

# Loreal culture differences



According to Edward Tylor, culture is defined as ‘ a complex whole which includes knowledge, belief, art, morals, law, custom, and other capabilities acquired by man as a member of society’ (Dowling et al. , 2009). Indeed, culture is defined by norms, values, social interactions, language and others personal components shared by groups of people across the world. From a country to another, humans have developed different types of symbolic, aesthetic expressions, beliefs and codes of behaviour which can be difficult to understand for foreigners.

From a business point of view, companies have to adapt themselves to the culture of each country in which they want to have business in. Because of the differences of culture between countries, companies need to adjust their products and services. This will enable them to contribute to the creation and to the development of a large panel of products across the world. Each culture contains sub-cultures which have new or different set of behaviours and ways of living that could be perceived as wrong by others.

Having cultural issues means that a group of people believe that another group is wrong in their behaviour. In China, social values are based on Confucianism and Taoism. The Chinese culture is one of the oldest and complex cultures of the world. The Confucianism is one of the largest philosophies of China which includes moral, political and cultural reflections. According to Confucius, virtue is an inner wealth than any man can acquire, because human nature is neither good nor bad (J. R. Hinnells, 1985). Moreover, Confucius believed that reform of the community was only possible through family and individual.

Even if the importance of Confucian principles moralists has declined in China after the Cultural Revolution, the latent influence that Confucianism has even today, for example on the social model of South Korea but also Japan, is central (respect for ancestors, filial piety, obedience to elders, patriarchy, etc. ... ). Taoism is primarily a lifestyle for everyone to return to core values of life. This philosophy is based on the fact that mankind should focus on itself in order to find a perfect balance between harmony and immortality.

Taoism and Confucianism are complementary and represent simply two different ways to access the same goal. The complexity of China's history has a colossal influence on several markets and industries including cosmetics. The international French group L'Oreal had to adapt its panel of products in order to enter the Chinese market which became during the last decade one of the most productive market of the world with billions of potential customers. One of the issues that L'Oreal faces in the Chinese market is the difference of cultures between Eastern and Western countries regarding the use of skin products.

In China, the trend is not to sunbathe excessively or to be tanned as in European countries. In Asian countries, the fashion trend is to remain as white-skinned as possible. In order to protect themselves from the UVs, Chinese women try to cover their whole body from the sun with a hat, a parasol, and long sleeves despite the blazing sun. Chinese poets have always evoked skin " pure as jade and as clear as ice" to describe the absolute beauty. Historically, the whiteness of the skin attested a sign of

laziness, symbol of high social status and wealth whereas tanned skins were the workers' skin color.

In the West, the logic was reversed a long time ago and now, white skins are associated with disease and illness and are derided by bronzed vacationers; but the fascination for pale complexion is still relevant in Asia. This specificity has developed a whole market for whitening products: makeup, whitening creams like the “ White Perfect” line, depigmentation products, foam washer, masks... Ninety million Chinese are spending more than ten per cent of their income on cosmetics, a third to keep their skin white (Muys S, 2006). In Shanghai in particular, they are spending fifty times more than the national average.

Moreover, Chinese women prove to be great consumers of hair coloration, in particular for dyes which enable them to have different grades of black hair. To respond efficiently to the demand, L'Oreal has created several different black shades tint for the Chinese market. All those shades have been especially created for the Asian market and do not exist in the rest of the world. Moreover, in order to be consistent with the Chinese tradition, L'Oreal has added some vegetal ingredients in the production of their hair coloration product line. Under the Mao government, makeup was totally banned and Chinese women did not use it at all.

Nonetheless, since the opening of the country, women have been making up for the lost time. Chinese women use between sixteen and eighteen creams and lotions a day, against five or six for occidental women (Perez A, 2006). Moreover, whitening cosmetics trade is booming, and has become the most

lucrative market in cosmetic industry. The French group L’Oreal entered the cosmetics Chinese market in 1997 with the American brand Maybelline. They took the leadership of the makeup market and then, launched the other brands of the group like L’Oreal Paris, Lancome... Today almost all the L’Oreal’s brands are sold in China.

L’Oreal invested about 500 million Euros in R; D last year. It employs about 2, 900 researchers motivated by an apparently simple credo: “ To increase scientific knowledge of skin and hair in the world. ” The group’s strategy, posting very attractive growth rates in China, is now to have a better understanding and to adapt its products to Chinese market. Therefore, L’Oreal has done some strategic moves within the Chinese market: Opening a research center in Pudong and the acquisition of domestic brands (Mini nurse and Yue Sai).

These policies of repurchase and development enabled the company to take benefits from the distribution network and also to cover all the Chinese market segments. China does not yet represent a significant part of the turnover of L’Oreal but is an area of strategic development for the group. Nonetheless, L’Oreal has a 33% market share with its Maybelline lipstick thanks to the advertising campaign with the actress Zhang Ziyi (Hennock M, 2002). Moreover, the company is customizing its products and advertising according to the Chinese market demands and has hired Chinese managers of the same age as its target consumers.

Our main recommendation regarding the current strengths and weaknesses that the company encounters concerning the cultural issues is to have a

better focus on customers. Chinese women tend to be influenced by Western lifestyle. Therefore, L'Oreal should be aware of the Occidental trends in order to remain competitive in the Chinese market. Moreover, China is composed of over fifty different ethnicities