

Contextual and Cultural Factors Underlying Americanization

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Submitted September 2007

Revised February 2008

Accepted March 2008

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Structured Abstract

Category. Research Paper

Purpose. American cultural influence is evident throughout the world to varying degrees. The purpose of this paper is to examine factors that influence the extent to which a particular country adopts elements of American culture. Factors related to information, ideas, technology, goods and capital as well as cultural proximity are used to explain the degree of Americanization a country exhibits.

Design/Methodology/approach. A conceptual framework is developed that looks at culture, Americanization and the related construct of internationalization. The extent of consumption of products related to American culture in a sample of 23 OECD countries was examined. These included the number of McDonald's per capita, amount spent on US filmed entertainment, including television, and imports from the US.

Findings. Cultural proximity to the US was found to be associated with a greater degree of Americanization as evidenced by more McDonald's per capita and greater consumption of filmed entertainment from the US. A country's openness to trade, as indicated by exports, foreign direct investment, and tourism, negatively influenced consumption of filmed entertainment. A country's progressiveness was weakly related to the number of McDonald's. None of the independent variables influenced imports from the US.

Practical implications. The role of cultural proximity in fostering the adoption of products with cultural content suggests that it may be useful, along with other factors, in identifying attractive markets. Further, while this study focused on the spread of American culture, the fundamental process underlying the spread of other cultures should be similar.

Originality/value of paper. The paper is unique in that it attempts to look analytically at surrogates of American influence in other countries, rather than rely on anecdotal accounts. It uses measures that may have broader applicability and lays the foundation for additional inquiries.

Keywords. Americanization, Globalization, Cultural distance, cross-cultural, entertainment

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Introduction

As the largest economy in the world, the US plays a dominant role in world trade. In terms of dollar volume, it is both the largest importer of goods and services as well as the largest exporter in the world. The size of the US economy means that its actions, such as the threat of economic sanctions or provision of economic aid to developing or war-torn countries, can have considerable impact. However, American influence extends well beyond its political and economic significance. Increasingly, the impact of America's "soft" power (Nye 2005) is becoming apparent throughout the world. This is reflected in the adoption by consumers in other countries of products and services which embody US values and lifestyles (i.e. American culture). As a result, the spread of American culture has become increasingly evident as US companies, such as Coca-Cola, Levis, McDonald's and Disney, expand internationally.

The international expansion of US consumer goods companies has at the same time prompted a change away from traditional consumption and lifestyle patterns in certain countries to patterns which reflect the more casual fast-paced tempo of US daily life. Similarly, the dominance of the film entertainment industry by US studios results in increased awareness and in some cases adoption of US social values, ideas and customs. In other cases, this has aroused considerable hostility and anti-American sentiments, resulting in negative articles in the press and elsewhere, as well as demonstrations and in some cases hostile actions such as the trashing of McDonald's outlets or boycotts of iconic products such as Coca-Cola (Hollander, 2004).

While anecdotal evidence on the spread of American cultural influence exists, it is largely based on the visibility of US cultural icons and verbal or physical expression of anti-American sentiments. Little systematic analysis has been undertaken on the spread of American products

and services which reflect US culture to other countries. In particular, limited attention has been paid to examining the underlying determinants of the adoption of US cultural products. Here, an issue of particular interest is whether the spread of American cultural products is a function of trade with the US or alternatively reflects specific preference or affinity for American cultural products in a given country.

The purpose of this study is to examine the factors underlying the spread of American influence based on the prevalence of US products in a country. Two products reflect American culture, the number of McDonald's restaurants and consumption of US filmed entertainment. The third, imports of US goods into each country, more generally reflects the presence of products made in the US. Cultural similarity and macroeconomic characteristics, reflecting the openness to products, ideas and information from other countries, are viewed as alternative factors which may underlie the spread of American influence. First, the conceptual framework and the key concepts underlying the study, notably "internationalization" and "Americanization" are explicated together with the key research propositions. The methodology for the study is then outlined and the results discussed together with the managerial implications. The limitations of the study and directions for future research are then suggested.

Internationalization and Americanization

The term "internationalization," while defined differently depending on the perspective taken, has similar and relatively unambiguous meanings. In the international business literature it has generally been viewed as a *process* by which firms expand beyond their home market into other countries (Johanson and Vahlne, 1977). More broadly, it refers to the undertaking of *activities* in two or more national markets. It can also be used to characterize a *state* or outcome referring to an entity exhibiting characteristics that originate from outside of the country. All

uses of the term indicate greater involvement or activity of firms in markets beyond their domestic market. This can be studied either from an *inward* perspective, reflecting activities of foreign entities in the domestic market, or an *outward* perspective, involving the presence of a firm outside its domestic market. Extensive activities by foreign firms in a domestic market will result in new products and ideas which eventually may be adopted by local inhabitants. This process is often gradual and may ultimately become indistinguishable from and part of the indigenous culture. Outward activities have less dramatic effects in the home market with the consequences more likely to be observed in the external markets.

Expansion of firms into foreign markets and the resultant movement of goods, capital and labor across national boundaries is widely acknowledged and well documented in the economics, international business and finance literature. Extensive research has been undertaken in these disciplines to examine international flows of goods, services and capital (Sideri, 1997; Dunning, 2000; Buckley and Ghauri, 2004; Rugman, 2005; Hitt *et al.*, 2006; Pla-Barber and Escriba-Esteve, 2006). Expansion of firms internationally has been facilitated by increasing ease of communication, technological advances, the removal of trade barriers and the formation of regional trading blocs as, for example, in the EU, NAFTA, Mercosur and ASEAN. Even so, formal and informal barriers still remain, particularly around the regional blocs, impeding their free flow of goods and labor. This has resulted in what one authority refers to as “semi-globalization” (Ghemawat, 2003), while yet another leading academic, examining the patterns of international trade, argues that the trend is one of regionalization (Rugman, 2005). While most research is based on the analysis of international trade flows, Rugman’s conclusion is based on data relating to the geographic distribution of the sales of 380 of the 500 largest multinational enterprises (MNEs). He found that most MNEs have an average of 80% of total sales in their

home region and concluded that only nine of the firms could be considered unambiguously global. Gabriellsson et al. (2006) make a similar distinction between internationalization, i.e. sales outside the home country, and globalization, i.e. sales outside the home continent.

Primary emphasis, has however been placed on the economic forces underlying these trends. Sideri (1997, page 38) for example, argues that “globalization is essentially a process driven by economic forces. Its immediate causes are the spatial reorganization of production, international trade and the integration of financial markets.” Less well understood and researched are the intangible flows of ideas, knowledge and communication which drive demand for many consumer goods, particularly those reflecting the specific culture and lifestyles of a country (Krishnan, 2006). Further, less attention has been paid to the dynamics of internationalization and the increased complexity brought about by advances in technology (Axinn and Matthyssens 2002).

A specific type of outward internationalization is Americanization. The meaning and use of Americanization has evolved. Used initially in the latter part of the 19th century and early part of the 20th century, Americanization referred to a social movement whose goal was to fully assimilate immigrants into American society (Graham and Koed, 1993). More broadly, it referred to the process by which “immigrants are transformed into Americans” (Huebner, 1906, page 653). In the present paper, the term Americanization is used to refer to a process through which aspects of American cultural influence are manifested in other countries. Evidence of Americanization can be seen in the presence of uniquely American material artifacts in other cultures, such as Levi’s, Coke, Marlboro and Nike. In addition, it can be reflected in a general fascination with or adoption of American lifestyles, slang and values. The extent of Americanization differs from country to country. In some countries it is quite apparent and

pervasive, whereas in others it is far less pronounced. In some countries it is readily embraced, while in others it is actively shunned and reviled as an assault on the traditional values of a particular country.

The mechanisms underlying Americanization are similar to those which stimulate internationalization and the globalization of consumption (Alden et al., 2006). Increasing foreign travel provides direct exposure to lifestyles, customs and mores in other countries. The spread of the internet together with the growth of e-mail and VOIP communications provide mechanisms that facilitate communications between individuals who are continents apart. In addition, many firms have begun to expand internationally by disseminating information, as well as entertainment products such as movies, music and DVDs. Often regional or national language versions of their offerings are developed, adapting to the local cultural context. It is these mechanisms which are perhaps the most important in stimulating the exchange of ideas and linking together consumers in different countries resulting in cultural interchange and interpenetration (Craig and Douglas, 2006).

The mechanisms underlying internationalization and Americanization can be broadly conceptualized in terms of the movement of products, people, information and specifically transmission of cultural content across countries. A sociologist, Appadurai (1990) has identified five types of global flows that he believes are directly transforming the nature of society. In many instances, it is the expansion of markets for goods and services that sets many of these flows in motion. *Mediascapes* capture flows of image and communication. They are the most far-reaching and subject to influence by marketers. *Ethnoscapes*, i.e. flows of tourists, migrants, and foreign students, are shaping beliefs and result in direct exposure of members of one culture to another. *Ideoscapes*, i.e. flows of political ideas and ideologies, exert more subtle influences

that take time to have impact. Ethnoscapes and mediascapes are the conduits for transmission of ideas and ideologies. *Technoscapes*, flows of technology and know-how primarily create linkages between factories and offices around the world, and *finanscapes* involve flows of capital and money. Thus, while technology and capital are critical factors for business, facilitating the growth of commerce around the globe, their impact on culture is ultimately manifested in the first three scapes.

Each of these flows act as conduits linking together the economic and social fabric of communities in different countries and cultures. They provide exposure to the values, lifestyles and products of other countries and as a result may generate interest in and receptivity to products and services typical of other cultures. This suggests that countries where these flows are particularly significant are likely to be more receptive to products and services typical of other cultures.

Cultural Forces Underlying Americanization

Global flows not only link countries and result in the movement of ideas, products and people across national boundaries, but are also an important force underlying changes in the cultural fabric of society. This occurs through the process of cultural interpenetration whereby the tangible and intangible elements of one culture or its “ethnie core” (Naroll, 1970) are adopted or become evident in another. Cultural interpenetration may transform an indigenous culture, making it more difficult to isolate or identify its ethnie core.

Culture is widely viewed as a pervasive and complex influence underlying all facets of social attitudes and behavior (Usunier and Lee, 2005). It is manifested in the values and norms governing society as well as in objects used in everyday life and in how members of a common culture interact. The nature of culture and cultural influences has been widely studied in different

social sciences including anthropology, psychology and social psychology, resulting in a range of different definitions of culture, relevant units or levels of analysis and the study of different aspects of cultural influences (Kroeber and Kluckholm, 1952). Perhaps the most widely accepted definition is one formulated over 100 years ago which states “culture or civilization is that complex whole which includes, knowledge, belief, art, morals, laws, customs and any other capabilities and habits acquired by man as a member of society” (Tylor, 1881, page 1).

Similarly, in the applied disciplines such as management, marketing and international business, culture and cultural influences have been studied from a range of different perspectives and in relation to different types of attitudes and behavior. A recent article on culture in international business by Leung *et al.* (2005) views culture as a multi-tiered construct influencing aggregate social and group processes at different levels, e.g. global, national, organizational and group, which intersect and facilitate cultural change. In marketing, attention is focused primarily on the impact of culture on individual consumption and purchasing behavior, though different levels at which cultural influences are felt, i.e. global, national and sub-cultural are also identified. Three different components of culture particularly relevant to marketing have been identified (Sojka and Tansuhaj, 1995): the *intangible* or abstract elements of culture such as values and attitudes, the material *artifacts*, such as products, symbols or rites and *communications* which connect and perpetuate a cultural system. These elements are closely interwoven. Artifacts such as shoes or clothing or other material possessions may designate membership of a particular global, national or subcultural lifestyle as for example, wearing a headscarf by an Islamic woman or carrying an iPod or mobile phone by a member of the global youth culture. At the same time, these artifacts may express the values, attitudes and beliefs of that culture, i.e. femininity, individualism, connectivity. For example, the wearing of a headscarf

or burka is a manifestation of belief in female modesty as well as membership in Islam. Media advertising, movies, music and magazines not only reflect the values and lifestyles of the culture to which they are targeted, but also reinforce emergent values and attitudes.

Traditionally, (in the 19th and 20th centuries) with the emergence of the nation state, cultural values were viewed as exerting strong influence at the national level (Inkeles and Levinson, 1969). The concept of national character, i.e. that people of each nation have a distinctive and enduring pattern of behavior and/or personality characteristics led to the formation of national stereotypes based on observational data that often reflected observer biases and prejudices. Dissatisfaction with this approach resulted in the study of national culture as “the collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede, 2001, page 9). These societal norms lead to the development of institutions in society such as the family, education systems, political systems and legislation which reinforce societal norms and the ecological conditions which underlie their establishment (Berry and Annis, 1974). These institutions maintain and perpetuate societal norms and may result in resistance to forces of change.

The societal norms of a national culture operate in two ways. First, they mold the attitudes, customs and lifestyle of its citizens and influence the consumption patterns as well as the products and brands which are characteristic of that culture. Second, they may also act as barriers to acceptance of products and services which are characteristic of other national cultures. Of key importance in this study is the influence of such factors on the consumption of material goods and artifacts which make up the tangible components of culture (Holt, 1998). As McCracken (1986) has pointed out, material “objects contribute to the construction of the culturally constituted world precisely because they are a vital tangible record of cultural

meaning” (page 73). Interpretation of these material artifacts is linked to the intangible elements, the values and beliefs which underlie a culture. Both values and artifacts reflect and at the same time form an integral part of the cultural fabric of a society.

The adoption of products and other material artifacts that reflect a particular culture in other cultures can occur through various mechanisms operating at different levels of society, e.g. the individual, the subculture and at the macro-culture level itself. Cultural interpenetration at the individual level, for example, can occur when an individual travels to another country and acquires a taste for products or customs from that country. Equally, immigrant subgroups often bring with them products and other artifacts from their native culture that then become assimilated into the national host culture. Here, of primary interest is cultural intrapenetration at the macro level. Communication and movement between cultures results in cultural interpenetration and changes in the cultural fabric and patterns of a society as products, icons, lifestyles and rituals of one culture are adopted by another (Craig and Douglas, 2006). As a result, traditional territorially-based notions of culture are evolving, resulting in linkages between cultures and increasingly fluid and dynamic concepts of cultural influence (Hermans and Kempen, 1998).

As noted earlier, cultural products and lifestyles can also spread across countries as a result of indirect exposure to other cultures through traditional media such as TV and films, as well as through new media such as the Internet, electronic social networking, blogs, etc. As cable networks, such as MTV and CNN, and other media have expanded internationally viewers have become increasingly aware of and exposed to the cultural products and associated lifestyles typical of other countries. In developing countries, for example, as TV has expanded and the Internet has spread, consumers are now exposed to visual images of the affluence and

materialism of Western societies. Often this provokes a desire for products, and particularly for brands, which are seen as symbols of that lifestyle.

This exposure has been further reinforced and converted into actual purchase by the international expansion of many US companies notably in consumer goods such as Coca-Cola, Pepsi-Cola, Levi's, the Gap, and Nike, whose brands are an integral part of the US consumer culture. These companies not only make their products and brands available in other countries, but also use their advertising to promote the US values and lifestyle with which these products are associated. US companies often initially enter countries which are perceived as culturally similar, as for example, the UK, Canada, and Australia, where a common language also facilitates management and control of local operations. Products with a cultural content are particularly likely to be susceptible to the cultural context of a society. In particular, where that cultural content reflects a specific national culture, attitudes both negative and positive toward that culture are likely to play a key role in acceptance of the product.

Conceptual Framework

The discussion so far has centered on two related processes, internationalization and Americanization. The fundamental process is that of internationalization, i.e. the expansion of firms into markets outside their home market. This increased commercial activity brings new products and services from one market to many markets. While there are obviously firms from Europe, Asia and elsewhere expanding internationally, the volume of US trade and the activity of US firms outside the US means that the US is a major force in the overall internationalization of markets around the world. Underlying and stimulating these commercial activities are a number of related movements and activities. These can be conceptualized in terms of the five flows suggested by Appadurai (1990) relating to communications, people, ideas, technology, and

capital (see Figure 1 for the relationships). Here the focus is on whether these flows, which stimulate the internationalization of both firms and countries, coincide with increased Americanization of a particular country. This suggests the following research proposition:

Research proposition 1: Countries that evidence greater flows of communications, people, ideas, technology, products and capital are more likely to adopt products reflecting American lifestyles.

Insert Figure 1 about here

At the same time, as indicated earlier, elements of American culture are increasingly evident throughout the world. The mechanism for Americanization is the same as for internationalization, i.e. flows of information, ideas, products, and technology from one country to others. The flows involve not only products and services, but also the ideas and lifestyles that may accompany them. For example, eating in fast food restaurants indicates a desire to consume “American” food, although clearly some of the chains are adapting their product offerings to cater to local taste preferences. Still, dining at a fast food restaurant often signifies a break from the traditional foods of a country and an acceptance of the “fast-food” lifestyle common to much of the US.

However, whether a country becomes “more American” and embraces visible aspects of American culture is likely to not only be a function of the flows, but also of how culturally close it is to the US. Countries that already share values similar to those of the US are more likely to embrace products reflective of American culture and to treat them as part of their own culture. Conversely, countries that do not share American values are less likely to adopt products typical of US culture. Hence, it is the pre-disposition to accept things identified with America, rather

than the mere availability of the artifacts, that increases the likelihood that the indigenous culture will become more “Americanized.”

This suggests the following research proposition:

Research proposition 2: Countries that are culturally closer to the US are more likely to adopt products reflecting US lifestyles, particularly those with US cultural content.

Research Approach

Data

The data for the study were drawn primarily from Euromonitor (www.europaworld.com), the World Bank (www.worldbank.org), and UN (UNDP Annual Report, 2000) sources and were limited to OECD (Organization for Economic Cooperation and Development) countries. This set of countries has the most reliable and consistent data, and also data were available for the variables of interest. In addition, these countries provided a relatively homogenous data set. These countries are typically highly developed thus reducing the impact of factors such as consumer purchasing power or the desire of consumers in emerging markets to emulate those in developed countries such as the US. Twenty nine countries are members of OECD in addition to the US. However, measures of cultural distance were not available for Iceland, the Czech Republic, the Slovak Republic, Poland, Hungary and Luxembourg, reducing the sample size to 23. Data on the number of McDonald’s restaurants were taken from the company’s Annual Report (www.McDonalds.com). Information on US movie studio revenues was obtained from a confidential Motion Picture Association of America report on all media revenue (MPAA, 2003). The total included all revenues US studios received from theatrical release, i.e. box office revenue, home video, television and pay television.

Independent Variables

Indicators of the five Appadurai flows. Two variables were selected as surrogate indicators for each of Appadurai's five flows. These were proxy variables for a flow, focusing on the outcome of a flow rather than the actual flow, due to the difficulty of obtaining data that specifically reflect the degree of interaction between countries. Ethnoscapes imply interaction between individuals from different countries and therefore can be captured by international tourism arrivals and minutes of international calls. The flow of ideas, or Ideoscapes, were reflected in the percentage of seats in parliament held by women and tertiary school enrollment. A more highly educated population has the ability to read and understand new ideas. Further, the percentage of women in parliament suggests a certain degree of progressiveness. The numbers of internet users per capita and television sets per capita within a country were used to reflect the significance of Mediascapes. The number of TV sets per capita was considered to provide an indicator of the extent to which inhabitants in a country were likely to be exposed to information and activities in other countries, which may include foreign programming. R&D expenditures per capita and the number of scientists and engineers were used as indicators of Technoscapes. Foreign direct investment in a country and exports of goods and services were considered to provide indicators of Financescapes or flows of capital and goods between countries. To eliminate the effect of country size, variables were expressed on a per capita basis where relevant.

Cultural Proximity: Hofstede's measures of national culture were used to establish cultural distance from the US for each of the 23 countries. Following Kogut and Singh (1988), cultural distances were calculated as indices based on Hofstede's (1980) measures of Individualism, Power Distance, Uncertainty Avoidance, and Masculinity/Femininity for each country. This provided an overall measure of cultural distance from the US for each country.

Deviations were corrected for differences in the variance of each of the four dimensions. Each country had a single index number which reflected its “closeness” to the US.

Dependent Variables

Americanization is a complex, amorphous phenomenon and as such is not easily captured in a single variable. Studies in global sociology (Featherstone and Lash, 1995; Smith, 1990) which discuss the impact of globalization, modernity and Americanization do not attempt to quantify these phenomena, but rather describe them in general terms. Equally, discussions in the press and popular journals on Americanization, typically illustrate arguments with events, incidents, case histories or discussions of consumption and lifestyle trends. Consequently, no general consensus exists with regard to indicators of Americanization. Here, American cultural influence is viewed as the adoption of material artifacts which reflect American cultural values and lifestyles. More specifically it is captured by three surrogate indicators, each of which relates to a different aspect of that influence. The three surrogate indicators used in this study are dollar volume of US imports per capita, the number of McDonald’s restaurants per capita, and the per capita revenue that US movie studios derive from that country.

US imports per capita provide an indicator of the flow of US goods into a country and are one measure of the availability of US products in that country. This indicator does, however, include both business-to-business as well as consumer goods and hence reflects the presence of all types of US products, rather than only those that contain cultural content. Equally, it does not reflect consumption of US brands sold by US subsidiaries, joint ventures, or under licensing and contract manufacturing agreements in a given country.

The number of McDonald’s per capita in a country captures the adoption of fast food dining habits, which are a key feature of US lifestyle. At the same time, insofar as the entry of

McDonald's into a country is typically rapidly followed by the entry of other fast food chains such as Wendy's, KFC, Pizza Hut, and Burger King, it also acts as a surrogate for the spread of US fast food.

Per capita revenue from US entertainment products is an important indicator of a country's exposure to US lifestyles, values, mores, etc. (Craig et al., 2005). This included revenue from theatrical release of films, home video sales, as well as revenue from the sale of television programming. It thus provides an indicator of the popularity of US entertainment content in a country and hence the extent to which the population is exposed to US cultural influence.

Analysis

These data were analyzed in two stages. First, a factor analysis was conducted on the 10 variables used to tap Appadurai's five flows in order to examine their interrelationship and to identify possible sources of inter-correlation. This approach also eliminated redundancy and helped to reduce the number of independent variables in the analysis. This was particularly important since the unit of analysis was the country and resulted in a relatively small sample size. Thus, it was important to reduce the number of independent variables. The factor analysis also allowed all flow variables to be expressed in a common metric, i.e. factor scores. Three sets of regression analyses were then conducted, one for each of the three measures of Americanization. The independent variables in the regressions were the factor scores for the three factors identified in the factor analysis, together with the composite measure of cultural distance. These two steps are next discussed in more detail.

Step 1. Preliminary Analysis: Factor Analysis.

The ten variables representing Appadurai's (1990) five cultural flows, (two for each flow), were first submitted to an exploratory factor analysis. Table 1 shows the results of the varimax rotated factor analysis. Using the criterion of Eigen values greater than one, three factors were identified that accounted for 71% of the total variance. These did not correspond exactly to the five flows. The two indicators representing Ideoscapes, together with the two representing Technoscapes, in addition to a singular indicator reflecting Mediascapes, loaded highly on the first factor. This factor accounted for 37% of the explained variance. The second factor accounted for 19% of the explained variance and consisted of both indicators of Financescapes and one indicator used for Ethnoscapes. The remaining two indicators, (representing Mediascapes and Ethnoscapes), form the third factor and account for 15% of the explained variance.

Insert Table 1 about here

The results of the exploratory factor analysis suggest the existence of three factors that reflect a country's interconnectedness with other countries. While these do not conform exactly to Appadurai's five flows, they nonetheless suggest three factors that are associated with a country's degree of internationalization. Further, since Appadurai's flows were developed on a conceptual or theoretical basis rather than empirically, it is not surprising that the factors do not correspond precisely to the five flows. It may also reflect the inability to obtain variables that exactly measured the flows.

The first factor reflected a country's level of technological competence and education as well as a more egalitarian or progressive ideology. The variables with the highest loadings on this factor were R&D expenditures per capita and the number of scientists and engineers per

capita with loadings of .85 and .82 respectively. This suggested a high level of technological competence and commitment. The percentage of seats in Parliament held by women and tertiary school enrollment had slightly lower loadings of .75 and .61 respectively, reflecting a more advanced or progressive ideology. The number of internet users had loadings of .72, reflecting the potential for widespread exposure to international trends and communication as well as a strong technology infrastructure. In general this factor appeared to reflect a country's receptivity to social and technological progress and was labeled *Progressiveness*.

The second factor reflected the openness of the economy to international trade and investment. Merchandise exports and foreign direct investment loaded .87 and .72 on the second factor, reflecting external flows of goods and foreign capital inflows. International tourist arrivals loaded .61, reflecting the inflows of people from other countries. In essence, this factor reflected the international exposure of a country to capital, goods and people. This factor was labeled *Openness*.

The third factor reflects potential for and actual communication with other countries at an individual level. The number of television sets loaded .88, reflecting potential for exposure to news and information relating to other countries as well as awareness of activities and lifestyles outside the home country. Minutes of international calling loaded .83, reflecting the level of personal communication with individuals in other countries. Thus, this factor appeared to reflect communication links with other countries at an individual rather than macroeconomic level and was labeled *Communication*.

The interrelationship between the three dependent variables was also examined by means of a correlation analysis. The three measures of Americanization were not highly interrelated. The number of McDonald's per capita in a country and US imports per capita were significantly

correlated (.42, $p < .05$), but neither the number of McDonald's nor US imports per capita was significantly correlated with US entertainment revenue or McDonald's with imports from the US. This suggests that the number of McDonald's and expenditures on US entertainment each tap a different aspect of American cultural influence. In addition, flows of US physical goods appear to be distinct from flows of US entertainment products.

Step 2 Regression Analysis

The next step was to conduct a series of regression analyses using each of the three indicators of Americanization as the dependent variables and the three factor scores from the factor analysis together with the measure of cultural distance as independent variables. The results of these analyses are shown in Table 2. This showed that these differed in overall significance, depending on the specific measure of Americanization, particularly between US imports compared with the two products with significant cultural content. Additional regressions were run with a country's per capita income as a control variable. These resulted in lower R^2 s and a lower level of statistical significance, and are not shown here.

Insert Table 2 about here

The regression with the number of McDonald's per capita as the dependent variable had the highest level of significance with an adjusted R^2 of .40 ($p < .01$). The adjusted R^2 and overall significance of the regression with US entertainment revenues as the dependent variable was lower and had an adjusted R^2 of .20 ($p < .10$), while the regression with US imports as the dependent variable was not significant. Correspondingly, the level of significance of the independent variables varied from one regression equation to another. In the regression with the number of McDonald's per capita as the dependent variable, the coefficient for cultural distance

was negatively related ($-.54, p<.05$), while Factor 1 (Progressiveness) had a weaker positive relationship ($.32, p<.10$). In the regression with US entertainment revenue as the dependent variable, cultural distance from the US was again negatively related ($-.50, p<.05$) and Factor 2 (Openness) was negatively related ($-.48, p<.05$). The weak positive relationship between a country's Progressiveness and the number of McDonald's restaurants per capita suggests that "progress" is also associated with the adoption of a US fast food lifestyle. While the negative relationship to cultural distance in both equations was as expected, i.e. countries that are culturally closer to the US reflect a greater degree of Americanization, the negative relation of Factor 2 was somewhat surprising. This suggested that receptivity to products with American cultural content was not part of the general trend towards internationalization, but rather reflected specific attitudes favorable to US culture and lifestyles which were not shared by all countries with high levels of international trade and investment. This was further confirmed by the lack of significance for the regression with US imports as the dependent variable where the adjusted R^2 was $-.01$ and not significant.

Discussion

Overall, the findings suggest that cultural proximity was the most significant factor in explaining the presence of American products with substantial cultural content. Technological progressiveness was weakly related to the number of McDonald's per capita in a country, but not international trade flows or international communications. Somewhat unexpectedly, international trade flows (*Openness*) were negatively related to per capita expenditures on US filmed entertainment. The findings thus provide weak support for the first research proposition and stronger support for the second. Flows in and of themselves seem to have little impact on the preference for products from America or those that reflect American lifestyles.

The spread of American cultural products such as McDonald's and US entertainment content to other countries appeared to be not so much a function of a country's international orientation and the receptiveness of its economy and society to products, ideas and communication from other countries, but rather a result of the closeness of its underlying value system to that of the US. Surprisingly, exposure to media networks and personal communication with other countries was not associated with the spread of American cultural products. Rather a cultural predisposition to similar values is most likely to motivate adoption of US cultural products. Thus, the mere fact that a country has a high degree of exposure to products, ideas and communication with other countries does not necessarily mean that the population will be receptive to US cultural products. It should be noted however that McDonald's, US filmed entertainment and US imports were present in all 23 countries in the study. Thus, it is essentially a matter of degree, in that the countries that are culturally closer to the US have more McDonald's restaurants and consume more US filmed entertainment per capita than the other countries.

While this finding holds both for the number of McDonald's per capita and for US entertainment revenues, it is slightly stronger in the case of the number of McDonald's. This may reflect the fact that the number of McDonald's implies active adoption of behavior typical of US lifestyles and consumption behavior, while US entertainment revenues reflect a more passive exposure to products reflecting US values and lifestyles. Further, the number of McDonald's implies adoption of a specific aspect of US lifestyle, namely consumption of indigenous American fast foods. US filmed entertainment is much more heterogeneous and captures diverse elements of life in America, including its history, its multiculturalism, its humor and even topics which may not mirror US lifestyles.

However, these findings did not hold for US imports, suggesting that while similar national values are important precursors of the adoption of US cultural products, they are not for US goods in general. This may reflect the fact that consumers are not necessarily aware of the origin of some US goods, especially if these are unbranded. For example, a recent study showed that even for branded goods, consumers tended to attribute the origin of brands based on language (Samiee et al., 2005). Consequently, brands of English origin were frequently thought to be of US origin. In addition, the category of US goods includes commodities and business-to-business products where price or service factors are often of greater significance and not necessarily assessed based on attitudes toward the country of origin.

Somewhat unexpected was the significant negative relation between the factor related to the openness of the economy as reflected in Factor 2 (Openness) and the adoption of US entertainment products ($\beta = -0.48, p < .05$). Insofar as an economy is involved in trade with other countries and has a significant number of tourists, one might anticipate that its high degree of international exposure would make its population more receptive to foreign products. However, this does not seem to extend to the realm of cultural products, where preferences appear to be embedded in very specific cultural values and lifestyle choices. In addition, examination of countries which are open economies, i.e. have high scores on Factor 2, shows that these are all predominately small countries, such as Belgium, Ireland, Austria, Switzerland, The Netherlands, Denmark, and Norway. Consequently, these may be countries with relatively small audiences for entertainment products which have not been prime expansion targets for US movie studios and entertainment companies. In addition, both Belgium and Switzerland are multi-lingual markets, resulting in further market fragmentation and marketing costs. Equally, McDonald's may put greater effort toward recruiting franchisees in large countries, rather than in fragmented markets

with their more limited potential. However, a country's progressiveness (Factor 1) is weakly related to the number of McDonald's restaurants.

In brief, the findings provide strong support for the view that trends toward Americanization, as reflected in the adoption of US products which reflect US culture and lifestyles, are strongly rooted in cultural values rather than being a function of overall trends toward internationalization and the opening up of a country to international trade and investment. This further underscores the importance of national values in molding behavior patterns with regard to cultural products, and suggests at the same time that differences in cultural values may be key factors blocking acceptance of products which are viewed as icons of another country's culture. This is clearly evident in the extent to which symbols of US culture such as McDonald's and Coca-Cola are often the object of anti-American sentiments. This has even resulted in the introduction of competing brands in the same product category targeted to other subcultures, for example, Muslim colas such as Qibla, ZamZam, and Mecca.

Managerial Implications

The findings suggest that companies, with products that reflect American culture and cultural values, looking to expand outside the US should be sensitive not only to the costs associated with expansion and the apparent market potential, but also "cultural distance" from the US. Consumers in countries that are culturally closer to the US are more likely to be receptive to products that are perceived as being American and hence are more likely to provide attractive targets for expansion.

Here, an important issue is the extent to which products are perceived as American and hence have strong US connotations. Companies such as McDonald's and Disney are widely known to be US companies and viewed as icons of US culture. Companies, such as Kellogg's or

Mars, have been international for a substantial number of years and have much lower “American” profiles. In some cases, they may be viewed as local companies. This may occur even though as in the case of Kellogg’s, they have introduced new consumption patterns e.g. breakfast cereal, into other countries.

Attitudes toward American products may also vary within a country. For example, younger consumers, as well as those who live in urban areas may be more receptive to US cultural products due to greater receptivity to change. Equally, consumers who have travelled outside their home country and experienced different cultural patterns and behavior firsthand may also be more receptive to foreign products in general, including US cultural products. This suggests that companies marketing such products may want to target such consumers and adopt a positioning likely to attract them.

The findings also suggest that countries that are more open to products from other countries or have high levels of foreign trade are not necessarily receptive to US cultural products. This implies that companies should be wary of assuming that interest in and substantial inflows of products from other countries, can be generalized to US cultural products. Rather attitudes specifically towards US cultural products and closeness of the underlying cultural values need to be examined.

Conversely, in countries that are culturally distant US firms can attempt to downplay the American association or reposition the brand so it appears less “American.” This might include adapting the product to fit local tastes and preferences. For example, McDonald’s has recently introduced shrimp burgers in Japan and other parts of Asia, as well as spicy chicken on fried rice patties with soy sauce in Taiwan, and the McArabia flatbread with chicken and garlic mayonnaise in Indonesia.

Directions for Future Research

While the study provides some intriguing initial findings concerning the impact of American cultural influence, it suffers from a number of limitations due both to the cross-sectional nature of the study and also the use of selected surrogate indicators, both of US influence and the flows of ideas, people and communication across countries.

Measures of American Influence

In the first place, the indicators of US influence were selected primarily on the basis of available indicators. It would be desirable in future research to identify more and possibly alternative types of indicators of American influence. These might relate to different products, such as brands which are perceived as icons of American lifestyle like, Levi jeans and jackets, Nike shoes, and Coke. However, it would require access to internal company data broken down by individual markets. This would help establish the generality of the findings.

Measures of flows

The results of the factor analysis suggest that there are important interrelationships among the different flows identified by Appadurai. In particular, flows of technology and know-how appear to be related to flows of ideas and ideology, while flows of capital and goods are related to flows of people. While this is perhaps not surprising and may in part be due to the surrogate indicators used here, it nonetheless suggests the difficulty of clearly operationalizing and distinguishing the role of each of the Appadurai flows. The indicators used, however, do reflect different aspects of the macroeconomic environment which either directly or indirectly reflect the degree of internationalization of a country or society.

The specific indicators used for the five Appadurai flows of media, technology, ideas, finance and people also suffer from a number of limitations. In particular, many of the variables

used as indicators of the first three flows (media, technology and ideas) were internal measures reflecting the within-country level of activities, rather than international flows into and out of the country. In the case of Mediascapes, for example, it would have been preferable to have information relating to individuals' access to the major international networks such as CNN and BBC World and the ratings of these programs relative to locally produced content. Since these three flows were expected to be the most significant in influencing the spread of US cultural products, this may account for the limited support for the first research proposition. This is further evidenced by the positive relation with US imports (in the right direction) though not significant.

Measures of cultural proximity

Hofstede's (1980) measures of National Culture were used to assess cultural proximity. While these have been widely used in the international business literature, they have been subject to some criticism (Shenkar 2001, Sivakumar and Nakata 2001). From the perspective of the present study, one of the limitations is that these measures were based on data collected between 1967-73, approximately 35 years ago. While aggregate values such as national values are generally believed to remain relatively stable over time, updated measures might provide some new insights.

Use of alternative measures of culture, as, for example, Schwartz's Individual Values (Schwartz 1992, Schwartz and Bilsky 1990) might also provide interesting insights. Schwartz's Values are largely grounded in Rokeach's Values and identify 10 value types which are grouped along two coordinates. One of the dimensions underlying these groupings is that of Openness to Change. It might therefore be expected that value groupings linked to this orientation such as self-direction and stimulation would be related to the spread of US influence. The mean value of

these orientations identified in different countries, could then be used in a similar type of study to assess whether values measured at the individual level appear to be related to the spread of American influence. This would help to broaden the implications of the study by showing whether specific individual values appear to be related to American influence.

While only cultural distance from the US was examined in this study, a similar approach could be used for products and service with strong cultural connotations from other countries. The country of origin of the product can be used as anchor point and distance from that country calculated in order to pinpoint potential opportunities and pitfalls in marketing products from that country in other countries.

Changes in influence over time

The present study presents a snapshot of the factors underlying the impact of American cultural influence at a given point in time. Data were not available relating to US entertainment revenues for earlier years or for some of the independent variables. Equally as noted earlier, the measure of cultural distance is for a given point in time. Consequently, a longitudinal analysis could not be undertaken. Future research might focus on examining the growth or decline of this influence and the underlying factors over different time periods. This might help clarify the role of these factors and also the extent to which different types of American influence are changing.

Conclusion

In brief, a country's degree of "Americanization" as reflected in consumption of products with significant cultural content does not appear to be a function of the general trend toward internationalization, but rather of the closeness of the underlying national value system to that of the US. Countries which are more likely to adopt the American fast food lifestyle and be interested in US-created entertainment content are therefore not necessarily those which are more

open to or exposed to products, ideas, and communication from other countries, but rather those with similar cultural values. This suggests that as trade patterns and businesses become more international, whether at the global or regional level, countries will not necessarily become more “Americanized.” Rather this will depend on the extent to which underlying cultural values are similar or begin to evolve toward the American “ethos.”

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Table 1 Factor Solution for Variables Related to Appadurai's Flows

<i>Indicators</i>	<i>Factor 1 Progressiveness</i>	<i>Factor 2 Openness</i>	<i>Factor 3 Communication</i>
R & D Expenditure, % of GDP (T)*	0.847	-0.016	0.118
Scientist and Engineers, per capita (T)	0.820	-0.002	0.059
Seats in Parliament Held by Women (%) (I)	0.745	0.338	-0.311
Tertiary School Enrollment, % of population (I)	0.614	0.030	0.434
Internet Users, per capita (M)	0.719	0.156	0.442
Merchandise Exports, per capita (F)	0.386	0.867	0.090
Foreign Direct Investment, per capita (F)	0.117	0.719	-0.029
International Tourism Arrivals, per capita (E)	-0.371	0.605	0.011
Television Sets, per capita (M)	0.075	-0.291	0.878
Minutes of International Calls, per capita (E)	0.114	0.376	0.828
Eigen Value	<i>3.660</i>	<i>1.895</i>	<i>1.559</i>
Percent explained variance	<i>37%</i>	<i>19%</i>	<i>15%</i>

* **T** indicates variable chosen to represent Technoscape, **I** indicates Ideoscape, **M** indicates Mediascape, **F** indicates Finanscapes, and **E** indicates Ethnoscape.

n = 23

Table 2 Regression Results

Dependent Variables (per capita)	Independent Variables				Adjusted R ²	Overall Significance
	<i>Progressiveness (Factor 1)</i>	<i>Openness (Factor 2)</i>	<i>Communication (Factor 3)</i>	<i>Cultural Distance from the US</i>		
	β^a	β	β	β		
Number of McDonald's restaurants	.32*	-.24	.05	-.54**	.40	.01
US Entertainment revenue	-.06	-.48**	-.16	-.50**	.20	.09
Imports from the US	-.02	.19	.15	-.30	-.01	.46
a Standardized coefficients, n=23 * Coefficient significant, $p < 0.10$ ** Coefficient significant, $p < 0.05$						

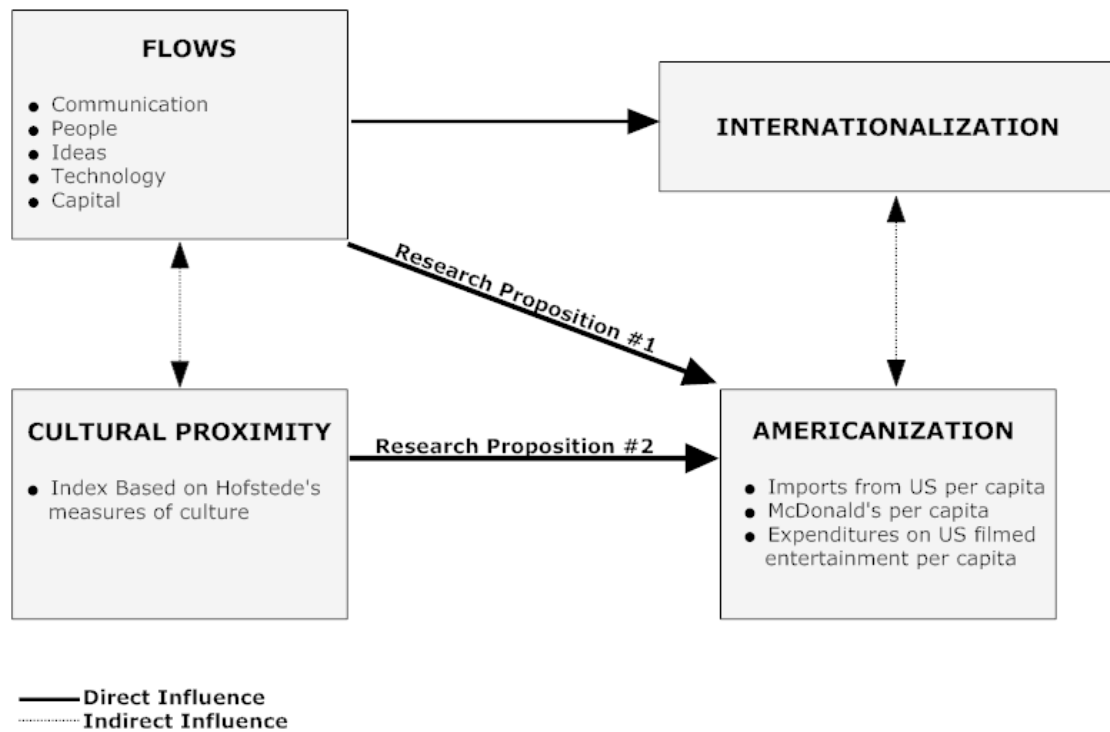


FIGURE 1. FACTORS AFFECTING AMERICANIZATION