

# An Innovative View to Cultural Infrastructures of Investment

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**Abstract** - Investment is a complex phenomenon and process; investment pursues the goal of benefitting from its spiritual and economic advantages. Therefore, the required infrastructures for attracting investments are not only limited to economical aspects because enforcement of laws and regulations does not solely suffice to attract investments. Innovation in the cultural infrastructures of investment shall be taken under consideration especially in the scope of investment security. Consequently, investment cannot be easily recognized, predicted and analyzed merely based on classic methods, and, it is necessary to identify the effective factors in creating the mental and psychological environment needed for security of investors (particularly foreign investors) and then take steps to make this objective realize. Various cultural and social processes are involved in this regard so that based on these processes different groups even have specific textures, special behaviors, and certain sorts of organizational culture.

**Keywords** – Investment ; Innovative View ; Micro-culture ; Cultural Infrastructures ; social classes

## 1. Introduction

Organizational culture is a potential social supervision system which emerges in the frame of a set of common beliefs and expectations for individuals of an organization in a way that forms a social system.

Organization culture consists of a series of regular rules and general directions that construct the behavioral framework of members (including investors, clients, rivals and providers, etc).

Organizational culture is the set of values, beliefs, symbols, traditions and habits that establishes the common individual, collective and organizational behaviors in an implicit and non-codified manner, and, can be even transferred from one generation to another. For the same reason, one needs to take into account the dominant beliefs and thoughts of people's life, social strata and their infrastructures, rate of cultural changes, level of dependency to domestic culture; efforts must be also made to update the culture commensurate with varying global circumstances.

## 2. Cultural infrastructures of investment

Culture has the deepest influence on behavior of consumers; people's beliefs, norms, attitudes and interpretations play a determining role in their purchasing decisions.

In other words, there is a tight relationship between culture of consumers and their purchasing behavior. Investors shall identify the impact of these factors and be able to respond to them; also in investments, a complete knowledge is needed on how people's thoughts and beliefs are formed.

Appreciation of cultural similarities and differences helps the investors to codify appropriate policies and strategies for relevance of kind and mechanism of investments and also for coordinating the product with prevailing culture in markets (in terms of quality, type, shape, color, size and so on).

Persons with joint culture possess a similar insight of issues and events, and consequently, exhibit analogous behaviors and this is the reason for unity of a nation, ethnicity, race organization, etc. That is why analysis of cultural features is the same as finding the fundamental infrastructures for investment, which guarantees the success of investment. For instance, production and supply of products such as electrical manual fan and electrical brush is perhaps more attractive for luxury markets, but this sort of investments seems to be inappropriate for Iran's market due to Iranian people's culture and the particular conditions of the country.

## 3. The factors affecting cultural infrastructures of investment

In economical discussions, cultural factors mainly include culture, micro-culture and social strata (classes).

### 3.1. Culture

Culture means courtesy, politeness, knowledge, sciences, wisdom and customs, and traditions. Many definitions have been also proposed for culture in sociology.

Taylor holds the opinion that culture is a complex collection comprising knowledge, beliefs, arts, moralities, rights, and other customs and capabilities that people have as members of society.

Culture has been formed in the course of history and incorporates overt and hidden plans for living which are common among all society individuals or members of a certain group in a specific period of time. In demographic terminology, culture encompasses aspects of whole human environment including spiritual and economical dimensions which have been created by human. Having knowledge about people's interests in kind of food, sort of clothes, lifestyle, health and hygienic considerations is important in investments. In other words, physical and apparent features of people can be directly observed but their culture cannot be determined at a glance. A person's purchasing behavior might be suggestive of behavior and lifestyles of that nation or society. Accordingly, investments and strategic decisions and plans are influenced by cultural atmosphere. For example in clothing industry investments, the customs and traditions, and culture and moral affairs of the societies must be taken into account besides considering the fashion. The cultural characteristics can be briefly described as below:

- Culture is learnable but not every learnable thing is culture because not all of the learnt things are common with or transferred to others.
- Culture is caused by biological, environmental, psychological and historical factors. Due to existence of many traditions and complexities in human relations, even simple items that human require just like other creatures, are also included in the frame of cultural paradigms.
- Culture is structural
- Culture is divided into different dimensions.
- Culture is dynamic
- Culture is changeable
- Culture consists of rules that enable its analysis through scientific methods
- Culture is a means by which the people get along with their environments.

Overall, a demographer's description of culture can be imagined as a map. A map is not undoubtedly a real piece of earth but an abstract representation of a certain area.

If the map is precise and the user can read it well, s/he will never get lost. If a culture is properly described, the existing and distinctive features of lifestyle and the interactions between these features can be comprehended. According to what discussed above, the two main components of culture include:

- A) Component of belief and thought
- B) Component of action and behavior

Each of these components is assessed by certain criteria whose resultant outcome is indicative of the moral customs, traditions, and notions of a society. Beliefs and behaviors of an individual or limited number of people are never considered as the culture of a society. Moral customs and

habits are indicative of characteristics of a specific state which engulfs the whole society and controls the thinking ways concerning all life conditions in order to guide and help the people.

Stages of "management process of organizational culture" should be investigated, identified and taken into account for making a successful investment. These stages include:

- 1- Identification of compatible norms and beliefs
- 2- Optimal usage of the current culture
- 3- Changing the incompatible beliefs
- 4- Stabilization of strategic beliefs

For example, participative culture must be more accentuated for investment in a particular region where there is a special emphasis on retail industries, food industries and clothes industries.

Because collaborative participation and quick response to ambient changes is more seriously taken under consideration in this sort of culture, and being responsive to clients' requirements is effective in creating the sense of further responsibility and commitment.

### 3.2. Micro-culture

Factors such as geographical region, religion, faith, race, nationality, and similar items cause occurrence of minor cultures within the dominating culture of a market. Each of these secondary cultures or micro-cultures strongly affects interests, tastes and preferences of the members in the dominating culture. For instance, if Azerbaijani culture is assumed as the dominant culture, different markets will be encountered within this market due to presence of various micro-cultures. As another instance, one might encounter geographical micro-cultures such as Russian or possibly Chinese markets; each of these regions requires specific products depending on their special cultures. Or in terms of religious diversity, markets of Muslims, Christians, and Jews might be encountered

In addition, preferences of individuals of different races could vary within a market. Indeed, all races including yellow, black and white have their own specific tastes and norms which influence their selection of commodities.

In summary, investors shall be also familiar with micro-cultures in addition to principal and dominant culture of markets so as to overtake the opponents and provide the desired and suitable goods for each of the specific cultural groups.

### 3.3. Social Classes

In any society, some people who have common and similar values, tastes, and behaviors form different social classes. Factors like level of income and wealth, educational degree, occupation, family relations and other similar parameters play role in formation of numerous

social classes in societies. It is easily realized that members of a class show a roughly similar consumption behavior while their purchases have remarkable and essential differences from those of other social classes. Because needs and demands of social classes are different from each other and investor's lack of attention to these varying demands in zoning of markets will minimize the impact of marketing mixtures. For this reason, when supplying and producing goods, marketing managers should try to adapt the pricing mechanism, distribution channel, creation of specific features and characteristics of commodity and also their publicizing and sales progress activities with the particular values and beliefs of each social class, so that satisfaction of all classes is optimally attracted.

#### 4. Conclusion

Variables such as micro-cultures and social classes need to be identified in investments. Along with changing incompatible beliefs, the following factors shall be all taken under consideration in investments: geographical conditions, dominating beliefs and opinions in people's life, social classes and their micro-cultures, rate of cultural variations, level of dependency to domestic culture, and attempts to update the culture commensurate with changing global circumstances.

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