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**STRATEGIC DIMENSIONS OF CULTURE**

*Linkages between Business Culture, Changing Environment and Branding Perspectives*

**The Backdrop**

The turn of the last century saw the beginning of the study of distribution channels, retailing, and business in the United States. The study of business, eventually, included the study of customers and their values, expectations, opinions, and attitudes. As businesses and scholars learned from each other over the course of the century, many changes became evident. At the beginning of the last century, for example, many manufactured products were distributed only regionally and national brands were rare. But at the beginning of the 21st century, regional brands are relatively rare in the United States and national brands the norm. Global brands, mostly from the G7[1] nations are proliferating in the rest of the world.

[1] G7 nations are USA, United Kingdom, Japan, Germany, France, Canada and Italy.

It is essential to understand the forces of culture and technology to understand the rise of brands. But first, let us consider what exactly is a brand and how brand equity makes it such a powerful concept. A textbook definition of a brand is a name, term, sign, symbol or design (or a combination thereof) intended to identify the goods and services of a seller and differentiate them from competition (Winer 2000). The identity and the differentiation that a brand evokes are based on the promotional and advertising efforts as well as its packaging, pricing and distribution. Consider the brands of Coke and Thums Up. Coke is distributed and advertised in scores of countries around the world. Thums Up is only distributed in India and in countries with a large population of ethnic Indians. This despite the fact that both the brands are owned by The Coca Cola company. Each brand has a different identity in the mind of an average consumer.

The power or equity of a brand is defined as brand assets (or liabilities) linked to a brand's name and symbols that add to (or subtract from) a good or service. These assets can be grouped under (a) brand awareness, (b) perceived quality, (c) brand associations, and (d) brand loyalty. Brands with strong equity provide competitive value to customers in the form of functional benefits (or what the brand does) as well as emotional and/or self expressive benefits (or what the brand is).

Consider the automobile market in India—Maruti Zen, Tata Indica, Fiat Palio, Matiz, Ambassador, Mitsubishi Lancer, Honda City, and Opel Astra. Most of these cars provide functional benefits that don't differentiate the value of these brands. Instead, the difference in value is based on the emotional, or self-expressive, benefits such as the perception that a particular car is a global, regional, or national brand. These differences in the perceived value are at the heart of the battle between global, regional and local brands in markets such as the Indian auto industry.

It is not accidental that it has taken a century to traverse the road from local to global brands. Technological developments in manufacturing and communication as well as a *zeitgeist* in global trade were needed before global brands could become possible. The inventions and development of radio, television and satellites led to mass communication. If mass communication were not available, it would be very difficult to create global brands. With the advent of multinational corporations, came their partners. Therefore, service firms, such as advertising agencies started linking up with local agencies in the late eighties. Twenty years later, the top 10 American advertising agencies have offices in hundreds of countries around the world. In sum, globalisation of brands for the customer pushed businesses to become global too.

Does the rise of global brands imply that local and national brands are no longer viable? If you nodded a yes, you have underestimated the role of culture in customer behaviour and overestimated the importance of investment in promotion and advertising in the host countries. Consider the Indian soft drink industry. The national brands in the carbonated drink segment are owned by two Fortune 500 firms—Coke and Pepsi. But for all their huge advertising budgets, the noncarbonated segment such as *khus* and *thandai* and bottled *nimbu paani* (lemonade) is occupied by Indian brands.

Technology has contributed enormously to the commodification of consumer tastes, standardisation of products and efficiency of distribution channels in the United States. Technological imperatives, combined with mass communication, provide a huge advantage to global brands and make it difficult for new or national entrepreneurs to compete. Technology, then, has both a direct and indirect effect on branding. The direct effect lies in the medium of communication used to build the brand. The indirect effect lies in the use of technology since brands are symbiotically linked to efficient manufacturing and distribution channels. Therefore, the speed with which the world adopts mass manufacturing and distribution technology and creates the supporting infrastructure has a direct bearing on the dominance of global brands in any country. Technology, however, is just an instrument in the hands of corporations and not the final determinant. Culture plays an important role in the development and application of technology, and in the success of local and national brands. Culture commonly refers to the way of life of a people and their society. More specifically, culture comprises the values, beliefs, expectations and norms of a population. Culture-based emotional and self expressive benefits are the key in the world of branding for differentiation and the hard technology-based functional benefits the commodities.

An important aspect of culture is the meaning that people derive from their behaviours, relationships and use of technology. Increasingly, companies in the US and around the world are realising that technology should be a tool for enhancing variety and flexibility, rather than constraining consumer choice. The thrust, therefore, is moving from hard technology which drives efficient manufacturing, standardisation and commodification, to soft technology, which adds value through effective servicing, customisation, and personalisation. These soft technologies are central to an increasingly important business practice of customer relationship management (CRM) where matching the customer with the corporate culture is crucial. CRM can be defined as a business strategy, process, culture and technology that enables a company to optimise revenue and increase value through understanding and satisfying the individual customer's needs.

Culture is associated with various areas based on the means of wealth creation, *movements* in art and literature and the way of people's collective life. The modern era is the one when the hard technology imperative ruled the roost. In contrast, the post-modern era refers to the new meaning-conscious consumers and the societies they inhabit, where the focus is on soft technology and also where technology is interpreted as a management variable rather than a determining constant. Post modern era describes the evolution of societies beyond the industrial era of mechanised production and hierarchical order. Individual well-being and cultural plurality characterise the post modern era. The plurality of the end-customer market is reflected in the large number of niches found in almost every industry. This is another reason why branding and CRM based on self expressive and emotional benefits has become more important than ever. Alongside a local and/or national brand has gained more credibility in communicating its distinctive meaning across various cultures.

The culture of business is the starting point for understanding and communicating the meaning of its brands. The business culture is a product of the culture of a region and an organisation. It impacts the way decisions are made as also executed within a firm apart from the type of decisions taken and executed. India is the world's second most-populated nation and is among the largest markets in terms of its gross domestic income. Still, the presence of multinational marketeers in India is far less than in the other emerging markets of comparable size, such as China and Brazil. Indian customers have remained an enigma to foreign firms, partly because of a lack of understanding about the Indian business culture. Indian business culture is, generally, perceived to have a socialist leaning, with a socio-political climate not conducive to making profits. In reality, however, several Indian firms, such as the Reliance Group, Infosys and Wipro, have grown tremendously in the recent years. Politicians and people, customers and market alike have lauded these corporates. The challenge for multinational marketeers who wish to exceed, or even replicate, the success of these Indian businesses, is to develop a sound understanding of the Indian business culture.

One way to identify the cultural archetypes is to look through the lens major disciplines, such as strategy, economics and marketing. Three major orientations of business activities and goals may be identified using these disciplines: (1) market responsiveness, (2) business development, and (3) profit-seeking. The discipline of marketing emphasises responsiveness to social needs as a way of building meaningful brands. The discipline of strategy, on the other hand, emphasies the need to also recognise the cost of being responsive, and seeks to balance market directed demands for responsiveness with organisation-directed demands for planning and a pragmatic culture. Finally, the Chicago school of economics focuses on making profits for investors.

In industrialised markets such as the US, marketeers have to be highly conscious of the economic and strategic demands in order to ensure continued access to capital and competitive survival of the organisation. Even if the marketeers wish to be more responsive to the needs of their customers and the society, they have to operate within the parameters of profit and cost effectiveness. Multinational firms perceive the risk to be substantial in emerging markets such as India and expect much higher level of profits than are normal in industrialised markets. Emerging markets, consequently, lag in innovation and product development and are put at the fag-end of the product life-cycle.

Several encouraging developments have occurred in the recent years for firms to be more responsive in industrial markets. First, the concept of marketing has been shown to be related to profitability. The proposition of marketeers that the business culture must be responsive to its customers and the community it from for sustained success is gaining acceptance in boardroom decisions. Second, customers and the members of society have also become more knowledgeable, circumspect, and rights conscious. They expect the businesses to offer value added solutions as opposed to a hands off approach. Third, growing threats of terrorism and global poverty are making the businesses more conscious of their responsibilities towards the society. Fourth, post modernism is emerging across societies, pushing aside the materialism of the modern era. Post modernism emphasises spirituality, self expression, meaning and quality of life. It encourages the businesses to recognise the meaning of their existence and their role beyond mindless profiteering. Therefore, businesses in the industrial markets have begun developing guiding principles and boundary conditions for making profits, which are a means to serve their customers and societies and not merely incentives and rewards for investors. Business leaders are responding to the needs of post modern consumers and other stakeholders through practices such as CRM and brand equity management.

This new consciousness in the industrial markets can be a sound ground for responding to the special demands of the emerging markets in ways that are consistent with their own culture. In this chapter, we review the basis for three major types of business cultures in industrial markets (1) responsive culture (2) pragmatic culture and (3) predatory culture. Using interviews with the managers in New York City, we examine the forces supporting these three types and the concomitant shifting priorities. Then, we draw on the studies of Indian culture to examine the challenges multinational firms are expected to face as they adopt more pragmatic and responsive approach in their global networks involving India.

## Literature Review on the Subject

### *Drivers of Responsive Corporate Culture: the New Marketing Concept*

In the early 1980s, the effectiveness of a firm's marketing and strategy emerged from corporate culture. Early studies saw unique corporate cultures as the hallmark of successful marketeers, endowing them with a strong and deep capacity for innovation and enabling transformation of mature business models. By the 1990s, the value based corporate culture emerged as a fundamental driver of high involvement, high performance organisation. Concurrently, market began to go beyond the market segmentation defined by demographics and lifestyle, and focused on the issues of corporate culture and identity. They offered their customers something to believe in, a 'grab you by the heart' quality. On the whole, values based companies showed the ability to create a strong identity of interests among their key constituents, customers, suppliers and employees; earning a 'trust premium' with all of their key constituencies.

The values based enterprise was more responsive to changing customer preferences, through its better capacity for using corporate culture as a basis to extend into new and value added services. Mark & Spencer, for instance, diversified into financial services, on the basis of the trust the customers placed in their corporate culture of reliable and competitive quality. Values based enterprises also enjoyed higher levels of productivity for they offered their employees an ideal they believed in and were willing to practice. General Electric, with its values of focusing on businesses that were number one or two in their markets, offered its employees the promise of a leadership position from where they could call the shots. GE could, thus, evoke the best in its employees. High in house productivity did not cause higher vertical integration in value-based enterprises. Rather, value foundation helped shave off transaction costs. The suppliers of Toyota Motors were convinced that Toyota's workforce is dedicated to high performance. So they could focus on collaborative problem-solving and learning, offer rapidly declining costs and consistently improving quality of their supplies. Greater responsiveness to customer needs, more satisfied employees and dedicated suppliers—all contributed to higher margins and growth, yielding handsome returns to the investors. The concept of 'internal marketing' emanated from this unity of relationship between customers and other stakeholders in a values based context. In the emergent view, the concept of marketing overlapped with the organisational culture, and reflected the very essence and identity of the company as opposed to being just an instrument for the company.

An ideological shift towards post modernism accompanied the growing prominence of the values based enterprise. Historically, emphasis on culture was seen as an indicator of economic backwardness. Scholars identified the cultural thrust on history, community and institutional conventions as reflective of traditional societies. They characterised modern societies as market driven, competitive and industrial economic systems, which were willing to relinquish their cultural methods and, therefore, be effective international marketeers. The modern societies rested on a never ending process of defining and redefining values and through processes, such as democratic public opinion and scientific observation and inquiry. Post-modernism seeks to provide an axeological guide to evaluate the values of integrity, freedom and justice as universal. On the one hand, these values provide a universal meaning to the history and communities of a society. On the other hand, they discredit the materialistic thrust of the industrial economic systems. Altogether, post modernism offers a new approach of bridging the gap between the East (Asia and Africa) and West (Americas and Europe), classified historically as traditional and modern societies respectively.

Marketing, with its emphasis on building brand equity and customer relationships, has great potential to satisfy the growing demand for value based solutions in post-modern societies. As a first step, marketing is helping filter new societal values into organisations, and leading the learning conversation to cultivate unique characteristics for defining the organisational culture. The challenge is to harness the values based culture for differentiating the enterprise from other firms even as each of the fines is seeking to craft cultures that are founded on the same universal post-modernist values.

How exactly does marketing build differentiated cultural identities and images, using a pool of universal values that are becoming common to all the societies? Culture works as an organising principle that provides answers to questions about the nature of the world, the role of the individual and the interaction between individuals. The principle of cultural organising is founded on a continuing quest for meaning, enacted through individual and collective acts of 'sense-making'. Sense making is a product of the historical and institutional forces, and is self reproducing in nature since it involves a projection of the historically honed assumptions and worldviews on the observation unit. Thus, universal values are partially understood in an absolute sense. For most part, individuals, organisations and societies develop their own unique meanings of universal values. Thus, integrity may mean being nationalistic for some. For others it may mean being responsive to employees or customers or shareholders. While still others may associate it with being dedicated to one's core goals even if it involves deviating from one's commitments in other areas.

The post modernist marketing concept is one that helps connect these different meanings, held by an organisation and its stakeholders. Indeed, the marketing discourse has always sought to promote an open and continuing dialogue between the organisation and its internal and external markets. This discourse holds that internal as well as external customers hold certain values dear, and marketing communicates to them how the organisation stands for those values and how its services satisfy those values. The marketeer identifies the customer values and the correlation between these and the organisation's cultural values. As a result, the marketeer strengthens common ground between the unique culture of the organisation and the specific as well as universal values of customers. By developing a common bond with its diverse customers, marketing allows the uniqueness of the organisational culture to be appreciated and rewarded in the marketplace.

This common bond can be defined based on the emotional—self-expressive—and functional benefits a brand provides. The basic values, such as trust, have to be shared and accepted by the customer before a brand can provide an emotional benefit. Similarly, customers have to accept and assimilate self expressive benefits before they will consider the brand as an integral part of their being.

The concept of marketing becomes even more challenging in turbulent environments, where its role must evolve from being a persuasive bonding agent to becoming a strategic change agent. When the environment faces hyper competition, or gets unpredictable and complex, marketing may help the organisation work with the outside partners to address the changing market needs using the unique values of those partners. After the mid 1980s, for instance, Japanese auto firms found it increasingly difficult to sell their low cost home assembled compact cars in the US, whose designs were focused at the functional energy saving needs. They addressed the changes in market needs that accepted larger sports utility vehicles through new collaborations with American auto parts suppliers. The values of the latter were oriented more towards the designs that provided sensory comfort and recreation. This example highlights the importance of CRM and the deep anticipation of the emotional and self-expressive—brand benefits that customers (car manufacturers) and end users (car buyers) look for. Furthermore, turbulent environments require marketing to become a dynamic and accountable partner for the other specialist and functional groups in the organisation. Overlapping roles of marketing, manufacturing and research for product development, and client focused restructuring of the organisation are examples of leadership in marketing in turbulent and hyper competitive environments. Marketing can lead leadership in customer relationship management (CRM) whose objective is to change the company culture, values, practices and processes from being product-focused to customer-focused.

*Drivers of Pragmatic Business Culture: The New Learning Organisation*

In the early 1960s, the business landscape in the industrial markets was shaken by a wave of consumer, environmental, and labour movements, which legitimated voice against lack of ecological and social sensitivity on the part of the organisations. The problems of ecological and social degrading were no longer external issues to be handled by special purpose and non profit organisations. Supported by new government regulations, consumer, environmental and labour activists called upon the firms to take a more proactive stand. It was not sufficient for the firms to just respond to the needs of their customers. They had to consider the voice of opinion leaders, media and the government—elements not necessarily part of their conventional customer groups—and had to reorient their business model to stay ahead of the demands of these opinion leaders.

As a result, the concept of marketing became more integrated with the rest of the organisation. The emphasis was not just on 'consumer orientation' focused on needs, satisfaction and sovereignty of consumers, but also on committing the entire organisation to the principle of customer service. Instead of an emphasis on revenue, marketing now came in touch with cost function, and made enterprise profitability its mantra. Consumer focused organisations thrived on a high degree of adaptability to the changing and complex market needs, institutionalised internally through the mode of flexible specialisation. The flexibly specialised organisations recognised the adjustment time and cost required for meeting the changing market demands. They sought to transfer the burden of the adjustment time and cost to outside vendors, generally located in emerging economy markets. The idea was to deploy the internal capacity into developing new services in the times of change, and to outsource the support functions to outside vendors when the next change event is anticipated. Thus, the flexibly specialised organisations avoided drastic adjustments to their human capital and marketing infrastructure. On the other hand, the outside vendors had to prepare themselves for a quick ramp up of support functions and products and for an imminent fall in the demand for these.

Another effect of the integration of marketing with the entire organisational strategy was improved interaction among the various functions and divisions of the organisation. This interaction was formalised through the process of strategic planning and control, and was guided by the corporate mission, values, and purpose. The result was a 'strategic, market oriented organisation', founded on the principle of managed flexibility, though substantially influenced by the forces of emergent and self organising learning. The formalised, market oriented organisation put a premium on efficiency to meet cost effectively customer needs as seen from the firm's point of view. But the emergent learning forces encouraged looking outside the window and discover new opportunities for market development.

The examples of the former, strategic market oriented organisation included beefing up of the customer service cells for spot handling of complaints and of developing 'nautral' or 'green' products. In such organisations, marketing performed 'front office' operations, and contributed to the proliferation of specialised 'boundary functions' designed to capture the greatest value from the firm's current products and services.

The learning organisations, on the other hand, have emphasised the value of knowledge management and how valuable knowledge often resides in the relationship between the firm and its stakeholder groups, of which outside vendors are an important part. The best practices and high performance practices require the marketeers to connect vendors with customers. Customers care not just about speed, cost saving, and choice of customisation offered to them. They are also concerned about the processes of screening, training, and vendor development put in place by the organisation. Nike, whose Chinese suppliers were found to be using child and prison labour, was threatened by consumer boycotts. This led to Nike taking a fresh perspective of value added relationships with its outside vendors, thereby distinguishing its culture and marketing from competition. Dell integrated the vendor customer connection into its business model offered online and became a formidable leader in the hyper competitive personal computers market, severely destroying the profitability and growth of other customer oriented players.

Learning organisations, with their thrust on continuous and collaborative learning, thus, constitute a viable alternative to flexible specialised organisations—the organisations that remain specialised until the need for flexibility becomes imminent. To keep current with the changing market pulse, the learning organisations integrate customers with both vendors and workforce. Effective use of information technology can substantially improve the viability of the integrated learning organisations.

Leading automobile companies, for instance, have been able to use information technology, along with integrated supply chain and product development management. This they do by letting the customer design "his or her car (from the available options) in the showroom on a computer linked directly to the factory production line. The customised car is mass produced and mass delivered at virtually no extra cost, and the waiting period is expected eventually to be only a few days".

The foundations of the learning organisation are in a pragmatic business culture, which seeks to add value to all the stakeholders, without escalating costs. The idea is not to be responsive to the market through purely boundary-spanning initiatives. It is to integrate the market forces in the very essence of the firm's business model. A responsive business culture seeks to respond to the diverse stakeholders on the basis of corporate values. In contrast, the pragmatic business culture seeks the cost-effectiveness and dynamism of a network integrating business model. In the former, the value of network integration is espoused and desired, but may not be practised if the costs threaten the viability of the organisation. In the latter, this becomes the very practice. In a sense, responsive business culture represents the philosophical force of post modernism, while the pragmatic business culture constitutes post modernism in practice and provides post modernism with an actionable epistemological basis.

*Drivers of Predatory Business Culture: The New Hyper Competition*

In their quest to fulfil their mission, a classic challenge for corporations has been to balance their priorities for customer and financial values. A customer value orientation puts a premium on customer relationships and trust. It is believed that a strong customer orientation can influence employees to engage in more competent and trust-building behaviour and to become more responsive to customer interests. In practice, customer relationships are like 'real options,' which can be springboards for the developmental growth of the firm if those customers remain prominent players in the marketplace. However, there is no guarantee that the customers to which a business dedicates its culture will, indeed, value the relationship, offer additional business at competitive prices and demonstrate continuing growth and success.

The Japanese auto suppliers, for instance, were fully devoted to servicing specific Japanese auto assemblers, and did so faithfully for nearly three decades between 1960s and 1980s. While the Japanese auto assemblers appreciated the dedication of the suppliers and their commitment for continuous cost reduction, they (assemblers) found it difficult to compete in the international markets just on the basis of those parts. The market was demanding sportier recreational vehicles. The Japanese assemblers had not focused on developing these parts with their suppliers, and they had to meet the rapidly declining new product development times of their competitors. With their profits under severe threat, the Japanese assemblers acted, somewhat reluctantly, to shift manufacturing operations to other nations. They also shifted an increasing share of their outsourcing to other suppliers who offered value added parts in contemporary and popular designs. Under these conditions, only those Japanese auto suppliers who decided to go beyond their customer relationships, and market their services to other competing customers survived and grew while the rest faced hard times and bankruptcies.

When firms face hyper competition and find their employees and suppliers ill prepared to meet the rapidly shifting market needs, the focus of the business culture might shift towards financial values. Financial value orientation "implies a value priority for achieving profits, increasing sales, and/or minimizing costs ... and these financial aspects seem to dominate and override all other important values". In general, one expects the organisations which "live by the numbers" to under perform their peers, and fail to make long term investments into future growth and profitability. In the immediate present, however, predatory orientation can generate cash flows that let businesses survive and prosper.

In both responsive culture and the one that seeks to pragmatically balance the interests of all stakeholders, corporations must look beyond the exclusive and obvious interests of investors. The responsive and pragmatic cultures presume that the responsibility to the members of the broader society and community, outside of the investors, pays more than it costs. However, if social responsibility is, indeed, value-adding, then responsiveness and pragmatism should be the rational and natural outcomes of the corporate focus on the returns for investors. Dating back to Adam Smith (1776), that's the logic economists have strongly advocated. Milton Friedman (1962–63) observed, "One and only one social responsibility of business [is] to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." The logic is simple: for the businesses, and for the community as a whole, profits generate growth. In contrast, the responsive and pragmatic acts decrease the profits firms and owners generate. If corporate managers act in responsive and pragmatic ways, they violate their contractual responsibilities to the owners.

Though "corporate citizenship" is the new buzzword, mutual funds containing good corporate citizens have consistently under performed S&P 500 stocks. On the other hand, eminent economist Krugman observed it was inevitable that in most factories of MNCs in the emerging markets, workers were paid very little and endured terrible working conditions. "I say 'inevitably' because their employers are not in business for their (or their workers') health; they pay as little as possible, and that minimum is determined by the other opportunities available to workers." He noted that such predatory behaviour is not of concern because by working for such corporations, there occurs "measurable improvement in the lives of ordinary people." In short, predatory business culture can have a legitimate role in society. Some firms may believe in its ontological primacy guided by the economist logic. Others may be forced into it when their survival is at threat and they have to conserve their cash flows.

## Summary

In a nutshell, the marketing concept calls for the business cultures to become responsive to their customers, and to even view all their stakeholders as customers and be responsive to them accordingly. The strategic view demands pragmatic business cultures, instructing firms to tactically balance the interests of various stakeholders and look for compatibility among those interests by emphasing knowledge management and collaborative learning. The two perspectives merge in their advocacy of serving the interests of all the stakeholders, and are fundamental to post modernist shifts from material goals to more inclusive fulfilment and developmental goals. In contrast, the economic philosophy stands apart in emphasising the primacy of the interests of owners/investors, and suggesting that a direct and exclusive priority to investor profitability alone will define all viable benefits to other stakeholders.

Next, we discuss the motivators and manifestations of the responsive (marketing-based), pragmatic (strategy based) and predatory (economics based) business cultures in New York City. We chose New York City for our investigation because it is the world's premier centre for financial services and economists, and potentially the most fertile ground for the predatory culture in the industrial world. The challenges for the alternative responsive and pragmatic business cultures for survival are the strongest in New York City—which is often identified as the most materialistic, modern society in the face of this earth. If the firms can survive by being responsive and pragmatic in New York City, one expects their learning can be used in other less predatory milieus around the world—both in industrial and emerging markets—for vibrant and sustainable competitive advantage consistent with the new marketing concept.

### Business Cultures in a Competitive Market: The New York City

In April 2002, graduating seniors at Fordham University's College of Business Administration interviewed senior managers and entrepreneurs of New York City on the city's business cultures. The sample included firms from a cross section of New York City's industries, including financial services, real estate, entertainment, hospitality, transportation, high technology, and retail sector. Most of the firms were from the services sector since New York City is largely a service economy. But some branded manufacturers with their offices in the city were also included. The respondents were asked about the prevalence of the responsive, pragmatic and predatory business cultures in New York City, though many chose to address the question with special reference to their own organisations. Altogether 30 respondents, each from a different company, were interviewed in face to face meetings. About one-half of the respondents characterised the dominant business culture of the city as predatory, and the other half interpreted the dominant culture as pragmatic. Yet, several were able to identify responsive undercurrents in what they termed as a fundamentally materialistic and competitive business culture of the City. We first discuss the drivers of these responsive undercurrents, and follow up by identifying the drivers of pragmatic and predatory business cultures in New York City.

*Drivers of Responsive Business Culture in New York City*
The interviews highlighted five major drivers of the responsive undercurrents in the business culture of New York City. These include: (1) Corporate mission (2) Nature of industry (3) Legal/government regulations (4) Environmental/business demands (5) value based work culture.

*Corporate Mission:* Some managers, particularly of branded products firms, identified their own culture to be responsive, as rooted in the very mission of the company. One respondent noted, "companies with a responsive culture are strong on teamwork and group approach to problem-solving, and it is my opinion, that they are the most ethically responsible and responsive to the companies they interact with." Another observed that "our company has a strong tradition of actively engaging with the societies in which we operate. By doing business in a respectable and sustainable way, we play our part in extending prosperity and provide opportunity." Still, the general consensus was that though the firms whose managerial philosophies are based on social, national and natural responsibility, and the desire to improve social situations is becoming more popular with their 'un business like' missions and approach to commerce, they are yet to become the standard business model. As one respondent aptly put it, "Businesses care more about shares and profits than what the masses think is socially sound, even though these same people make up the masses."

*Nature of Industry:* Several managers indicated that gaining competitive advantage through social awareness was not paramount to most New York firms except those who specifically functioned for public welfare, such as the medical professional and social work. A few felt that financial institutions might be looked upon as the backbone of any economy, providing the funds for economic growth. In this view, the dominant financial service corporations of the New York City filled a national interest, holding up the economy. However, others felt that while responsiveness formed the very nature of business in sectors such as insurance and post retirement asset management, firms in these sectors profited from being responsive. "So, how much are they really worrying about the consumer, and how much are they, in fact, just worrying about themselves!" They suggested that if companies took a more responsive approach to product development and consumer concerns, society could benefit greatly but then it might be at the expense of the company. Therefore, companies shied from it. Still others noted that across industries, many New York companies engaged in responsive culture-type activities for public relations and image-building, but fewer companies were based on responsive ideas.

*Legal / Government Regulations:* A view articulated by many managers was the significance of the 'Rule of Law' as a driver of responsive culture in

New York City. They explained that laws made organisations responsive to various stakeholders, such as ecology, consumers, workers and business partners. Thus, one manager noted that the US government protected the environment through law agencies and regulations: "Although in the past many companies have gotten away with dumping toxins into the soil or riverbanks, today these acts are highly prohibited and firms are subject to fines. These laws are geared to protect our universal human rights." Another observed that in her company any new "product MUST be funneled through the Compliance Department first ... Representatives are at risk of being sued—for something as minor as a misstated fact about a product, service or benefit." The regulations were deemed to be especially strong in New York City with its dominant financial services sector, where managers had to devote a substantial amount of their time on preparing reports for different government agencies and legally mandated auditors.

*Environmental/Business Demands:* Some of the managers identified responsive culture as a product of the demands from the internal and external environments. A manager noted that while the dominant business culture of New York City was predatory, "it is important that employees do not adopt this 'predatory' nature while dealing with coworkers and clients." Within her group, she encouraged community service such as a road race to benefit cancer patients in which the entire group participates". Many other managers also identified charitable and humanitarian projects as a source of pride in their company and the city. For instance, a manager from a prescription lens company commented, "we believe that good vision is a basic human right, not a luxury. That's why in 1988 we created 'Give the Gift of Sight', a charitable programme that has helped more than two million underprivileged people in the US to see clearly and in 25 developing countries around the world."

*Values based Work Culture:* Some other managers endorsed the view of responsive culture as an outgrowth of the need to be responsive towards environmental changes, so as to adapt and remain competitive within their industry. However, they suggested that the firms accomplished this by creating a positive work environment that was open to change and where all the employees were comfortable and empowered to welcome these changes. A manager observed that her hotel industry had to deal with a high employee turnover. "If hotels can create successful incentives for retaining and promoting their employees, then they will increase their own competitive advantage. For this, they must put an increased emphasis on human values and beliefs that are recognised at the national level." More generally, a positive work environment was nurtured in the city using a broad range of incentive programmes, including gym memberships to employees to relieve stress, forming of intramural sports teams to build camaraderie and presenting awards so that employee contributions do not go unnoticed.

In sum, the overall picture from the interviews is that though industry specific, legal and environmental factors have been the primary motivators of the responsive culture in New York City. The firms are increasingly recognising the value of responsive ideas for creating a positive work environment. As a result, being responsive is no longer just a lofty concept confined to the abstract mission statement of the company, or to the occasional acts of charity and humanitarian good, but is being built into the organisational fabric in the form of a positive, meaningful work culture.

***Drivers of Pragmatic Business Culture in New York City***

Five principal drivers were identified for the pragmatic business culture also:

(1) Innovation leadership (2) Employee appraisal (3) Customer satisfaction (4) Capacity development (5) Technology exploitation.

*Innovation Leadership:* Some managers highlighted the role of pragmatic culture in making New York City known "for producing financial innovation years ahead of the rest of the world." The city's firms were quick to embrace this innovation and efficiently market it to customers. They highlighted that New York businesses thrive on being research and knowledge-based. All employees within the company were encouraged to utilise their intelligence for developing innovative solutions.

*Employee Appraisal:* Another theme in the interviews was the interpretation of pragmatic culture as the "most democratic business culture". ~~The~~ managers suggested that it was typical in New York City businesses for individuals to be evaluated on their own performance alone and rewarded on their own merit. It was the key for each firm's ability to work hard, to outperform the competition in order to become more profitable. One manager observed that performance appraisals were done twice in a year in his company. This resulted in the lowest 5 per cent employees to be laid off. He elaborated, "This is an attempt to weed out the less than devoted and hardworking employees and focus on those who are in tune with the company and its goals." This company and other such companies were not out to drive their employees crazy, but take an educational approach by constantly offering programmes and training seminars to enable employees to work at their fullest capability. They took pride in their high-calibre service and were continually trying to evolve as technology and needs of client changed. They practised an open exchange of ideas and encouraged teamwork at all levels.

*Customer Satisfaction:* Several managers observed that the typical New York City businesses sought to merge pragmatic with responsive business culture. A manager observed, "It is through these two business cultures that companies often gain the most success and retain the most customer satisfaction and loyalty." Another noted that these companies "believe that the quality of their product is what will help distinguish them from their competitors. Good quality for a reasonable price is what shoppers want."

*Capacity Development:* Another group of managers viewed pragmatic culture as one that involves making money through extensive and fullest capacity development—making the most of what you have." They underscored the need for a cost/quality equation that turned profits on the firm's resources and knowledge, and the need for building quality checks at each stage of the process. As one manager noted, "In order to achieve this, the business really needs to consider its overheads and expenses in order to have the ability to offer low or fair prices for high quality merchandise. The business also needs to run with near-perfect efficiency as far as its capabilities and resources are concerned."

*Technology Exploitation:* The managers also noted that though New York City was not technocratic, technology was an unavoidable part of its pragmatic culture. A manager held that "our firm's culture is surrounded by the technology of today. Without such technology [like computers, fax machines, e-mail] we will not be able to operate as efficiently and effectively." Another observed that large departmental chain stores such as Macy's, Sakes Fifth Avenue, Sears and Home Depot were able to coordinate all aspects of the business by using computer technology. Inventory, for instance, can instantly be accessed and information passed freely from one department to another.

In sum, the overarching picture emerging from the interviews is the significance of pragmatic culture as a source of the reputation of the businesses in New York City as high performance organisations and as global leaders in the key domains of innovation, quality, cost, learning, and customer satisfaction. The pragmatic culture, especially when integrated with responsive ideas, underpins the clear competitive advantage of these businesses in the local and global markets.

### *Drivers of Predatory Business Culture in New York City*

The five drivers of the predatory business culture in New York City were: (1) Cut-throat competition (2) Sheer materialism (3) Plain greed (4) Survival and (5) Short-sightedness.

*Cut-throat competition:* Cut-throat competition was identified as the most important driver of predatory and quasi predatory behaviours. A respondent noted that many retailers had more than one franchise store down the same street. The resulting competition forced the stores to constantly challenge one another in sales, products, notable clients, and displays. The stores, sometimes, were led to bargain with suppliers "off the books", so that they could obtain a product for a lower price to attract new customers. Another observed that the competition was frequently not just among distributors. Distributors, too, were pitted against original service providers, as in telecommunications. She explained, "Prices are constantly changing from week to week. At one point, some wireless stores had unprofessional, untrained people selling wireless service on street corners. Many of these vendors were conducting identity theft." Another noted that most businesses in New York City had a predatory culture. For instance, the apparel business, "They live season to season, style to style, and are only concerned about growth and survival."

*Sheer Materialism:* Several managers attributed the predatory culture to the city's unique materialism, and the resulting competitive drive of the businesses. One respondent elaborated, "Most New Yorkers need to brand identify with a product to even purchase it." As a result, the businesses are induced to go into fine details about how their services differ from those of their competitors. Another respondent illustrated, "Just observe the advertisements. Little focus is placed on the good of a firm's product or service. It is instead, on the insufficiencies of the competitors' goods or services." Yet another noted, "Brokers are hired from different firms based on their client lists, as are entire teams of investment bankers, venture capitalists and traders. In 2001, the entire LBO team of Indosuez Capital left the firm and joined Toronto Dominion. This is typical of NYC business culture." These managers were careful to point out that the businesses they had in mind "do not engage in illegal activity. They do, however try to gain competitive advantage at all costs." "In New York City, the primary concern is making a profit and offering a better product than your competition. In order to make it in a big city you have to have competitive advantage."

*Plain Greed:* Some owners and managers of small businesses in New York City identified greed, or the desire to make an extra buck, as the dominant factor in predatory culture. One noted, "Some people will do whatever it takes to get more, even if it includes cheating partners and consumers, or not placing a significant emphasis on their mission, purpose, or values." Another observed, "In a city where the only thing that matters is the bottomline, greed can often cause people to act irrationally. Enron and its accounting firm, Arthur Anderson, typify this culture." They cited the battle of Coca Cola and Pepsico in the headlines of the city's newspapers over the years as an example of predatory culture. "Each campaign attempted to dissuade the consumer from using the competitor's products". They further explained, that across many industries, there was a lot of copying of other brand's products, and this was not confined to lesser-known companies but that it happened in companies of all sizes. One quipped, "sometimes it is a good idea to piggyback, but there is an ethical line between following a trend and copying a competitor's products."

*Survival:* Many respondents noted that in a city where some businesses were driven by greed, the others, some times, faced serious risks of survival. One interviewee said their firm once emphasised building customer relationships, and offering high quality, but many dealers abused its flexible and trusting approach. As a result, it went into bankruptcy, and was bought out by another company. To come out of bankruptcy, the new company began to milk the customer with a vengeance, and started "getting customers in with somewhat deceptive advertising and, some times, relying on hardsell instead of building relationships". This forced all the dealers to adapt accordingly in order to maintain profitability. Another interviewee observed that it was essential to "find the ability to balance the business cultures, allowing the company to feel accessible by all firms regardless of their business culture", so that the need for predatory culture can be minimised despite the market pressures.

*Short-sightedness:* Most of the respondents felt predatory business culture was non sustainable. They felt that such businesses "generally do not treat their employees well. This leads to bad customer service. The businesses will not be seen in a good light and customers will begin to buy from competition when they get to know this reputation". They thought that predatory culture was becoming a thing of the past, with one even asserting that such a culture was "more popular during the internet era of the late 1990's, when every other company was either acquiring or being acquired. That was a time when everyone was fighting for a market share and the competitive advantage that had spring up due to the new medium of business".

In sum, hyper competition and competitive drive emerged as the primary motivators of predatory culture, partly fuelled by the short sighted greed of some businesses who found it difficult to match the speed and innovation quality of their competitors. The greed driven predatory businesses were able to exploit the trust and freedom offered by their vendors and clients for making a fast buck. But their survival was, nevertheless, threatened every moment of their existence.

### *Overall Summary*

Though the respondents were split evenly in their overall assessment of New York City businesses as pragmatic or predatory, a deeper investigation into their minds suggests that the city's reputation as the world's financial centre rests on the strategy based pragmatic culture. Responsiveness to the consumers, community, and workforce is an important part of this pragmatic culture. However, the firms have to constantly beware of the predatory pressures, especially from those whose dreams are loftier than their capacities and resources. Government regulations and the risk of losing the trust of customers certainly check predatory (mis) adventures, but still cannot preclude them as a substantive force in the everyday business of the New York City.

### *Effect of 9/11 on New York City Business Culture*

Nearly all the 30 odd respondents interviewed for this study indicated that the events of 9/11 and the aftermath had heightened the responsive elements in New York City's business culture. However, nearly 50 per cent felt that the responsive orientation was only a temporary phenomenon. The other half held it was a fundamental, long term shift. Broadly, these results are consistent with the findings of the New LifeCare, Inc., poll done in late 2001. In that poll, 38 per cent of the companies in New York City reported increasing concern for creating a culture that cared for the employees (after the attacks). Fifty three per cent said while no dramatic change occurred, there was a heightened awareness of the employee's needs and an increased reliance on existing programmes.

Another important finding was that the respondents who identified the dominant business culture of New York City as pragmatic were more likely to view the effects of 9/11 as temporary. In contrast, those interpreting it as predatory tended to identify 9/11 as a transformative event which had sustainable, long term cultural implications. The respondents indicated three major drivers of the shift towards responsive culture in the aftermath of 9/11: (1) Sympathetic attitude (inter personal level) (2) Social consciousness (collective level) and (3) Resolve (personal level).

*Sympathetic Attitude:* A very strong common perception was that the events of 9/11 had changed people's interaction and how they viewed each other. The events "changed employers' minds, eyes and hearts and increased their sympathy to workforce problems and concerns." "Unfortunately, business is a business and the predatory firms will still exist, however, a new sense of unity has been established and I think that bond will lead to more responsive business cultures." The events "gave people a chance to step back and realise that there are far more important things in this world than greed and the *bottomline*." The most noticeable and immediate impact was that people became more humane towards each other, camaraderie increased and there was more honesty, enjoyment and happiness in everyday business because "we never know what tomorrow may bring." On a more sustainable basis, knowing that the clients and the companies one conducted business with "are reputable and can be trusted" became significant.

*Social Consciousness:* Another belief gained ground that post-9/11, the businesses became more socially conscious instead of self interested. An interviewee noted that in her company, "relationship with clients have become more personal" as it "made an increased effort to be respectful of people's fears, moods, and feelings. Another said, "people have come to understand the value of human life and the resolution of social problems. Many have to, and will, continue to follow in the footsteps of Red Cross, showing compassion for human life and taking a genuine interest in society." The general perception was that 9/11 had transformed the collective business culture of NYC and its citizen's gave rebuilding its economy utmost importance. People were proud of the fact that they were "making real contributions to the society ... and not just making money for the company." Businesses began to express interest in caring for the society as a whole by publicly contributing finances in support of "socially conscious organisations." In effect, companies used "these acts of charity to increase their emotional appeal to the public, especially current and potential customers."

*Resolve:* The final theme was with 9/11, "business has not changed, just the way we do it." Some felt that the events changed a lot of the ideals of corporate America: Our "company has put more focus on the importance of the individual." However, the business remained the same, because you must be able to "roll with the punches" in order to be successful. The others observed, "It's important to maintain strong values and ideals for businesses to get back on their feet. Ideals must be strengthened, not changed to keep a sort of normalcy within a company."

On the whole, 9/11 forged stronger bonds between the business culture and people and, thus, built a stronger, empathic responsiveness. The materialism of the businesses did not disappear, but a post/materialistic perspective found meaning and endorsement in the individual as well as collective culture of the businesses in New York City. The general consensus was that the successful rebuilding of the New York City as a global centre called for a pragmatic responsive approach, and could hardly take place using a predatory approach.

## IMPLICATIONS FOR MULTINATIONAL BRANDING IN INDIA

Interviews held with the managers in New York City indicate that corporate culture plays an important role in the meaning and value that a brand carries for customers. The customers see the predatory culture as highly revenue-conscious and hyper competitive and, therefore, expect aggressive price cutting, discounts and other sops from the companies wish such a culture. The responsive culture, on the other hand, is seen as conscious of its social obligations. Therefore, customers may feel somewhat guilty in striking hard bargains with ~~such~~ companies in such a culture. Customers are happy patronising the responsive corporation and feel proud and involved in being associated with their products. The customers expect fair, though not necessarily the least, pricing from responsive corporations and trust them with offering reasonable value for money. Finally, the pragmatic culture is viewed as highly knowledgeable about technology, products and the market. The customers expect companies in this culture to be able to offer value/added services and customised solutions. They are less concerned with what pragmatic corporations stand for (being) and are more attracted by what they can do for them (doing). They may, indeed, be willing to pay extra for the brands of pragmatic corporations, not because they associate themselves in a meaningful way with those brands but because they expect high quality and value added services that solve their real problems and make life easier.

In general, the strategies of the predatory, responsive and pragmatic firms can be mapped on to the three generic strategies of Porter (1985). According to Porter, three generic strategies are low cost, focus and differentiation. In terms of cultures, low-cost strategy is likely to be most effective for predatory firms, focus strategy for responsive firms and differentiation strategy for pragmatic firms.

As multinational firms try to formulate their brand positioning strategy in India, they must also consider the acceptability of their corporate culture to Indian customers. In emerging markets such as India, substantial inter/

firm differentials in terms of corporate culture and generic strategies are likely to emerge. On the one hand, lower income levels tend to make mass customers more conscious of prices and less worried about social/ecological concerns or about value added comfort enhancing services. But on the other hand, people in lower income societies tend to give spiritual and family needs higher priority and, so, are in a better position to appreciate the value of responsive attitudes and pragmatic services. The balance between these two forces depends on the broader societal culture of the emerging market targeted by an MNC. For instance, if customers are more oriented towards predatory values, they are likely to enjoy hard bargaining with the companies even if the latter have responsive or pragmatic corporate cultures. Highly price-conscious and negotiating customers can put responsive firms at a competitive disadvantage compared to predatory firms. While ~~the~~ predatory firms may reduce their prices by following aggressive policies with respect to their employees and suppliers, the responsive firms may be unwilling to do so and thus would lose out when the customers fail to empathise with labour and supplier rights. Similarly, predatory firms can offer rock-bottom prices by stripping away all the services, such as good-quality meals onboard the flights and flexibility in changing the dates of tickets. If the customers focus largely on price comparison without looking at the full package of brand services, then pragmatic firms will find it very difficult to survive. Let us analyse the culture of India and the orientation of Indian customers towards the three types of cultural values: responsive, pragmatic and predatory.

### *Indian Customers and Responsive Values*

The core element of Indian philosophy is its belief in the doctrine of *karma*. Indians believe that their present personality and socio economic conditions are borne of their actions and lifestyles in previous births. Individuals are reborn into wealthier and happier families if they have performed their moral duties well in their previous birth (known as the doctrine of *dharma*). Similarly, Indians also believe that if they perform their moral duties well in this birth, they will have a better life in their subsequent births. However, they also believe that their present actions are also not independent of the influences of the prior births and previous actions performed in this birth. Therefore, their belief that a great deal of planning, learning, experience and support is needed to improve their lot in the future. Typically Indians rely on their elders, superiors and teachers for their support. They are optimistic, if cautious, towards their present situation, and believe that they will, some day and some how get the support and opportunity for redeeming their past lapses in moral responsibilities. Successful businesses, thus, contribute to the community by helping friends and relatives to fulfil their moral obligations on the one hand and maintain a sense of optimism, order, and serenity in the society on the other. In practice, family and in group obligations take precedence over the other generalised acts of support. The businesses tend to employ family and in class members on a preferential basis and offer them better jobs and rewards. Multinational firms, which lack such a sense of social morality, are perceived by Indian customers to have less responsive cultures.

On the other hand, multinational firms with responsive attitudes (such as Unilever and Nestle) find that Indian customers are very receptive and sensitive towards their responsiveness, and in showing loyalty and confidence in them for the same. These firms have been able to develop new areas of responsiveness, such as their relationships with the farmers from whom they source farm products for value added processing and marketing. Indians respect all forms of life, including birds, animals and insects. They view nature—earth, rivers, trees and mountains—as having the same consciousness and life as human beings. This reflects in the doctrine of *ahimsa*, which "implies not only the negative act of abstention from all injury to life, but positive kindness to all creation". As such, people do not harm rodents, birds and other animals even though they damage more than 10 per cent of the farm produce each year. Therefore, ecologically conscious multinationals find that their behaviour is much appreciated by ~~the~~ Indian customers.

Indians also refract Time in phases. The present age or phase is believed to be *Kaliyug*, which is marked by the predominance of evil and immorality as opposed to the prevalence of purity and goodness in the earlier phases. Leaders are, therefore, expected to rekindle and promote purity and goodness in the society. They are not respected for the material wealth, but for their moral behaviour, or what is termed as "being in becoming" orientation. This orientation has its seed in performing one's moral responsibilities (*Dharma*) towards the society and, thereby, establish communion of the Self (*Atman*) with the Almighty (*Brahman*). This differs from the societies with a 'doing' orientation, where the emphasis is on personal achievement, accomplishment and accumulation of material wealth alone. Similarly, adults in the Indian society are respected not for their personal achievements but for their ability to provide for the material well-being of their families. Students, on the other hand, are respected for sharing their knowledge and helping one another, rather than for learning alone. The implications for the responsive multinationals are clear. Indian customers are unlikely to be loyal to them merely because they have large resources and capital and have invested heavily in advertising. Instead, brand building in India has to be founded on emotional and self expressive benefits, and on how well firms respect and respond to the development of the local community and integrate their own well-being with the latter. The key for a brand is in developing a bond with the Indian customers on the basis of what it is rather than what it does or can do. Multinational firms, such as Enron, who would have Indian customers believe they were serving them (customers) by filling the deep scarcity of energy in India, are rarely accepted as responsive. This because nothing in their behaviour (asking for higher than the going market price to cover the high costs that come from entering an emerging market) testifies to their declared intention of providing a cost effective energy source to the local community.

*Indian Customers and Pragmatic Values*

Research suggests that pragmatic leadership in the Indian context tends to have a "nurturant task" (NT) orientation. A pragmatic Indian leader is humane and considerate, taking personal interest in the well being of subordinates, and is fully committed to their growth. Warmth, affection and friendliness is contingent on the realisation of task accomplishment and productivity goals. Subordinates who persistently fail to deliver are shunned. But if they show some consistency in meeting or exceeding the expected goals, then pragmatic leaders tend to take a more participative stance called NT/P (NT with participative stance, to further build on their self confidence and skills. Indian employees reciprocate this personalised, humane and paternalistic leadership by giving their employer loyalty and commitment and recognising that their leaders are interested in nurturing them. In some cases, they may even ingratitude themselves with their employer by performing domestic chores or tasks that are unrelated to their job.

An important aspect of moral obligation (*dharma*) for every Indian is *Dana* (alms or offering). Historically, the gift of food (*anna dana*) has been a common form of giving that involves sharing food with those who have bestowed it (food) on the person (such as teachers, ancestors and deities) as well as those who are dependent on the person (such as family and visitors). Food is also given away on a large scale to the poor on special occasions. It may be donated on a regular basis to a smaller group of people in need. It really depends on what or how much a person can afford. Several other forms of gifts are well recognised. These include offering labour or physical service (*shram dana*). Employees make gifts in kind which reflects their spiritual (as opposed to materialistic) recognition and reverence of and for a leader or an organisation that has contributed to their lives. It is a token of their commitment to develop into fuller, self dependent individuals. Gifts, thus, confirm to the leaders that they have been effective in their moral act of nurturing by enabling the employees to get on with their other goals. Because giving is an act of moral duty, *dana* does not carry an expectation of a return favour from the recipient. Instead, nature or god is believed to reward such an act of morality. These features have important implications for industrial marketing. A company, for example, negotiates a contract with an industrial customer for the delivery of certain products. The customer informs the company of the new equipment as part of the deal. This enables expansion of production scale and lowering of costs. In turn, the company may well provide its products to that customer at a rate lower than its costs. This is the company's 'donation' or a thank you to the customer for sharing the knowledge about the new equipment. Multinational firms may perceive the pricing of this company as predatory. They may, therefore, be reluctant to enter the Indian market. However, by adopting a more pragmatic approach of value costing, which takes into account not just the added costs of various services but also cost savings and growth from customer advice, they can gain substantial business from the industrial customers in India.

*Indian Customers and Predatory Values*

Several scholars suggest that Indian customers are suspicious or skeptic people. Based on an in-depth analysis of the ancient India texts and epics such as the *Manusmriti*, *Arthashastra*, and *Mahabharata*, Saha (1992) determined Indians, traditionally believe human nature is evil. British colonialism reinforced these beliefs by treating the Indian masses as "half-devil and half-child". Many corporations in India went by this British perspective in their relationships with employees and suppliers. They relied on coercion and punishment as a means of maintaining their hegemony. Consequently, mass customers in India have little trust or confidence in the companies that seek to project a responsive brand image. Responsive branding positions are seen as a sham that appears to be appealing but lacks any real intent of caring. On the other hand, the companies that do not go to town with their Oh-so-responsiveness stand a good chance if they act in a socially responsive manner, even if they have used coercion and punishment on that rare occasion.

The Indian society is divided into several social classes and sub-classes. The major classes are: *brahmins* (priests, poets and intellectuals), *kshatriyas* (defence, politicians and leaders), *vaishyas* (traders, farmers and artisans) and *shudras* (workers, labour and scavengers). Members confine personal and social interaction largely to their own class. This results in social groupings based on classes. While the British increased the class difference by favouring *brahmins* in government positions, the Government of India's provision to set aside quotas for the shudras in education and employment added to the psychological inter-class differences. Even within companies, the employees often extend cooperation and exhibit fraternal feelings primarily to the members of the same class/or group. Consequently, there is a strong feeling of mistrust when companies deal with customers outside their local groups. Indian entrepreneurs and business people are predominantly *vaishyas*—the traditional trading and business community. Members (of a sub-class) do most of their business within their sub-class and tend to dominate the market in certain industrial segments. Indian customers perceive such traits as collusive and predatory. This perception is reflected in the popular meanings associated with the *vaishya* communities such as *Marwaris*, *Baniyas* and *Mahajans*. They are typically viewed as miserly, stingy and exploitative. Therefore, Indian customers expect such businesses to offer them extra services, such as free home delivery, free consumer credit, free product advice, free after-sales service and repairs, and five product return and exchange without any extra charge, to partly balance out the high profits those businesses are perceived to be making. The companies that follow a pragmatic approach of demanding higher prices for such value-added services may not succeed if the analysis of value-addition and price-setting is based on the products available in the market. For instance, a local shirt is available for $10, but a 'pragmatic' firm decides to price it at $12 by strategically including value added services. It is very likely that the latter's product will be over-priced by $2 in the retail market which offers those services free any way.

### *Summary*

A business responsive to customer needs is perceived to have a pragmatic orientation in the Indian context. In contrast, a business conscious of its moral responsibilities (towards the family, group and the local community) is deemed to be responsive, and a business focused just on personal, egocentric and individual interests is deemed predatory. In general, predatory businesses are expected to show at least some degree of responsiveness. Such responsiveness is considered pragmatic by several businesses. Business leaders seek to be responsive by meeting obligations towards their families and community members, mentoring their subordinates, advising their vendors and offering valuable services to their customers at no extra cost. Such responsiveness helps alleviate the risks of doing business and helps it succeed and grow. Multinational firms, who have to factor in the high risks of operating in emerging markets in their investment decisions, can transfer their emergent responsive culture perspectives to India for more predictable, stable and sustainable competitive advantage and growth.


### *Inferences*

The development of three types of business cultures—responsive, pragmatic and predatory—was reviewed. Each of these business cultures reflects a distinct theoretical discipline, philosophical perspective, generic strategy and understanding of business goals and mission. Responsive culture is rooted in the marketing philosophy of business as a servant of the customers and community. It entails a focused strategy of serving the market through a deeper appreciation of the market needs and effective brand equity. Pragmatic culture is founded in the strategic perspective of business as an ongoing concern. It entails a differentiation strategy of building and applying cost effective competencies to offer a variety of value added services for a cross section of the market using efficient technologies. Finally, the predatory culture relies on the economic philosophy of business as a profit making entity. It exists to make profits serve investors and depends on a competitive, low-cost strategy of penetrating the mass market through standardised, strip down products that do not necessarily have a value. Predatory culture is a product of the modern, industrial era where businesses had to be responsive only to the needs of their investors and where technology was the predominant and deciding factor in business strategy. With a growing emphasis on meaning and shift towards a post modern, service based era, predatory culture would be expected to take a more pragmatic and responsive shape.

We presented the evidence for the three business cultures in industrialised markets using the findings from interviews of several managers in New York City. Though NYC is believed to be most materialistic business city in the world, only about half the managers that the dominant culture of the city was materialistic and predatory. The other half identified pragmatic culture to be the ruling element in the city's businesses, especially the national and multinational firms operating in the city.

Further, the events of 9/11 were identified as having encouraged in some measure businesses to adopt responsive values.

Then, we turned towards India. Our analysis was that there are strong under currents of both predatory and responsive business culture in India. Customers perceive the businesses to have a strong predatory orientation because the business relationships are often non transparent and largely limited to in class members. However, business people compensate by showing a great sense of responsiveness to their family and in class members and also by offering additional valuable services to their customers without jacking up their profits any further. Businesses and customers alike perceive such a balance as pragmatic.

Post-independence, Indian customers tended to see businesses as primarily responsive (public sector and large private business houses) or predatory (small and medium enterprises and multinational firms). However, with increased competition and growing opportunities following liberalisation customers expect more transparency and a pragmatic business culture. Multinational firms should, therefore, find the new business climate in keeping with their overall thrust on pragmatism. Integrating their new concerns for responsiveness through customer relationship management (CRM) and brand equity management, MNCs can also better respond to the Indian customer's psyche and enjoy low risk, sustainable growth with healthy, socially-endorsed returns.