

## CULTURAL VALUES AND MARKETING PRACTICES IN INDONESIA

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### ABSTRACT

*Kebudayaan merupakan salah satu pokok bahasan yang menarik dalam bidang pemasaran. Telah banyak dinyatakan bahwa kebudayaan mempunyai pengaruh yang kuat pada perilaku seseorang. Kebudayaan juga mempengaruhi produk yang dikonsumsi seseorang. Artikel ini membahas unsur kebudayaan di Indonesia yang berhubungan dengan konsumsi konsumen. Secara umum artikel ini membahas unsur kebudayaan Indonesia, seperti misalnya, gotong royong, harmoni dan toleransi, serta religiusitas. Selanjutnya, artikel ini juga membahas relevansi potensial dari unsur-unsur kebudayaan itu pada perilaku konsumen dan pemasaran.*

**Key words:** *Cultural Values, Mutual Assistance, Harmony, Religiousness*

### 1. INTRODUCTION

Cultural values are different among nations in the world and have great influence on the product they consume and the way they behave (Henry, 1976, Niffenegger, 1980; McCracken, 1986). The value implicit in a culture are said to affect consumption motives which in turn partially set the choice used by consumers. Attitude with respect to choice alternatives are also assumed to be affected by values. Cultural values can be said, have to determine such things like what we eat or what we consume (Nicosia and Mayer, 1976).

Companies managers and academicians, have already known the importance of cultural values and the cultural change in the study of marketing and consumer behavior. Asian or other overseas have their own personal values and ways to consume; so in order to enter an overseas market, managers or marketers should conduct cross-cultural consumer analysis. Munson and McIntyre (1979) as cited by Reynolds and Jolly (1980) noted the need to study cultural values differences as a basis for developing international marketing strategy. Such study is important for segmentation purposes in international markets.

Indonesia can be considered as a great market for certain products. As the fourth populated country in the world, with more than 200 millions people, Indonesia varies in cultural background. With more than 200 millions people

Indonesia is also very attractive as a consumer market. But surely as nation, Indonesia has some pervasive, enduring and consumer-related values. These values need to be explored and studied in order to give useful perspective in marketing and consumer behavior.

This paper discusses some Indonesian values and their impact in marketing and consumer behavior. In the other part of this paper, similarities and differences among Indonesian and American values will be noted. Some implication about how foreign companies work in Indonesian market will also be discussed in the last part of this paper. The discussion about marketing implementation may be very simple but hopefully this paper can give some contributions in marketing studies in Indonesia.

## **2. CULTURAL VALUES**

The study of early cultural values is usually called archaeology. This is the study deals with period of human history before man-learned to write and record the happenings and development that took place in popular society. This study enables the archaeologist to identity the various items of human culture and to some degree tell what effect they had upon the rest of the cultural complex (Griffin, 1956). From the principle of natural selection the whole discipline of anthropology arose and theory about cultural concept became more interesting.

The definition of cultural value is still debated. Some issues of cultural value are still unsettled. This is due to the relationship between intensity which a value is held and that value's impact on behavior. A further issue involves the origins and consequences cultural values. Cultural value is also debated in terms of how widely held a value must be.

Clyde Kluckhohn in "Mirror of Man" defined culture as: (1) the total way of life of people; (2) the social legacy the individual acquires from his group; (3) a way of thinking, feeling and believing; ...; (11) a precipitate of history (Geertz, 1973b). In modern world culture become more complex. The study of culture becomes more challenging because its primary focus is on the broadest component of social behavior, an entire society. Culture affects people's life because and talks over the characteristics of the total society like language, knowledge, laws, religions, food

customs music and art, technology, work pattern and other artifacts which give the society its distinctive flavor.

In the present time, cultural studies become very important. This is because of its broad and pervasive nature. Technology and law gain benefits from cultural studies. Marketing discipline is also gain benefits. Cultural studies give ideas in understanding consumer behavior. Culture, as used in the study of consumer behavior refers to the sum of total learned beliefs, values and customs which serve to regulate the consumer behavior of members of a particular society (Schiffman and Kanuk, 1994). According to Engel, Blackwell and Miniard (1986) culture is sometimes defined to include both abstract and material elements. Abstract elements include values, attitude, ideas, personality types and summary constructs such as religion. Material components include books, computers, tools and so on. Moreover, they noted that the material elements are more accurately described as cultural artifacts or the material manifestation of culture (Engel, Blackwell and Miniard, 1986). Culture is also denoted as an historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate and develop their knowledge about and attitudes toward life (Geertz, 1973a; 1973b). Even, Schiffman and Kanuk (1994) labelled culture as an invisible hand that the impact of culture is very natural and automatic. Moreover, they noted that the influence of culture on human behavior is usually taken for granted. One only become aware of how culture has shaped one's behavior when one is exposed to people with different cultural values.

According to Nicosia and Mayer (1976) it is difficult to transform the term "cultural value" into a measurable construct. However, as noted earlier, that there is some agreement that the term indicates widely held beliefs as well as a general guide for some set of activities. The problem with this agreement is how widely held a value must be. Is the value must be held by a majority of the population or just the plurality of the population? Additionally, issue of the relationship between the intensity with which a value is held and that value's impact on behavior is another unsettled point. For consumer behavior purposes Nicosia and Mayer (1976) considered that cultural values are in the sense that: (1) they are widely held beliefs: (2) they affirm what is desirable and (3) they have some impact on activities. Some

example of cultural values that might characterized as a contemporary society and perhaps bear on its consumption are success through individual achievement, freedom of choice, use of time, orientation toward the future and mystery of the physical environment. Schiffman and Kanuk (1994) based on Rokeach's *The Nature of Human values* summarized the following criteria of culture: (1) they are relatively few in number; (2) they serve as a guide for culturally appropriate behavior; (3) they are enduring or difficult to change; (4) they are not tied to specific objects or situations; and (5) they are widely accepted by the members of society.

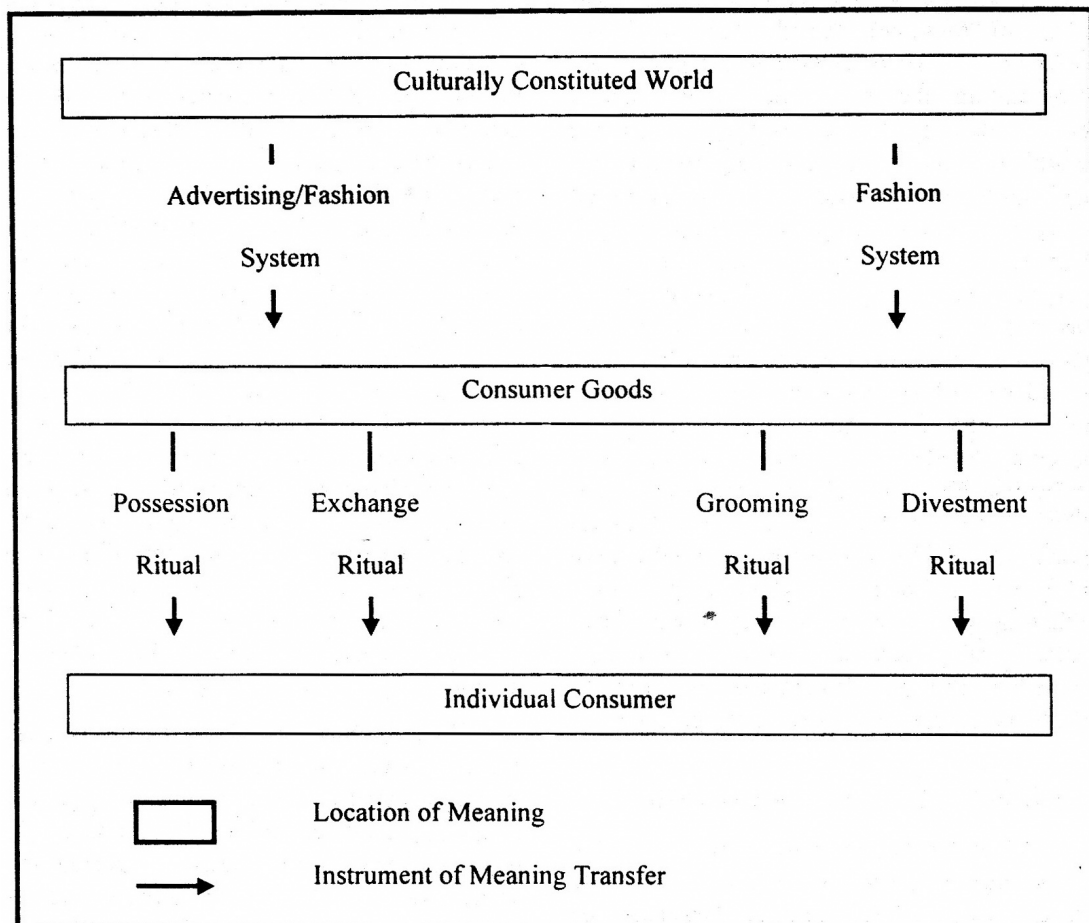
From the preceding discussion, values, can be said as an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence (Rokeach, 1973). Therefore, in a broad sense values are mental image that affect a wide range of specific attitudes, which in turn influence the way a person is likely to respond in a specific situation ( Schiffman and Kanuk, 1994).

It seems that cultural values have important implications for marketing and consumer behavior. Values and the ways in which they influence the behavior of consumers relate with choosing of objects or ideas. In other words, consumers values influence the way they behave. The values implicit in a culture are said to affect consumption motives which in turn partially set the choice criteria used by individual consumers (Henry, 1976). Moreover, Henry (1976) observed that the values implicit in a culture are said to modify consumption motives which in turn partially predetermine the choice criteria used by individual consumers. The form of relationship between culture and behavior may have lack of supporting evidence, however, it may be reasonable to believe that commonly held values can shape the choice of what is or is not valued among broad categories of products. On top of that, Henry (1976) provided some empirical support in this type of relationship that culture is underlying determinant of consumer behavior. He found that value dimensions within American society were found to be correlated with the ownership of generic automobile categories. Cultural values, then, are responsible for selection and maintenance of the ends or goals toward which human being strive and at the same time regulate the methods and manners in which this striving take place (Vinson,

Scott and Lamont, 1977). Vinson, Scott and Lamont (1977) provided additional support that values orientation significantly influence consumer choices.

In terms of consumer goods, McCracken (1986) discussed the link between culture and consumption. He noted that consumer goods have a significance that goes beyond their utilitarian character and commercial value. The significance rests largely in their ability to carry and communicate cultural meaning. Generally, cultural meaning is drawn from a culturally constituted world and transferred to a consumer good. The meaning is then drawn from the object and transferred to an individual consumer. Moreover, McCracken argued that cultural meaning is located in the three places; the culturally constituted world, the consumer good, and the individual consumer, and moves in a trajectory at two point of transfer, namely, world to good and good to individual as summarized in Figure 1.

**Figure 1**  
Movement of Meaning



Source: McCracken (1986)

According to McCracken (1986), the original location of the cultural meaning which ultimately resides in consumer goods is the culturally constituted world. The world is the everyday experience in which the phenomenal world presents itself to the individual's senses fully shaped and constituted by the beliefs and assumptions of his or her culture. Culture constitutes the phenomenal world in two ways. First of all, culture is the 'lens' through which the individual views phenomena such as, it determines how the phenomena will be apprehended and assimilated. Secondly, culture is the 'blueprint' of human activity, determining the co-ordinates of social action and productive activity, and specifying the behaviors and objects that issue from both (McCracken, 1986). Furthermore, he noted that as a lens, culture determines how the world is seen whereas as a blueprint, it determines how the world will be fashioned by human efforts. In other words, culture constitutes the world by supplying it with meaning.

There are two concepts of cultural meaning: cultural categories and cultural principles (McCracken, 1986). Cultural categories are representing the basic distinctions that a culture uses to divide up the phenomenal world. All cultures specify categories of time and space and perhaps the most important categories are those in the human community, namely, the distinctions of class, status, gender, age, and occupation. McCracken concluded that by investing the world with its own particular meaning, culture constitutes the world and influences consumer goods consumption. Cultural principles representing how meaning resides in the idea or values that determine how cultural phenomena are organized, evaluated, and construed. Cultural principles are substantiated by material culture in general and consumer goods in particular. When goods show distinction between two cultural categories, they do so by encoding something of the principle according to which the two categories have been distinguished.

### **3. CROSS - CULTURAL ANALYSIS**

When analyzing market on the global basis, marketers need to be more sensitive to the core values of each culture. Marketers need cultural empathy or ability to understand the inner logic and coherence of other way of life. They also need the restraint not to judge that value of other ways life when those ways are

different from their own. Cultural relativism as a framework for consumer analysis allows marketers to realize that "meaning system" of the consumer in a nation are intelligible within the cultural context. Successful in global strategies usually are adapted to meaning system rather than attempting to change them (Engel, Blackwell, and Miniard, 1986). In other words, their culture influence the way they consume. This is due to the manner in which people consume, the priority of needs and wants they satisfy, all are the function of their cultural value (Cateora, 1990).

To determine whether and how to enter a foreign market, the marketer should conduct cross-cultural consumer analysis. Cross-cultural consumer analysis is defined as the effort to determine to what extent to consumer of two or more nations are similar or different (Schiffman and Kanuk 1994). Such an analysis will provide the marketer with understanding of the differences in psychological, social, cultural and environmental characteristics to permit the design of effective marketing strategies for each of the specific countries involved (Schiffman and Kanuk 1994). The major objective of cross-cultural consumer analysis is to determine how consumers in two countries or societies are similar and how they are different. Treating foreign market should be specific. Further, marketers must become acculturated, that is they must learn everything that is relevant to their product usage in the foreign countries in which they plan to operate.

Some problems involved in cross-cultural analysis include differences in language, consumption pattern, needs, product usage, economic and social conditions, marketing conditions and marketing research opportunities. There is an urgent need for increased marketing opportunities that would benefit both international marketer and the consumers they seek to serve.

#### **4. INDONESIAN CORE VALUES AND THE IMPACT ON MARKETING PRACTICES**

Like American core value, Indonesian core values vary from region to region according to the religious background and cultural heritage of the different ethnic groups. There are about 300 languages spoken in Indonesia by approximately 360 ethnic groups. The religion background is also vary. Islam is the major religion in



Indonesia and dominated about 90% of the total population. The other religions are Catholic, Protestants (Baptist, Advent, Presbyterian, Pentecost), Hindu and Buddha.

Although, there are many types of languages and culture in Indonesia, some values seem dominant. In selecting the specific core value, three criteria could be used. First, the value must be pervasive. It is mean significant portion of Indonesia people must accept and employ it for their attitude and action. Second, the value must be consumer-related in which will provide insights that help us to understand the consumption action. Using McCracken's (1986) assumption, culture in Indonesia can be a lens as well as a blueprint. It is the way which determines how Indonesians see the world and how the world will be fashioned by Indonesian efforts. The cultural value are mutual assistance, harmony, conformity, and tolerance, and religiousness (see Appendix I).

#### **4.1. Mutual Assistance**

Mutual assistance as a value serve as a social and moral justification in Indonesia Society. The value, actually had already exist in Indonesian society hundred years ago before colonialism period. In modern world, Indonesian people still work on that value but in different shape. Mutual assistance serves social and moral justification for the acquisition of goods. In term of consumer behavior an appeal of mutual assistance takes the form of togetherness, which emphasize in collectivism and dependency among others. Advertising strategies which create rupture or friction will not accepted. For example, almost all government throughout Indonesia will wear the same cloth or outfit everyday except Saturday. In community activities, for example to decorate community's places before celebrating the Indonesian independence day, people in that community should participate in it although most of the only work insignificant jobs.

#### **4.2. Harmony, conformity, and tolerance.**

Hard work is highly value in Indonesia. However, hard work should be balanced by the desire to maintain personal calmness, emotional equilibrium and harmony. In order to achieve harmony, people tend to act indirectly. When speaking, Indonesian rarely rebuff, deny or confront directly. The words "yes" and "no" are



commonly softened to mean something a bit looser, like "not yet" or "not enough". To say, "we can't do that " or "no, we don't want that" may be interpreted by Indonesian as being a very harsh denial. People has to be conform or adapt to society.

Indonesians are likely to be far more concerned with maintaining harmonious communion with nature and their fellow men. Tension, friction, arguments and confrontations all bother them greatly. This is way, Indonesian also place the idea consensus among others. It is mean if decision has already made, someone has to agreed although he or arguing too much can make someone to be disliked. Voting is the latest way to solve the problem.

Harmony, conformity and tolerance takes the form of standardized product. Comparative advertising like Xerox and Minolta or Coca Cola and Pepsi is disliked because it reflect confrontation or friction. For some one reason, competition in Indonesian look very easy because alternative of choice tend to be limited. For marketers, those values above can be the basic idea to develop advertising messages something like "if you buy this product, you will be the same with other people" it means harmony, conform and tolerance. A slogan like "We serve our society" is also shows a harmony.

#### **4.3. Religiousness.**

Eighty eight percent to ninety percent of Indonesia's populations considered themselves to be Muslims. Islam was introduce in the thirteenth century by Indian traders from Gujarat (Geertz, 1973a). Islam values, can be said influence almost all aspects of Indonesians way of life. They are very religious and work hard to obey the Islam rules. They worship five times a day and fasting in the month of Ramadan. During the month of Ramadan, Muslims are required to fast without food or drink from the first streak of dawn to sunset - a reminder to those who are less fortunate and as an exercise in self-control (Luqmani, Quraeshi, and Delene, 1980). The marketing opportunities which exist in this month was food products that are nutritious, cool, and digested easily.

Muslims are also faithful to meet their obligations to religious occasions. In Islam, there are two major religious observances that are exceptionally celebrated, Eid-ul-Fitr and Eid-ul-Adha (Luqmani, Quraeshi, and Delene, 1980). These two

celebrations are related to many marketing activities such as to purchase new clothing, shoes, sweets, and preparation of food items for family reunions, Muslims gatherings.

More than a religion, Islam is a way of life with prescribed codes of everyday conduct (Luqmani, Quraeshi, and Delene, 1980). Moreover, they noted that a typical Islamic view of progress is that industrialization and modernization should occur in coherent, organized manner, joining the goal of economic development with an appreciation of the social and cultural context in which it occurs. They identified two at least two influences which may have relevant implication to marketing opportunities, Islamic religious fundamentals - major Quranic principles and precepts and Islamic cultural values - those values resulting from historical experiences and development of the religion and the traditions practiced by the prophet Muhammad. Market opportunities were identified in three major categories such as, (1) product and market that are essentially Islamic in nature, (2) consumer markets influenced by a population with a growing middle class and Westerneducated segment, and (3) an industrial bases that thrives on the resource capabilities and needs of Islamic countries and their growing interdependence on one another and the industrialized West (Luqmani, Quraeshi, and Delene, 1980: 25). Thus, it is obvious that business companies and marketers have to consider Islamic values because eighty seven percent to ninety percent of Indonesian consumers are Moslem. In Addition, Moslem or Islam followers are also avoid every product which contain animal shortening or lard.

A few years ago, hundreds of products collapsed, their sales dropped from thirty to seventy five percent because people believed that all of those produce is "haram" or prohibited in Islam rule. People believed that all of those product contain pork or lard or other animal shortening. Americans products like Colgate, Palmolive, Camay, Zest and many others suffered and dropped in sales (Tempo October 1988).

In term of marketing and consumer behavior, producers have to produce their products and promote them correctly. It means, do not used lard or any animal shortening in the product. This is the most important product strategy. The other product strategy is packaging. In packaging manufacture should explain that vegetable shortening is used in the product, for example or put words like "100%

halal" or 100% lawful. Promotion and advertising strategies are also very important. Advertising should build or create specific image that the product is suitable for Moslem people. Marketers can also design the advertising with Muslim model. This problem is closely related to food products.

## **5. SOME DIFFERENCES BETWEEN AMERICAN AND INDONESIAN VALUES.**

The most important differences between Indonesian and American values probably lie in their priority of values. Common American values like achievement and success are closely related with general American spirit. In Indonesian values, term like achieve merit and success sometimes are limited by desire to maintain emotional equilibrium and harmony. People with high achievement need will be created differently in the society. Other people in the society will say that he or she is ambitious person. Unfortunately, the word "ambitious" has negative meaning in Indonesian society.

Freedom and individualism are avoided in Indonesian society. In terms of individualism, Hofstede (1980) and Wright (1990) classified Indonesia as a country with low degree of individualism score. Or, in other words, Indonesia is a collectivist country. Freedom of the press, freedom of expression and other kind of freedom have negative meaning. For some reasons, freedom of the press, for example, can create instability while Indonesia need a good stability, socially and politically, in order to advance further economic development.

Generally speaking, Indonesian and American consumers are very different in life style and consumption patterns. Indonesian consumers tend to be slow and try to find harmonious among other while American consumers have freedom to consume whatever they want.

Beside those values above, in Indonesian society there are some new values which exist in big cities. These new values are not pervasive and enduring but consumer-related. These new values very close with American values. Material comfort signifies product like microwave oven, air conditioner, a hot tub and many other. This value represent rich people's consumption patterns they tend to be

emotional consumers (because they have money). Those rich people, of course, represent another life style.

Youthfulness is the other new value. In the United states, youthfulness is a reflection of America's rapid technological development but in Indonesia this value represent prestige and lifestyle. This value is closely relate with fitness and health values. In Indonesia, these values has the same manifestation as those is the United States, like fashion, tennis, jogging fad, fitness activity (aerobic) and other activities. Tennis Club and fitness center increase rapidly in the big ten cities. Food companies are also get new market for low calories food like Slim-Fast, Tropicana-Slim and others.

There are some implication of these values on marketing. Knowledge of consumer value provides an efficient and measurable set of variables related market analysis and segmentation. Business should be concerned with assessing changes in the size and composition of value segments and its implication of these changes for marketing activities. Besides, careful judgment of cultural values and the emerging of contemporary values will let the identification of new product opportunities and positioning. The existence of value segments containing significant number of consumers suggests that products can be developed and positioned by designing certain products with the attributes which connected to the contemporary values. For example, a value segment containing consumers who regard the value of material comfort, youthfulness and fitness can be defined as segment of consumers concerned with individuality and self expression. Promotional strategies also can be designed to create and reinforce a preference by appealing to centrally held values (Vinson, Scott and Lamont, 1977).

## **6. CONCLUSION**

The study of cultural and value are the study all aspects of a society its language, knowledge, laws, customs-which give that society its distinctive character and personality. Culture also involves a meaning in which it determines how the phenomena will be apprehended and assimilated. It also determines the co-ordinates of social action and production activity, and specifying human behavior. The impact of culture and values are so natural that influence on behavior.

Indonesian society has "dualistic -cultural value" like Boeke's Asian Drama, the "dualistic-economy". Indonesian society has traditional values like mutual pervasive, enduring and consumer-related but on the other hand, Indonesian society is also has "modern value" or "contemporary values" like material comfort, youthfulness and fitness which are consumer-related but not pervasive and enduring.

For the United States companies who wish to serve the Indonesian market might have to change or to modify their marketing mix strategies. Product strategies should match with Indonesian cultural background (avoid using lard), and modify the size (Arrow, Levi's and Lea). Price strategies is to determine a set of price which is attainable. Distributions strategies are in order to place the product close to the consumer. Promotion strategies must be able to create an image that the product is legal according to Moslem rules and understandable.

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Indonesian Values and Its Possible Relevance to Marketing and Consumer Behavior

Values	General Features	Relevance to Consumer Behavior
<i>Core Values</i>		
Mutual Assistance	Togetherness, Collective Dependency	Act as a justification of goods, stimulates purchases of products that show collectivism and togetherness.
Harmony, Conformity and Religiousness	Act indirectly, harmony consensus. Carefully choose a product, curious	Stimulates interest in product that used by other in the society Stimulates purchases of product which are legal in Muslim rules. Clear advertising, honesty Development of an Islamic consumer, served with Islamic oriented products, products for gifts exchanged at Muslim festivals.
Contemporary Values		Need to develop timings in planning sales calls, work schedules, and business hours. Opportunities for developing nonalcoholic items and beverages, food products should use vegetable shortening.
Material Comfort	Luxury, Status	Stimulate purchases of product in order to increase the status of life
Youthfulness and Fitness	Desire to be physically fit and healthy	Stimulate purchases of low calorie food, fitness health center, sports equipment.