minded; and

(6) participants cannot be predicted entirely at the beginning of the research, which affects the research design.

Additionally, Grounded Theory “developed new perspectives on social science research grounded in a systematic approach to data” (Douglas, 2006:260). This approach and its widely application, originated in nursing research developed by Glaser and Strauss (1967), later has been successful in various themes including sociology, management, business research, marketing and information system (Mansourian, 2006). More specifically in management research, the application of Grounded Theory was conducted in management’s creative practices by Andriopoulos and Lowe (2000); in management action by Douglas (2003), Locke (2001) and Partington (2000).

Grounded Theory is a powerful research methodology if the context and purpose of the research match with the requirement of Grounded Theory and the researcher follows the essence of Grounded Theory thoroughly (Mansourian and Ford, 2006). Accordingly, emergent theory needs the interaction between researchers and datasets. The analysis and data collection happened concurrently and researcher focus data with an analytical view in different points of data collection. The advantage of Grounded Theory not only generates theory explaining the phenomena under investigation but also not being limited to the scope of the study but can integrate other relevant material.

### 3.3.2 Systematic combining approach as theory development

The main concern of systematic combining developed by Dubois and Gadde (2002) refers to “the generation of new concepts and development of theoretical models, rather than confirmation of existing theory” (Dubois and Gadde, 2002:559). This approach is similar to Grounded Theory defined as “theoretical sampling” (Glaser and Strauss, 1967), however they emphasize theory development rather than theory generation. It also conducts more on refinement of existing theories than on inventing new ones. The critical feature of this approach is the combination through a linkage of established theoretical models and new concepts derived from the confrontation with reality.
The position of systematic combining is discussed in relation closer to an induction than deduction. In other word, there is abductive approach which is fruitful if the objective of research is to explore new things. Abduction, as a logical system of research methodology, was introduced by Peirce (1878) with the purpose of exploring data, finding a pattern and suggesting plausible hypotheses (Sannak and Aldhmour, 2009). Abduction is about “investigating the relationship between every language and concepts, which is obviously similar to induction” (Dubois and Gadde, 2002:555). Systematic combining is viewed as the starting point of abductive approach in which emphasizes the search for apposite theories to an empirical observation (Sannak and Aldhmour, 2009). Thus, the preliminary process of systematic combining is to search for a new matching framework or to extend the theory used anterior to this observation (Taylor et al, 2002; Dubois and Gadde, 2002).

Moreover, systematic combining is nonlinear path-dependent process in which theoretical framework, empirical fieldwork, and case analysis evolves concurrently, and it is particularly useful for developing a new theory. Dubois and Gadde (2002) labeled their efforts as illustration in Grounded Theory by moving between asking questions, generating hypotheses, and making comparisons. The process of SC consists of two stages, matching theory and reality is the first and the second is direction and redirection, is portrayed in figure 3.2.

![Figure 3.2 - Systematic combining process (adapted from Dubois and Gadde, 2002:555)]
(a) Matching

The pattern of matching process which is about going back and forth between framework, data sources and analysis, yet is not conspicuous. Researcher’s attempt to match and take advantage of the empirical observation and the current existing theoretical framework can be taken in various directions. The theoretical concepts are the part of models is revised by empirical fieldwork through analyzing preexistent categories from data collection.

(b) Direction and redirection

The main issue in this stage of Systematic Combining is to reveal aspects unknown to researcher and discover new dimensions of research problem. Data collection method includes interviews and observations, observations generate new question on which further interviews could be based. Most data collection activities are directed towards the search for specific data in order to add new dimension to current framework. This may result in redirection of the research.

(c) The role of framework

Empirical observations can inspire to change the view of theory and vice versa, thus the evolvement of framework is important in SC. Dubois and Gadde (2002) suggest a tight and evolving framework reflecting the degree to which the researcher has articulated his “pre-conception”.

(d) The evolving case

The case integrating during a research can be referred to ‘tool’ as well as a ‘product’. In the beginning, very few pieces of data added fit while patterns become clearer with every effort. When the case is finally became a ‘product’ whereby there should be no confusing pieces left both empirical observations and interaction with other researcher, a selection must be made.

(e) The role of theory

Systematic Combining is the method of generation of theory in which literature plays quite a different role. In order to discover new things, the researchers must consider phenomena under a theoretical framework. Theory in Systematic Combining is necessarily appropriate where the researcher “would not be able even to identify all literature since the empirical fieldwork parallels theoretical conceptualization” (Dubois and Gadde, 2002:559).
3.3.3 Process of Grounded Theory building

The following sections of this paper explain how Grounded Theory can be deployed a theory basing on inductive analysis from qualitative data. The process of conducting Grounded Theory is not briefly recommended by the authors, Glaser and Strauss; therefore some researchers report their experiences and understandings how to employ Grounded Theory quickly. Pace (2004:337) explains four critical stages consisting of “generating categories and their properties; integrating categories and their properties; and delimiting the theory; later writing the theory”.

Charmaz (2000:515) describes how we do Grounded Theory in which:

“Analysis begins early. We grounded theorist code our emerging data as we collect it. Through coding we start to define and categorize our data. In Grounded Theory coding, we creates codes as we study our data (...) we should interact with our data and pose questions to them while coding them (...) coding starts the chain of theory development” Charmaz (2000:515).

Typically, the fundamental method of Grounded Theory is the “constant comparative method” from which the alternative of theory is built by comparison of reality and theory which is “a set of well-developed categories that are systematically interrelated through statements of relationship to form a theoretical framework” (Strauss and Corbin, 1994:44). Categories or its sub-categories generated from evidence are applied to portray the concept. Theory development incorporates a set of steps in which coding strategies for analytical process are the most important, involves the process of breaking down data collection into separate units of meaning namely concept. Such concepts are initially split into cluster of descriptive categories and then are re-assessed for their relationship to gradually subsume into higher categories or one core category (Coleman and O’Connor, 2007).

Furthermore, despite any types are emerged by a number of new studies, we recognized and applied Grounded Theory process of Pandit (1996) approach which is more comprehensive and applicable phases of Grounded Theory building rather than the above one. Pandit (1996) approach of Grounded Theory requires the researcher to follow a set of five analytic common phases including: research design, data collection, data ordering, and data analysis, later literature comparison. Specifically, if it has literature comparison, we can advocate it is quite similar to Systematic Combining approach. In the below table, we
will briefly discuss an overview of these phases, its description and subsequent activities as well as within theses phases, nine steps were followed in the table 3.1.

Table 3.1 - The Process of Building Grounded Theory (adapted from Pandit, 1996)

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ACTIVITY</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESEARCH DESIGN PHASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1 Review of technical</td>
<td>Definition of research question</td>
<td>Focuses efforts</td>
</tr>
<tr>
<td>literature</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Definition of a priori constructs</td>
<td>Constrains irrelevant variation and sharpens</td>
</tr>
<tr>
<td></td>
<td></td>
<td>external validity</td>
</tr>
<tr>
<td>Step 2 Selecting cases</td>
<td>Theoretical, not random, sampling</td>
<td>Focuses efforts on theoretically useful cases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e.g., those that test and/or extend theory)</td>
</tr>
<tr>
<td>DATA COLLECTION PHASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3 Develop rigorous</td>
<td>Create case study database</td>
<td>Increases reliability. Increases construct</td>
</tr>
<tr>
<td>data collection protocol</td>
<td></td>
<td>validity</td>
</tr>
<tr>
<td></td>
<td>Employ multiple data collection method</td>
<td>Strengthens grounding of theory by triangulation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>of evidence. Enhances internal validity</td>
</tr>
<tr>
<td></td>
<td>Qualitative and quantitative data</td>
<td>Synergistic view of evidence</td>
</tr>
<tr>
<td>Step 4 Entering the field</td>
<td>Overlap data collection and</td>
<td>Speeds analysis and reveals helpful adjustments</td>
</tr>
<tr>
<td></td>
<td>analysis</td>
<td>to data collection</td>
</tr>
<tr>
<td></td>
<td>Flexible and opportunistic data collection</td>
<td>Allows investigators to take advantage of</td>
</tr>
<tr>
<td></td>
<td>methods</td>
<td>emergent themes and unique case features</td>
</tr>
<tr>
<td>DATA ORDERING PHASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 5 Data ordering</td>
<td>Arraying events chronologically</td>
<td>Facilitates easier data analysis. Allows</td>
</tr>
<tr>
<td></td>
<td></td>
<td>examination of processes</td>
</tr>
<tr>
<td>DATA ANALYSIS PHASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 6 Analyzing data relating</td>
<td>Use open coding</td>
<td>Develop concepts, categories and properties</td>
</tr>
<tr>
<td>the first case</td>
<td></td>
<td>Develop connections between a category and</td>
</tr>
<tr>
<td></td>
<td>Use axial coding</td>
<td>its sub-categories</td>
</tr>
<tr>
<td></td>
<td>Use selective coding</td>
<td>Integrate categories to build theoretical</td>
</tr>
<tr>
<td></td>
<td></td>
<td>framework</td>
</tr>
<tr>
<td></td>
<td>All forms of coding enhance internal validity</td>
<td></td>
</tr>
<tr>
<td>Step 7 Theoretical sampling</td>
<td>Literal and theoretical replication across</td>
<td>Confirms, extends, and sharpens theoretical</td>
</tr>
<tr>
<td></td>
<td>cases (go to step 2 until theoretical</td>
<td>framework</td>
</tr>
<tr>
<td></td>
<td>saturation)</td>
<td></td>
</tr>
</tbody>
</table>
Table 3.1 - The Process of Building Grounded Theory (continued)

<table>
<thead>
<tr>
<th>PHASE</th>
<th>ACTIVITY</th>
<th>RATIONALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DATA ANALYSIS PHASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 8 Reaching closure</td>
<td>Theoretical saturation when possible</td>
<td>Ends process when marginal improvement becomes small</td>
</tr>
<tr>
<td>LITERATURE COMPARISON PHASE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compare emergent theory with extant literature</td>
<td>Comparisons with conflicting frameworks</td>
<td>Improves construct definitions, and therefore internal validity</td>
</tr>
<tr>
<td>Step 9</td>
<td></td>
<td>Also improves external validity by establishing the domain to which the study's findings can be generalized</td>
</tr>
</tbody>
</table>

(a) Phase 1: Research Design

This phase follows logically to two steps including the definition of the basic research questions in first step and the selection of cases later. According to Strauss and Corbin (1990), technical literature consisting of theoretical paper, research studies is a good source of research questions.

The second step is to select the first case being the major unit of data in Grounded theory research. During the initial data collection, the main categories are emerged and initial theoretical framework is established. Subsequently, additional cases which are to test and extend framework should be selected according to theoretical sampling. In other words, the requirement for next data depends upon the main categories emerging from the preliminary data collection. Pandit (1996) adapted three options to place additional case from Yin (1989:53-54) study:

(a) choose a case to fill theoretical categories, to extend the emerging theory; and/or,
(b) choose a case to replicate previous case(s) to test the emerging theory; or,
(c) choose a case that is a polar opposite to extend the emerging theory.

(b) Phase 2: Data collection Phase

The application of multiple data sources on the same phenomenon in Grounded Theory methodology is encouraged. The multiple data sources are material in a variety form of reports and document as well as case study databases. Quantitative or qualitative data or both of them can be involved in Grounded Theory research. It’s not necessary to use any stable technique for data collection. Pandit (1996) encouraged the
researchers use “slices of data” which give different and various points to develop categories and its properties. In summary, the third step is to develop a rigorous data collection protocol by using multiple data collection methods using both qualitative and quantitative data and systematically creating a case study database. The fourth step was to assure that data was collected and analyzed concurrently. The overlap of data allows making adjustment to the data collection process in term of emerging framework.

(c) Phase 3: Data Ordering

The fifth step is data ordering arraying of events into chronology time-series approaches which is likely to cover many different types of variables.

(d) Phase 4: Data Analysis

The sixth step of building Grounded Theory research is the crucial process involving coding procedures composing of open coding, axial coding and selective coding. Coding represents the activity in which “data are broken down, conceptualized and put back together in new ways” (Strauss and Corbin, 1998:57). Once theoretical framework which is generated from the first case is to refine and develop by subsequent cases in the seventh step according to the principle of theoretical sampling. The eighth step, reaching theoretical saturation, when we meet the marginal value of new data is minimal.

Theoretical sampling

In order to develop theory as it emerges, theoretical sampling relates to the process of data collection whereby the analyst in conjunct to collects, codes and analyzes data and makes decision what data to collect next and where to search them. In this stage of theoretical sampling, neither data on a category nor technique for data collection is necessarily appropriate. Interviews are the core of data collection method. The effort of purification is made from the initial sampling lead to emerging theory. And then, researchers may change a set of questions reflecting more closely the emergent categories. Grounded Theory researchers engage ongoing inclusion of group must be differentiated from the logic used in comparative analyses labeled as ‘constant comparison’ between analyzed data and emerging theory. When maximizing differences among comparative group, which is ‘theoretical saturation’, has been reached, means that no additional data are being found.

Open Coding and Analysis
The initial step of data analytical process is open coding strategies regarding to analyze the data line-by-line and allocates codes to the text from interview transcripts. Coding strategies involves the process of breaking down interviews and observations into distinct units of meaning which are named to generate concepts. From the beginning of interviews, a list of codes emerges deriving directly from the interviewees and then this list is used to code subsequent interviews. A large number of codes represent concepts that will later become part of the theory should have emerged at the end of this process.

**Constant Comparison Method**

Codes arising out of each interview are constantly compared against the codes from the same interview and other interview, then contributing higher level of data, labeled as constant comparison process.

**Axial Coding**

The process of relating categories to its subcategories at the level of properties and dimensions labeled as axial coding in which coding appears around the axis of a categories linking categories to subcategories.

**Selective Coding**

“Selective coding is the process of integrating and refining the theory” and to identify the core category around which the theory will be built (Coleman and O’Connor, 2007:65). Core category must be central in that all other categories must link and relate to it and it must appear frequently in the data. Core category is defined as the one that is able to account for most variations in the data derived from several categories emerge as a result of data analysis.

**Memoing**

Memoing is the ongoing process of making notes and ideas and questions that occur to the analyst during the process of data collection and analysis (Schreiber, 2001). Ideas are recorded during the coding process and memos are written constantly during the whole process. Memos become increasingly theoretical and built the blocks of idea for the final report following extensive coding and analysis (Coleman and O’Connor, 2007).

(e) **Phase 5: Literature Comparison Phase**

The final step and the ninth step as well is make comparison between the emerged theory and the extant literature in order to indicate what is similar, different and why.
3.4 Data Collection

Triangulation is defined as the idea that the researcher should conduct more than just one thing in a study (Myers, 2009). In this study, we use two techniques to gather data by triangulating interviews data with data from published documents. Firstly, interviews data will be applied by semi-structured method with foreign business persons, marketers and managers who are working in Vietnamese environment. Secondly, documentary areas refer to relevant empirical research and published newspaper relating to Vietnam cultural dimensions. The following parts aim to describe how the interviewees will be recruited, how the design of research questions is, and the justification why we choose Vietnam case as well as how we use the source of documents.

3.4.1 Interviews

Data will be collected through interviews, one of the most effective data collections of qualitative methods by conserving with participants in order to know the interviewee’s perception without engaging in a reciprocal process (Dexter, 1970; Finn et al., 2000). The nature of interview method is to extract the broadest and greatest amount of information and approach to participants’ opinion. More specifically, one of the main types of interviews according to the use of semi-structured interview to allows seeking clarification of the questions.

Semi-structured interviews with foreign business persons, marketers and managers who are working cross-cultural in Vietnam will be conducted. Return to the crucial objectivity of this study is to enrich new categories and concepts of cultural dimensions having effect on the marketing plan for Multinational Corporations in Vietnam. Semi-structured interview, allowing new questions to be brought up during the interviews (Lindlof and Taylor, 2002), is dealt with marketers and marketing department directors in the international firm over telephone and online conversation. In semi-structured interview, the interviewer allows the interviewees the chance to take different thoughts and explore different paths into cultural elements having effect on their marketing plan in the past. The fundamental purpose of semi-structured interview in this study seeks to analyze and discover new cultural dimensions adding to the current theoretical framework of Vietnamese culture in the field of marketing. A research undertaken a Grounded Theory approach, we analyze, code and interpret data while it is being collected (Glaser and Strauss, 1967).
Researcher (or interviewers) plays an important role on one hand leading the respondents elicited their idea and on the other hand, interviewers should avoid influencing the interviewee’s response (Veal, 1997). In Grounded Theory, researcher is a central role required to be mindful and sensitive to what they bring and remove as well as how to organize and communicate a theory and its development from raw data to theoretical explanations of phenomenon (Bacharach, 1989). This term frequently associated with Grounded Theory named theoretical sensitivity that refers to a personal quality of the researcher relates to “the attribute of having insight, the ability to give meaning to data, the capacity to understand and capability to separate the pertinent from that which isn’t” (Strauss and Cobin, 1990:42). Additionally, data collection comprises of a number of case studies and each of these one involved a single interview. The interview were recorded and then transcribed, this way helps interviewer avoid losing information and enable better concentration on the conversations.

### 3.4.2 Target participants

In the fact that Grounded Theory method is not clear to determine the number and the type of target participants need to be interviewed in order to meet the research requirement (Coleman and O’Connor, 2007). Therefore, we described how to recruit the participants and their background requirements. The number of respondents will be limited until ‘theoretical saturation’ meaning not to appear any additional emerged codes.

The participants working in Multinational Corporations were gathered for this dissertation come from all over the world running into Vietnamese market, and they are operating in the various industries. Participants are from different functional areas of business with the majority being marketer and marketing manager. Interviewees can interpret with participants’ comments during interview and be allowed to discuss any other related idea not covered by interview. The initial participant was based on the initial challenges of penetrating business into Vietnam market. Theoretical sampling process was conducted at this stage in order to emerge theory towards later stages of the study.

### 3.4.3 Interview questioning

The design of research questions is semi-structured and open-ended questions which are taken the form of “informational, reflective and feeling” dialogue (Charmaz, 1990:1167). In the beginning of questions design deal with informational in nature of interviewees’ employment with the company and motivation to do
business in Vietnam. Subsequently, the questions of ‘Who?, Where?, When? and What?’ response data gathering. The ‘Who? Where? and When?’ questioning identified the temporal and contextual factors that constitute the range of the theory (Whetten, 1989). The ‘What?’ discussion sought identification and description of data and build the block of constructs (Douglas, 2006). In the later stage, in order to interpret the individual circumstance, reflective and feeling discussions were conducted preliminary in term of ‘How? and Why?’ structured question. According to Whetten (1989), these ‘How? and Why?’ questions reflect relationship among the emergent construct and provide theoretical rationales for phenomena through the identifications of causal relationship.

### 3.4.4 Documents

Along with interviews method, we provide some evidences from documentary sources such as web pages, newspaper record what some business man said or what consumers’ feedback happens. This step allows the researcher to contribute a richer picture rather than could be obtained interviews alone (Myers, 2009). We obtain data from documents as a supplement to interview source. We primarily capture the information from web pages concerned with cultural aspects of Vietnamese characteristic. The second public documents are captured from newspaper including interview records, critical statements as well as the feedbacks from audience around the cultural issues impact on the Vietnamese consumption behaviors.

### 3.5 Chapter Summary

In this chapter, we have described the research design of this research composing of identifying research questions and research methods. We began in detailed the reason why we choose Grounded Theory and Systematic Combining in particular as research methodology pertaining to the introduction and description of each step in conducting Grounded Theory. Process of Grounded Theory building developed by Pandit (1996) includes four main phases: research design phase, data collection phase and data ordering phase, as well as literature comparison phase which is similar to Systematic Combining approach. Coding process is the central stage in conducting Grounded Theory, refers to open coding, axial coding and selective coding in conjunct to theoretical sampling and constant comparison method. Additionally, we have introduced the method of our data collections involving triangulation data from semi-structured interviews and published documents. The criteria of target participants as well as the design of research question have also described.
CHAPTER 4

INTRODUCTION TO VIETNAM

4.1 Introduction

Vietnam, as a country, is a complicated in nature with a long-established and diverse cultural tradition on the basis of multi-ethnic culture. The difference in topographic structure, climate and distribution of Vietnamese population has created the local area on where consist of 54 hill tribes with their own distinct language, belief and cultures. All of colors of ethnic group create a Vietnamese multi-character country. Based on culture elements developed by Terpstra and Sarathy (1997), we provide eight elements: Language, Religion, Values and Attitudes, Education, Social Organizations, Technology and Material Culture, Law and Politics and Aesthetics elements in accordance with Vietnamese case in the following section 2.2.

Additionally, a thousand of year history along with the convergence of ancient culture and the colonization of China, France and USA, Vietnam has a shift in accordance with losing and added aspects into character of Vietnamese modern culture. Along with over a thousand years ago, China and Vietnam have a closely relationship in term of common historically, politically, geographic proximity and specially the basic of Chinese moral social behavior named as Confucianism. Nonetheless, the finding of Ralston et al. (1997), reflect the differences between societies of Vietnam and China consistent with Ronen and Shenkar (1985) model, language, religion and geographic proximity that we will explore in details as below. There is one implication of which Western Multinational Corporations should be careful is that this difference does exist.

4.2 Elements of Vietnamese culture

4.2.1 Language

(a) Verbal communication

Many languages are spoken but Vietnamese that is the official language in Vietnam, a Romanized language on the basic of the Latin alphabet, named as ‘Quoc ngu’ which was invented by corporation between some Vietnamese and Alexandre de Rhodes - a French Jesuit missionary whose Portuguese-Latin-Vietnamese
dictionary was published in 1651⁴. In late 19th century, publications were completed and published a significant cultural tool in the National language characters⁵ that boasts the advantages of simple figure, composition, spelling and pronunciation the modern Vietnamese prose was actually formed and then accepted positive influence from the Western cultural language. Actually, in the late 19th century when France invaded Vietnam, French gradually replaced Chinese as the official language in education and government; thereby the Chinese characters did not disappear until long after the adoption of Vietnamese.

Additionally, Vietnam is a multi-nationality country with 54 ethnic groups. The Viet (Kinh) people account for 87% of the country's population. There are other language spoken as well such as Chinese, Khmer, Cham and other languages spoken by tribes inhabiting the mountainous regions⁶.

Linguistic research, which offers a relatively reliable way of distinguishing the various ethnic groups of Southeast Asia, supports the mixed ethnic and cultural origin of the Vietnamese people. Although the Vietnamese language is distinct, it nevertheless can be described as a fusion of Mon-Khmer, Tai, and Chinese elements. From the monotonic Mon-Khmer language family, Vietnamese derived many of its basic words; from the Tai languages, it took tonality and a number of grammatical elements; and from the Chinese, who at that time were somewhat more culturally advanced than the peoples of the Red River delta, it acquired not only a script but also most of its political, literary, philosophical, and technical vocabulary.⁷.

(b) Non-verbal communication

In Vietnamese conservation, the action of looking into somebody's eyes usually means a challenge or an expression of deep passion, especially when this person is of a higher status (in age or in social or family hierarchy) or of a different gender. The proper respectful behavior is to avoid eye contact in talking who is not an equal or the same sex.⁸ The Vietnamese smile is another nonverbal symbol conveying the feeling of respect and all sorts of emotions, such as feelings of thankfulness, apology or the proper response to a compliment, from happiness to anger or even grief. For instance, parents and teachers never say thanks to their students for a small service, a smile will do instead.

---

⁴ http://www.vietspring.org/language/intro.html
⁵ http://www.vietnamembassy-usa.org/learn_about_vietnam/culture/languages/
⁶ http://www.kwintessential.co.uk/resources/global-etiquette/vietnam.html
⁷ http://www.tusy.com/Countries/vietnamese/origins_of_the_vietnamese_people.htm
4.2.2 Religion

Almost all Vietnamese people today categorize on their own as non-religious, even though they go to religious temples many times each and every year. The Constitution of the Socialist Republic of Vietnam formally allows religious freedom. Although most Vietnamese list themselves as having no religious affiliation, religion, as defined by shared beliefs and practices, remains an integral part of Vietnamese life, dictating the social behaviors and spiritual practices of Vietnamese individuals in Vietnam and abroad.

Vietnamese religions are brought from the outside and several earlier inherited religious groups, based on popular beliefs with the richness and widely variety of religions. According to the information from the webpage of Embassy of Vietnam in USA9, Vietnam is a multi-religious state, with more than 20 million believers, and more than 30,000 places of worship regarding to the major world religions. The earliest and largest foreign religion to be introduced is Buddhism becoming the major world religions in Vietnam. Historically, most Vietnamese have identified themselves with Buddhism. Catholicism was brought from European missionaries, is the most widespread Christian and second largest religion in Vietnam. Protestantism and Islam were introduced to Vietnam long time ago, but the numbers of their religious is not very widely and flourish. Hinduism, Judaism and Bahá’í Faith are three new religions granted operation registration certificates in addition to six existing religions. Beliefs and religions of the Vietnamese ethnic minority groups were also disparate from each other such as the Cao Dai and Hoa Hao.

However, the strong impact to Vietnamese people belief are profound from Confucianism that be considered as a social philosophy than just a normal religion10. It supposes a code of social behavior that man should live in harmony with society and achieve happiness and personal satisfaction in his individual life11. Confucianism is vividly seen throughout Vietnam in the Festival of the Arrival of Spring, the Mid-Autumn Festival, the Children's Festival and the Festival of Tet.

Confucianism has a powerful influence in the formation of Vietnamese society governing Vietnamese women are the obedience to father until married, the obedience to husband while married, the obedience to eldest son when husband is dead. The belief of Confucianism is starting to decline in Vietnam due to the openness of their developing society.

9 http://www.vietnamembassy-usa.org/learn_about_vietnam/culture/beliefs_and_religions/
11 http://internationalbusiness.wikia.com/wiki/Main_Religions_in_Vietnam
4.2.3 Social organization

The influence of Confucianism conduct Vietnamese society a highly organized hierarchical structure which emphasizes social order based upon age and status. Within social situation the oldest is greeted or served first or the head would be responsible for making family decisions and approving marriages. Everyone is seen as having a distinct place and role within the hierarchical structure, be it the family or workplace.

Vietnamese life revolves around the family, which traditionally is a large extended family providing mutual protection, psychological support, and a kind of economic insurance or social security for its members (Terpstra and Sarathy, 1997). The most important factor in the value system of the Vietnamese is the allegiance to the family. The family is the center of the Vietnamese common man's preoccupation and the backbone of Vietnamese society. By virtue of the principle of collective and mutual responsibility, each individual strives to be the pride of his family. Misconduct of an individual is blamed not only on himself, but also on his parents, siblings, relatives, and ancestors.

In unit of family, the father is the head of the family and it is his responsibility to provide food, clothing and shelter and make important decisions. Since the highest status in Vietnamese families is given to the man (father), he had absolute authority in the household. His position as provider for the family was unchallenged. Vietnamese woman had limited rights and took a secondary place in family. After marriage, woman became housewife and mother, who was expected to be dependent upon her husband, budgeted his income for the household, took care of children and even grandchilden, and performed all household tasks.

Regarding the outdoor relationship in common territory, especially in the countryside, Vietnamese often considered the neighbors as friends or relatives. They are get used to participating together in communal activities to enhance their relationship. Yet, recently in modern life in cities, neighbor relationship seems to fade away with time. However, it is not the whole picture, they talking and gathering together in street corners or in a market.

12 http://www.kwintessential.co.uk/resources/global-etiquette/vietnam.html
14 http://www.vietnamonline.com/culture/neighbours.html
4.2.4 Aesthetics

The Vietnamese are proud of themselves origin as belonging to the *Hong-Bang* family line and the *Tien-Rong* breed. *Hong Bang* was the name of a huge species of water-bird, *Tien*, or Fairy, was deification of an egg-laying species of bird, *Rong*, or Dragon, and was an abstract image of snake and crocodile). The ascending dragon that was born in the water is meaningful and special symbol of the Vietnamese nation.

The decorations on Dong Son bronze drums, generally agreed to have ceremonial and possibly religious value, depict the figures of birds, leading historians to believe birds were objects of worship for the early Vietnamese. Dragons were another frequently recurring figure in Vietnamese art, arising from the veneration of Lac Long Quan, a mythical dragon-king who is said to be the father of the Vietnamese people. The Golden Turtle *God Kim Qui Hoan Kiem* Lake was said to appear to kings in times of crisis.

One of a lot of traditional things in Vietnam yet deeply impress people from over the world is ‘Ao dai’, a fitted, full-length dress over the loose-fitting trousers. Ao dai is women favorite dress in traditional festivities or occasions, wedding or graduation. Unlike many other traditional costumes, “Ao dai” still remained popular and greatly influential in the modern day. 15

Bamboo tree and rice are a significant symbol in Vietnamese culture and daily life. Bamboo trees position themselves in the mind of Vietnamese people as an inspiration for cultural and artistic works16. Rice remains as indispensable element in the images of the Vietnamese traditional villages and culture. 17

Despite no way to Vietnam only, street vending is an essential part of city life, can be split into three types: those who constantly move around either by bike and on food, those have a stabe stand on a street and lastly and those who own a shop and expand their products on the pavement. 18 From the marketing view point, the action of street vendors is the remarkable distribution channel because they serve as informal agent in the local zone.

4.2.5 Education

The Vietnamese common man seems to have a great love for knowledge and learning. He seems to have particular respect and admiration for learned people. Learning is considered more valuable than wealth and

---

17 [http://www.vietnamonline.com/culture/rice.html](http://www.vietnamonline.com/culture/rice.html)
material success. Rich people who are not educated are often looked down upon by other people and they themselves feel inferior to learned people who are poor. Education represents the essential stepping stones to the social ladder and to good job opportunities. It is the prime force of vertical mobility in Vietnamese society.  

From 1918 until now, Vietnam’s education program has adopted the western educational system with three levels: elementary, high school, and college. At all levels, the Vietnamese National Writing (Quốc Ngữ) is officially used.

4.2.6 Value and attitude

Concept of respect

The Vietnamese common man is expected to show respect to people who are senior to him in age, status, or position. At home, he should show respect to his parents, older siblings, and older relatives. Outside the home, it is shown to elderly people, teachers, and other authority figures. This is expressed by obedience in words and action. Respect is part of the concept of filial piety. Outside the family, respect should be paid to elderly people, teachers, clergymen, supervisors and employers, and people in high positions.

In Vietnamese, special respect is conveyed by using function-words for respect. The verbal response begins with a function-word such as "đa", “thưa". Therefore the word "đa", often translated as yes, is actually a function-word showing respect and does not necessarily indicate agreement.

4.2.7 Technology and material culture

We can speak that Vietnam society is in the age of digital communication and internet. Government promulgated decision in encouragement the diffusion of internet into every zone through establishment internet connection in administrative agencies, academic center, and business center. According to report on internet statistics NetIndex of Yahoo and Kantar Media, 2011, users per capita are 42%. Based on database from website internetworkstats.com shows the growth rate of internet users in the period 2000-2009 is 10,88% which is higher ten times than recent emerging countries as China (1,50%) or Indonesia (1,15%). Cimigo, marketing research specialist, has also provided information (2010) that 2/3 of

---

Vietnamese users accessing internet daily\(^\text{24}\). These data provide insight effective digital marketing into implementing the online channel such as search engine, email, and social media.

In addition to greatly development of internet marketing, almost Vietnamese teenagers and adults have one to two mobile devices (Nielsen marketing research agency, 2009)\(^\text{25}\), thus mobile marketing through sending information to customers through mobile device is also considered as potential marketing tool.

Vietnam in the world twentieth century is the most populous nation has the fastest growing technology sector market. Annual IT spending in Vietnam was estimated at $1 billion and the market is expected to grow 25-30 percent a year through 2012 (Schwartz, 2002). According to Economist Intelligence Unit (EIU), 2007, Vietnam's telecommunications industry has experienced rapid growth in recent years.

### 4.2.8 Law and politics

Vietnam is a socialist republic, where real political power lies with the Vietnamese Communist Party in which party members hold virtually all executive and administrative positions in the government. Relating to marketing viewpoint, advertising law is governed and promulgated by Ministry of Culture, Sport and Tourism. Advertising law is not open and very restricted as we outline below:

- Ordering to be issued advertisement licensing takes much time.
- Area of printed ads, electronic and television are restricted.
- Not allowed to be contrary to historical tradition, fine habits and customs.
- Forbidding to use the national emblem such as flat, anthem, image of leaders.
- Language must be Vietnamese except international word cannot be translated into Vietnamese and is published in foreign language publication.
- The action of directly making comparisons with the other company in message content of advertisement are been forbidden, that is evaluated to be outdated versus global advertisement.
- Lacks of regulations determine where advertisement should be placed and how it impact on community.
- It is also controlled by Government inspectorate of culture.

---


4.3 Chapter Summary

Following eight elements of culture defined by Terpstra and Sarathy (1997), we have introduced characteristics of Vietnamese based on documentary sources and online sources. Vietnam is a country with the complex in nature with long-established and diverse cultural tradition on the basic of multi-ethnic culture. Vietnamese is the official language in Vietnam, as a Romanized language on the basic of Latin alphabet. In conservation, Vietnamese get used to using non-verbal language meaning face expression. Regarding to religion, Vietnamese are accepted to be non-religious civilian, however Vietnam is a multi-religious state with several religion in which Buddhism and Catholicism are most popular. The influence of Confucianism conduct Vietnamese society a highly organized hierarchical structure and the value of respect between them. Furthermore, Vietnamese love to learn, are proud of their origin, their emblem are also their characteristics. Along with the changing more and more of internet, the growth rate of internet Vietnamese users highly increase. Nonetheless, referred to business and marketing, law under Vietnamese policies is very restricted.
CHAPTER 5

DATA ANALYSIS

5.1 Introduction

Following after collecting data by semi-structured interviews, we start to analyze data based on Grounded Theory process. The description steps in coding process and the findings of emerged categories are the central ideas in this chapter. Each stage we show in the section 5.2 consisting of open coding, axial coding and selective coding as well as constant comparison method that are the critical connection between data collection and theory development. Until the theory has reached to saturation stage, the findings of theory are referred in the section 5.3 including nine emerged categories.

5.2 Data ordering

From the initial data collection, we make the order in which a series of interview happened including the general information of participants and their properties as in table 5.1, including their name, nationality and their job title pertaining to the name of company where they are working and the year when they started to work in Vietnam. As the requirements of target participants for this research, these interviewees are marketing lecturer, marketers or directors working in various Multinational Corporations and they have been staying in Vietnam for over one year.
### Table 5.1: Respondents and their properties

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Nationality</th>
<th>Job title</th>
<th>Name of company</th>
<th>In Vietnam since</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mr. Afonso Vieira</td>
<td>Portugal</td>
<td>Managing Director and Head of Investment Management</td>
<td>Total Wealth Management Pte Ltd.</td>
<td>2006</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Albert Difilippantonio</td>
<td>American</td>
<td>Director</td>
<td>Asia-biz.biz</td>
<td>2006</td>
</tr>
<tr>
<td>3</td>
<td>Prof. Corazon R. Carvajal</td>
<td>Philippines</td>
<td>Marketing lecturer</td>
<td>Raffles Education Corporation Limited</td>
<td>2008</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Mohalam Gonoux</td>
<td>France</td>
<td>Executive Management Board</td>
<td>Golden Key Corporation</td>
<td>2001</td>
</tr>
<tr>
<td>5</td>
<td>Mr. Lorenzo Martelli</td>
<td>Italy</td>
<td>Marketing assistant</td>
<td>Dezan Shira and Associates</td>
<td>2011</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Jeff Chen</td>
<td>China</td>
<td>Director</td>
<td>Hon Chuan Vietnam Co., Ltd.</td>
<td>2008</td>
</tr>
<tr>
<td>7</td>
<td>Mr. Fel Rodolfo</td>
<td>Philippines</td>
<td>Director</td>
<td>TVC Film</td>
<td>2006</td>
</tr>
</tbody>
</table>
5.3 Coding procedures

Coding is the central process by which theories are built from data makes Grounded Theory different from other methods of analysis. This stage is the critical linkage between collecting data and developing an emergent theory to explain these data. Coding has been identified as the initial analysis activity for establishing categories. Likewise it is more than a beginning; it shapes an analytic frame from which we create the analysis (Charmaz, 2010). Coding involves in three subcomponents—naming, comparing, and memoing (Egan, 2002). In the following section, the data analysis process, we present three major steps of coding: open coding, axial coding and selective coding.

In this study, in order to stay close to data, keep codes short and analytic, we apply the guidelines suggest how to do coding is the software package QRS-NVivo. It can be applied to facilitate many key processes and steps in Grounded Theory approach. Hutchison et al. (2010) demonstrated how the functions of QRS-NVivo can facilitate many aspects of the Grounded Theory process from “the design and early sampling procedures, through to the analysis of data, theoretical development and presentation of findings” (Hutchison et al., 2010:1).

5.3.1 Qualitative Research Software NVivo

Along with the development of computer technology, a range of software packages applied to analysis of qualitative data is gradually increased. Nonetheless, the use of computers is not intended to replace the ways people learn from data and reduce time-consuming, but can be greatly enhance the effectiveness of data (Bazeley, 2007). The software package NVivo can help the analysis and grounded model in the data beyond description of phenomena (Bringer et al., 2006). It assists the researchers to manage data and ideas, to show concepts with graphically model as well as to make a report from data. Specifically, Hutchison et al. (2010) provided how the various functions and techniques of NVivo relate to different Grounded Theory processes to contribute an emergent theory. They deeply demonstrated how the NVivo software facilitates many of key characteristics of Grounded Theory approach.

Creating a memo structure helps to manage a research diary of Grounded Theory process including the ongoing theoretical development, all sampling and analytical decision made. Hutchison et al. (2010) recommended that we should initially create a research diary which consists of research activities in
detailed record all applicable information in order to make sampling decisions easily in agreement with Grounded Theory approach.

Importantly, the incorporation of relevant literature on the different methods into Grounded Theory “can be reviewed and imported into NVivo where they could be compared to allow for an appropriate purposive sampling strategy to be identified” (Hutchison et al., 2010:288). This process of incorporating literature facilitates to keep track of the use of literature resources and sampling procedures.

NVivo also facilitates the most important process, coding, by creating of nodes, which provide storage areas in NVivo for references to coded text (Bazeley, 2007 and Hutchison et al., 2010). This software also allows nodes to have more than one branch within a more general concept named as free nodes and tree nodes. Some more advanced techniques are employed to develop emergent concepts, to link categories and its subcategories together in the later stage of coding process is matrix, sets and model of nodes. We will refer each technique along with data analysis process in Grounded Theory in the following section.

5.3.2 Open coding

Conceptualizing data we have gathered becomes the first step in analysis, by breaking down and conceptualizing apart interview and give each ideal a short name represents a phenomenon (Strauss and Corbin, 1990). During initial section of coding, the purpose is to remain openness to all possible theoretical directions from our reading of the data and then develop the closest categories in large confused data. The most useful way to create codes is to determine what we see in the data followed by interacting with data again and again and ask many different questions of them.

The first set of data from the first interview transcript was fractured and indentified coded sections. Taking advantage of NVivo software packages, every time when we broken down the bunch of data from interview transcript, we stored a type of code, concept or category as a ‘node’ to represent it and the relevant text that related to that concept (Hutchison et al., 2010). Inside of Nvivo software, line-by-line coding and allocates codes to the text is also the first step we applied in process of coding means labeling each line of our data document (Glaser, 1978; Charmaz, 2010). At first, we used ‘free nodes’ which did not represent any relationships or connections for data are illustrated in figure 5.1.
During the open coding stage, we created a new memo for new nodes and linked memos to facilitate analytical thinking. The second interview was coded in the same process as the first one which generated a set of codes compared to the second one. The subsequent sets of data were proceeding in the same way.

In order to explain this step, we illustrate the emerging of category named ‘the value of family and kinship system’.

**Interview statement**: I think in my opinion, sticking with traditional idea of family, family, family, in endorsing a product is too much and can be considered cultural obstacle.

**Keyword**: family greatly endorse a product

**Node**: Individual decision relating to family

### 5.3.3 Constant Comparison Method

We keep breaking the data down, explore the new and potential codes underlying ongoing interview. For the purpose of finding out the similarities and the differences, the next step is to compare and revise arising codes against the codes from same or the other interviews at different times and places. We made comparison group of ‘family core’ codes again to produce units of higher level, called concepts namely ‘Individual decision relating to family’ in the last.
5.3.4 Axial Coding

The stage of axial coding relates to the development and making connections between major categories which its properties and dimensions are specified. In order to sort, organize and bring the large amounts of data back together again, axial coding is conducted after open coding stage (Creswell, 1998 and Charmaz, 2010). The consequences of questions such as ‘When?, Where?, Why?, Who?, How? and What?’ are executed to describe relationship between categories on a conceptual level (Strauss and Corbin, 1998).

In the previous stage of NVivo analysis, we caught ideas from data and created ‘free nodes’. In order to develop our coding in conjunction with sorting and connecting both related existing and new nodes, we start organizing them into hierarchical structure as ‘tree nodes’ illustrating in figure 5.2.

For instance, we focused on the use of procedures toward discovering and relating categories namely ‘Value of family and kinship system’ in the light of the paradigm model. The model suggested by Strauss and Corbin (1998) enable researcher to think systematically about data and to relate them in a very complex way. In other words, the causal condition is that ‘teenagers depend on their parents when make decision to choose university’, we got the consequences of ‘the importance of parents decision within family’ concepts. The number of concepts must be grouped around phenomenon in data. We keep doing
this stage to create more new concepts consisting of ‘role of woman’, ‘decision of parents’, ‘kinship relationship’, ‘neighbor’. These similar underlying concepts are given the same conceptual label at a higher, more abstract, level as category as ‘Value of family and kinship system’, as shown in Figure 5.3. This process was applied again and again every time a new category emerged or there are changes and new subcategories within categories.

Figure 5.3 - The emerged category “Value of family and kinship system”

5.3.5 Core category

The first step in selecting code process is deciding on a central category. The core category is “the central phenomenon around which all the other categories are integrated” (Strauss and Corbin, 1990:116). For identifying the core category, Glaser (1978) suggested several standards that it must be central; must appear frequently in the data; must be related meaningfully and easily to the other categories and its properties; and must be able to account for most variations as well as the main point in data.

The central idea passed along the stage of data collection and coding is to determine which aspects of cultural environment impacting on the marketing strategy for international firm. The notion of core category
consists of all the result of analysis “condensed into a few words” and should be another more abstract term evolving out of the listing of existing categories (Strauss and Corbin, 1998:146). We decided to choose the core category “Culture of Vietnamese consumption decision” that fixes all above criteria and seem to explain what the salient research problem is.

We sometimes confused to identify two central themes from our data: “cultural environment impact on marketing plan” and “culture behavior of Vietnamese consumer”. It is a challenge for researcher in applying Grounded Theory approach concerning the near core categories. Considerably, we investigated and interviewed data in accordance with the cultural aspects of Vietnamese characteristics which could be impact on defining consumer behavior for marketing plan. Consumer behavior concerned with cultural aspect is the main issue and reason why we chose “Culture of Vietnamese consumption decision” for core category. Strauss and Corbin (1998) suggested a technique that makes this term more easier is to select one idea as the central category, especially for beginning analysis, and then to relate the other categories to the central phenomenon.

5.3.6 Selective Coding

The stage of selective coding is the process of refining and providing the overall theory theme by illustrating the relationship between categories. After collecting and analyzing data for a long time, we are now integrating categories to form a Grounded Theory. The task of integration refers to a higher more abstract level of analysis that is not much different than axial coding step. Several techniques can be deployed to facilitate the integration process including telling or writing the storyline, using diagrams, sorting and reviewing memos and using computer programs.

We employed the techniques concerned with drawing diagrams of relationship from reviewing memos and nodes in NVivo software. When reviewing and sorting through memos, some researchers attempt to locate the concept or category that is similar to previous literature or knowledge. Strauss and Corbin (1998) argued that this is not their usual approach, they encourage researcher to be more creative and provide their own thought on name of particular categories, its properties and dimensions.

Consequently, from the last two interviews, we realized that the action of gathering data not emerged new theoretical categories as well as its properties grounding the core categories. The major opinions from interviewees are the same pattern of ‘the importance of family value’ and ‘some cases of business failure
because of culture misunderstanding’. It’s true that the repetitions of these events or statements are not led us to stop gathering data; it seems to be nothing new happening. Strikingly, categories seem to be saturated.

### 5.4 Emerged categories

Once no new properties of the central phenomenon had emerged and the theory had reached to saturation stage, we begin inter-relating the processes of sorting, diagramming and integrating our memos. Creating memo is an important process to capture all thoughts and statements relating to category. Each memo on each code, each concept and each category allow us to generate ideas of the writing draft. Therefore, when every idea about the emerging category and their relationship arise come to our mind, we immediately write down. We show a sample of memo on “value of family and kinship system” in figure 5.4.

![Figure 5.4 - A sample of memo on “value of family and kinship system”](image)

Additionally, we subsequently write down all memos relating to each code, concept and category and start to compare these codes together in order to sort and integrate categories. We draw a few models and diagrams in NVivo software to connect them together and consider how these codes fit logically together. For instance, we found out the subcategories relating to the respect for older people within a family as “respect for older people” undertaking the category “value of family and kinship system”. We consider creating the best possible position for this subcategory which seems to be the dimension of subcategory.
“respect for authority” regarding the distribution of power within Vietnamese society as. At the end, we decided to distribute this subcategory fit to the subcategory “respect for authority” underlying the category “Hierarchical social structure”.

Sorting and diagramming process provide us the emerged categories grounding the cultural dimension of Vietnamese consumer shown as figure 5.5 in which each emerged categories are drawn pertaining to its underlying sub-categories. We also bring the illustration of theoretical categories from literature review part to here, in the figure 5.6, for the purpose of giving the insight into the development and emergence of new categories from theoretical categories. In order to see clearly visible, in figure 5.6, we fill the shape with a gray color for which of theoretical categories followed by its property were appeared in the last semi-structured interviews, from which several new categories have developed in our findings. We will discuss more detailed these points in next two chapters.
Chapter 5 – Data analysis

5.5 Chapter summary

The very first list of interviews questions which were derived from theoretical categories is utilized to have the first set of data. These data were analyzed by breaking down and conceptualizing apart from interview give each ideal a short name represents a phenomenon. With the support of software package QRS-NVivo, we facilitate the key steps of coding in Grounded Theory approach. Step by step, when each new category and its properties are emerged, we began to naming, comparing and integrating in order to form a new
theory until reaching saturation stage. During analyzing data from semi-structure interview, there was some evidence of interview answers involving in theoretical categories from which several new categories are developed to be suitable for the aim of this research. Consequently, there are some categories developed from theoretical categories and some emerged directly from interview data. Finally, we found out emerged theory including nine categories impacting on marketing in Vietnam environment: *Value of family and kinship system, Trust building, Master over nature, Maintaining traditional beliefs, Hierarchical social structure, High context of communication, Face orientation, Independence of new generation, Self-reliance.*
CHAPTER 6

DISCUSSION OF EMERGED AND THEORETICAL CATEGORIES

6.1 Introduction

The following chapter will present our discussion on the dimensions of Vietnamese culture influencing the marketing strategy across countries for Multinational Corporations. The result of our Grounded Theory presents the culture of Vietnamese consumption decision and its dimension in which the multinational firm must revised their marketing strategy in order to adapt Vietnamese environment. We show in each section our model of core category “Culture of Vietnamese consumption decision” and the emerged categories pertaining to theoretical categories around it. Moreover, we will explain in more detail each of emerged properties surrounding these dimensions in conjunct with the selected citation which are taken from interview transcript refers to which of theoretical categories.

6.2 Culture of Vietnamese consumption decision

Many Multinational Corporations bring the similar marketing strategy employing in Vietnam market and somewhat receive the failure. At the stage of starting new business in a new country as Vietnam, an international marketer requires a basic awareness and knowledge of culture, to which is the primary factor that company must be considered and faced, early affect Vietnamese’s perception and their buying behavior. We derived the core category namely Vietnamese consumption decision from theoretical aspects of culture and international marketing, since it is the most significant step in the process of consumer buying decision observed as close relationship with cultural and social value. According to Shaw and Clarke (1998), the degree of cultural influences on local consumption behavior is an essential part to decide success or failure of Multinational Corporations who are continually expanding their activities across geographical scope. Increasing numbers of marketing researchers emphasize whether consumer decisions are individual or group decisions and whether both of them are influenced by the culture to which they belong (Mooij, 1998; Mead and Andrews, 2009; Kolter et al., 2005). These patterns can change the implication of marketing strategies on product, price, promotion campaign and distribution channel. Consequently, our Grounded Theory focuses on cultural dimensions of Vietnamese consumer behavior and
their buying decision being distinct from the other. Clearly, figure 6.1 generally including the result of new core category and its underlying categories emerged by grounding data from interviews.

Figure 6.1 - Culture of Vietnamese consumption decision and its underlying categories
6.3 Nine underlying emerged categories

6.3.1 Value of Family and Kinship System

The initial and foremost value in Vietnam societies, extremely recognized many times by almost respondents, is the system of family and kinship. The relationship within family and kinship networks has been importantly remaining in Vietnam today’s society. Vietnamese “give special attention to the importance of family” (Carvajal, Lecturer, Philippines) and “make individual decision toward their group decision” (Vieira, Director, Portugal). However, it is also the issues that international marketer must encounter and pay highly attention to “sticking with traditional idea of family, family, family, in endorsing a product is too much and can be considered cultural obstacle” (Rodolfo, Director, Philippines).

Existing cultural frameworks highlight the relationship between people in which individuals generally take precedence toward group decisions and interests named as collectivism property (Kluckhohn and Strodtbeck, 1961; Hofstede, 1980; GLOBE, 2004). As the result of interviews referred above, they inclined towards familism, being one of three subtypes of collectivism, indicates the dedication of one’s life to their family, taking its interests precedence over individual’s aspirations (Realo et al., 1997; Vadi et al., 2002). Hence, our research strongly supposes an appropriate dimension namely the value of family from which the full image was contributed from several attributes we will refer as following.

A network linked among Vietnamese is still included the extended family, relatives and evenly their neighbors who live in the same village. Family ideally bases on a husband as leader, his respective wife who has the main role in household and familial funds, their children and evenly their parents. The situation between intergenerational links is almost existed in a wide number of Vietnamese families. They live, work together in the same house, and the reality is that a child still relies much on his parent and family decision in his life. These concepts are joined into five underlying sub-categories from which we create the emerged category “Value of Family and Kinship System”, as shown in figure 6.2.
Figure 6.2 - Value of family and kinship system dimension from underlying subcategories

For most Vietnamese, family means the principal cell of society, the fundamental value of social development. Familial culture, an integral part of Vietnam culture, is a system of standards and values to adjust behavior of familial members and their relationship with society. Although the world has been gradually changed, each generation seriously preserve culture of family traditions and appreciate great affection toward their family. In Vietnamese notions, we can argue that each individual believes and keeps the building of relationship between members of circle organization: the extended family, relative and neighbor. As the result of familial notion in thought and character, Vietnamese always take into account the other member of family in case of making essential decision. “The reason is that Vietnamese always rely on kinship and family consultant. It is said that the value of family has greatly effect on individual decision both social and personal issues” (Difilippantonio, Director, America).

On the contrary to Western countries, when Vietnamese children grow up to adult, they still live with and receive money from their parents until graduating from college or university, later getting a job. Regardless of marriage, Vietnamese occasionally have attitude toward the decision of their parents as mandatory and necessary. “When I asked my students who decided for their school, they said . . . their parents, even if some of them are married already, their parents also intervene with their decisions” (Carvajal, Lecturer, Philippines).
Finally, Vietnamese woman, probably the wife, mother and daughter in law, have the closed connection and the great influence to family. “I believe that there will be remarkable changes on the role of women in society” and “the image of mother is still there and also family relationships” (Carvajal, Lecturer, Philippines). They have responsibility for family economic as well as the linkage between members of family. Because of durable stability in long-term history, the image of wife is fully faithful to her husband; the mother sacrifice to her children and the daughter-in-law follows her husband’s family.

All of the above citations and discussions have explained the producing of first dimension namely “Value of Family and Kinship System” from the happened interviews data and the existing theoretical category. Our research found that family is the most important value of Vietnamese organization, is theoretically suitable for collectivist relationship between people. This finding shows the significance of family and kinship toward oneself thought and action in which they appreciate the role of woman in family and take personal decision into account their familial member, especially their parents.

### 6.3.2 Trust Building

We proposed the category labeled as ‘Trust Building” representing the way Vietnamese develop trust among them as well as with the outsiders. This category came from interviewees’ experiences relating to how they want to be friend and establish a successful business relationship with Vietnamese. Actually, Vietnamese “don’t trust people outsider” (Difilippantonio, Director, America) and “I advice to any company approaching to Vietnam ...don’t business alone! You should find local partner to explore market, have to be careful to select partners because they don’t believe in foreigner at all and emphasize long lasting business relationship” (Vieira, Director, Portugal). We continually explore several additional underlying properties, supporting to emerge “Trust building” dimension, are illustrated in figure 6.3 comprising the beliefs of Vietnamese in personal relationship, in physical things and less trusting foreigner as well as the importance of information search.
Vietnamese greatly appreciate personal relationship and inconsiderably believe in foreigner in social interaction, particularly business relationship. Almost foreigners and expatriates argued that Vietnamese have less trust for them in general and greater trusting toward them together. Understanding to establish personal business relationship with Vietnamese partners is important matter for expatriates who want to develop business in Vietnam. In order to conduct business to be successful, the environment of trust and getting acquainted with business partners are fundamental. “I give you an example. When I’m a salesman, your partner look at me...not my company, I mean if they have loyalty to friend, to salesman!” (Vieira, Director, Portugal). Other citation from Mr. Chen (Director, China) “As you know, my customer is manufacture firm, I mean a big customer (…), so that I focus on friendship and ....always in the attitude of acceptance”. Consequently, in every circumstance, if you are friend of Vietnamese, they will pretty trust you. “Once Vietnamese persons trust each other, become friends, it will be long relationship forever” (Vieira, Director, Portugal).

In addition to the perception of having trust in the other people, Vietnamese doubt the things which are not viewed by their own eyes, mean that to require seeing the physical object when making decision. “I still believe that most Vietnamese would want to purchase products if they see the physical objects or the store” (Carvajal, Lecturer, Philippines) and they “look for carefully when they buy product, make sure they know product” (Difilippantonio, Director, America). In almost sense, Vietnamese define that they would certainly believe nothing that independently exists as physical object which they did not see quite clearly. One more
point here, it is said that Vietnamese are fairly careful with gathering information before deciding doing something. “When we approached, we have a lot of workshops and meetings to explain a lot. Because we offer a service, is very new to market” (Vieira, Director, Portugal). They continually check and confirm what they heard before by searching information in many places.

It can be concluded that our research on this category which is not derived from theoretical categories suggests the course of Vietnamese action in trusting each other, with the other people and the things in their society. In order words, the questions of whom they have confidence in and what they believe, they can rely on are extremely meaningful to the people, the firm who have approached to Vietnam. Addition to less trusting on expatriate whom they want to particularly create a business, Vietnamese differently address personal relationship in social interaction and business transaction. Before making buying decision, Vietnamese consumers take a lot of time and attempt to obtain a given product’s information and see product in physical object.

### 6.3.3 Master Over Nature

Along with the changing natural and social environment in the modern world, Vietnamese always try to seek the opportunity to change their environment in order to progress their personal interest. During several happened interviews we have discussed the attitude of Vietnamese adaption toward their cultural environment basing on man-nature orientation category suggested by Kluckhohn and Strodtbeck (1961) selected from our integrated theoretical framework. “They start accepting new ideas and embrace changes” (Rodolfo, Director, Philippines); “...Vietnamese accept new innovation product but they need to have good information of product” (Gonoux, Executive Management, France), and “...it’s not that difficult because it’s a really ...‘easy’ country for expatriates to live” (Martelli, Marketing Assistant, Italy) are the most typical results from participants of exploring Vietnamese mastery over nature. Their love for knowledge, effort to change the way of living, easily to accept new things and the responsibility to social world are the strong signs to say that their belief is toward adapting and controlling their nature. We found in figure 6.4 the four underlying sub-categories which are clear evidences to argue that Vietnamese people have responsibility to control their nature.
Over the course of time of trying to seize independence, Vietnamese started to renovate their country and change the way of their living. Therefore, they easily go along with the new things, allow foreigner to join their country. Our respondents stated that Vietnam is an open country which is not difficult to adapt despite they had not have awareness of Vietnamese culture before. In particular, Vietnamese has willingness new products or innovative products that the market offers, for instance “I noticed that Vietnamese people are so fast in coping with the new trends and accepting new things in the market.” (Rodolfo, Director, Philippines).

One more underlying characteristic supports to this category is that Vietnamese seems to have a love for knowledge since they realized that learning is the best way to shift quickly their living. “Vietnamese... he seems to have a feeling of ...special respect for learned people. I think in society today, learning in particular way is ...more valuable than wealth and other success” (Chen, Director, China). Most of Vietnamese family encourages their child and the other members taking their best effort to get university or college degree on the purpose of advancing their living and having a position in society.

Furthermore, one interviewee had recommended to “social responsibility is also the ‘in thing’ in advertising” (Carvajal, Lecturer, Philippines), from which we supposed that Vietnamese tend to have greater responsible for their society. In more and more modern and advanced life, they take more responsible for their society, nature as well as environment. They realized the importance of healthy, the responsibility for
society and nature, the reservation of environment lead them to advance their interest by enhancing the participation in building community.

The consequence of grounded interview data in our research was referred to theoretical category namely Master Over Nature suggested by a number of cross-cultural researchers. Four underlying evidences grounded to our emerged category are typical way of living and behaving to accept new arrival things in accordance to their aspiration, responsibility for knowledge and society. Our research shows that Vietnamese are always forward moving progress to develop and advance their personal or group interest in a number of particular characteristics.

### 6.3.4 Maintaining Traditional Beliefs

This dimension refers to the nation spirit of Vietnamese in maintaining the traditional culture in the period of international integration. Although the development with great speed of technology and scientific, Vietnamese are still preserve, inherit and develop the traditional value through a long time. They still “keep in mind their history or the ...high spirit of Vietnamese through long time” (Carvajal, Lecturer, Philippines), “the habit of giving is somehow similar to Chinese tradition during Lunar Year holiday” (Rodolfo, Director, Philippines). We able to attach these underlying concepts to theoretical property of time orientation (Kluckhohn and Strodtbeck, 1961; Hofstede, 1980; House et al., 2004) namely past-oriented from which people focus on the past, on preserving and maintaining traditional teaching and beliefs, yet Vietnamese are seeking new ways to advance their interest according to master over nature dimension (in section 6.3.3). As a result, our research proposed the category of Maintaining Traditional Belief which is the most appropriate for these ideas is emerged from four underlying properties of inherited traditional beliefs consisting of Vietnamese national spirit, celebration of traditional festival, the taboo of sex and the distribution channel of products, as figure 6.5.
“Even if multi-national companies hire foreigners for key positions, the Vietnamese clients are still Vietnamese in so many ways: like acting, wardrobe, setting, and concepts” (Rodolfo, Director, Philippines).

In a detailed way, Vietnamese are always proud of their spirit struggling invasion throughout the thousand years of historical time. The significant symbol and sign representing their origin, the image of national founder and the pride of marvelous nation are ingrained deep into Vietnamese blood. These national identities are deeply embedded in Vietnamese thought and attitude toward their national achievement and cultural inheritance.

Similarly, the inherent of traditional festival such as Mid-Autumn Festival, Tet Holiday are continued to the modern life nowadays. “The habit of giving i think is still being practiced by most Vietnamese just like during Tet holiday birthday, wedding, teachers day” (Carvajal, Lecturer, Philippines). Our research suggests the presence of traditional festival in this dimension for its significance to many fields in social and economic life. In recent years, despite there exists the integration of some holiday from Western that traditional festivals are the biggest and most important value within Vietnamese people. In these holidays, Vietnamese have a habit of giving each other the lucky things such as money and gifts.

Besides consistently maintaining of traditional values, there seriously exists the difference perception of sex between Western and Vietnam in general. Specifically, we can argue that sex is taboo in Vietnam cultural custom “because sex is still a taboo in their culture” (Carvajal, Lecturer, Philippines). It does not allow Vietnamese to do, directly talk and evenly allude to a physical activity of sex and evenly in public place. In

---

Figure 6.5 - Maintaining Traditional Beliefs dimension from its underlying subcategories

- Festival
- Taboo of sex
- Vietnamese national spirit
- Goods exchange channel

Maintaining Traditional Beliefs
fact, sexual restrictions have been legally implemented by Vietnamese government apply to the field of advertising marketing.

The last underlying concept in this dimension, it is said that despite the development of large department store, street vending and small store are the essential part of city life. Vietnamese “don’t highly appreciate the existence of department store like Vincom, Parkson and other expensive store” (Carvajal, Lecturer, Philippines) and “I can see that instead of rarely finding vending machine in street, we can buy everything everywhere from human vending” (Martelli, Marketing Assistant, Italy). Street vendors can be split into three types: those who constantly move around either by bike and on food, those have a stable stand on a street and lastly and those who own a shop and expand their products on the pavement. The products “are being distributed through small shops all over the corner of city” (Carvajal, Lecturer, Philippines).

Finally, this section has described the emergence of Maintaining Traditional Beliefs from theoretical categories and cause of interviewees’ opinion grounding the preservation and inheritance of Vietnamese people in modern life. Addition to keep a building Vietnamese national spirit, traditional festival over a long period of time as well as restriction of sexual conservation and activity, one significant product distribution called street vendors still live every corner in difficult competitive situation nowadays.

### 6.3.5 Hierarchical Social Structure

The result from the respondents who have lived more than 5 years in Vietnam, stated that Vietnam society are still organized as hierarchical structure which emphasize social order based upon authority and status. “The influence of ...old religion and beliefs conduct Vietnamese society organized hierarchical structure ...emphasizes on social order” (Chen, Director, China). Basing on the cultural dimension developed by Hofstede (1980), high power distance society is high degree inequality power determination in which society divided into classes and power is seen as providing social order, we refer to this developed category labeled Hierarchical Social Structure from two underlying concepts (shown in figure 6.6) suggested by interviews data. The reason we have not been selecting High Power Distance category from existing theory is that our data were used enough to conclude Vietnamese society are still relying upon social status and age, not strong divided into high degree or low degree of inequality.
Today, the position of Vietnamese people in society “is still based on income, age, status in life, and economic situation” (Carvajal, Lecturer, Philippines). They have great respect for authority in family and society as well. Particularly, in unit of family, the elder as father and grandparents are respected by younger members as children. In school and university, students have a feeling admiration for their teacher because of their dedicated teaching. In social relationship, everyone must be polite toward the elder people everywhere and every time. The interviewees additionally realized in business organization as “managers who have power to make purchase decision, CEO or CFO, HRM are very important to make decision” (Vieira, Director, Portugal). When employees suggested the idea or opinion, they need to convince the management board with a lot of effort. Nevertheless, at the end of purchase decision, management board is still affect the result of business establishment. Consequently, despite its presentation is one theoretical consideration namely high power distance, our finding stresses Vietnam is that high context culture consolidated from the data proved that society bases on classes and social, so that we decided to create Hierarchical Social Structure dimension of Vietnamese culture impacting on the marketing strategy for Multinational Corporations.

6.3.6 High Context of Communication

From the finding of Vietnamese character is that to normally use non-verbal language and establish the long lasting relatively relationship, we said that Vietnamese is high context country basing on definition of communication context developed by Hall (1976, 1990) from our suggested theoretical categories. This
category explains the way Vietnamese communicate each other basing much on non-verbal language and personal relationship as figure 6.7:

“body language of service providers is important in sales transactions and particularly in the South of Vietnam: actually review what they’re thinking from body language, facial expression. And in the North is different, difficult to recognize” (Vieira, Director, Portugal).

Figure 6.7 - High Context of Communication dimension from its underlying subcategories

“body language is very strong in Vietnam”, “non-verbal communication is always important” (Carvajal, Lecturer, Philippines), are one of the most response from interviewees. In fact, the body language and facial expression of the Southern people actually reflect what they are thinking and conversely to the Northern people. The facial expression of the North is very difficult for foreigner as well as the South of Vietnamese to understand. “In Vietnamese conservation, when I'm looking into somebody’s eyes usually, it will be many different meaning of an expression of challenge or deep passion” (Chen, Director, China). Furthermore, Vietnamese believe in their long relationship as family and friends. Our result indicates that Vietnamese want to retain their close relationship as long as good and seem to be not break over.

6.3.7 Face Orientation

Face Orientation is the free category, which was not emerged from another underlying property, represents the high protection of good appearance of confronting the other member of society. They are willing to hide their bad side characteristic although it is not valuable for their advantage. Likewise, Vietnamese try to have
valuable product on their own hand with the price which is bigger than their earning. Contrary to pragmatic lifestyle of Western people, Vietnamese always avoid to directly mention to money in social relationship. Furthermore, in business area, the awards from which organization encourage its employees’ performance are not usually the cash gift, but the material gift instead. For instance, the habit of gift giving is the best mean to build and establish friendship and business relationship:

“Our company cannot give the commission, money to someone help us close the deal, give gift instead. Before doing business in Europe, they were equal 40 years ago. It’s characteristic of nationality, culture. Corruption, pay 20% of revenue of business to one or two persons who are decision makers” (Gonoux, Executive Management, France)

6.3.8 Self-reliance

Along with the development of the modern life, Vietnamese try to master the relationship between them and environment. Nevertheless, one important point is that they still rely on themselves. In other words, they tend to abandon complaining about their bad situation, they try to save themselves. Collecting from interviewees’ opinion regarding this situation, we decide to stick Self-reliance category to Vietnamese cultural characteristic that international marketer should be pay much attention to. We can understand this situation in case of Vietnamese because their familial environment is essential to grow them up and educate their character. Most of Vietnamese only show their problem to public and legal situation if it is really serious. Expatriate easily realized that characteristic of Vietnamese basing on the social service:

“I noticed that in some supermarket I’ve been to here in Ho chi Minh, I don’t see any customer service that seriously addresses the problems of customer complaints. Sometimes the expats or foreigners don’t even complain, they just tell that ‘come on this is Vietnam’” (Gonoux, Executive Management, France).

6.3.9 Independence of New Generation

We separated this dimension labeled Independence of New Generation from the above category because new Vietnamese generation is growing and raising new demand and behavior to marketer. In Vietnam, nowadays it is critical to recognize that young people are more independent and self-confident with the open and modern mind. Most of respondent from our interviews indicate the emerged classification of young people who are different thought and feeling to the previous generation:
“new generation now is becoming highly educated, and as far as research is concerned, the more educated customers are the higher expectations they have from the products and services that they buy” (Carvajal, Lecturer, Philippines)

6.4 Conclusion of emerged and theoretical categories

In order to develop and explore completely new things basing on Grounded Theory methodology, the researcher should necessarily consider phenomena under theoretical framework. From the first stage of Grounded Theory building process, we had emphasized the review of technical literature to define research questions and priori constructs and subsequently created a cultural theory model consisting of five crucial categories from integrating six existing cultural framework (in table 2.7). As the result, our emerged theory composes nine cultural categories of Vietnamese consumption decision in which several emerged categories presented by interviewees are similar with theoretical categories. In table 6.1 we consequently present description of our emerged categories and make connection of each category under which of theoretical category. The table row of our category emerged from data, not from existing theory will be blank in subsequence.
<table>
<thead>
<tr>
<th><strong>Emerged Categories</strong></th>
<th><strong>Under theoretical Categories/Properties</strong></th>
<th><strong>Authors</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value of Family and Kinship System</strong></td>
<td>Relationship between people/</td>
<td>Hofstede (1980)</td>
</tr>
<tr>
<td>Family and relative ties are still remained importantly and strongly in modern society by living close together and taking decision depending highly upon their other familial members’ decision.</td>
<td>Collectivism</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td><strong>Trust Building</strong></td>
<td>Man-nature orientation/</td>
<td>Kluckhohn and Strodtbeck (1961)</td>
</tr>
<tr>
<td>The attitudes of Vietnamese towards building social and business relationship as well as the belief in the others</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Master over nature</strong></td>
<td>Master over nature</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td>The attitude of Vietnamese people towards natural and social environment is to seek the opportunity to advance their nature in order to progress their personal interest.</td>
<td>Individuals value getting ahead through self-assertion and seek to change the natural and social world to advance personal or group interests</td>
<td>Schwartz (1992)</td>
</tr>
<tr>
<td><strong>Maintaining Traditional Beliefs</strong></td>
<td>Time orientation/</td>
<td>Kluckhohn and Strodtbeck (1961)</td>
</tr>
<tr>
<td>Preserving, inheriting and developing the traditional value moved continuously on time and generation are essential in Vietnamese today’s life.</td>
<td>Past-oriented</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td><strong>Hierarchical Social Structure</strong></td>
<td>Time orientation/</td>
<td>Hofstede (1980)</td>
</tr>
<tr>
<td>Hierarchical structure is apparent in family and kinship networks, in groups and among individuals</td>
<td>Power distance/</td>
<td>Trompenaars (1993)</td>
</tr>
<tr>
<td></td>
<td>High power distance</td>
<td>GLOBE (2004)</td>
</tr>
<tr>
<td></td>
<td>Society divided into classes; power bases are stable and scarce; power is seen as providing social order; limited upward mobility.</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 6 – Discussion of emerged and theoretical categories

Table 6.1 – Comparisons between emerged and theoretical categories (continued)

<table>
<thead>
<tr>
<th>Emerged Categories</th>
<th>Under theoretical Categories/Properties</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-context of Communication</td>
<td>The context of communication/High-context</td>
<td>Hall(1976, 1990)</td>
</tr>
<tr>
<td>The way Vietnamese communicate to the others is high-context of communication stressed on facial expression, non-verbal language and maintaining the long personal relationship</td>
<td>Individuals are heavily socialized through long lasting relationship</td>
<td></td>
</tr>
<tr>
<td>Face orientation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The action Vietnamese try to highly protect their own good appearance of confronting the other member of society.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-reliance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The reliance of Vietnamese upon themselves meaning they tend to abandon complaining about their bad situation and try to save themselves instead.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence of New Generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The emergence of new customer segmentation as young and more educated people requires the separate campaign to reach them</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.5 Chapter summary

This chapter has discussed and introduced nine emerged dimensions from the result of Grounded Theory. We have presented each concept pertaining to its underlying properties as well as the interview transcript supposed to the result. The core category named Culture of Vietnamese Consumption Decision has been explained how it is emerged and underlying its grounded concepts. Culture dimensions are: Value of family and kinship system; Trust building; Master over nature; Maintaining traditional beliefs; Hierarchical social structure; High context of communication; Performance orientation; Independence of new generation and Self-reliance. We also address that whether theoretical categories from which we referred to develop and emerged our theory. The chapter 7 to be mentioned next will discuss in detail the implication of each our finding in academic and marketing area.
CHAPTER 7

CONCLUSION AND IMPLICATIONS

This chapter firstly summarizes the main contribution of this dissertation including nine emerged cultural dimensions will be show in this section. The subsequent two sections will discuss the theory concerned with the existing literature and the implications for marketing. In the last section, the limitations and suggestions for further research will be described.

7.1 Summary of research findings

Our dissertation aimed at creating a new model in terms of Vietnamese cultural dimension regarding marketing environment based on Grounded Theory methodology involving eight marketers and directors from different Multinational Corporations operating in Vietnam over a one year. Our emerged theory of Vietnamese culture on consumption decision presents nine dimensions had an impact on the marketing strategy for Multinational Corporations at Vietnam market in order to help marketing academics and marketers in practice having the basic knowledge of cultural environment to devise their strategy adapting a new market’s requirement at the time of marketing setup. We focus on investigating culture of Vietnamese consumption behavior, not make comparisons to find the cross-cultural difference between Vietnam and another given country. Our main contribution is the following values:

(1) Value of family and kinship system - From Vietnamese point of views, family and relative ties are still remained importantly and strongly in modern society by living closely together and taking decision depending highly upon their other familial members.

The characteristics of this category are:

- Kinship relationship includes family relationship and relative system in which individual belong and pay highly attention to these strong networks.
Chapter 7 – Conclusion and Implications

- **Neighbor** is as group of person living closely together and preserving their relationship as much as good. Vietnamese evenly attach neighbor much more important than their long distance relatives.

- **Decision of parents** means the power of husband together with his wife allows them to control their children’s life, probably from the small issues to big important issues.

- **Role of women within family** is that woman plays an important role in family by taking care of all familial members, having responsible for their husband, their child and controlling their familial property. The image of women is expressed to be wife, mother and daughter-in-law.

- **Individual decision relating to family** means among young people, despite they’re dependent and married, we discovered the importance and strength of familial linkage and the kinship network through lying on their family decision for taking an important solution.

(2) **Trust building** - The attitudes of Vietnamese towards building social and business relationship as well as the belief in the others.

The underlying characteristics creating this dimension are:

- **Personal relationship** in which Vietnamese clearly attach much importance on personal relationship in the way of building social and business relationship.

- **Less trusting foreigner** means that Vietnamese inconsiderably believe in foreigner. In order to conduct business to be successful, the environment of trust and get acquainted to business partners are fundamental.

- **Interaction with information search** means that Vietnamese usually take a lot of time at the stage of searching and accumulating information about the products they want.

- **Belief in physical things** means that Vietnamese positively express their opinion and belief on the choice of physical object by seeing the existence of products.

(3) **Master over nature** - The attitude of Vietnamese people towards natural and social environment is to seek the opportunity to advance their nature in order to progress their personal interest.

The characteristics presenting this dimension are:

- **Change the way of living** means Vietnamese are open person allow seeking the way to get out of their bad circumstance.
• *Acceptance new things* is that Vietnamese allow new things and new peoples adapting to their land.

• *Love for knowledge* is that they seem to have aspiration to learn more knowledge is the best way to shift rapidly their living.

• *Social responsibility* means in the modern life enough eating and healthy for Vietnamese, they are getting more responsible for their society, meaning they behave getting more ethically toward their natural, social and environmental issues.

(4) **Maintaining traditional beliefs** - Preserving, inheriting and developing the traditional value moved continuously on time and generation are essential in Vietnamese today’s life.

The features of this dimension are:

• *Vietnamese national spirit* that Vietnamese are proud of their spirit struggling invasion throughout the thousand years of historical time by maintaining and respecting for national and historical symbol and sign.

• *Festival* means that the inherent of their own traditional festival are essential in modern life in spite of affecting Western festivals.

• *Goods exchange channel* is that the continuance of traditional distribution and exchange merchandise nowadays is indicated by small store and street vendor.

• *Taboo of sex* that it is restricted to do, to present and to talk about sex in public area.

(5) **Hierarchical social structure**: In Vietnamese society, hierarchical structure is apparent in family and kinship networks, in groups and among individuals.

The underlying properties of this dimension are:

• *Social status* that from Vietnamese point of views, they classify and view the position of a person still based on income, age, status and economy situation.

• *Respect for authority* involves in the unit of family and in society, Vietnamese must have greatly respect for authority who is the elder, high social people.

(6) **High context of communication**: The way Vietnamese communicate to the others is high-context of communication stressed on facial expression, non-verbal language and the maintenance of long personal relationship.
The properties of this dimension are:

- **Strong non-verbal language** that communication occurs to base on facial expression and indirect language which allow the partner to hear more than they actually say.
- **Long-lasting personal relationship** in which the valuable long-established relationship is matter in Vietnamese society.

(7) **Face orientation** - Face orientation value represents the action Vietnamese try to highly protect their own good appearance of confronting the other member of society.

(8) **Self-reliance** - The concept reflects the reliance of Vietnamese upon themselves meaning they tend to abandon complaining about their bad situation and try to save themselves instead.

(9) **Independence of new generation** - The emergence of new customer segmentation as young and more educated people requires the separate marketing campaign to reach them.

### 7.2 Academic implications

It can be said that the grounded theory explored in this study is a very first cultural research in the field of marketing in Vietnam. In the process of grounded theory application, when the results were completely grounded and developed, we type the emerging theory of Vietnamese culture to similar and conflicting existing literature. The objectivity of literature review after analysis is to (i) enhance the internal validity by protecting the finding from preconceived notions because the findings often rest on a very limited number of cases and (ii) improve external validity by establishing the domain to which our finding can be generalized through integration of ideas (Pandit, 1996; Eisenhardt, 1989). For this purpose, we discuss our results by comparing each emerged dimension in the light of related literature consisting of an integrated framework and the other relevant cultural dimensions.

**Value of Family and Kinship System** Almost all researchers in the field of cross-cultural issues have examined the feature related to the relationship between people. Human in society tend to be individualism or collectivism presentation. The dimension named “Value of Family and Kinship System” is one characteristic of Collectivism property which is defined by Kluckhohn and Strodtbeck (1961), Hofstede (1980), Trompenaars (1993) and GLOBE (2004) take precedence to group interest and achievement. Furthermore, GLOBE (2004) identified and classified Collectivism dimension into two small streams:
Institutional and In-group Collectivism. Our finding is closely similar to In-group Collectivism is the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families. Hofstede (2001) found that Asian culture is substantially a collectivist culture in which members of society are integrated into a loyal group. Particularly in Vietnam society, for collectivistic, a long-established connection between the individuals of group are still maintained. Following the rate analyzed by Hofstede and his association for Vietnamese culture related to other countries was updated in his website; Vietnam scores of 20 outcomes a collectivistic society which is a long-term commitment between the members of group.

**Mastery Over Nature** We obtained the result of Vietnamese being’s relation to nature referred to the understanding of the connection between Vietnamese and their environment that is they have responsibility for taking advantage over their basic environment. This is similar to category namely man-nature orientation which were defined by Kluckhohn and Strodtbeck (1961) and Schwartz (1992), is degree to which members of a society assume about the relationship between a person and nature. Kluckhohn and Strodtbeck (1961) are the earliest researcher developed the relationship between human and environment in which the degree of “Mastery Over Nature” presents that individual seek to change the natural and social worlds to advance their personal or group interests. Schwartz (1992) later identified the way people seek to change their social world in which master over nature is one of two these dimensions. On the other hand, the characteristic of Vietnamese is identified to master over nature including four underlying properties from our findings, helps the international marketers have a deepest view of Vietnamese behavior and their decision making process.

**Hierarchical Social Structure** This dimension is similar to the term power distribution identified earlier by Hofstede (1984). In a given society, this term regard to the degree of inequality in power determination in the same social system. People from such cultures prefer decentralized distribution to power and their decisions much incline to be made by consensus rather than by degree (Hofstede, 2001). Our dimension is one attributes to which construct to power distribution developed by (Hofstede, 1984; GLOBE, 2004). To approach at a hierarchical form of social relations, members of social group must either engage in creating a formal system with rank-ordered roles organically developed on at least one valued social dimension (Magee and Galinsky, 2008). The signs of hierarchical formulation in Vietnamese society are rank order of Vietnamese with respect to a value of age and social status.
High-context of communication In fact, we developed a question, associated with the way and the context of message Vietnamese communicate with each other, are from Hall’s (1976, 1990) model in which he suggested the distinguished culture on the way of human communication into high-context and low-context dimension. Following by these dimensions, we found that Vietnamese use non-verbal language and build the long relative relationship in the usual, a “High-context of communication” in other word.

Maintaining Traditional Beliefs This dimension presents the activities in which Vietnamese preserve some of traditional value and national spirit in their blood. This proposed value somewhat looks like to “past-oriented”, one level of time orientation value suggested by large number of researchers. Overall, past orientation developed by Kluckhohn and Strodtbeck (1961) focus on the past and on preserving and maintaining traditional teaching and beliefs. Our suggested value is one of components consolidating into “past-oriented” developed by the earlier researcher; therefore we named this value as “maintaining traditional beliefs” referred to spirit of Vietnamese in maintaining their valuable traditional culture.

Finally, our research on the three last dimensions composing of Trust Building, Face Orientation, Self-reliance and Independence of New Generation dimension, which have not been consistently adapted from the existing theory of culture.

Trust Building Our finding of Trust Building dimension was identified that how and what Vietnamese customers believe in, and fairly helped to establish the construction of trust beliefs which are valid in Vietnam. Due to differences in the way Vietnamese people develop trust, developing trusting relationship in Vietnam is difficult for international ventures. Building trust in customer represents a central target from relationship marketing in services, increases customer value and loyalty to service provider (Berry, 1995; Garbarino and Johnson, 1999; Schumann, 2009). Considering the most powerful relationship marketing tool (Berry 1996), this value consistently outcomes to a broad range of academic research on Vietnamese culture in the context of marketing service.

Face Orientation and Self-reliance dimension contributes to theory of customer behavior in international marketing cross-cultural. It is said that these dimensions are specific characteristic of Vietnamese customer which researcher should be consider in marketing area and in general. In cross-cultural research, these two dimensions so far will be investigated in the relation between individuals and their control.
Chapter 7 – Conclusion and Implications

**Face Orientation** This concept is very significant because it influences the connection with relationships between Vietnamese. Brown and Levinson (1987) developed model of ‘face’ in intercultural communication distinguished into two aspects: (i) positive face is the need to be accepted and respected by others, to be treated as a member of same group and (ii) negative face is need to be independent without imposition of others. So far, in research of Pham (2007) research, negative face aspect are not found in Vietnamese concept of face orientation which refers to positive image of a collective with the individual identifies himself. Our research on this dimension suggests positive face orientation, one important characteristic of Vietnamese behavior for marketing.

**Self-reliance** This is another significant belief which exists lengthy in the mood of Vietnamese. Throughout thousands of years for surviving from invasion and the influence of Buddhism beliefs, Vietnamese believe that the universe is predetermined by a powerful and highest external force. This dimension generated from our interview data is somehow similar to the concept of ‘Yuarn’ explored by Yau (1998) referred to as predetermined relations with other things or individuals which are far beyond one's control.

**Independence of New Generation** This value was separated into a single value because of its dissimilar characteristic with the previous generation. Although the new and more-educated class is influenced by the general cultural value, they are increasing to have their own needs and demands differently. This class includes teenagers, young and more-educated people with different patterns of living expressed in their activities, interests and opinions. Kotler et al. (2005) suggested to segment target customer influenced strongly by personal characteristics which marketers cannot control, but they must take them into account. We generated and illustrated this dimension as a basic for market segmentation.

### 7.3 Marketing Implications

#### 7.3.1 Consumer Behavior

Understanding customer’s needs and wants is the foremost requirement for the international marketers at the stage of penetrating into a new cultural environment. Culture and its differences are the foundation of consumer’s perception and patterns of buying behaviors within a given market. The international marketers must understand how our finding of cultural stimuli is slightly different in response to Vietnamese buyer’s characteristics and their decision process.
At first, result from the habit of careful information search in *Trust Building* dimension, marketers need to consider and involve in the process of buyer decision making. According to the buyer decision process suggested by Kotler *et al.* (2005), *information search* is the second important stage in which the consumer undertakes to search for more information after storing the need in their memory. Vietnamese have much attention to go into active information search in which they require to receive a large bunch of confident information. The message, images and slogans of the product should be delivered as much as good to the target customer by reaching the source of customer’s information such as personal or experiential source, building a number of workshop, and implementing advertisement on mass media channel. Vietnamese are very carefully, thus they prefer to choose a brand to which they obtain rich and consistent information. After information search, in the subsequent stage namely evaluation alternative product in the choice set, Vietnamese need the recommendation and decision from their parent and the other member of family. Marketer should additionally concentrate on advertising channel relating to parent, when implementing advertising campaign to the target customers, children, younger person whose parents involve in buying important product, for example, motorbike or choosing university.

Secondly, since Vietnamese always try to solve problem all oneself, so that they want to go shopping in an open commercial store. In the store, they could not allow the sale person to follow and take care of them. Firm should train its in-store sale person that is not necessary to follow closely consumer while choosing products, but they must be willing to help anytime consumer needs. Furthermore, the understanding of cultural dimension mentioning self-reliance is extremely valuable to understand Vietnamese’s characteristic. Actually in Vietnam, firm does not pay much attention to the customer service and after-sale service. Likewise, Vietnamese have lack of complaint action to the disappointed product or service they receive. That point is an opportunity for the international marketers to take advantage of Vietnamese consumer concentration by building the customer service center and customer relationship management system. Consumer will realize your value when they are served better and better. In the developing globalize environment, the good result will be delivered to the company with the good customer service system.

The looming of the *independence of generation* with modern teenager and educated class become a cultural factor allowing marketer segment their markets. Marketer especially takes advantage of new young and more educated segmentation who doesn’t take much time to conserve the product with their friends or family. They are independent in evaluating and choosing innovative and technological product. Vietnamese
new generation is the more educated people with a voice to give their opinion of their purchase decision. Exception for big decision influencing their future living, they are now given the opportunity to decide what they want to buy such as on the choice of hospitals, the kind of style to adapt, and the other personal products. Marketer should plan the distinct marketing strategy for this rising segmentation.

7.3.2 Advertisements and advertising

As well as understanding consumer’s perception and buying behavior in a new cultural environment, marketers have to consider the complexity of culture in the implementing of advertising tools, delivering message content and using media channel in particular. The message content of firm including words, slogan, characters, and images should be thought carefully and deeply in light of Vietnamese cultural value appeared in our findings.

Firstly, the core Value of Family and Kinship System is remarkable image increasingly become a foremost concept in advertising to attract more target customers for the marketing campaign. The concept of family in advertising help firm to gain competitive advantage over competitors by creating and developing a positive reputation amongst customers. In detailed, each consumer could see oneself family or the action of oneself portrayed in the symbol of family firm implemented. Broadcast media as television is the most effective channel to deliver brand message to the whole family, particularly in time of daily family activities such as dinner hour. The content of advertising message should be aimed directly at Vietnamese family activities that make each Vietnamese see the picture of their own family. Family activities probably are the spouse faithfulness, hardworking household of the wife, the respect and affection between children and their grandparent or the feeling of brothers.

Moreover, the characters of Master Over Nature also have some impact on the meaning of advertisement which should be employ in positive and successful side of life to advance Vietnamese interest. Moreover, the image of Vietnamese spirit existed long lasting in Vietnamese consumer’s memory is utilized in advertising to gain more effective campaign. The purpose of advertising relating Vietnamese historical symbol and sign is to get the respond from consumers to remember about the product in accordance with to the symbol. Additionally, international marketer should emphasize much more on sustainable social responsibility on their promotion campaign. The message content of advertisement concerned with the protection of healthy, nature, and environment are appreciated.
Nevertheless, a taboo should be eliminated from Western or American advertising version when Multinational Corporations applied in Vietnam market is sex symbol. Particularly, the manufacturers of clothes or underwear must be careful to implement the advertisement against Vietnamese traditional value. Additionally, marketer should be carefully to present polite the respect for authority from under power people including grandparent, parent and children; teacher and student; older and younger person.

7.3.3 Product

As we referred in the section 1.3 of literature review, whether to adapt or standardize products for a new market are also the central issues in international marketing. Apparently, every country has their own tastes, requirements and regulations for products which Multinational Corporations must adapt to, and not except for the case of Vietnam. In the on-going digital world, with the developing of innovative and high technological products, the concept of standardization is accepted all over the worlds. In accordance to the cultural dimension of Master Over Nature, Vietnamese are easily to accept a new thing, an innovative service or ideas for standardized products. In other words, they pass quickly “adoption process, as the mental process through which an individual passes from the first learning about an innovation to final adoption” (Kotler et. al, 2005:287). New-product marketer should encourage the need of Vietnamese consumer and then transmit fertile information in order to create an aware of new product. The main purpose is to attract the interest of Vietnamese into new product.

Regarding the cultural value labeled Maintaining Traditional Beliefs, the importance of festival in which Tet holiday is also a big opportunity for company to increase their profits. In usual, Vietnamese give a gift each other to celebrate the good relationship within family, friends and colleagues. The package of product marketer should be focus on is consumers’ eye catching with the luckiness and happiness

7.3.4 Distribution channel

Taking advantage of understanding Vietnamese cultural value places marketer establish the most convenient distribution channel, in which company bring their product, service to their target consumer directly, affect on the other marketing decision. Company should pay more attention to its marketing channel in Vietnam market where is extremely different to other country. As we said before, although the growth of modern retailer channels such as supermarket and convenience stores, the fact remains that the traditional good exchange channel as vendor and small private mass-grocery store are principal in delivering
product, especially in beverage and food industry with a mass target consumer. In order to gain competitive advantages, marketer in these industries should build the relationship with intermediaries as small mass-grocery stores every corner of the city where Vietnamese consumers get used to finding drinks, snack foods or daily products easily. The uses of vendor to take product to Vietnamese consumer are also a good idea to be examined.

7.3.5 Price

The cultural value \textit{face orientation} reflects some effects on price strategy for company. Most of Vietnamese evaluate the value of one product depending on its cost; therefore price is the preliminary factor in their decision. Especially on the high level of product classification, specialty and unsought consumer product when consumer are usually willing to pay high price without comparing to another product (Kotler et. al, 2005:541), it require a lot of advertising and personal selling. Since Vietnamese always consider the higher price product corresponding to the higher value, marketer should implement advertising and train the sale team who create the value of your brand awareness to Vietnamese consumers.

Related to the Vietnamese habit of gift giving and the importance of \textit{face orientation}, they are willing to pay expensive than their income, so that they are giving personal face to the receiver than physical gift. In regard to designing gift product, the package that is greatly important should be attractive and eye catching to consumer.

7.3.6 The method of word of mouth and reference group

Because of the strong \textit{family and kinship relationship}, Vietnamese customers get used to taking the marketing message or promotions into their mind through family or friends channel. This advantage facilitates marketer to apply personal communication channel named word-of-mouth between a certain Vietnamese consumer target groups and their kinship, family and friends. In fact, a greater of Vietnamese customer share and require related product information, product experience to their family, kinship and neighbor. It has been referred marketer to marketing word-of-mouth which is the important communication tool. In other words, marketer should develop word-of-mouth communication more exited by targeting opinion leaders who could recommend products, services to family, friends and neighbor. Additionally, since the \textit{respect for authority} has the power to influence on the other people, so that marketer can take an
opportunity to understand them as opinion leaders who are big artist, economic leader, older people and family elders.

One more thing is that customer satisfaction or dissatisfaction is also from the other members of family. Obviously, a dissatisfied action causing a bad word-of-mouth moves rapidly and quickly among the members of Vietnamese family or friends.

**7.3.7 Relationship marketing**

Based on the features of Vietnamese culture is high-context of communication emphasized on long lasting relationship and strong non-verbal language, marketer should move and focus on building relationship marketing. Especially, when customer needs to spend much time to make decision such as university or more expensive product, the involvement of creating, maintaining and enhancing personal relationships with customer and partnership is very strong. When preparing sale transaction, the sales-persons necessarily interact face-to-face with consumers to introduce and explain their offers. Therefore, it takes a lot of time to prepare skills for sale person on positive body language to understand and motivate consumer decided to buy a certain service.

Furthermore, the system of Customer Relationship Management (CRM) is getting to create great value for communicating with customer in the current Vietnam business market. As well as supporting salesperson to manage customer database before making purchase, CRM system enhances personal relationship which is the most successful way producing the connection between salesperson and Vietnamese customer after sales.

**7.3.8 B2B marketing**

Addition to the requirement of information search, Vietnamese attach much importance to personal relationship in which maybe the family, friends or acquaintances relationship. Relating to B2B market, the building of personal relationship between salespeople and representative of target business customer are priority to business success. Moreover, in service industry, development and maintenance customer through customer relationship management plan is required to deploy in Vietnam market.

Regarding the dimension of hierarchical social structure, since the authority have the power to influence on the other people, marketer can take an opportunity to understand them as opinion leaders who are big
artist, economic leader, older people and family elders. In B2B market, sale person must look for the way how to come closer to opinion leaders and direct marketing efforts toward them.

Moreover, in business marketing, the sale person should preclude to give commission by direct money to the representative person making the deal. Instead of that, they can give gift or 'underground money' to them.

### 7.4 Limitations and potential for further research

A limitation of this dissertation firstly derived from the selection of interview participants by our approach to them. Similarly, the number of research participants in semi-structured interviews was limited to be not large in size leading data findings involved the perception of a small group. We investigated the cultural value by qualitative methods in terms of selecting research participants from managers and marketers points of view, yet survey in Vietnamese consumers. Hence, the results would be interesting to represent new variables from larger segments of population.

Moreover, Grounded Theory method needs time-consuming coding process, but we keep this research went beyond the bounds of Master research time, so that this point is also the limitation of this study. During the narrow time range for this research, we have dictated internet video-call interviews alone, not concerned with observations of what issues relating to culture and marketing during consumption circumstances. Observation is another effective method to assess the true quality of data collected from semi-structured interviews and to prove the interpretation of interview data.

Considering the limitations of this research, additional research in the field of Vietnamese culture in the international marketing and other issues will help develop a more generalized theory.

This is a very first research conducted into Vietnamese culture impacting on the marketing strategy for international ventures while there are very few studies to which we can refer for information about Vietnamese cultural environment. Our research is an exploratory research aiming to fill a starting point at the level of culture environment relating to marketing area in the given context of Vietnam by conducting interview among marketers, marketing managers or marketing work-related persons. This type of research aim to look for new ideas of Vietnamese culture rather than testing or confirming a hypothesis, will assess which theoretical categories can be applied to the problem or whether new cultural dimension should be
developed. The data approach to this research is very open and focuses on collecting a wide range of data. As such, this research rarely provides conclusive answers, but gives guidance for additional research. Furthermore, in recent years, Vietnam is the most attractive country in Asian region for international ventures. Considering the limited research involving Vietnamese culture in marketing, there is major need and potential for further research.

To approach data collection, we suggested that additional research should investigate throughout the enough time to communicate with larger numbers of participants or much more face to face semi-structured interviews to more classification of interview participants in accordance with observations of what issues relating to Vietnamese culture and marketing during consumption decisions. Our research is to investigate grounded semi-structured interview happen almost through internet video-call, therefore we suggest to expand more research by making the surveys on Vietnamese consumers in order to conform and figure out the differences from our current model.

This research is focused on the general framework including nine dimensions of Vietnamese culture that had an impact on marketing. Other potential further research should focus on developing one of our dimensions designed to applied research or basic research. Additional basic research should conduct to improve our understanding of one dimension whether influence the other disciplines of marketing. Applied research should be designed to apply whole or one of our findings to solving an existing problem of marketing in Vietnamese market. Typically, with regard to personal characteristic issues such as Trust Building, Face Orientation and Self-reliance dimensions it may be advanced to investigate in marketing service theory.

Adding all the above, we believe that this research allows interesting insights on a topic that remains underexplored. In short, rather than responding solely to the research question that served as a starting point, we try contributed to intensify the study on the Vietnamese culture.
BIBLIOGRAPHY


Bibliography


### Interview Guide

**Interview Date:**

<table>
<thead>
<tr>
<th></th>
<th>Category</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduce topic, agenda and the rules of interview</td>
<td>5 mins</td>
</tr>
<tr>
<td>2</td>
<td>Previous imagination of Vietnam</td>
<td>5 mins</td>
</tr>
<tr>
<td>3</td>
<td>Interviewee’s experience:</td>
<td>25 mins</td>
</tr>
<tr>
<td></td>
<td>- Relationship between Vietnamese and their society</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Identify the degree of power distance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Decision toward individual or group</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Time orientation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- The way of communication</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Discuss the dimension have greatest impact on their marketing plan (your idea of best practices)</td>
<td>10 mins</td>
</tr>
<tr>
<td>5</td>
<td>Discuss the advantages and problems regarding culture</td>
<td>10 mins</td>
</tr>
<tr>
<td>6</td>
<td>Suggest freely more relevant dimension</td>
<td>5 mins</td>
</tr>
<tr>
<td>7</td>
<td>Closing and explain feedback process to interviewee</td>
<td>5 mins</td>
</tr>
</tbody>
</table>
Interview Venue:

Participant:

Agenda

Rules of Interview

- Interviews will be recorded to extensively capture comment provided by interviewees
- Interviewees can suggest their interpretation, comments, opinions during the interview
- Interviewees will be allowed to add more related dimension not covered by the interview agenda
- Questions may not necessarily follow on exactly in the way outlined on the agenda

INTERVIEW QUESTIONS

Introduction

Firstly, I greatly appreciated you for spending time to have interview with me today. I would like to talk to you about your experiences doing business in Vietnam. Specifically, as one of the most obstacles impact on your marketing plan we are evaluating is culture distance. The objective of our research is to explore which relevant cultural dimension could change your strategy across countries.

The interview should take appropriate an hour. I will be recording and taking some notes during the discussion because I don’t want to lose any of your comments. Your interview responses will only be shared with our research members. You may not talk about anything you don’t want and finish the sections at any time. Are you ready to participate in this interview?

Questions

1. Why did you start your job/business in Vietnam?

2. Please tell me about your awareness of Vietnamese culture before you had come there?

3. Do you think Vietnamese adaption toward their cultural environment: master over or harmony with nature and social world? in order to advance personal? or group interest?

4. What is social status organization among Vietnamese human group? Did they have high power distance in their society?
5. Do you sense that there is a strong relationship between Vietnamese and their group, especially their family? Do they solve their problem toward group decision?


7. How about the type of the way of Vietnamese communication? What do you think of non verbal language of Vietnamese?

8. In your wider experience, among these above cultural dimensions, which one do you think greatest impact on marketing plan?

9. Could you say more about cultural obstacles do you confront to your business plan?

10. Please describe your experience....

11. What would you advice companies thinking of culture distance?

12. In your opinion, are there any more dimensions?

13. Is there anything else that you feel we should have discussed?

Finally, I want to ask you, is there anything you’ve already discussed with me which I should be particularly careful about? Anything I should check with you first before I use it?