



Understanding Globalisation - Audio

Cultural homogenization

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Cultural homogenization means that national cultures that were very different are becoming less different. Influences such as global media and communication, the internet, or international travel have created similarities in consumer tastes across world markets. This has resulted in the national markets that they represent, and also the customers within those markets, buying similar products and similar services in most parts of the world. The term 'global village' is often used to describe this phenomenon in which the world's population now shares commonly recognized cultural symbols.

Cultural homogenization is seen as providing an international context and marketplace in which global brands such as Nokia mobile phones and Levi jeans become 'aspirational' lifestyle symbols that are recognised worldwide within very different national cultures. The consequence of this is that similar products and services can be sold to similar groups of customers in almost any country in the world. Cultural homogenization therefore implies the actual, or at least the potential, for the world-wide convergence of markets and the emergence of a global marketplace.

However, in reality we all know that the idea of one homogeneous 'global village' is nonsense, since national cultural diversity between, and within, nations is still huge. Despite joint membership of the EU, European countries and cultures are very different indeed and that's true of every part of the world.

So what does this idea of cultural homogenization actually mean in practice?

What it does NOT mean is that everybody in the world is now the same. But what it does explain is the emergence of global market segments.

These are international groupings of consumers who have more in common with their counterparts in other countries than they have with other groups or market segments within their own country.

Consumers within global market segments have common needs and preferences, such as the 'business traveller' or the 'youth' market. The business traveller global segment has been the basis of successfully targeted global services by airlines, car hire companies, hotel chains and financial service companies. The global youth segment targets products and services

(such as clothing, music, consumer electronic items, TV programmes) at a global age segment. Another age-related global market segment is babies since babies are a universally understood customer for universal products (for example, disposable diapers (nappies)) that certainly do have a similar global use.

Indeed the global market for disposable diapers is worth about \$6 billion, and it certainly fulfils a similar function for its customers in all markets world-wide. These all constitute specific global customer segments towards which companies can direct specific products or services worldwide.

An interesting recent potential global market segment may be that for observant Muslims worldwide. There have been a number of start-ups of companies whose international strategies specifically target that customer group on the basis of common consumer preferences across different country markets in the various regions of the world. One obvious example is that of banks developing financial products that work within the requirements of Islamic law.