Wal-Mart: An Analysis of the Glocalization of the Cathedral of Consumption in China

Introduction

This paper analyzes the strategies adopted by Wal-Mart Stores, Inc. to fit local cultures in China, a country in which over 100 Wal-Mart stores have already been established. This analysis is based on a concept called glocalization, which refers to the interaction of the global and the local, or the incorporation of local elements into global products and/or services. This paper is important for two reasons. First, the concept of glocalization has the capacity to enhance scholarly understanding of globalization with reference to global agency and cultural differentiation. Second, not only is China the country where Wal-Mart had to glocalize the most (Chandler, 2005); China is also the world’s fastest growing market (Plafker, 2007). So, this analysis can add fresh insights into today’s reality of globalization processes. One of the consequences of Wal-Mart’s method of glocalization is that it increases its status of “cathedral of consumption” even more. A cathedral of consumption refers to an unparalleled magnitude of global success (achieved by a major corporation) that gives birth to a consumer religion and a display of abundance and excess (Ritzer, 2007b).

After a short description of the Wal-Martization of the world, this paper begins with a detailed definition of glocalization. It provides the origins of the term, examples of glocalization, and the context in which glocalization takes place. Then, it describes Wal-Mart as a cathedral of consumption, how consumers are drawn to this, and how the Wal-Martization of the world is growing. What comes next is an account of the success of Wal-Mart stores in China. This lays the foundation for the heart of this analysis: the
glocalization of Wal-Mart in China. To explain this accurately, five subsections were created. As such, these subsections consist of (1) the glocalization of Wal-Mart shopping practices, (2) the glocalization of Wal-Mart products, (3) the acquiescence of the store to the Communist Party of China-supported trade unions, (4) the adaptation to local employees’ values, and (5) Wal-Mart’s retailtainment in China. This paper ends with a discussion that offers suggestions for future research.

The Wal-Martization of the World

Wal-Mart is referred to as a global behemoth (Creamer, 2006), a global goliath (Lake, Mermin, & Wiefek, 2005), and the ubiquitous corporation (Marquard, 2006). These three terms give a picture of the unmatched status that the Wal-Mart Corporation has achieved. While its status increasingly feeds the Wal-Martization of the world, the latter, in turn, increases Wal-Mart’s status even more. Wal-Martization is a term that branched out of another term, McDonaldization (Ritzer, 2005). McDonaldization is a process of cultural imperialism that embodies the quintessential values of the fast-food industry – efficiency, quantification, predictability, and control. These values represent convenience and efficiency across all sectors of society. They symbolize the global colonization, by cathedrals of consumption and major corporations, of foreign nations through the diffusion of products and services.

When such global colonization transforms present-day cultures, communities, and consumer living habits via the influence of the Wal-Mart Corporation, it is called Wal-Martization. As exemplified through the actions taken by the Wal-Mart Corporation, Wal-Martization is the personification of the rational philosophy “faster, better, cheaper” and “bigger, more global, standardized” (Bosshart, 2007). Wal-Martization is changing
commerce and the workforce around the world, for good and bad. Within four decades, Wal-Mart became the world’s largest retailer (May, Cheney, & Roper, 2007). Wal-Mart reached the bar of $1 billion yearly sales in 1979, then collected $1 billion sales per week in 1993 before making $1 billion in sales every day in 2001 (Brunn, 2006). Today, Wal-Mart has expanded globally. Wal-Mart’s official Website, called “Wal-Mart International,” says that as of the year 2008, Wal-Mart has approximately 4,000 stores in the United States and 3,000 stores in a variety of countries worldwide; in Argentina, Brazil, Canada, China, Costa Rica, El Salvador, Guatemala, Honduras, India (a country in which the stores are being built this fiscal year), Japan, Mexico, Nicaragua, Puerto Rico, and the United Kingdom.

As one can see, to understand Wal-Martization is to be fully aware of the mechanics of a supreme economy that has rapidly become global. Yet, this paper does not just describe Wal-Mart as a cathedral of consumption; it also demonstrates how Wal-Mart has proved capable of infiltrating the 5000-year-old culture of China by making some adjustments to its globalizing practices. These adjustments to Wal-Mart’s globalizing practices are referred to as “glocalization,” which does not supplant the notion of globalization, but complements it.

Glocalization: A Definition

The term “glocalization” was coined by Robertson (1994). A portmanteau of the words “globalization” and “localization,” glocalization constitutes the interaction of the global and the local (Andrews & Ritzer, 2007), a conflation of the global and the local (de Nuve, 2007; Swyngedouw, 1997), the dynamics of cultural homogenization and heterogenization (Eric, 2007), and the cooptation of both universalizing and
particularizing tendencies (Robertson, 1994). While globalization, in and of itself, stresses the universality of corporate or cultural processes around the world, glocalization stresses particularism of a global product, idea, or service. Glocalization, for instance, allows the replica of the McDonald’s Corporation to simultaneously co-opt and cater to local tastes and preferences around the world. While McDonald’s keeps its golden arches and red color the same everywhere, it also appears culturally adjustable and location-friendly. From this vantage point, McDonald’s shows flexibility. As such, the McDonald’s outlets in Brazil have “happy hours” with salsa bands. In New Zealand, they have what they call kiwiburgers. In Egypt, they serve McFalafels (Ritzer, 2007a); Falabels are meatballs filled with beans and chickpeas. So, glocalization refers to a culture that is both global and local at the same time (Ingleby, 2006). This McDonald’s example also demonstrates that glocalization is synonymous with relocalization, that is, the incorporation of local elements into global products and/or services (Archer, 2008; Lee, 2003).

Marwan Kraidy, a communication scholar, has studied glocalization considerably. For Kraidy (2001), glocalization refers to new cultural hybrids and change of norms and practices to adjust to local worldviews and expectations (Kraidy, 2002). Glocalization is not just another take on niche-marketing, now global. Glocalization also offers an improved accuracy of the current usage of the globalization approach among scholars and practitioners (Svensson, 2001). The glocalization model synthesizes the relationship, balance, and harmony between cultural homogenization and heterogenization, standardization and adaptation, homogenization and tailoring, convergence and divergence, and universalism and particularism (Robertson, 1995). The theoretical
The concept of glocalization is influential because it challenges the model of Western imperialism (Schiller, 1971). From this perspective, globalization is a strengthening of the consciousness of the world, one which pervades both the local and the global (Holton, 1998). This refutes the claim that globalization is a completely homogeneous process. Rather, globalization simultaneously gears toward some degree of cultural homogenization while, at the same time, allows individuals to identify more strongly with their local grouping (Maynard & Tian, 2004).

What glocalization emphasizes is that globalizing a product or service has more chances to succeed when it is catered specifically to each local region in which it is introduced. When commodities are marketed in a given culture, they become products of glocalization in the sense that they are conceived and controlled indigenously. Comparatively, they are rich in distinctive substantive content (Appadurai, 1996; Robertson, 2001). The underlying principle behind glocalization is that enforcing our cultural values in other cultures does not always work. Take, for instance, Disneyland Paris. It might be a child of the American Disney World, but it is now managed by a French man who has worked hard to maintain aspects of French culture in the amusement park. For example, the restaurants of Disneyland Paris serve French food and wine; French staff, who loathe providing the smiles and friendly greetings so anticipated at any American amusement park, just do not show their whites and do not jump through hoops to be friendly (Cheney et al., 2004).

In *The World Is Flat*, Friedman (2005) argues that if countries want to survive in a globalized world, they must sacrifice some degree of economic imperialism to global processes in order to attain economic success by Western standards. However, at the
same time, in order to remain “local,” local cultures must preserve, to a certain extent, their local traditions while they undergo through globalizing processes. Friedman also describes this as glocalization. Glocalization, then, is a form of globalization that is aware and responsive to differences within and between areas of the world (Robertson, 2001). The goal of glocalization is to seek local market input and escape the ivory tower. Hence, this means that no single approach is right in all instances.

Glocalization can mean both minute changes in global products and more significant changes to those products for a specific local market (Robertson, 2007). In all cases, it occurs in some locality (Robertson, 2005). Glocalization means that there are more direct linkages between the local and international levels (Mooney & Evans, 2007). Glocalization represents local forces that work to assuage the impact of global institutions (Aliet, 2007). As explained later in detail, one of these global institutions is the economy of global scale set by a famous cathedral of consumption: Wal-Mart.

Wal-Mart: A Cathedral of Consumption

The expression “cathedral of consumption” was coined by George Ritzer (2007a). A cathedral of consumption refers to an unprecedented magnitude of global success (achieved by a major corporation) that gives rise to a consumer religion and a display of abundance and excess (Ritzer, 2007b). Wal-Mart Stores, Inc. is an example, and so are the McDonald’s Corporation, the Coca-Cola Company, the Walt Disney Company, the Apple Company Store, Hollywood, and large shopping malls in general. In addition to providing an innumerable amount of commodified goods and services around the world, the cathedral of consumption allows a do-it yourself attitude, a self-service facility, or a set of strategies that make us believe that it is our own choice to consume (Ritzer, 1999).
Cathedrals of consumption are designed with the expectation that consumers will develop a craving for purchasing goods and services after experiencing a “spectacle” (Ritzer, 2007b). This also leads individuals to consume far more than they need to. A cathedral of consumption is a place of hyper-consumption and its large size is enchanting to many shoppers. It can even be a “family outing” for some people. Thanks to their products being widely available and sold at relatively low prices, cathedrals of consumption have been “aggressively exported to the rest of the world” (Ritzer, 2007a, p. 12).

Wal-Mart has displayed its status of cathedral of consumption everywhere. The average Wal-Mart Supercenter is a single-story structure of about 181,300 square feet in size, although they range from 110,000 to 241,000 square feet. Wal-Mart is U.S. teenage shoppers’ favorite destination (Brunn, 2006). Known all over the world, Wal-Mart stands a symbol of a successful global trading company that has taken a single-minded path. For customers, this cathedral of consumption means that anybody can get a microwave oven for less than $30, a pack of 24 cans of Coke for less than $4, or a gallon-size jar of Vlasic pickles for $2.97 (Bosshart, 2007). The gallon jar of Vlasic pickles itself is something to behold. Being the size of a small aquarium, the jar weighs twelve pounds, which would be too big to carry with one hand. This is a good case that exemplifies display of abundance and excess (Fishman, 2006). Wal-Mart set it at a price of $2.97, shaving its margins to almost nothing (Marquard, 2006). Just imagine a year’s supply of pickles for less than $3, but that satisfies a firm’s yearning for huge volumes (Brunn, 2006).

The cathedral of consumption fed by Wal-Mart’s image has given rise to a similar concept: the Wal-Martization of the world. Wal-Martization refers to today’s dominant model of the rationalization of the consumer living patterns. It represents the philosophy
of “faster, better, cheaper” and “bigger, more global, standardized” shopping. Because Wal-Mart can cut prices, it does (Bosshart, 2007). Unfortunately, victims of Wal-Martization’s success are competitors whose jobs are lost (Welch & Welch, 2006). By the time Sam Walton died in 1992, the Wal-Martization of the world only consisted of two Sam’s Clubs in Mexico City. Yet, a year later, the new chairman, Rob Walton, and David Glass, the chief executive, asked the chief information officer, Bob L. Martin, to expand the corporation all over the globe (Upbin, 2004). Eventually, Wal-Mart settled in China in 1996 (Spulber, 2007).

Wal-Mart in China

After Sam Walton’s death, Wal-Mart managers saw great prospective success within the Chinese market (Barboza, 2007a). China is so populated that one hundred and seventy cities are inhabited by more than one million inhabitants. If there is any nation that could give Wal-Mart the status of cathedral of consumption as it has in the United States, then China would be it. China is the world’s fastest growing market (Plafker, 2007). For this reason, in 1996, Wal-Mart opened its first store there (Spulber, 2007). Today, Wal-Mart has well developed in China (Gannon, 2007; Hexter & Woetzel, 2007; Reuvid, 2008), where the retailer has already established an extensive platform through its four store formats: Supercenters, Discount Stores, Neighborhood Markets (Liang, 2003), and Sam’s Club warehouses (Spulber, 2007). In 2006, Wal-Mart was employing 30,000 people in China, drawing 1.2 million people per month. In 2007, the corporation celebrated the approval of its hundredth store in that nation. Wal-Mart plans to hire an additional 150,000 people in China over the next five years (Pelle, 2007). If it were a nation, in and of itself, Wal-Mart would be China’s eighth trading partner (Peppers &
Rogers, 2008). Although China owns more than one-third of the United States in the form of debt, Wal-Mart owns more than half of China (The Onion, 2007). What this means is that China still represents a price taker, not a price setter; the reason being that no one in China can afford to lose Wal-Mart as a customer (Plafker, 2007). Eighty percent of Wal-Mart suppliers are in China (Brown, Brutoco, & Cusumano, 2007). A case in point is Wal-Mart in Shenzhen (a city in the southern part of the country), where the retailer has its own long-term contracted factories (Wang et al., 2007).

Just as it does in the United States and twelve other nations worldwide, the cathedral of consumption mingles low-cost production opportunities with access to a huge market. This represents both enthusiasm and a veritable invasion into China’s manufacturing world desperate for cost efficiencies (Plafker, 2007). Wal-Mart now imports over 6,600 categories of U.S. goods into China, giving Chinese consumers the possibility of having the same choice of high quality products that consumers have in the United States. However, Wal-Mart has also come to realize that, for the company to be successful among locals of all the cities in which it is located, understanding the unique local values and the characteristics of the Chinese shopping culture is essential. It is not just a process of adapting to change and adopting new tactics of managing across cultures; it is also a process of accepting differences (Wang, Zhang, & Goodfellow, 2003), of being heedful of living and working in a culture that is 5,000 years old and that was once known as the Middle Kingdom (Chen, 2008), and of being mindful of the basic tenets of Confucianism, which embraces all things Chinese. What this has meant for Wal-Mart is a necessity to change its North-American paradigm about “doing business” (Tadla, 2007). Its selling tactics had to evolve in order to suit local preferences.
Glocalization of Wal-Mart in China

China is the country where Wal-Mart had to glocalize the most (Chandler, 2005). Because of the vast cultural differences between Wal-Mart’s country of origin and China, changing business tactics in order to suit local preferences was an ambitious decision. Glocalization means adapting to local practices and adjusting to markets, both of which are necessary steps to remain competitive in China (Trunick, 2006). Nevertheless, the potential gains were expected to be high, so Wal-Mart in true American style “jumped in” (Hessler, 2007). Although local retailers in China have worried about the growing influence of Wal-Mart in their heartland (Pelle, 2007), this has not prevented Wal-Mart from showing the first signs of its “cathedral of consumption” status through its successful establishment of a strong customer base and achieving its goal of being the “community store” in about 100 cities (Trunick, 2006). Wal-Mart operations in China generated revenues of $670 million in 2004 (Brunn, 2006). Wal-Mart has also realized that profitable business in China is not based so much on location or IT as it is on the adaptation to the typical Chinese consuming culture, habit, and market environment.

Today, Wal-Mart has brought great benefits to China, not only through the money cash flow it has generated, but also through its development of sustainable and innovative selling practices, thereby helping China’s economy and increasingly turning the Chinese into Wal-Mart consumers. The idea of glocalization of Wal-Mart in China was already well understood ten years ago when Lynch (1998) suggested that Wal-Mart must quickly adapt to local tastes in each Chinese city. Lynch’s argument stressed the importance to overcome local barriers and understand the true nature of consumer needs in China. And it varies from
region to region. China’s size represents a wide diversity of local tastes within the country itself, thereby preventing Wal-Mart from glocalizing the same products and services in every store. Glocalization, then, should not be identical across an entire nation as big as China (Fong et al., 2006). A case in point is that people in Shenzhen (recall the city in the southern part of China) tend to eat and drink different kinds of food than those in the northeastern part of the country. Since the moment right before the turn of the 21st century, Wal-Mart has carried a wider range of products, particularly perishable goods that appeal to the palate of the entire Chinese culture (Govindarajan & Gupta, 1999). In fact, the glocalization of Wal-Mart in China has been so successful that Wal-Mart has been dubbed “Wal-Mao,” a metaphor for describing the localization of Wal-Mart’s corporate culture in China. “Wal-Mao” resonates with a wide spectrum of practices, activities, and experiences that take place in Chinese culture (Davies, 2007).

The five following subsections will apply, in detail, the concept of glocalization to Wal-Mart practices in China. As such, it will analyze (1) the glocalization of Wal-Mart shopping practices, (2) the glocalization of Wal-Mart products, (3) the acquiescence of the store to the Communist Party of China-supported trade unions, (4) the adaptation to local employees’ values, and (5) Wal-Mart’s retailtainment in China.

Glocalizing Wal-Mart Shopping Practices

Glocalization refers to local adaptation practices. Let us look first at how this local adaptation has occurred in terms of Wal-Mart shopping practices. To begin, Wal-Marts in China follow a different store format. Racks’ height is different, the store’s layout is changed to meet local tastes (Johnsen, 2007), and the aisles are wider and checkout counters shorter to become accustomed to Chinese customers’ habits of making
more frequent shopping trips per week. In fact, Chinese customers shop groceries every day because they want fresh food (Spulber, 2007). This is the opposite of U.S. customers who shop at Wal-Mart about twice a week (Liang, 2003).

In addition, because Chinese customers buy smaller quantities per trip, Wal-Mart has also adjusted its shopping bags. Wal-Mart can do all this without compromising its strategy of “Everyday Low Prices.” Wal-Mart actively accommodates its stores to Chinese consumers who do their shopping on foot, by motorcycles, or bicycles (Liang, 2003). Because of limited storage space, they prefer smaller package sizes and buy in smaller quantities (Spulber, 2007). The Chinese usually have smaller refrigerators (Bellin & Pham, 2007) and apartments (Chandler, 2005). These are other reasons why shopping bags had to be adjusted. In a similar vein, it took a while for Wal-Mart Stores, Inc. to realize that Chinese customers are not used to ripping open packages and begin to serve themselves to a portion of the contents (remember, they only like smaller package sizes). Now, Wal-Mart has learned its lesson: it displays its frozen foods in open freezers and provides scoops and bags so that shoppers can buy the amount they want (Capell, 2006). Shoppers in China are intense and distrustful of many types of merchandise. If they buy a TV set or any electronics item, they will take it out of the cardboard box and try it before purchasing it (Harris, 2006).

Glocalization has also taken place as a result of other differences in the look and feel of Chinese shopping practices. The Chinese mostly go to the store to buy food more than anything. Not surprisingly, Wal-Mart supercenters in China allocate lots of floor space to food. Perishable products, in particular, get pride of place and can be purchased in an astonishing assortment of shapes, colors, and flavors (Chandler, 2005). On the
merchandise side, Wal-Mart Stores, Inc. can also share unique stories. Its cosmetics were not selling until the retailer set up demonstration stations where customers could be shown how to apply various brands of make-up. Not only has it boosted sales, but it has also helped Wal-Mart sell high-end brands that would cost approximately $100 per item in the U.S. (Trunick, 2006). Another way to boost sales is to add something unusual to something valuable, like wine. At the Chongqing opening of Wal-Mart, in central China, bottles of red wine moved briskly when packaged with free cans of Sprite. Chinese customers like to have their cabernet carbonated (Chandler, 2005).

Of equal relevance is the fact that Wal-Mart is proud of its excellent customer service. In order to have excellent customer service in China, Wal-Mart’s managers have had to learn a large amount about Chinese customers. One early discovery is that these customers like to “feel” the merchandise, put their hands on it, shucking corncobs before putting them in their basket, or demanding that employees not only take sheets or linens out of the plastic but also demonstrate them on an actual bed. Chinese shoppers also like to see clamor or some insistent public expression (as of support). It is not unusual for managers to goose sales simply by dispatching associates to restack a piece of merchandise raucously in the middle of the floor (Chandler, 2005).

In a similar fashion, taking into account China’s one-child policy, the recognizable family picture or symbol – the one portraying a typical two-child American family that we can see in U.S. Wal-Marts – was changed in order to conform to the reality of consumers’ lives in China (Greenhalgh, 2008). As one can see, glocalization can turn a store around; adjusting to local practices, even for a multinational behemoth like Wal-Mart, is no easy effort. When the first Wal-Mart was opened in China in 1996, it
attempted to replicate the formula it used in the United States, but it did not work (Brunn, 2006). Now, let us see how Wal-Mart has adapted to local Chinese culture by glocalizing its products.

**Glocalizing Wal-Mart Products**

Other than making appropriate modifications to its layout, procurements, and customer service (Spulber, 2007), Wal-Mart discovered, as development went ahead, that Chinese tastes differ sharply from anywhere else in the world (Brunn, 2006). For example, not only do Chinese people love fish, they also share a collective preference as to how the fish needs to be prepared or displayed. As such, they prefer selecting their own live fish and seafood (while, in the U.S., the employee of the fish section, or the cook, would select it for the customer). After becoming aware of this, Wal-Mart began displaying the fish uncovered and installed fish tanks (Trunick, 2006). The Chinese like seafood and shrimps that are fresh. Fresh fish for the Chinese does not mean recently-caught fish, but it means fish still swimming in a tank, from trout to perch to bass (Harris, 2006). Consumers plunge fishing nets into in-store tanks where they can serve themselves. The Chinese just do not want dead fish (Tadla, 2007). So, Wal-Marts in China now have fish and shrimps swimming and twitching in their stores. The Wal-Mart store in Shenzhen is jam-packed with tanks of crabs, fish, frogs, and shrimps, all of which can be taken home wiggling or be skillfully gutted and cleaned on the spot (Saporito, 2003). Nothing like this can be found at Wal-Marts in other nations, even in the exotic places of Central America (Shujun, 2004). Yet, by glocalizing this way, this has led to higher sales (Trunick, 2006).
In addition to displaying meat uncovered and selling fresh fish and shrimps, Wal-Marts in China sell eels and tortoises (Tadla, 2007), as well as turtles, lobsters, and live bullfrogs the size of soccer balls (Chandler, 2005). The company stocks a large array of other fresh and live food in its Chinese stores, all of which accurately value Chinese consumers’ tastes (Bellin & Pham, 2007). Wal-Mart in China offers local delicacies such as barbecued pigeons and snakes of supposed higher quality than that available at local street markets outside the store (Rowe, 2007). Other local favorites are exotic fruits, from litchi nuts (Harris, 2006) to twenty varieties of raisins, roasted mutton in plastic bags, horse-meat sausage in the winter (for warming up the body, Uighurs say), and snow lily tea from the Tianshan mountains, a mountain range in Central Asia (Lee, 2006). Since the SARS epidemic in 2003, Wal-Mart stores in China have stopped slaughtering poultry on their own property and no longer offer animal food such as rabbits. Nevertheless, understanding of local tastes also meant for Wal-Mart that it had to stock popular local spices. Spicy chicken feet and stinky tofu are constant favorites. At Chinese Wal-Mart supercenters, the most sold items are prepared lunches served in Styrofoam containers and freshly prepared on the spot: two meats, two vegetables, rice, and a cup of hot soup; all this for less than $1. A typical Wal-Mart supercenter sells more than 1,000 a day (Chandler, 2005).

It was mentioned in the beginning of this paper that Wal-Mart is well-known for its bulk size purchasing. An example of its bulk size purchasing is the typical gallon-sized jar of whole pickles that can be found at any U.S. Wal-Mart. However, the Chinese loathe the idea of buying a gallon jar of pickles (Bosshart, 2007); Chinese customers would rather have leafy vegetables but, although the vegetable section in Chinese Wal-
Marts is twice as big as that within U.S. Wal-Marts (Fishman, 2006), the Chinese stores do not have too many of these. In China, these can only be purchased locally (in small private grocery stores). Conversely, what can be purchased locally in the United States, such as sex toys and porn, can be purchased in any Chinese Wal-Mart. In fact, the latter has a porn aisle. Likewise, it seems that Wal-Mart cannot say “no” to the request for any Chinese favorite product to be displayed on any shelf. For instance, since the Chinese do not like washing their hands with soap, Wal-Marts now display detergent for hand-washing laundry in their soap sections (Spulber, 2007).

In line with these contentions, Chinese tastes differ sharply from anywhere else within the country itself (Brunn, 2006). Food taste, in particular, depends a great deal on the specific national or regional Chinese consumption patterns. A case in point is that the products offered in the Wal-Mart of Shenzhen vary from chicken feet to stewed pork ribs (Ma-Ling branded) and Gulong brand pickled lettuce. This is a substantially different assortment of food to that offered in northeastern China’s Wal-Marts (Delisle, 2006). Moreover, this range of products has had an effect on the power of the centralized purchasing of Wal-Mart in China, the reason being that many products can only be purchased locally. Indeed, the majority of Wal-Mart products in China are sourced locally because of both the poor transport systems and the governmental regulations. This means, for instance, that products like alcohol and tobacco have to be purchased locally. More than 95 percent of the merchandise in Chinese Wal-Marts is sourced locally through 20,000 suppliers (Fung, Fung, & Wind, 2007) and the goods are stocked by Chinese employees who are intimate with Chinese consumption habits. As we can see, Wal-Mart’s operations in China imply that sourcing has to be made locally for several
reasons: geographical reasons, political reasons, and reasons related to consumer tastes (Shujun, 2004).

It is obvious that Wal-Mart’s glocalization strategies were achieved by tailoring its products offerings to local tastes: smaller package sizes, freshly-prepared lunches, live fish, snakes, and even porn aisles. Robertson (2005) is right when he says that glocalization is a global outlook tailored to local conditions. Although Wal-Mart’s layout, shopping practices, and products had to be modified, Wal-Mart in China has been successful thanks to the company’s low prices and wide accessibility to local goods and products (Spulber, 2007). The next subsection will look at a unique way to satisfy the Chinese government: Wal-Mart’s acceptance of Communist-backed trade unions into its business practice.

Opening Doors to Trade Unions

A feature of the Chinese workforce is its acquiescence to trade unions (Guerrero & Manji, 2008). Most Chinese workers want their organization or company to coordinate trade unions or some type of industry-wide collective bargaining agreements. For eight years, Wal-Mart in China successfully banned unions from its stores, but eventually budged after being pressured by the Chinese government (Lague, 2006). Today, of all the countries in which Wal-Mart has stores, China is the only nation that allows the retailer’s employees to be members of trade unions. Wal-Mart in China is not just a cathedral of consumption; it is also a cathedral of consumption with a trade union. This is another case of glocalization right here. In the beginning, Wal-Mart refused to sign any omnibus contract on the rationale that its stores had already the terms in place. In Chinese tradition, it is customary that, instead of negotiating contracts, trade unions simply pay
dues to the PRC’s government to secure the social order (Naughton et al., 2006). To be more precise, any company that has a trade union must contribute 2% of its payrolls as union dues.

In addition, under specific Chinese provincial regulations, trade unions can collect 2% from companies without unions as well; their goal is to fund the establishment of trade unions (Fong & Zimmerman, 2006). Wal-Mart refused to initiate the traditional 2% of wages to the state-run labor councils. In 2006, Wal-Mart had a front-page disagreement with the government over whether the retailer’s employees could join a union (Fong, 2006). Instead, the retailer paid it into a fund for employees. Eventually, in a recent move, after eight years of fighting it, Wal-Mart unionized all its Chinese stores under pressure from the government (Barboza, 2007b; Tadla, 2007). More importantly, Chinese trade unions are progressively exerting a bigger influence on employer-employee relations (Collins & Block, 2007).

With respect to this wholesale unionization of Chinese labor, what Wal-Mart Stores, Inc. has also learned is that it does not have to approve any trade union per se; yet, it must abide by the All China Federation of Trade Unions (ACFTU) (Lord, 2007). The All-China Federation of Trade Unions is supported by the Chinese government and advocates a sinicization – adaptation to Chinese culture – of multinational corporations (MTCs). The government relies on ACFTU to monitor private firms like Wal-Mart (Fong & Zimmerman, 2006). Through this adaptation to local conditions, one of Wal-Mart’s goals is to establish communication channels between company management and employees and develop harmonious relationships between capital and labor (Young, Tang, & Tang, 2006).
In a similar vein, Wal-Mart Stores, Inc. has also become aware that, in China, trade unions are more than collective bargaining agreements and ACFTU subdivisions. Trade unions are “owned” by the Communist Party of China (CPC) which, for instance, established a branch in the Wal-Mart of Shenyang, capital of northeast China’s Liaoning Province. Wal-Mart’s involvement with the Communist Party of China reflects not only its move to extensive glocalization, but also its considerable effort to fit in a culture that the retailer considers as increasingly vital to its future growth (Fong, 2006). The Communist Party of China requires that employers permit their employees to join a trade union. Historically, trade unions did not have much power. Chinese workers often saw their trade unions as quite pro-employer (Mei & Tang, 2006). However, the trend is changing. Today, Chinese trade unions are being more influential and more pro-employee.

_Suiting Local Employees’ Values_

In addition to suitng China’s needs of having trade unions in its stores, Wal-Mart has become conscious of the reality that, in order to pump up productivity, local employees’ values have to be gratified. In the same way that trade unions are supported by the Communist Party of China, Wal-Mart’s day-to-day working values carry a Communist flavor as well. As such, Wal-Mart employees in China sport red shirts, engage in mass cheering, perform a warm-up dance (Chan, 2006), and revere the deceased founder of Wal-Mart (Sam Walton) as if he were Mao (Chandler, 2005). This is probably another reason that explains why Wal-Mart à la Chinese is dubbed “Wal-Mao.” Mao Zedong placed great emphasis on disciplining behavior. Oddly enough, disciplining behavior among employees is strong in China, even in its Wal-Mart stores (Duthie,
As a disciplinary organization, the Wal-Mart culture rationalizes the daily activities of individual employees across all stores of the People’s Republic of China (Davies, 2007). Wal-Mart’s workforce and staff culture is formally expressed in a Chinese context, called wenhua. The concept of wenhua represents the state enterprise culture under Mao, from 1949 until a couple of years after his death in 1976.

Wal-Mart in China follows Mao’s emphasized “work unit” (danwei) culture (Khanna, 2008), a corporate culture shaped as a comprehensive “way of life” that combines employees’ work performance with personal and social morality. As Wal-Mart’s managers admit, they immerse themselves to the danwei culture to avoid the stress and uncertainty of China’s unrestrictive (and often corrupt) market economy and in reaction to mainstream discourses that yearn for demystifying the rapid appearance of wealthy and successful entrepreneurs (Davies, 2007). “Wal-Mao” is a truly valuable metaphor for analyzing how corporate culture is presented, taught, and worshipped as Wal-Mart glocalizes in China (Davies, 2007).

This glocalization of Wal-Mart employees’ cultural values has worked well. For instance, the U.S. giant has allowed rituals of harmony and social interaction to take place. In some Wal-Mart stores in China, a full-length mirror is mounted near the employee lockers and bears the question, written above, “Are you smiling today?” This is meant for employees to “check their smiles” before heading out onto the sales floor (Davies, 2007). This not only demonstrates that Wal-Mart engages in proper implementation and respect of Chinese corporate culture; this also results in personal transformation and professional success. At the same time, it also contributes to Chinese society in general (Hoffman, 2006). Wal-Mart even allows customers to visit for free
food tastings and chat with employees on a daily basis. They find Wal-Mart staff members to be much friendlier than vendors in the local street markets (The Economist, 2006).

In the same train of thought, while in the United States Wal-Mart typically hires retired workers, part-time employees, students, and people looking for a second income (Hikel, 2007), the Chinese Wal-Marts hire both employees and managers who are local Chinese people (Shujun, 2004). Wal-Mart has successfully expanded in China by hiring staff and workers based on the different demographics of the market it is located (Samor, Rohwedder, & Zimmerman, 2006). In China, Wal-Mart managers consider themselves as part of the Chinese “white collar” working class, a recent class of private corporate executives that has emerged as China has become a key player in the global economic system. As “white collar” professionals, Wal-Mart’s managers seek to fulfill the dreams of future prosperity and global cosmopolitanism. They are the subjects for whom the Reform period – the period after Mao’s death, starting in 1978 – offers the best opportunity (Hoffman, 2006). To show that Wal-Mart Stores, Inc. really wants to go Chinese, it recently replaced its American chief China executive – a 32-year-old Wal-Mart dedicated employee from Bentonville, Arkansas – with a Hong-Kong retail executive famous for running 1,400 stores in Asia and opening 800 new stores since 2001 (Tadla, 2007).

**Wal-Mart’s Retailtainment in China**

Wal-Mart in China has felt the necessity to engage in a unique form of glocalization in order to fit the Chinese shopping culture even better: retailtainment. By and large, retailtainment refers to the fusion of retail and entertainment (Kapferer, 2008).
Sometimes called inspirational retailing, entertaining, or shoppertainment (Lowrey & Lowrey, 2007), retailtainment is the modern trend of fusing shopping and entertainment opportunities for customers (Morgan & Rao, 2003). For instance, retailtainment activities include the use of ambience, emotion, sound, and events to get customers interested in the products and in a mood to buy (Ritzer, 1999). The purpose is to add excitement to the shopping experience or, at least, making shopping an engaging and interactive experience (Taylor & Labarre, 2008). The effect of retailtainment is the appearance of a fun environment for not only customers but also employees. This, in turn, leads to increased customer traffic and loyalty because customers look forward to their trip to Wal-Mart.

In the United States, Wal-Mart engages in retailtainment by having in-store radio music, in-store television commercials, and special broadcasts (Dicker, 2005), but it usually does not go further than this. In China, on the other hand, retailtainment in its Wal-Mart stores can be seen through events and entertaining shows. For instance, Wal-Marts in China offer space for local school groups to give performances and daily activities for the Chinese elderly (Bergdahl & Walton, 2006). Wal-Mart in China has fashion shows and karaoke parties (Wood, 2005), jugglers outside the store, roping in shoppers to give them a more fascinating shopping experience (Harris, 2006), as well as local dance troupes and traditional Chinese entertainment acts that feature performers (Varma, 2004).

The goal of all this is to improve Wal-Mart’s relationship with the local communities (Varma, 2004). Retailtainment is savvy marketing that has a long-term benefit; by weaving itself successfully into the fabric of urban communities, Wal-Mart diverts the image problems that have emerged in other markets, i.e., environmental
pollution and the use of sweatshop and cheap labor (Chandler, 2005). Thanks to retailtainment, customers buy out of the deli, eat outside, and spend time relaxing and enjoying their exciting shopping experience (Wood, 2005). Both men and women with empty baskets lounge on benches and do some reading (The Economist, 2006). In addition to such relaxing time, Chinese customers can enjoy, while shopping, computer contests, baby-crawling races overseen by staff upstairs (The Economist, 2006), and even catch-your-own-shrimp competitions (Buckley & Voyle, 2003).

In a similar fashion, at the Wal-Mart in Shenzhen, big televisions are surrounded by chairs so that customers can watch soccer games in air-conditioned comfort. As a matter of fact, Wal-Mart loves to air soccer games, especially during the World Cup. In China, Wal-Mart shoppers can even practice dribbling a soccer football through an obstacle course. The Coca-Cola Company also sponsors viewing soccer parties at Wal-Mart (Rohwedder, 2006). On the Lantern Festival, a festival celebrating Chinese New Year (usually every February), lanterns are hung all around Wal-Marts and they have riddles scribbled on them. When a customer guesses a riddle, he or she wins a prize, which mimics the Chinese tradition. This riddle game has attracted many customers. While trying to solve a riddle, a lady admitted that she had not guessed Lantern Festival riddles for years. Yet, for that lady, doing this at Wal-Mart was “wonderful” (Shujun, 2004).

What retailtainment at Chinese Wal-Marts exemplifies is the image of the “cathedral of consumption.” Thanks to regular shows, events, and family outings, customers are not only led to consume more than they need to consume, they also find themselves in a fun and caring atmosphere that becomes a consumer religion outfitted
with a display of abundance and excess. And all this becomes normative and acceptable. After all, it is so enchanting to Wal-Mart Chinese customers to enjoy jugglers’ acts, dance troupes, karaoke parties, the guessing of riddles, or eating and relaxing outside, while shopping at Wal-Mart. Shopping at Wal-Mart becomes a spectacle, an amusement park.

A Comparative Analysis with Carrefour in China

To show that the theoretical concept of glocalization is a practice widely used by large corporations worldwide, it might be interesting to look at how Carrefour, the French retailer, also applies glocalization principles in order to maximize its popularity and profits. As the world’s second largest retailer, after Wal-Mart (Matlack, Roberts, & Chi-Chu, 2008), Carrefour was established in China since 1995 (Hexter & Woetzel, 2007). Today, the Middle Kingdom is Carrefour’s fifth largest market, growing at 25%-30% each year (Hexter & Woetzel, 2007). Although the size of a typical Carrefour store is only half of the size of Wal-Mart supercenters, Carrefour has over 200 stores in China (Dicken, 2007). In 2006, Carrefour only had approximately 80 stores and a host of local players (Fong et al., 2006).

In the beginning, Carrefour executives had a hard time figuring out why the Chinese were not too welcoming of the French retailer. The firm’s managers were hoping to see retail outlets that would be replica of the Carrefour stores in France. They envisioned a large ground-floor location with a spacious car parking lot out front (Child, 2006). Yet, as Jean-Luc Chéreau (Carrefour’s President for China) realized, establishing a foreign business in China is not simply a question of transposing a French business model onto an Asian culture and hoping for the best (Strategic Direction, 2007). One of
the first things Chéreau noticed is that the concept of “guanxi” is very dear to Chinese employees and executives. Guanxi refers to the basic building block of social relations in China, such as personal contacts, gift exchanges, and avoiding making someone lose their face (Smith, 2008). For Chéreau, in China, guanxi must be an essential component of a foreign manager’s leadership style. Not only does the manager need to have a great deal of relationship and listening skills, they also need to earn the trust and goodwill of employees and officials (Fernandez & Underwood, 2005). Likewise, Chéreau warns that working hard and building relationships are required to successfully do business in China (Strategic Direction, 2007).

Another important change that was brought to Carrefour’s corporate philosophy was a change in its types of marketing strategies and products. As such, Carrefour engaged in Chinese consumer research to cater to Chinese preferences and shopping habits (The Economist, 2006). And it worked; hypermarkets developed by Carrefour in China have a different image than those in France (Dawson & Lee, 2005). For instance, a European customer shopping at a Chinese Carrefour would be surprised to see tanks of live bullfrogs, turtles and fish in the “fresh food” section, and the different ways of displaying tomatoes, strawberries, and grapes. These are so fresh that they bleed when someone cuts them with a knife (Advertising Age, 2005). In addition, Chinese Carrefours stock a variety of miantiao (noodles) and soybean products (Marling, 2006).

Carrefour has also carefully planned its pricing policies. Just like Wal-Mart, they are still low in comparison with other foreign retailers. For example, half of televisions offered in its Shanghai stores – a relatively expensive city – are flat-screen TVs. On the other hand, in middle China, flat-screen TVs only account for 20% of TVs because they
are too expensive (and too advanced) there (Hexter & Woetzel, 2007). As we can see, Carrefour provides an example of a firm investing in local adaptation. Now, the firm is even training local Chinese to make them managers in two-thirds of their hypermarkets. To Chinese customers, a French supermarket-turned-Chinese makes that supermarket feel reassuringly familiar (Strategic Direction, 2007).

Wal-Martization + Glocalization: Not Worthy of a Total Celebration

It is important to assert that, even though Wal-Mart has successfully penetrated the Chinese market by adjusting its products and services to local Chinese cultures, the Wal-Martization of the world is not worthy of a total celebration. Wal-Martization also has detrimental effects in terms of its competitive destruction of traditional, place-bound retail establishments and its facilitation of a “race-to-the-bottom” in terms of wages. As a matter of fact, Wal-Mart in China has been blamed for paying sub-standard wages and forcing employees to work for 16 hours a day (Barboza, 2008). The ultimate result is that Wal-Mart’s profits are going through the roof (Beck, 2008). Wal-Mart’s emphasis on pumped up productivity and the lowest possible prices in its Chinese stores has put tremendous pressure on local stores to keep retail prices correspondingly low (Qiong, 2007). When Wal-Mart established its stores in China, local employees complained about being exploited. So, they asked for creating trade unions to obtain approval from the retailer to set up an industry-wide collective bargaining agreement. However, Wal-Mart refused. It took years for Wal-Mart to finally allow employees to create trade unions within its stores. Wal-Mart has also been accused of dumping stain and colorant wastes into China’s rivers to decrease costs, and is increasing the country’s river pollution (Barboza, 2007b).
Wal-Martization follows the McDonaldization thesis: it stands for economic and cultural imperialism that contributes to uniformity worldwide. Wal-Martization, then, leads to global cultural osmosis (Quelch & Jocz, 2008), cultural convergence (Booth, 2008), cultural imperialism (Tomlinson, 1999), and homogenization (Hurrell, 2008). More importantly, Wal-Mart is in a position to exert crushing power over its vendors and suppliers. Wal-Mart requires them to do whatever is desired, and they will jump through as many hoops as possible to provide it (Brunn, 2006). Currently, Wal-Mart is forcing all its vendors and suppliers to use wireless digital identification devices on all merchandises that are shipped to the merchandiser. This is very pricy for these vendors and suppliers; yet, they have no choice in the matter. Losing Wal-Mart’s business would be a major blow (Conrad & Poole, 2005). From this vantage point, Wal-Mart, as a retailer, is the king and the manufacturer is its vassal.

Discussion and Future Directions

What this analysis has demonstrated is that, even Wal-Mart, a cathedral of consumption par excellence, has to show global understanding in order to remain competitive in the global arena and expand the Wal-Martization of the world even further. The Wal-Martization thesis holds water: Wal-Mart will do anything to penetrate world cultures and lavishly sell its products and services, even if it means compromising its globalizing practices by adjusting its products and services to a 5000-year-old culture like China. For this reason, the U.S. giant retailer has engaged in glocalization. Only by reducing local or cultural differences to “preferences” or tastes is it possible to make the contradictory claim to “serve each hometown in the same way” – to supply local communities globally (Davies, 2007). Making a foray into the People’s Republic of
China’s market requires understanding and sensitivity of Chinese culture and taking into account their local needs. Moreover, in a country as vast as China, preferences and even shopping habits vary by region (Capell, 2006). The result for Wal-Mart in China is an organization that is different from the model in the United States. What is sold and done within Chinese stores is not the same as what is sold and done within U.S. stores. Yet, one of the benefits of glocalization is that it empowers local communities.

This analysis shows that many of Wal-Mart’s products and services in China embody concepts that are never completely translated cross-culturally; rather, they are subject to recontextualization in new cultural environments (Davies, 2007). The case study on Carrefour also strengthens the fact that the glocalization model is followed by giant firms worldwide. And it works. While the world-as-a-whole is typified by much resemblance and homogeneity, there are equally important regards and matters in which it is characterized by difference and heterogeneity. This contrast is summed up in the theme of global-local (Robertson, 1994). Glocalization’s success, then, depends on the actual fit between the translocal and the local (Robertson, 2001). The pressure for local adaptation in foreign cultures is elevated. Products in Chinese Wal-Marts become hybridized, manifesting into the glocal, or even new to Wal-Mart Stores, Inc (i.e., local teas, spicy chicken feet, stinky tofu, and so forth).

This analysis is leading scholars to reconsider the concept of globalization, to acknowledge that it is not always a process that can be successful if it operates exclusively at a planetary scale. Rather, globalization can be localized with various methods and with different intensities, depending on which region a business is located. Like many global firms, Wal-Mart has realized that it must have a more flexible approach
to customers’ needs (i.e., smaller package sizes, on-the-spot demonstration of how any item works, fresh food such as live fish, frogs, and snakes, and so forth), employees’ needs (i.e., trade unions), and innovative approaches to customer retention (i.e., retailtainment). Truly, a solid understanding of local conditions may guarantee success in any overseas markets. It is a success based on the kind of flexibility that Wal-Mart has already exemplified; the requirement of going native. From this vantage point, global competitive advantage is attained not only through economies of scale and scope, but also through relocation, cultural adaptation, and adaptation to local conditions.

For future research, it might prove interesting to further examine the concept of glocalization not as a replacement of globalization, but as specific method of globalization. This method of globalization represents not just a theme of the interdependence of the global and the local, but also of opening up the intercultural construction of meanings, self-concepts, representations, and lifestyles that are peculiar to various groups and individuals worldwide. Nevertheless, if globalization means providing the same output to countries everywhere (Rugman & Hodgetts, 2000), then this analysis has proven that glocalization is making globalization less universal and, in some cases, much less universal. Does it mean that the global is getting out and the glocal is getting in? The Wal-Martization of the world is certainly showing this trend, especially for the case in China. With Wal-Mart Stores, Inc. now opening new stores in India, starting in the 2008 fiscal year (Sabharwal, 2007), the enduring and intensified adaptation to local needs is certain to continue.

For a better understanding of the status of globalization in the years to come, scholars might begin addressing the following questions: Since a cathedral of
consumption like Wal-Mart Stores, Inc. accepts the need to adapt to local conditions, does glocalization, then, erode the power of the U.S. model of globalization? Does the concept of glocalization, as exemplified by Wal-Mart in China, represent the site of struggle and resistance against imperialist powers? Or, simply, does globalization mean that any set of global products and services, or even ideas or values, must adapt to particular local circumstances in order to be successful? Likewise, is a balance between innovation and adaptation a component of globalization that multinational corporations (MTCs) will always have to achieve in order to remain competitive in the global arena?

Nevertheless, it is important not to forget that, although Wal-Mart has adjusted its globalizing practices by catering its products and services to the local Chinese culture, the Wal-Martization of the world is real. Wal-Martization is similar to McDonaldization; it has deleterious effects on foreign cultures. Indeed, Wal-Martization does not only constitute global colonization; it also transforms present-day cultures, communities, and consumer living habits through its competitive destruction of traditional, place-bound retail establishments and its facilitation of a “race-to-the-bottom” in terms of wages. For instance, as we have seen, Wal-Mart in China has been blamed for paying sub-standard wages and forcing employees to work for 16 hours a day (Barboza, 2008).

Whatever solutions are suggested by scholars, it is the authors’ hope that the concept of globalization will continue to be studied and that readers have gained a better understanding of globalization and realized that even the Wal-Martization of the world requires local adaptation, an adaptation whereby the strategies of a business have to be partly or wholly revamped.
References

Aliet, J. (2007). Convergence and glocalization – Not counter-penetration and
domestication: A response to Prof. Ali Mazrui. *Alternatives: Turkish Journal of
International Relations, 6*(1), 1-14.

7*(2), 135-153.

Minneapolis: University of Minnesota Press.

York: Routledge.


135*, p. A3.

157*(54180), C1-C4.

Beck, U. (2008). Climate change and globalisation are reinforcing global inequalities:
High time for a new social democratic era. *Globalizations, 5*(1), 78-80.


remarkable results.* New York: Wiley.


