

Lesson 3 - Cultural Issues: Accommodations

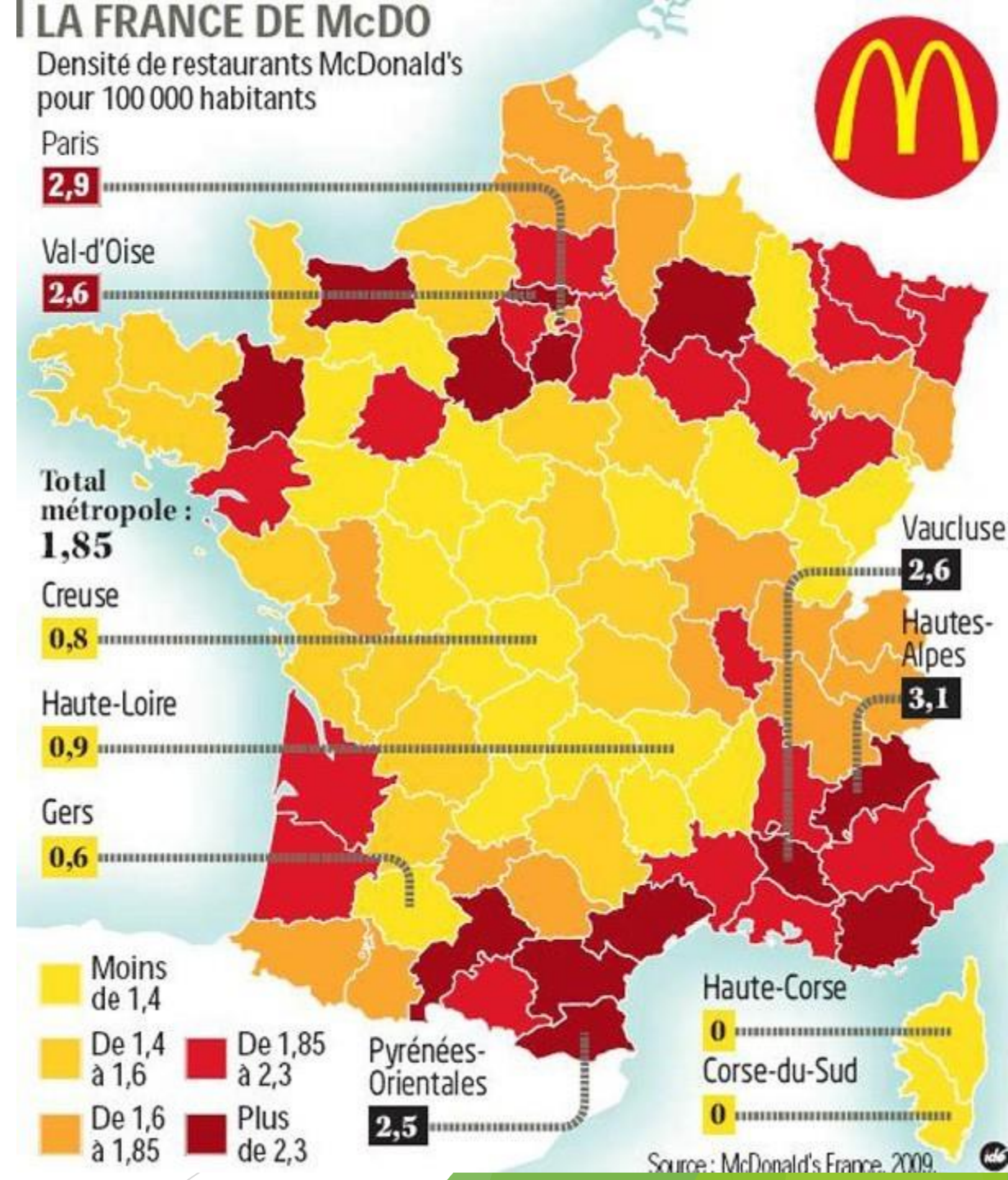
We will examine accommodations that international businesses must make when operating in different cultural environments.

Cultural Accommodations

You cannot become successful in an international business environment if you arbitrarily pick a foreign market and limit your business possibilities to your company's existing products and services. Companies must identify demand areas where they can be competitive and then modify their products and services to accommodate the needs and demands of the foreign market.

Cultural Accommodations - (1 of 2)

There are reasons other than food to visit Paris. Many visitors, in fact, aren't interested in French cuisine at all. Some tourist and even many Parisians prefer fast food! Nothing traditional, nothing local, nothing fancy, nothing expensive — just a burger and fries.



Cultural Accommodations - MAKDO

(2 of 2)

It is actually easy to find a McDonald's restaurant in Paris. In France they're known as "**Makdo**" since McDonald's is apparently difficult to say! The food is the same as you will find in any other McDonald's in the United States, Canada, or elsewhere in the world. The layout of the restaurants is the same, the manner of ordering and paying is the same. There are no surprises; it is reassuringly familiar and inexpensive, however, service is often slower than it would be in North America. It is also surprising to see that most customers are French. There is one big difference - the French McDonald's sell beer. The French are accustomed to drinking alcohol with a meal – even if that meal is a Big Mac.

Cultural Accommodations - WALT DISNEY IN FRANCE (1 of 3)

Bridging cultures was the theme of Walt Disney Company's expansion into Europe. At the time that Euro Disneyland, also known as Disneyland Paris, was proposed there was resentment among French citizens who objected to the introduction of popular American culture into their country. The park is now officially known as "Disneyland Park/Parc Disneyland." They believed that having an icon of American culture just outside of Paris would threaten or lower the standard of French culture. Never before had Disney experienced this kind of opposition to a new theme park.



Cultural Accommodations - WALT DISNEY IN FRANCE (2 of 3)

To counteract the bitterness, Disney relied on a number of strategies. It emphasized the French origins of Disney's surname. It used French as the primary written language on signs. It designed several new attractions with French or other European cultural themes. It relaxed its notorious dress code requirements.

Cultural Accommodations - WALT DISNEY IN FRANCE (3 of 3)

To maintain its traditional family image Disneyland Paris did not sell alcoholic beverages when it first opened. After significant losses due to poor attendance, Disneyland Paris relented and now sells beer and wine. This practice matches that of other European entertainment businesses. It also mirrors McDonald's practice of selling alcohol in its restaurants in France.



Answer Questions on Handout on Disneyland Paris

▶ [See Handout](#)

Answers to Cultural Accommodations Questions (1 of 2)

1. List one barrier Disney faced when planning Disneyland Paris and list one accommodation Disney made when operating Disneyland Paris.

A barrier included resentment among French citizens who objected to the introduction of popular American culture into their country. One accommodation Disney made was selling alcohol in their park to match the practice of other European entertainment businesses.

2. Use the Internet to research another accommodation (not mentioned above) that Disney has made for the European market. The [Disneyland Paris web site](#) is one site you can use for your research.

Local consultants helped develop new and different shows and attractions for the local European consumer.

Every speech, press release and interview reinforces the message that this new park is all about Europe. For example, Walt Disney looked to European folk tales, from Cinderella to the Little Mermaid, as the inspiration for his films.

Answers to Cultural Accommodations Questions (2 of 2)

3. Use the Internet to research the year Disneyland Paris opened.

Disneyland Paris opened on April 12, 1992.

4. Which Paris tourist attraction do you think is the most popular: the Louvre, the Cathedral of Notre dame, the Eiffel Tower, or Disneyland Paris?

Disneyland Paris had 10.6 million visitors in 2006. It is the most popular tourist destination in the Greater Paris region.

Lesson 4 - Assessing Business Opportunities and Challenges

We will examine opportunities and challenges in foreign markets for Canadian businesses. We will also read a case study, which showcases how a small company grew to become a strong competitor in the global market.

Assessing Business Opportunities in the Developing World (1 of 2)

The economic strength of a country is the single most important element to consider when assessing business opportunities in the developing world. Economic growth affects the attitudes toward foreign business activity, the demand for goods, the distribution systems found within the country, and the entire marketing process.

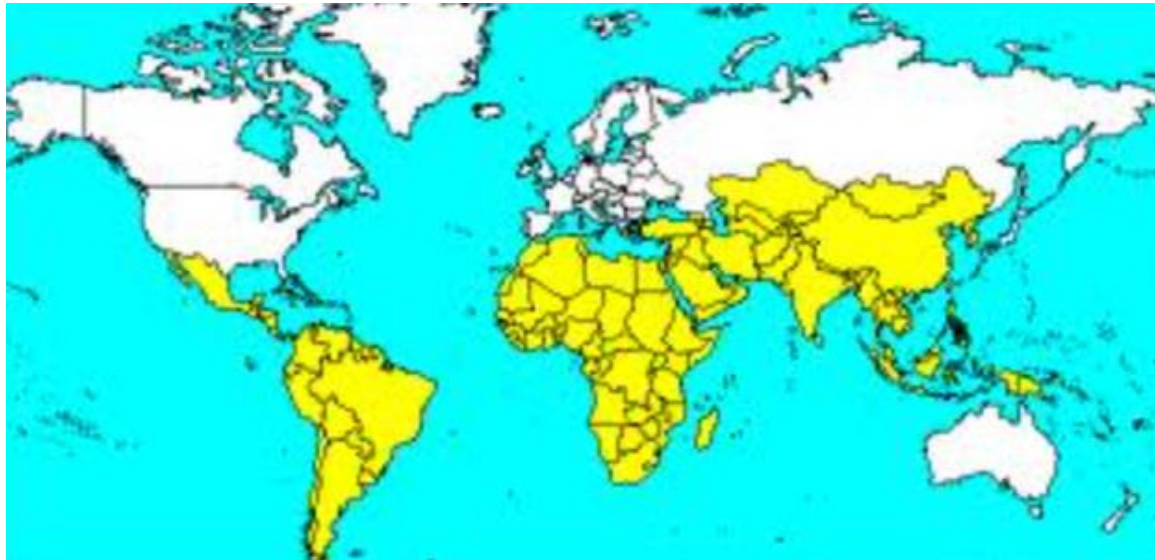
Assessing Business Opportunities in the Developing World (2 of 2)

In some less developed economies, consumption patterns become rigid, and marketing is nothing more than a supply effort. In dynamic economies, consumption patterns change rapidly. Businesses operating in an international market confront the challenge of identifying and providing for differing and changing economies.



Development Classifications (1 of 3)

The countries of the world can be classified as more-developed countries (MDCs) and less-developed countries (LDCs). In the United Nations classification, the MDCs include the United States, Canada, Europe, Japan, Australia and New Zealand, South Korea, Taiwan, Singapore, and Israel.



Development Classifications (2 of 3)

Many countries in South and East Asia and South America are industrializing at very rapid rates. Sometimes these countries are referred to as Newly Industrialized Countries or NICs. Generally these countries are moving away from restrictive trade practices and are adopting free trade reforms.

While many countries have grown rapidly and successfully, others with similar resource endowments have languished. There are no easy reasons to explain why some countries have prospered while others have not.

Development Classifications (3 of 3)

Some factors that foster economic development include:

- ▶ Political stability, especially in economic affairs.
- ▶ Strong judicial systems that support contract and private property rights.
- ▶ Support for entrepreneurship.
- ▶ Investment and training in information technology.
- ▶ Export orientation. Production for export markets increases efficiencies.
- ▶ Industries targeted for growth. Key industries are supported to achieve leadership in world markets.
- ▶ Incentives for people to support saving money.
- ▶ Accessible markets with little or no tariff or non-tariff interference.

Travel Advisories (1 of 2)

Travel Warnings document the official advice of a country to its citizens and residents against travel to a country or specific region(s) of a country. A Travel Warning may be issued recommending that Canadians avoid “all travel” or “non-essential travel” to a country or region, and in some cases recommending that Canadians depart that country or region.



Travel Advisories (2 of 2)

The definition of “non-essential travel” is a personal decision, based on each individual’s family or business requirements, knowledge of a country or region, and other issues.

- ▶ There are many events that can trigger the issuance of a Travel Warning, including the threat of terrorism, civil unrest, war, rebellion, natural disasters, political instability, and health emergencies.

Assignments #1 and #2

See Handout:

- ▶ Assignment #1 (to be handed in for marks): Least-Developed Countries in the World
- ▶ Assignment #2: Travel Advisories