

Impact of Advertising Practices of Multinational Corporations on the Culture of Pakistan

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Abstract

Following the conflicting views on Globalization and culture, this qualitative study was conducted with the purpose to explore the effects of the advertising practices of the Multinational Corporations on the national culture of Pakistan. As a result of promotional messages, the purity of the national language of Pakistan, Urdu, has been diluted. "Now the word soup is used for "Yakhni", Ketchup for "Chatni", Chair for "Kursi" and Room for "Kamra". Heavy advertising spending for their high tech products like computers and in the telecom industry particularly mobile phones have influenced the educationists to adapt the curricula according to new standards and demands. Cold drinks and ice cream are now common in winter as well which were not before. Similarly, the celebrities used by MNC's in their advertisements have moved the society away from its own cultural values. Our routine activities have been significantly changed. In broader perspective, it can be concluded that the advertising practices of MNC's have significantly affected both the visible and invisible elements of Pakistani culture.

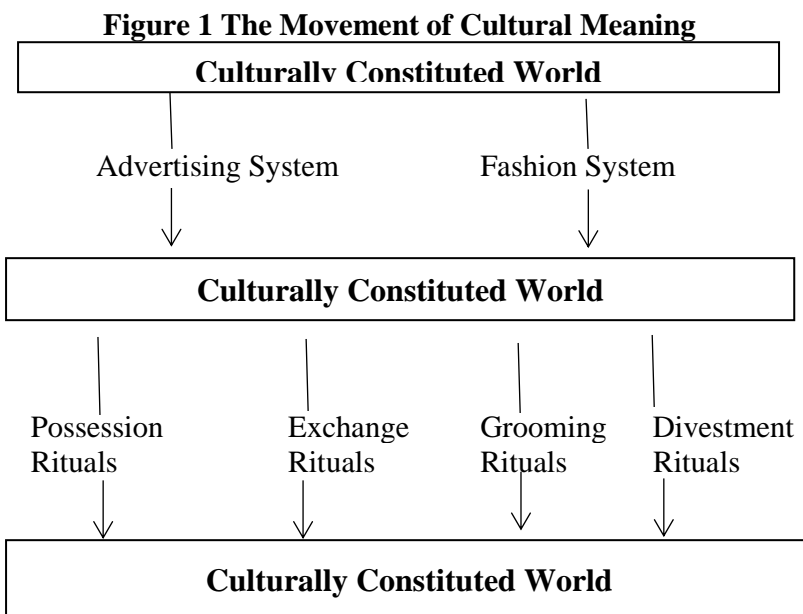
As stated by Alan and Richard (2000), the nations of the world generally and powerful nations especially have changed their strategy of invading other weaker nations. Because of the modern civilization and high level of awareness, the strategy of dominating other countries has shifted from war to economic supremacy. As a result of technological revolution and the global trend towards integration, different regional trade agreements like North American Free Trade Agreement (NAFTA), South Asian Free Trade Agreement (SAFTA), European Union (EU) etc. were formed (Alan & Richard, 2000). The whole world is becoming a global village where the tastes and preferences of consumers of different nations are beginning to converge on a global norm, helping to create a global market. The Multinational Corporations are now becoming global in nature and they are offering standardized products worldwide, thus leading to create a global market and global culture. The question is that how will this fast movement of MNC's international business on the global surface influence the national culture? Is it demolishing the host country national culture or making the culture homogenous is still not very clear?

Multinational Corporation

Rugman et al. (2000) has defined Multi-National Company as a company that is headquartered in one country which has operation in more than one country. Multinational Corporations are usually large Corporations which account for a large percentage of the world sales and employment because of their wide network of business. However, a small firm that engages in the international trade in more than one country can be termed as MNC.

Culture

Taylor (1871) defines Culture as "that complex whole which includes knowledge, belief, art, morals, law, customs and other capabilities an individual learns as a member of society. Hofstede (1984) sees culture as "the collective programming of the mind which distinguishes the members of one human group from another." Nameriwirth and weber (1987) see culture as "a system of ideas" and argue that these ideas constitute "a design for living". Hill (2003) reports that by Combining Hofstede and Namenwirth and Weber, culture is a system of values and norms that are shared among a group of people and that when taken together constitute a design for living. Schaefer and Lamm(1994) are of the view that Culture is not static but it spreads from group to group or society to society, a process which the Sociologist name as "Diffusion". As stated by Lawson et al. (2003), Cultural meaning moves from the culturally constituted world to consumer goods and from there to the individual consumer by means of various consumption-related vehicles as shown in figure.



Globalization of Markets, Culture and MNC's Influence

Shah (2005) reports that as globalization become ever more prominent, the role of media, advertising and consumerism also increases. Ideal for the large multinationals that can take best advantage of globalization include the even larger "market" to which products can be sold.

According to UNDP report (1998), it is estimated that an average American sees 150,000 advertisements on television in his or her lifetime. Global advertising spending, by the most conservative reckoning, is now \$435 billion. Furthermore, Market research identifies that there are "global teens"—some 270 million 15- to 18-year-olds in 40 countries—inhabiting a "global space", a single pop-culture world, soaking up the same videos and music and providing a huge market for designer running shoes, t-shirts and jeans

Similarly, according to Vincent (2001), as a result of advances in technology and market liberalization, Southeast Asia saw Western television entered on a massive scale. People are told they need products they never "realized" they required. They are told via media that Western styles and habits may be better or more desirable than their own traditions and customs. Young people in particular now grow up with stronger ties to New York and Los Angeles than their own capitals and families." Okazaki (2004), in a study, "Do Multinationals standardize or localize? The Cross-Cultural dimensionality product-based web sites" concludes that Web based companies localize their websites for content information and creative strategies but not portray the cultural values of the local market. Likewise, terms like McDonalozation, Coca-Colozation, Moms day, Valentine day, Children Day etc, are new to this culture. Actually, these new events are introduced to increase the sale of the company products. Most of the times, companies target the wealthy elite and the expanding middle class in such countries in the first instance. Rarely do they target the masses in these countries who account for 65% of the world's population. (Fletcher, 2006; London & Hart, 2004 and Prahalad 2005). This also substantiates the new product adopter categories stated by Rogers (1962) where the first segment being targeted by new innovations (Innovators) accounts for almost 3.5% of the total adopter's categories. From there onward, diffusion and socialization increase with high speed with slow pace in the last stage (laggards).

However, there are conflicting views about the interaction of culture and globalization. Whether globalization is leading to cultural diversity or cultural homogeneity is still unclear. In a discussion with Dr. Francis Fukuyama, Merrill Lynch Forum (1997), Fukuyama challenges the view that globalization is leading to cultural homogeneity, arguing that societies largely maintain their individual characteristic despite economic pressures. However, on the other side, WTO Director General Mike Moore in a Speech in Ottawa "The Backlash against Globalization", states that "people want global rules."

The current qualitative study was conducted with the purpose to know the effects of one of the active change elements of the cultural norms and values i.e., advertising practices, with special focus on Multinational Corporations, on the culture of Pakistan.

Methodology

The researcher's personal observations of almost 35 electronic media advertisements (Television) of the MNC's and its relative effects on the cultural values of the people proved as the core motivation for initiating this study. It was further followed by expert discussion with the relevant people particularly in the field of Academics and with the course tutor, to decide the future direction of the study. After useful insight into the nature of the issue, important areas were identified which were further explored with the help of unstructured interview. In order to attain the purpose of the study, 125 students were interviewed over a period of 10 days. On a judgmental sample basis, students from both elite class and middle class were selected so as to justify that most of the innovations moves from top to bottom.

Statement of Problem

The purpose of this study is to see the role of advertising practices of the Multinational Corporations in shaping new and changing the existing cultural values of Pakistan. Moreover, what strategies they usually adopt in launching new products and their impact on the existing culture of Pakistan.

Validity of the Instrument

In order to test the content validity of the unstructured interview form, the rough draft was given to the Supervisor of this research study as well as to the course teacher. After their expert revision, a modified instrument was developed.

Findings

Visible Elements of Culture

Socialization:

The promotion policies and practices of Multinational Corporations through both the electronic and print media have greatly influenced and expedited the socialization process. The stiff competition for new fashion selling has led to greater media exposure and high adoption rate of the newly introduced fashions. The competition among the MNC's has reduced the span of the life cycle of these fashions and people are experiencing new and unique fashions rapidly. These fashions are often creating new values which are different than the existing ones. Moreover, this has led to social pressure on the middle class in general to adopt new products being used by the elite class who have the dominant ideology that serves the interests of the ruling class as stated by Marx and Engels in Schaefer and Lamm (1994). Marx and Engels wrote in 1845:

The ideas of the ruling class are **in** every age the ruling ideas: i.e. the class which is the dominant material force of society is at the same time its dominant intellectual force.

Dress:

We wear what values to us. The study reveals that MNC's have comparatively less influence on the dress of the people, i.e., the total change in the dress code cannot be attributed totally to advertising practices of MNC's. The overall media exposure is responsible for it. MNC's have affected the dress to the extent of the influence of the celebrity personality presentation in advertisements of which dress is one **of** the significant parts.

Language

As a result of intensive promotion on Television especially by MNC's, many of the product generic names have diffused into the local language of Pakistan and these brand names are now used as local language words as reflected from the respondents views about different daily use items as shown in table 1 and table 2. For example, the brand name "Tomato Ketchup "which should be used as "Tamatar Chatni" in the local language was named as "Tomato Ketchup" by an ordinary man. Similarly, 'Soup' means "Yakhni" in the local language, but it was named as "Soup" by most of the respondents. The two tables below show few of the many examples.

Table 1. Generic Names diffused into local language

Generic Name	Pak-Language (Urdu)	Often used as
Tomato Ketchup	Tamatar Chatni	Tomato Ketchup
Soup	Yakhni	Soup
Dalda Banaspathi	Ghee	Dalda

The above words are now very commonly used in conversation while people are sitting around the food table. They have learned from someone who is considered as elite class of the society who learned from the media and the advertisements of both the local and the Multinational Companies. Similarly, table.2 also shows that how the global business language has diffused into the local language by replacing it with its own terminologies. The local language words are now being used interchangeably with English words in ordinary conversation.

Table 2 Use of English Words in Local Language

English Name	Urdu Name	Often used as (In Urdu)
Chair	"Kursi"	Chair
Bed	"Charpai"	Bed
Room	"Kamra"	Room

The words used now in the local language were not interchangeably used some 10-15 years earlier. These are the results of the rapid changes brought by MNC's through

different media sources in promoting their products. Moreover, besides the impact of the advertising practices and gaining more economic power in the host countries, the role of the English language has increased (Humphrey Tonkin, 2001).

Education

The type and quality of Education reflect the need of the society and the respective industry. The advertising practices of the MNC; s have indirectly affected the field of education. The growth in the advertising industry has led to increased emphasis of companies on quality of the products and increased consumerism which further lead to increase in industrialization. As a result, the demand of the industry in terms of technical skills and other areas has increased. Thus, as an example, we see networking and soft wearing as main fields in computer. Course like JAVA, CCNA, LINUX, Bachelor of Business in Information Technology (BBIT), Bachelor of Information Technology (BIT) etc. have been introduced and Computer has become an important subject since class one. Similarly, the tendency towards business education has also sharply increased and the number of institutions offering business and computer courses have tremendously increased.

Religion

To change one's religion is not easy. International businesses always respect for the host country's religion. However, the culture formed as a result of MNC's advertising practices has indirectly influenced the unifying forces of one's religion. The main strength of religion lies in the beliefs and faith that people have about GOD, the whole universe and its organization. These beliefs are reinforced by the specific rituals performed on regular basis (Religious procedures or ceremonies), which show the commitment of the people to their faith. For Example, the Muslims go five times a day to mosque to say prayers, the Hindus go to maunder, and Christians go to Church. Among all the religions, the reinforcing factor is the rituals that protect beliefs and faith. Being the dominant culture perception of MNC's over the local cultures, it has been observed that people some time adopt such norms and values of the other culture that might not fit in one's religion. For example, the type of dress most often used in a Muslim society is "Shilawar Qameez", but now days, in a mosque; one can see a lot of diversity with someone dressed in paints, track suits, Shilwar Qameez, etc. It is not forbidden but still it shows the diversity of the culture and the weakening of the respective religion unifying forces. Similarly, the practice of wearing cap while praying is also going out of practice in a Muslim society especially among the young generation. According to Schaefer and Lamm, (1994):

In a contemporary industrial society, scientific and technological advances e.g., computer, satellite channels and Internet, have significantly affected all aspects of life including social institutions of religion. Thus, secularization has occurred and is occurring.

Invisible Elements of Culture Norms and Values

MNC's have shaped the norms of the local culture in its own desired way-the way suitable for selling of their newly introduced products. Serving your guests with a cup of tea is a norm of the Pakistan society. However, during 2003, World Cricket Cup, Pepsi in a national media campaign targeted the offices in order to expand its market. Although still prevailing, it has almost worked and now people have started using cold drinks to serve their guests at homes and offices.

Similarly, in order to increase the sale of its products, WALLs Ice cream advertised its ice cream for use in winter. Thus, a traditional concept of buying ice cream only in summer has almost changed and now people also use it in winter as revealed in the interview session. Furthermore, with the entrance and promotion of McDonald, KFC and other fast-food chains in different countries, the trend of the people especially young generation, has shifted from eating food at homes towards eating out at fast-food restaurants. They now prefer to go to KFC or McDonald to sit, eat and discuss various issues. People in the near past lived together and their bond was based on humanistic values. They were happy with limited budgets and there were exchange of gifts to one another without any worldly wishes. The growth of the advertising industry that led to increased consumption devalued the importance and value of collectivism. The value of everything was measured in term of "how much to take and how much to give." Achievement and success, Material comfort and individualism rather than collectivism have become the core values of this culture. The huge advertising spending by local industries in general and Multinationals who have large pool of funds available for advertisement lead the society towards intensive capitalism that erode the past values of this culture which were earlier based on brotherhood and affection.

Conclusion & Recommendations

The findings of this qualitative research study reveal that the socialization process as a result of MNC's practices has been greatly influenced in the form of new product adoption and other things. Diffusion of innovation has increased and the product life cycle of products, especially convenient and shopping products has shortened. Among the Visible elements of the culture, change in the dress code cannot be attributed totally to advertising practices of MNC's. The overall media exposure is also responsible for it. Similarly, many of the product generic names have diffused into the local language of Pakistan and are being used as local language words.

The advertising practices including other influencing factors too, have weakened the unifying forces of the religion, which are "Religious rituals". The importance of the capitalistic values has become more dominant and the faith has been pushed to the margins of the society.

Due to growth in the advertising industry in which MNC's form a big slice of the Total advertising expenditure's pie lead to change in the consumption pattern and increased industrialization and the demand for new curricula has increased. For example, on computer side, networking, soft wearing and courses like JAVA, CCNA, LINUX, Bachelor of Business in Information Technology (BBIT), Bachelor of Information Technology (BIT), etc were introduced.

Giving primary importance to trade and promoting the values of consumerism by the trade community, people have become more concerned about goods and services and the religion has got secondary importance. People have started performing their religious rituals in a very liberal way that has weakened the unifying forces of religion.

MNC's have significantly shaped the norms of the local culture in its own desired way-the way suitable for selling of their newly introduced products, e.g., people started using cold drinks, ice creams in winter, which was unusual before, the humanistic values have been replaced by capitalistic values.

In the light of the above findings, the following recommendations are provided:

1. Policies for the advancement of trade at international and global level should consider the cultural freedom. It should promote each individual culture. Trade should not grow at the expense of cultural dilution. The Pakistan Electronic Media Regulatory Authority (PEMRA) should focus its policies regarding the advertising practices in general. Now that international trade is expanding with a fast speed and the advertising industry is expected to grow more, it should therefore chalk out multicultural policies aimed at protecting cultural liberty and individual identity.
2. PEMRA should realize that it is playing a pivotal role in changing the existing and developing new norms and values of the people of a society and a nation as a whole. Norms and Values structure the behavior of the people who ultimately make up a society. Norms and values affect an individual's identity. It is therefore very strongly recommended that PEMRA should carefully review its screening policies. Advertisements promoting such values which are in conflict with the existing values should be analyzed and screened very wisely and carefully.

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