

GLOBALIZATION' S INFLUENCE ON CULTURAL IDENTITY AND ITS IMPACT ON THE ROMANIAN CONSUMPTION BEHAVIOR

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Abstract

Globalization is the stage constituting the world economy as a whole, a process that consists of open borders, the general trade and behaves several dimensions: political, economic, spiritual, cultural, etc. Regarding the cultural aspect, globalization includes export and imposition of cultural patterns and socio-economic Western, being defined as a new situation that leads to a new planetary system characterized by a great ability to communicate and exchange information on a global scale. In terms of preserving cultural identity values, globalization has a decisive impact on crops, with the dominant culture tend to impose upon the other, resulting in a homogenization process, the intensity of which is given each country's economic power. Mass culture, well-known symbols (McDonald's, Coca-Cola, etc.) acquire planetary dimensions, becoming a subculture of all, embraced particularly by young people.

Keywords: globalization, cultural identity, dominant culture tend

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1. INTRODUCTION

Complex and controversial, the phenomena of globalization is difficult to contain in only one universallyaccepted definition, but seen in the economic dimension, it can be described as a process where the national markets become more

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and more interconnected, where the allocation mechanisms on the factors, goods and services markets operate on an increasingly worldwide level. The production gains a globalized span, and the relations between the actors present on the international markets are more and more influenced by institutions, regulations, agreements, policies that are agreed upon and applied on supranational and suprastate level.

Due to globalization, a “smaller”, more dynamic, and in certain circumstances, more complex world has been created, with markets more tightly integrated, with a worldwide economy dominated in almost all of its areas by the activity of mostly the same large transnational companies, large retailers, large brand owners and global suppliers that control the international production, the international investment flows, the technology, know-how, the goods and services that, while aiming to maximize the efficiency and own profit, compose, decompose and recompose the global value chains, thus generating a process of vertical disintegration of the production and of its rearrangement, at a global level, in new, more flexible, more performant and more efficient new structures.

Under the influence of globalization, the world economy has changed significantly in the past decades, especially in regard to international trading and industrial organization. Out of the total of goods and services achieved annually at a global level, the proportion of those whose design, production and consumption is achieved in only one country, or in only one company, is rapidly decreasing under the impact of two independent and complementary driving forces, born as an answer to the increase of international competition: the *reorganization* of activities at company level and the *relocation* of a part of the production of goods and services in locations that ensure a competitive advantage³.

2. GLOBALIZATION

Globalization is not just a controversial public debate subject, but also a notion often contested in the academic disputes, some ideologists advocate, among others, the fact that there is nothing like a “global” economy, since approximately 90% of the world trading involve only the countries from the three main developed blocks: EU, North America and Japan, leaving on the outside the other parts of the

³Pencea S., *Chipurinoi ale globalizării: integrareapietelor, dezintegrareaproducției, nașterea a noi structuri organizaționale globale pentru producție și comerț*, pp. 11

world. This is why it is necessary to have a stricter definition for globalization if we want to understand its essential characteristics and implications for business ethics.

- Globalization as *internationalization*—the recent increase of cross-border commercial transactions represents the defining element of globalization.

- Globalization as *liberalization*—the recent globalization coincides with an increased liberalization of trade and with various forms of regulation in this field.

- Globalization as *universalization*—this process leads to an increased global propagation of products, life styles and ideas.

- Globalization as *westernization*—many of the criticism made towards globalization regard the fact that it carries the effect of exporting the Western culture to the rest of the world. All of these superficial definitions which clog the public rhetoric require to be replaced by a more strict definition.

All of these perspectives on globalization describe certain more easily seen features of the phenomenon but if it is desired to observe the fundamental characteristics of the phenomenon, the effects of the amplification of two processes in the last two decades should be analyzed:

- the first process is *technologic* in nature; modern means of communication, from telephones to radio, television and, more recently, the Internet, open the possibility of connection and interaction between people across great geographical distances. Moreover, the rapid development of means of transport allows people to interact at a planetary scale. The territorial distances play an increasingly lower role today.

- the second process is *political* in nature; borders have represented the main obstacles for planetary interactions between people.

These two processes explain in a great measure the massive proliferation and the prevalence of over or extra-territorial interactions between people, the fully new aspect of these interpersonal relations is the fact that they do not require a defined geographical territory for them to take place anymore and they are not restricted anymore by distances or borders.

This is why Scholte⁴ characterizes globalization as *detrterritorialization*, suggesting the following definition: „*globalization is the progressive erosion of the relevance of territorial bases for social, economic and political relations and processes*”.

Global communications, global products and financial systems or global capital markets are only a few examples of the detrterritorialization of the current economy. There are many other fields of activity in which globalization as presented here is a significant social, economic and political process, globalization having also significant implications for business ethics.

Relevance of globalization for business ethics

Defined in the first place as the detrterritorialization of economic activities, globalization is especially relevant in business ethics in at least three aspects – cultural, legal and those related to the responsibility of corporations operating on international markets.

Cultural aspects

As businesses become less and less fixed in a certain perimeter, corporations are becoming more actively involved in the markets of other countries and other continents, being suddenly confronted with new and diverse ethical requirements, sometimes even in contradiction. The established moral values of the “home” markets can be brought into discussion as soon as a corporation enters foreign markets. For example, attitudes in Europe regarding racial and gender diversity are very different from the ones of Middle Eastern countries. Also, while Europeans consider the work of minors as being fully immoral, some Asian countries observe this issue with more moderation. But such differences do not appear only at the contact of profoundly different cultures and civilizations. Such problems can appear because, while globalization leads to the detrterritorialization of economic processes and activities, in many cases there is still a strong tie between the local culture, which the moral values are part of, and a certain geographical area.

⁴Scholte J. A., *Globalization a critical introduction*, Published Palgrave Macmillian, 2005

For example, most Europeans disapprove of the capital punishment while many Americans consider it to be acceptable. This is one of the contradictions of globalization: on one hand, globalization makes regional differences lose their importance, encouraging the emergence and distribution of a uniform “global culture”, on the other hand, by eroding the geographical distances which separated cultures and civilizations before, globalization highlights the economic, political and cultural differences that they had, often putting them in confrontation⁵.

3. GLOBALIZATION AND THE NATIONAL IDENTITY

Globalization appeared as a solution to some problems which were considered to be global: the process of functionalization of the global economy which becomes in the global society capable of creating global decision structures for solving global problems, but no economic or social definition of globalization asserts that it is a replacement or synonym of national identity.

Furthermore, in a global structure, a state must be capable of maintaining its own «personality». Globalization does not substitute itself to the culture, traditions and customs of peoples and these must not prevent the globalization phenomenon as well.

Globalization means a generally prosperous business environment. The objective reality is that the English language, culture and civilization of the West in general, and especially the American ones, gain more and more ground. The solution is to preserve whatever is possible from the national cultural identity, to establish certain limits of accepting the Americanization. The resistance to Americanization has subtle forms. The example of the Dracula myth, which Westerners use in their own interest – but which Romanians, paradoxically cannot embrace, although the historical character which inspires it is part of the historical and cultural Romanian heritage – is only one of the many possible examples.

A solid example in this regard is the fact that we do not have a product brand powerful enough to represent us. For example, the Americans have: Coca-Cola,

⁵Craciun D., *Etica in afaceri - Globalizareacatemă de reflecție teoretică*, pp. 2

Pepsi, McDonald's and other well-known ones, the French have expensive perfumes and designer clothing, the Swiss are renowned for chocolate brands that they export and also through their watches. Question: these products are strongly identified with the specifics of these nations, these products define these countries, which product defines us the best? The answer is that there is no such product or if there was, it was not turned to our advantage until now. Thus, this globalization actually raises another major problem: that of having a strongly defined national identity which would define our personality among other countries exactly in the way we are, and not « losing » ourselves by borrowing one from others⁶.

The influence of consumption habits through tactics of localizing global brands⁷

- Product-based tactics:

✓ **McDonald's**—a stereotype of globalization—adapted its global marketing strategy to various regions or countries. For example, the fast-food chain brought beer in Germany's menu, wine in France, sheep pie in Australia and McSpaghetti in the Philippines, Maharaja Mac and Veggie McNuggets in India, McLobster in Canada and recently McMici in Romania.

✓ **Fanta** offers flavors specific to each country, such as "Fanta Shokata" in Romania (with elderberry flavor), Fanta with green apple in China, while in Spain and Portugal we find watermelon flavored Fanta.

✓ For the market in China, **Danone** had to change its global products into ones with less lactose since it seems Chinese people suffer of lactose intolerance.

✓ Few people know that there is a **Volkswagen** fitted with a compass pointing towards Mecca and a special space for the Quran; thus, Volkswagen is a very popular car inside the Muslim community.

✓ **PepsiCo** has various types of snacks in its portfolio, these being in total harmony with the various local cultures such as: cheese and onion based snacks in Great Britain, Lemon Lays in Thailand, Paprika Lays in Germany and Sea-food Lays in China.

⁶Mateescu I., *Globalizarea si identitatea nationala*

⁷Niculae V., *"Glocalizarea"- un compromis al globalizarii?*, 2013

- **Price-based tactics:**

✓ **Spar** uses as a glocalization strategy price positioning; this brand is positioned as a low-cost supermarket in Germany while in Great Britain and Ireland, through its excellent services policy and an elegant design of the stores it is positioned as a high-cost proximity store.

- **Promotion-based strategies:**

✓ **The McDonald's** company had to change its promotion campaign and to replace Ronald McDonald the clown because his white face suggests death in China, thus reducing the appetite.

✓ **Tesco**, also adopts a very careful local approach in its transnational expansion. Although it did not have any problem in expanding under its own brand in countries such as Thailand, Hungary and the Czech Republic, when entering the US it chose the name "Fresh & Easy Neighborhood Market", as a strong local testimonial.

- **Placement-based tactics:**

✓ **The Louis Vuitton** handbags are sold at stalls in shopping centers in Hong Kong, the United Arab Emirates and recently, in Romania, because these markets accept this distribution method. But, if Louis Vuitton would have acted similarly in countries such as Great Britain or in continental Europe, it would have surely compromised its luxury brand status.

✓ When **H&M** entered the US, it realized that through locating its stores in the suburbs it faces a very tough competition in regard to prices. This is why it adapted its glocal strategy and currently, the stores are located in much more central locations, continuing to offer lower prices.

In the case of Romania⁸...

✓ **Whirlpool** is one of the most well known brands in the world, even in the Romanian market and it had the largest advertising expenses out of all the similar

⁸Secară O. M., Planificarea strategică în marketingul global. standardizare versus adaptare, pp. 337

companies. As a global brand, the success of Whirlpool can be attributed to a good understanding of the market as well as of the behavior of the consumer.

✓ Coca-Cola dominates the Romanian market of carbonated drinks. The company modified its advertising policy, product and packaging to meet the requirements of the market. As in many countries in Europe (France), the word “diet” is not used, thus Coca-Cola Light was introduced to the Romanian market together with the classic Coca-Cola. The packaging of the product was modified to include the Romanian language in its specifications but also because most Romanians prefer to buy bottles of 1 or 2 liters.

✓ McDonald's, although it is a company known for its product standardization strategy, had to adapt to the Romanian market. For example, its slogan is not a simple translation but one with which Romanians can identify with. The coffee is adapted to the taste and size accepted by the majority of the population. Romanians prefer a strong coffee and order a small or large coffee. Moreover, on the McDonald's menu one can find beer just like in Germany but not as in the US.

✓ The producers of the Dove brand, Levers Faberge, are in very fierce competition with the German Nivea brand. Dove became strong in Romania, extending its product line more than on the American market. The product is similar in quality but it is packaged in smaller quantities, specially designed for the “pockets” of Romanians. Furthermore, compared to products from Germany and the US, which have light-blue packaging, the ones in Romania have the top colored in dark blue because they have a positive significance for this market.

✓ Johnson&Johnson, known in the US as manufacturers of products for baby care products, extended their product line in Romania introducing products for the whole family. Thus, they created also special products for adults such as tonic lotions. L'Oreal is a brand strongly present in the Romanian market. For products designed for personal care, L'Oreal studied the preferences of consumers regarding make-up removers.

CONCLUSIONS

However, the greatest contemporary threat is the ideological-religious conflict. The last decades have been dominated by the violence created by religious

groups which oppose some forms of globalization while wanting to impose other forms of it themselves. But the most visible, the most acute conflicts, in a multitude of forms and actions are cultural conflicts. From simple customs to sophisticated artistic expressions, the culture specific to a human group made the difference between the reach of the action and thinking model of that group and the rest of the world. It is about the way of living and as it is considered that the rights and liberties of each human being must be respected, in the same way. The specific cultures of human groups, however small or different they are, have the right to exist, making up mankind in all its diversity and splendor. All cultural differences make up the huge, inexhaustible spiritual and creativity resource of humankind.

It is more difficult to find the ways through which diversity would not fuel conflicts but would define the harmony of the human existence. An easy observation is that as the regulations regarding the production and trade of material goods is relaxed and harmonized, the regulations regarding immaterial values are multiplied and becoming more rigid. The conventions and laws regarding copyright and its use are currently the battleground of larger and smaller powers, a general interest area which is related more to retractility than expansion.

Each part of the global game tries to protect its own values, which are related firstly to creation and secondly to production. The technological revolution transformed production, something that belonged to developed countries, into an activity available for almost any nation, the production means becoming the vectors of globalizaton.

From this point of view, Romania, although being in the same interest family, civilization and culture model, does less, although it is needed to do more in the case of small and medium sized countries, because they are confronted with difficulties in communicating and imposing their own cultural product. The visible reduction of the share of written culture in Romania, the chaos of many radio and TV programs, the application of market economy rules in the cultural field – all these but more as well – represent inconveniences from the point of view of protecting and developing the national culture.⁹

⁹Uricaru E., Identitateculturalăîn era globalizării, 2013

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