

In today's environment, it is evermore important to know what, and how, to sell to various cultures around the globe.

Dr. Rapaille offers some specific advice for money managers—namely, do not inadvertently offer to take over a prospective investor's source of identity and worth.

The Culture Code — by Clotaire Rapaille

Even if one is in the most bearish of camps on US consumers (which we are not, see [*Don't Write of the US Consumer Just Yet*](#)), one must recognize that Americans will still have to consume *something*. In this climate, companies will have to try harder to get them to pry open their wallets, and they may have to do so with tighter costs. Retail companies need to carefully choose the most sellable products and the most effective marketing strategy for the US. Another option is to increasingly turn their attention to consumers in other countries—in Asia, Brazil, etc.... Either way, the current environment suggests an increasing need to understand one's potential customers, which is where Dr. Rapaille's technique and book, [*The Culture Code: An Ingenious Way to Understand Why People Around the World Live and Buy as They Do*](#), comes in handy.

While the subtitle may be a bit bold, the fact is that Dr. Rapaille has been kept on retainer by half of the Fortune 100 companies and is a personal advisor to 10 major CEOs. A close friend in the marketing industry recommended the book, explaining that it has become a must-read in her profession. But one does not have to be in marketing to read this book. Investors own companies that sell goods and services, and thus it never hurts to increase one's background knowledge of what will sell in a culture, what will not, and what is the best way to pitch a product.

Dr. Rapaille makes a number of observations that are directly relevant to money managers. He claims that his many sessions with Americans have revealed that the American culture code for **Work** is what he classifies as “who you are”. Thus “what do you do?” is one of the first questions asked during new greetings, and “*Americans champion entrepreneurs because they are the most aggressive identity-seekers.*” From here, he goes on to explain that the American culture code for **Money** and **Wealth** is “proof”. “*The American culture has no titles of nobility to show us who the big winners are....*” Instead, “*money is the scorecard.*” And Americans thus “*love the fact that Bill Gates has more money than the Queen of England, because he earned every penny of it himself.*” And while some criticize the level of importance Americans put on money, Dr. Rapaille argues that it is not as shallow as it seems. “*...money isn't a goal in and of itself for most Americans. We rely on money to show us that we are good, that we have true value in the world.*” This, he argues, helps explain why America is the most generous nation in the world (even the relatively poor give to charity, and the rich actually compete in their ability to give money away—the ultimate ability to prove their true value).

In the context of these codes, Dr. Rapaille argues financial firms drift decidedly off code when they tell Americans: “*Give us your money, and we'll make it work for you*”. On a subconscious level, this runs the risk of being interpreted as a request to give up one's identity (remember the code for **Work**) and proof of personal value (the code for **Money**, when it is earned). Meanwhile, “*on-code firms portray that they are simply the providers of the tools that facilitate the investor to make money himself.*” As it turns out, this seems somewhat simplified and some financial products may actually be naturally on code. For example, an investor in a thematic fund (e.g., our European Divergence Fund), is probably inclined to believe that any return that might come from that investment is largely the result of *his* own ability to choose a winning theme (the investor thus gets more points on his ‘value scorecard’ for being good at allocating capital). Meanwhile, funds with broader investment strategies run a greater risk of straying off-code.

Dr. Rapaille unveils many more Culture Codes that may not be as directly relevant to our clients' livelihoods, and some of which our client's may disagree with, but they are nonetheless interesting to consider. As one of the first examples in the book, Dr. Rapaille explains why he told Jeep years ago to bring back round headlights on the Wrangler (a move that proved hugely successful). Americans see the Jeep as being technologically simple, but exceptional at exploring the most rugged parts of the country. The car allows the driver (or “cowboy”) to let the wind flow through his hair... Americans see the Jeep as a **Horse**; and horses do not have square eyes.... Many more stories like this make [*Culture Code*](#) a fun and thought-provoking read.