Volume 22 Issue 7
Originally issued as E1



Global Journal of Management and Business Research: E Marketing
Volume 22 Issue 1 Version 1.0 Year 2022
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

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GJMBR-E Classification: *DDC Code: 306.44 LCC Code: P120.E27*



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Cultural Erosion through Retail Globalization

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Abstract- The twenty first century has seen the emergence of a global marketplace, where one can travel from country to country, across oceans, and find the same retail establishments. While this may be comforting to travelers and intriguing for locals, there are instances where global retailing has destroyed or eroded the local colour and culture. This paper outlines this cultural erosion and raises questions about the change foreign owners bring to a country and the impact on local culture and customs.

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I. Introduction

The erosion of culture is a phenomena debated within anthropology with respect to disappearing language, traditional knowledge, and ways of life (Miller, 1996). The application of cultural erosion to the retail and consumer environment may be disagreed upon, or disputed as a mechanism or agent of progress and modern day change. Bricks and Mortar Retailing in the 21st century has experienced many expansions and take-overs in the global marketplace. One might think of IKEA, the Swedish based home furnishings store which has spread throughout the world to 28 different countries and 340 individual stores (http://www.ikea.com/ms/en_US/this-is-ikea/company-information/index.html). Another common chain is the American coffee company Starbucks, which is just as common in the streets of Paris as it is in the local home Seattle. With over 5,500 coffee houses in 50 countries it is difficult to travel to India, Mexico, or Denmark without bumping into the familiar logo (https://www.starbucks.ca/business/international-stores). The way in which a company goes global and displaces, blends in, adds, or detracts to the culture can be argued to enhance or lessen the local cultural experience.

Drawing from the work by Radin and Sunder (2005), on the notion of commodifying culture, the case is made that markets represent our culture –the area in which we represent ourselves- and is essential for attaining market power. By eroding our cultural identity through the common place of similar markets world-wide, somehow culture is eroded and so is power. Each country's unique identity may become blurred. One comment during the recent Brexit vote was that London's iconic fish and chip shops were now replaced with Polish sausage houses. Somehow the streets of London seemed less "British".

The recent case of a private company, Central group of Companies or Central Holding based in Thailand, may lead to questions of ethics of local iconic culture physical destruction for global luxury fashion growth. Their recent purchases and transformations of major European department stores is an excellent case study where cultural erosion may be documented and argued (Robinson 2017). This paper gives examples that cultural erosion is real in retail and this change, while destroying the past, may lead to the emergence of new local cultural institutions.

II. Selected Literature Review

What is Culture in this context and how is it important to the retail environment?: Culture has many definitions which depend upon the context and compositional components. For purposes of the current paper, we look at culture within the consumption process and the context of the retail structure and infrastructure. Contextual perspectives focus on country, sub-cultures and physical space, while compositional perspectives focus on what is in that physical space (Craig and Douglas, p. 49, 2012). The retail infrastructure provides the context in which purchasing takes place, but its design, form and function and be interpreted as the compositional element of culture. The compositional view of culture as representing the values of the society are perhaps widely espoused by Hofestade (2001) as power and distance.

Culture is said to be both malleable and highly resistant to change. One might propose culture is malleable when change is perceived and accepted by locals as an improvement. On the other hand, local culture may be highly resistant to change when the change is perceived to be detrimental or eroding in nature. If we look at the two companies of Starbucks and Ikea and examine their presence in global markets perhaps we might deduce that they add to local culture and hence their success. Both Ikea and Starbucks usually do not buy out existing same shops and replace them. Admittedly, these companies may have shifted customers, but they usually do not take local cultural iconic shops and change them. Both companies try to add to the landscape by building new structures or occupying existing structures, which previously sold different goods. They create a space, which is comfortable and interesting to locals and visitors alike. For example, the new iconic Starbucks in downtown Vancouver used to be a men's clothing store.

When the first Starbucks was built in Mumbai, India it received the retail shop of the year award for design. The physical space of hand carved wooden

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screens and thick tables of solid Indian teak reflected the culture and added to the environment. The store became a destination for locals and tourists alike, as the inside of the store represented the history of India and its trade. Ikea can also be considered as a contributor, culture enhancer, and good citizen (MacDonald, 2017). They are a company committed to sustainability, affordability, equality, and waste management. While these companies have changed the landscape of the retail environment in their sector, one might argue they have done it thoughtfully with the respect of the local culture in hand.

What is Cultural Erosion?: The notion of cultural erosion to the retail environment reflects a weakening of both the contextual and compositional elements to a point where the importance and significance of the experience is gone. In retail, the physical space can be the main driver of entering the environment. One example is the stained glass dome in Galleries Lafayette in Paris. The dome is a major draw to view and is decorated differently with major holidays and turning of the season. The pleasure of entering the store is to discover the latest artistic display of the dome. The same used to be of KaDeWe in Berlin. Outside windows were decorated with a theme and the inside atrium was set up as a place to take pictures and learn about the merchandise. In Berlin, the atrium of KaDeWe traditionally was a showpiece of stories behind the merchandise. Shoppers eagerly came inside to take pictures and have their pictures taken in the store among the displays. Now the atrium is filled with high-end handbags. No one wants to take pictures of themselves with the handbags

The pleasure of entering the store is to discover and be touched by design. When a foreign entity takes over an existing structure and destroys historic cultural markings, local customers, and even tourists may perceive the acceptance of that retail environment very negatively. Retail environments are much more than the goods they sell. They are the contextual and compositional experiences that reflect the culture of the goods.

Examples of how retail cultures are being eroded: The Central Group of Thailand's first foray to Europe was the purchase of the La Rinascenta chain in Milan, Italy in 2011. In 2013, Central bought Illum in Copenhagen, Denmark, and in 2015, KaDeWe in Berlin, Germany. Their push into Germany also included Alsterhaus of Hamburg and Oberpollinger in Munch. These iconic retail landmarks, which reflected local culture with indigenous products and customs, are now street level haute couture shops with masses of shelves of pricey handbags. Gone are local street level coffee shops, chocolate shops, or welcoming window displays, which urged customers to enter and feel welcomed to discover the contents.

What used to be a shopping experience unique to Copenhagen, Milan, and Berlin is now displaced with luxury brand offerings targeted for rich Asian and Russian tourists. What makes this a case for cultural erosion is the major change in architecture and showcasing street level luxury brand fashion name boutiques, such as Tiffany, Chloe, and Saint Laurent (to name a few). While locals and tourists alike, have always patronized the iconic retail stores, it is clear this is has changed. It can be argued what is offered now is a narrow experience not reflective of the culture of the country, nor the needs and wants of the customer. The retail experience in these stores is 'cookie cutter' high-end luxury fashion, which might even be doing long-term damage to the 'uniqueness' of the brands sold.

This Thai takeover has deeply affected the local citizens and tourist shoppers of the major European cities. Windows, which once invited everyone into the retail environment, are now puzzling to onlookers. One gazes into empty luxury boutiques or, in the case of Christmas 2016 at Illum in Copenhagen, displays of disposable cutlery and paper plates rather than traditional scenes of Christmas trees, presents, and music, and animated figures (See Figure 1 and 2). No children's noses are ever pressed to the glass windows to see plastic bottles. Because Central is a private company of billions of dollars, we cannot follow their finances pertaining to their retail store purchases. However, foot traffic at Illum would reflect mass loss in sales and indicate the store is operating at an overall loss. This was evident when the Illum takeover involved a gutting on the lower level food floor and they leased out the space to Eataly, a global company, which highlights Italian cuisine. No local came to shop there, and it was soon re-gutted again and turned back over to local Danish food brands. Now at least locals enter the store to frequent the food floor featuring familiar brands and products.

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Above 2015, Below 2016



Figure 1 and 2: Christmas Windows at Illum, Copenhagen Pre and Post Central Group

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III. Summary and Future

While globalization has created the same stores and offerings world-wide, it is likely that children do not want to consume what their parents did. The evolution of cultural erosion by large foreign buyers is stimulating countries to cultivate new retail stores and designs at the grass roots level. There is a rediscovery of differentiation and new ultra-limited editions. The Michalengelo foundation supports new artisans and craftsmanship to ensure continued heritage in creating and design (www.michelangelofoundation.org). Trondheim, Norway has become a hub for bespoke jeans with the Livid Company selling their jeans for 230 euro a pair and a three month wait (www.lividjeans.com). Simple products too are making their way, such as The Coffee Circle in Berlin, which focuses on teaching the consumer about coffee and its craftsmanship (www.coffeecircle.com). So where does this lead us? The 21st Century is a time where the consumer is rediscovering smaller differentiated product lines that speak to a cultural heritage. And where are the Asians and Russians? They have moved on too, especially to services. What do rich Asians want most in the 21st century? A butler (Buckly and Kan, 2017).

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