

Globalization: The short-term impact on France's foreign trade of the 1995 announcement relating to nuclear tests.
--

Patrick Hetzel
Professor and Department Head
Department of Marketing
I.E.C.S. - University Robert Schuman Strasbourg 3
47, Avenue de la Forêt Noire
67082 STRASBOURG CEDEX
FRANCE
TEL: 33. 388.41.77.15.
FAX: 33.388.41.77.01.

Introduction:

The aim of this paper is somewhat unusual inasmuch as we intend to use an event that greatly affected the attitude of people all over the world towards France in 1995 and which, evidently, has not been without repercussions on that country's image throughout the world and especially on its foreign trade. At least that is what we shall endeavour to demonstrate below. To do so, we shall be addressing five points in turn:

- a description of the situation
- the deterioration in the image of France perceived by international public opinion
- the "boomerang" effect: the boycott of French products throughout the world
- the reactions of French companies
- the theoretical implications in terms of international marketing and public policies.

We shall in fact be starting from a specific situation, an event, and go on to deduce a certain number of theoretical implications; above all, we shall demonstrate that the concept of "country of origin" is a very complex one to grasp. It is our opinion that this case illustrates very well how the governmental positions of a given country are not without repercussions on the economic and commercial relations enjoyed by industrialists of that country with the rest of the world. Above all, it proves that, even if we are involved more and more in an economic system of growing interdependence between the various nations at world level and that free exchange is developing globally, commercial exchanges (consumer goods in particular, far more than for services) nonetheless have a national stamp to them and that, as a result, part of the perception of the country of origin of a product may well rest on the political positions of a government. It is precisely in that area, at that "nodal point" in the economic system, that public policies coincide with marketing strategies and corporate policies. It is an area where the macro-economic level and the micro-economic level interlink and overlap. The problem is further compounded when the industrialists of a given country use the image of the country of origin of their goods to ensure their promotion throughout the world; indeed, when the

perceived image of a country is one of the attributes of the goods purchased by consumers (which means, for example, that in the case of certain French products, foreign consumers can, in part, also purchase those products for their "Frenchness"), if that image becomes negative, then obviously it can represent an obstacle to the purchase. But let's take a closer look at precisely what happened to France in 1995, for there really are many lessons to learn from it.

1. A description of the situation

1.1. Stage 1: The announcement by France.

On June 13, 1995, in other words one month after he was elected as President of the French Republic, Jacques Chirac announced that French nuclear tests would be resuming on a territory belonging to France in the South Pacific region (specifically, on Mururoa Atoll, in Polynesia), thus bringing to an end a moratorium decreed by his predecessor, François Mitterrand, in April 1992. According to the French President, these tests were decided to guarantee the security and reliability of the French deterrent. This series of tests was to be the last. At the same time, the French head of state had expressed his commitment actively to participate in a policy aimed at combating the proliferation of nuclear weapons. Naturally, the announcement was followed by waves of protest from around the world. How could the highest French authorities justify the resumption of the tests? Security and political influence throughout the world seemed to be the key reasons for the decision which led to Jacques Chirac being called a "neo-Gaullist Rambo" by a German green-party Member of the European Parliament. But the Presidency of the French Republic seemed more resolute than ever for it believed that these new life-size experiments would make it possible to prevent weapons from becoming obsolete and to perfect the instruments of laboratory simulation under the "PALEN" programme aimed at preparing the limitation of nuclear tests. Jacques Chirac stated, loud and clear, that France, just like the United States, Russia and the United Kingdom, would be using these tests to achieve a high technological level capable of simulation, i.e. it would succeed in improving armaments without having to conduct real blasts. At one point he even suggested that those three countries were capable of conducting non-detectable nuclear tests, thereby anticipating any negative reactions from those countries, implying it was all very well for them to criticise France since they could carry out tests unbeknownst to the rest of the world.

1.2. Stage 2: A wave of international protests.

There were many protests from all over the world and, as it would be impossible to list them all here, we shall be looking at only a few of them in more detail: nonetheless, the loudest undoubtedly came from the Pacific region since Australia and New Zealand very quickly co-ordinated their opposition to the resumption of the nuclear tests. In Sydney, two thousand people staged a demonstration against nuclear weapons on July 14, 1995 (the French national holiday). This confrontation quickly took on the appearance of a conflict since the political bodies of both those countries took over from their respective public opinion in their protest measures. The government of New Zealand took France before the International Court at The Hague. Protesters unloaded manure in front of the French Ambassador's residence in Wellington. Prime Minister Jim Bolger forbade all his country's MPs from taking part in the traditional "garden party" given by the French Ambassador in Wellington on July 14 to celebrate the "taking of the Bastille and the French Revolution". The New Zealand government unanimously qualified Jacques Chirac's irrevocable decision as "Napoleonic arrogance". The use of such rhetoric evocative of old resentments between Anglo-Saxons and the French shows just how high the level of tension between France and New Zealand had escalated. By contrast, it is also interesting to note that the uproar caused in New Zealand and in Australia was much louder and more widespread than all the protests against China's resumption of its nuclear tests at the beginning of that same year. Three explanations might objectively be given for that. Firstly, since China is both an important supplier to and customer of both those countries, it becomes difficult to protest too loudly. Secondly, both these Commonwealth countries have difficulty accepting a French presence, albeit very limited, in a region they consider as their territory. The third explanation is that an anti-Chinese campaign in countries with strong Chinese communities could be dangerous (650,000 people of Chinese origin live in Australia). It is worth noting, in this respect, that both these countries have always been very much in favour of the development of independence movements among the territories of Pacific Asia that still belong to France.

In Germany, the tests were seen as an act of aggression, not to say as a violation of Human Rights. They also triggered a great deal of passion, to the extent that the philosopher André Glucksmann wrote in an article published in the weekly *"Die Wochenpost"*: "You do nothing for the children of Bosnia but everything for the fish of the Pacific". That phrase illustrates once again the level of tension triggered in Germany by the event.

Under the pressure of public opinion, the German government did protest, but not too loudly given the political and economic relations that link the two countries. This already reveals a first difference compared with the countries previously mentioned since the German government responded only with a delay, under the pressure of its people while, in New Zealand and Australia, both the population and the government spoke with the same voice. A situation similar to Germany's was in fact also notable in Great Britain, a country where usually any opportunity to display hostility towards France is seen as a godsend; indeed, the British Prime Minister refused to identify with the campaigns of hostility towards France launched by ecological groups throughout the country.

In Japan, public opinion was shocked by France's decision. The Japanese Finance Minister took part in demonstrations in Tahiti, going so far as to refer to Jacques Chirac's devilish instincts. But Paris and Tokyo sought very quickly to calm things down while conscious of the gloom settling on Franco-Japanese diplomatic relations, in spite of the French President's liking for the Japanese!

Finally, we can also mention the highly mediatised response of the Greenpeace movement, which dispatched its vessel Rainbow Warrior 2 to the French territorial waters around the Mururoa nuclear site and was hailed by the French navy on July 9, 1995 (it has to be said that the date coincided with the attack perpetrated on the Rainbow Warrior 1 by the French Special Forces ten years previously). Naturally, all this was not without repercussions on the image of France perceived by international public opinion, which leads us to our second point.

2. The deterioration in the image of France perceived by international public opinion

2.1. France's image: a transnational stereotype

France's image abroad remains branded by stereotypes but, then, the same holds true for all nations even if those that apply to France are particularly remote from the conclusions drawn up by Fernand Braudel in his study of French identity (Braudel, 1970). So in France's case, the perception very often noted abroad is based on the following stereotypes, as underlined for example by Yapp and Syrett (1993) and also Marcelin (1993): a pride beyond measure, an elitist and bad-tempered people, a State more

interested in culture than in the economy, except where wine, haute-couture and perfumes are concerned.

France retains the image of a privileged country and is still considered as the birthplace of "savoir vivre", which explains why today it is the world's foremost tourist destination. In the minds of foreigners, this concern for quality of life shows through in the more relaxed relations that the French have with time (especially meal times), their love of holidays, the record number of secondary homes, the French dress sense, the art of conversation and, apparently, seduction.

France seems to enjoy a good reputation throughout the world when it comes to cosmetics, perfumes, decoration, wines, clothes and fashion. And among the citizens of the European Union as it stands, a recent survey conducted by the G.F.K. Institute reveals that France would be the country most Europeans would chose to live in.

But France's image also has a few dark sides. The deficit is particularly apparent where the economy is concerned. Consequently, the industrial sectors in which France excels (rail and air transport, telecommunications, space technology) are barely recognised. Generally speaking, French products are rather poorly evaluated, be it by consumers in the United States or Finland, by American or Japanese businessmen; they are regarded as luxury or craftsman's products, somewhat lacking at the technical level. Even if they represent an excellent showcase for French technology and contribute very positively to the country's balance of trade, the T.G.V. high-speed train, the Ariane rocket, Airbus and the Minitel are merely the tip of a far less avant-garde iceberg, not forgetting that all the innovations mentioned above are not the fruit of private sector enterprise but, first and foremost, of French public sector companies. France's scientific and technical tradition, although obvious if one considers the history of inventions over the last two centuries, is taken far less into account by foreigners than its "cultural and philosophical" tradition. It is as if the virtually unanimous acknowledgement of France's cultural past made its present-day technological and industrial achievements less credible. The difficulty France has in associating tradition and modernness in terms of image is quite manifest. Perhaps it comes from the fact that, in the perception of non-French people's minds, it is impossible to reconcile good living and technological progress, as if they were mutually exclusive.

2.2. The process of deterioration in France's image

The "Made in" label alone is not a sufficient criterion for understanding the perception by consumers of the nationality of a product. Usunier (1996), for instance, makes a distinction between different elements that can influence national images:

- the image of imported products compared with domestic products or the latter compared with products with an international image,
- the national image (or images) of generic products (for instance, perfumes conjure up images of France),
- the national image of the company that manufactures the product,
- the image disseminated by the product label,
- the image disseminated by the "Made in" label (in the sense of an origin affixed to the product).

There are many possibilities, then, for the deterioration in national images but evidently, in the case of interest to us here, France's image has been negatively affected by the resumption of nuclear tests. The negative impact can be measured by the yardstick of the boycott responses that followed. Indeed, it can be said that, for there to be organised campaigns by consumers against a country, that country has to have done something that is perceived very negatively. The boycott, which we shall describe in greater detail below, is therefore manifest proof of the deterioration in the perceived image of France. However, four other remarks need to be made at this point. The first is that there has been a very strong correlation between the degree of sensitivity to the nuclear phenomenon and the intensity of the reactions: it is not surprising, then, to find among the list of countries in which the boycotts were the strongest those whose populations are the most sensitive to ecological issues. The second is that there is also a correlation between a country's geographic proximity to the French nuclear testing site and the intensity of the reactions by the populations in that country. The third is that there is a link between the intensity of the negative reactions and the importance of the geographic distance between the populations and France (which undoubtedly explains why reactions as a whole were less virulent in Great Britain and in Germany than in Australia or New Zealand).

This last assertion also leads us to formulate another hypothesis that is rather interesting in terms of international marketing, namely that the image perceived of a country "A" by the consumers of a country "B" will undoubtedly be all the easier to "manipulate" than the geographic distance between them increases, since the possibilities for "verification" diminish accordingly. Finally, we can also imagine that the image of a country "A" will be all the more easily perceived as negative by the inhabitants of a country "B" than said inhabitants obtain their information through the press which informs them of reactions similar to theirs in other countries "C", "D", "E", etc. In a nutshell,

given the weight of the press, the more a phenomenon is international and global, the more it is likely to gain in volume at the local level. Here again, we can see just how the international and national levels are interlinked.

3. The "boomerang" effect: the boycott of French products throughout the world.

3.1. French products: a means of action and pressure.

Foreign consumers and governments realised that French products were a good means of action. In fact, it was partly a collective awareness on the part of players/consumers/citizens the world over of the impact of the sum of their individual actions at the collective level. It is enough for many individuals, taken on their own and at the micro-economic level, to act in a concerted way for it to have a discernible and identifiable impact at the macro-economic level. That's very interesting because, in a world where individuals are less and less sure of their ability to influence matters, to have a hold on the future of the world they live in, we observe in such moments collective phenomena that can contribute, albeit sometimes only modestly, towards changing the face of the world. We also have here a fine illustration of a phenomenon widely described in social sciences in terms of power play: "A" wants to make "C" change his mind but does not have any leverage for direct action on "C"; however, he does have some leverage with "B", who is closer to "C" than he is himself; he will therefore use "B" to try and indirectly influence "C".

And that is precisely what happened in terms of the boycott of French products: foreign consumers ("A") hoped to influence French industrialists ("B") so that they, in turn, given their declining sales, would feel pressurised and would protest to their own government ("C") to make it change its mind. All this shows very well that individuals can sometimes become aware of the pressure they can put on the system.

In fact, throughout the world, it is worth noting that it is undoubtedly in countries of "Anglo-Saxon" culture that reactions were the strongest, no doubt because it is also there that consumer movements are the most powerful and also no doubt because the concept of "lobbying" is far more present there, by tradition, than in other countries. Reactions were far more virulent in New Zealand and Australia, much more than in Japan although, objectively speaking, the degree of aversion to all things nuclear is far greater still in Japan than in the two countries mentioned above (the wounds of Hiroshima still have not healed completely in the minds of some Japanese). In this context, we might mention the case of a campaign created for free by the agency Rainey Kelly Campbell Roafle, which was screened at 200 cinemas and substantiates our previous assertions. The campaign's slogan was as follows: "Throw a bomb on Mr. Chirac's plans. Shoot him where it hurts". The scenario of the 30 second advert consisted of a

marksman looking through his sights, aiming first at a person sitting on a café terrace, then shifting the sights towards the table in front of that person and finally firing at a glass of red wine on the table. The ad ends by saying that people should boycott French wines.

It is easy to see the type of causal link described here: all you have to do is stop buying French wine. That will hurt President Chirac because as head of the French State he will not be insensitive to the fact that the French balance of trade will suffer. What's more, the ad also strengthens a very strong idea relating to the connotations that France has in the Anglo-Saxon world: "Wine is important to French people", so boycotting their wines is tantamount to getting them where it really hurts. If we summarise all the ideas that have been developed by certain historians and anthropologists on the symbolic value of wine in Mediterranean cultures in general (Smith & Heepe, 1996) and in French culture in particular, it is easy to understand that that advertising spot would have a very powerful impact both on foreign consumers and also perhaps on French decision-makers who would be looking at the ad that was widely picked up on by the media in France. Indeed, the historian Roger Dion (1990) in his *"History of the Vine and Wine in France, from its origins to the 19th century"* even goes so far as to maintain that wine enables us to commune with the soil, with our land and that, therefore, wine is a symbol of the eternal (it is, after all, the drink of the gods and wine is also used for Holy Communion in the Christian Church). Drinking wine, then, is a cultural means of harmonising with one's ancestors, a little like drinking coffee in the traditions of South American Indians is to commemorate the Old Ones. Indeed, to strike at a Frenchman's wine is to strike at what is undoubtedly dearest to him; it's to strike at a dimension deep within his being. And that's something which the creatives behind the British ad understood full well.

Another fact that illustrates this event very well is that reactions differed throughout the world in terms of repercussions on French exports on the one hand and that, on the other, there were some striking differences between product categories.

3.2. The impact of the tests on France's economic activity: The example of the wine sector.

The first economic sector to have been hit by the boycott measures were wines and spirits. It seems that already by the end of June 1995, i.e. less than a fortnight after the announcement of the tests by President Chirac, the Federation of Exporters of Wines

and Spirits of France (F.E.V.S.) noted strong reactions in Australia and New Zealand. Certain professionals in the region, anticipating a de facto boycott, had asked their suppliers to stop their shipments. The French trade associations for the industry drew the attention of the ministers concerned on the need to look after France's image throughout the world. Indeed, while wines and spirits were the standard bearers of "Frenchness" throughout the world, they were also the products most often and most accurately targeted by any boycott operation aimed at French products. By July 1995, however, it became clear that the threats of boycott, although strong in the countries of the Pacific region closest to the test site, were even more worrying in some European countries that are large consumers of wines and spirits, such as Germany, Denmark, the Netherlands and Sweden. In Denmark, the SPAR supermarket chain withdrew all French products from its shelves. Concerns were particularly strong due to the timing of the tests, from September to December 1995, a very important period in economic terms for French exporters in the lead-up to the festive season. By September 1995, the French Wines and Spirits Federation was already experiencing the severe prejudice on exports:

- of the direct effects that were already hitting certain operators, in terms of falling sales volumes compared with the months of June, July and August 1994,
- of the indirect effects in terms of product image, in the medium and long term, resulting from market share losses against the backdrop of particularly stiff international competition, where such occasions allow non-French brands to act as a lasting substitute and establish themselves in consumer habits.

In August 1995, Greenpeace asked those French companies that did not want to see a resumption of the nuclear tests to speak out publicly before August 31, to ensure they would not be affected by any boycott measure. However, the C.N.P.F. (French National Employers' Council) appealed to its member companies not to respond to that summons, believing that, their political opinions notwithstanding, companies were citizens and should respect the decisions of by their government. It's an interesting viewpoint, especially considering that most member companies of the C.N.P.F. are also to a large extent suppliers to the French State; difficult, then, to take position against one of one's clients at the risk of inconveniencing others. The reaction of a company like Yves Rocher was to be very different, since its female clientele were very often citizens of the countries in which public opinion protested very widely against the nuclear tests; it is not surprising, then, to see that company, for example, affirm its identity and distance itself from the decisions taken by the French government by buying an entire page of advertising in the

prestigious German daily "Frankfurter Allgemeine Zeitung" to voice its doubts on the advisability of the French nuclear tests.

Naturally, the boycott of French wines and spirits was a nuisance to the government, which then gave instructions to public sector bodies involved in foreign trade such as the French Centre for Foreign Trade (C.F.C.E.) not to publish too much information on what was really happening on foreign markets. Finally, on September 28, Greenpeace renounced the idea of recommending a boycott of French wines to its members, but the damage had already been done. In Finland, the local company Alco, which holds the state monopoly for the distribution of wines and spirits, announced that it had decided to destroy 400,000 bottles of French wine because an anonymous letter had claimed that five of them had intentionally been poisoned with cyanide. The resulting loss was estimated at around US\$ 5 m.

To give a few figures, one might mention that in Sweden, for example, sales of French wine were down 24% in July 1995 compared with the same month in 1994 and down 42 % in August 1995 compared with the same month in 1994. Total sales of French wine in Sweden for 1995 were therefore down 50% compared with 1994; however, this phenomenon affected cheaper wines first and foremost since bottles priced at more than US\$ 15.- registered a drop of only 10 % compared with 1994. Furthermore, to compensate for the effects of a potential boycott on sales of *Beaujolais primeurs*, the U.I.V.B. (Interprofessional Union of Beaujolais Wines) decided as early as August 1995 to implement a nationwide radio campaign. A supplementary budget of FF 2.5 m was voted for that purpose, even though the advertising budget of the Beaujolais interprofessional union amounts to FF 12 m per annum, including FF 5 m for international. In Japan, sales of *Beaujolais nouveau* dropped sharply in response to the resumption of the nuclear tests. Long gone were the record sales of 1990, with 1.92 million litres of *Beaujolais* sold, since only 320,000 litres were actually sold in 1995.

In conclusion of this section, we note that the products most heavily boycotted were products with a high symbolic content such as wine, cosmetics, perfumes and fashions and those directly visible to consumers. Evidently, this ties in with the arguments upheld by McCracken on the significance of consumer goods (McCracken, 1986). High-tech products, which are sold more within a "business to business"-type context, such as aircraft (with the exception of the military sector), chemicals, mechanical machinery and even electronics, experienced only a slight decrease in sales. However, all this does show that the increase in world trade has started to turn consumer boycotts into a powerful weapon that is not without effect on the foreign trade of a country or company.

3.3. Boycott phenomena hardly affected luxury goods, on the contrary.

While the sector of wines and spirits was the focal point of a targeted boycott, it is important here to mention a few anecdotes that point to very different behaviours where buyers of French luxury goods are concerned. Thus, besides the fiasco experienced by certain companies in the sector, such as a small and medium-sized company in the Jura that was surprised by the sudden cancellation of an order for 8,800 hectolitres of "vin d'Arbois" (one imagines what that can represent for a small company), other companies have done well in spite of the boycott. For instance, the Melbourne Savour Club, which specialises in *grands crus* wines, has never done as well, and we can also mention the example of the Australian wine importer who, in July 1995, over a period of ten days, sold 100 cases of the famous "Château d'Yquem" Sauternes (retailing at US\$ 200.- per bottle for recent vintages), which is a record. That anecdote is very interesting since, in our opinion, it is indicative of a rush effect of the "crisis situation" type on the part of traditional consumers of certain French luxury products who were anxious at the thought of seeing the nuclear crisis last and therefore deprive them of the beverages they cherish or the objects that boost their social standing. However, by behaving in the way they did, they contributed towards reducing the negative effects on exports of French products (at least in terms of value) and, more importantly, their behaviour can also be assimilated to a sort of counter-demonstration. But the most interesting aspect to emerge from all of this is that it clearly shows that a situation of crisis resulting in a boycott may harm some people but also contributes to the well-being of others. It also leads us to believe that product boycott operations are all the easier if the products concerned are easily "replaceable" within consumer habits. So a *Beaujolais* will be more easily substituted by a Californian, Australian or Argentine wine while certain highly prestigious *châteaux* will be regarded as irreplaceable by those who consume them. And here again, let's not forget that Australia has a strong wine industry so capturing market shares from the French is not a innocuous operation...

If we broaden the analysis to the sector of French luxury products as a whole, the results are positive. For even if the Paris Stock Exchange experienced fluctuations in the shares of companies such as L.V.M.H. (Louis Vuitton Moët Hennessy), which makes 38% of its sales in South-East Asia, Rémy-Cointreau, which achieves 32% of its sales in Asia, and even Hermès, which makes 9.5% of its sales in Asia, their share prices quickly stabilised again. The

mouthpiece for French luxury goods, the famous *Comité Colbert* (an association of 75 French luxury and prestige companies) remained very circumspect, especially out of sense of decency, for this phenomenon has had little effect on the association's members.

4. The reactions of French companies.

4.1. Economic relations between France and Australia: An illustration of a situation of conflict.

On August 1, 1995, the Australian Minister of Defence, Robert Ray, announced the exclusion of the aeronautics company Dassault from a FF 2.2 bn invitation to tender for the replacement of training aircraft on the grounds that it belonged to a country involved in nuclear tests. In addition, on August 2, the Australian federal government asked the six states to boycott French companies. Paris then recalled its ambassador. The spokesman for the government of New South Wales, Glen Byres, indicated that the participation of French companies in public sector markets would be re-examined: "There are strong reasons for following the movement initiated by the federal government. But we have to examine the precise nature of the current contracts open to French participation. In any case, the federal government does not have the possibility of calling into question any legal contract offers." In particular, he mentioned the case of a sewage treatment plant project in which the French company "Lyonnaise des Eaux" was involved. For his part, the Prime Minister of the state of Southern Australia, Dean Vrown, indicated that his government would re-examine the possibility of excluding French companies from future local projects. But he proved more cautious with regard to current tenders: "We would be confronted with compensation demands and would have to pay considerable sums if the French companies were excluded at this stage in the proceedings."

On August 3, 1995, Hervé de Charette, the French Minister of Foreign Affairs, issued a communiqué announcing that France would be taking three economic retaliatory measures:

- re-examination of the import contracts for Australian coal into France,
- France, "given Australia's criticism in the nuclear sector, is prepared to renounce its uranium purchases from Australia if so requested by the government of that country ",
- "given the context of bilateral relations, EDF (Electricité de France, a public sector utility), which was considering participating in an invitation to tender culminating in a non-

profitable investment as part of a long-term co-operation project with Australia, is not authorised by the French government to pursue said project ". The Australian State of Victoria had specified that EDF would be spared from the boycott since it had participated in the invitation to tender prior to the resumption of the nuclear tests. EDF, for its part, had indicated that the project was profitable. Moreover, France indicated that it would go before the W.T.O. (World Trade Organisation) in the event of any violation of the conventions that govern international trade. Here again, these details show just how high the tension was at one point and, above all, that states in conflict use economic weapons to try and apply pressure on each other.

4.2. A wide variety of reactions:

We shall attempt here to draw up a typology of the various reactions we found from a review of the press and by collecting data on the ground. Indeed, companies are very resourceful when it comes to confronting a situation that is likely to compromise their sales.

** Reaction 1: Disassociation or even pressure on the government*

We have already mentioned the case of the company Yves Rocher, which made its hostility known amidst a blaze of publicity. But it was not the only company openly to assert that it disassociated itself from and even was opposed to the decision to resume and extend French nuclear tests in the Pacific. This technique of disassociating oneself seems to have been the most spontaneous and the most obvious among the majority of French exporters, especially when the risk of boycott of their products appeared. In September 1995, a petition went around containing the signatures of an impressive number of wine-growers and merchants from the Champagne region to the Côtes du Rhône, entitled "Appeal in favour of an immediate cessation of the experimenting in the Pacific ". It was circulated in Germany and then in Australia. The need for the short-term effectiveness of such an appeal is easily understandable in this industry, at a time when producers are particularly focused on the months that lie ahead. The petition played a double role. On the one hand, to show people abroad that French people were distancing themselves from their government and that, for that reason, it was a bad idea to boycott French products since a certain number of company bosses were not at all in agreement with their government's decisions.

On the other hand, to try and bend the position of the French government by making it aware of the risks to foreign trade of such a political position, especially when it is announced as "irrevocable", to quote the term used by Jacques Chirac himself.

** Reaction 2: A change in marketing strategy.*

Major French companies in the food processing sector such as Yoplait have on-site production throughout the world. And for many years, this company, for example, has used French or gallicised words to promote its products. In the past, all its publicity campaigns have been based on stressing the specifically French character of its products. One of the consequences of the threat of boycott after June 13, 1995, was to change the marketing strategy in Australia for example. Consequently, communications aimed at the general public were temporarily suspended in favour of POS advertising. The packaging was altered to increase the size of the letters in the words of the "Made in Australia" label. The brand emphasised the "Australian" character of the product, shifting to the background and even trying to make people forget the original nationality of the company that supplied the product. Evidently, such an action is very much in keeping with certain principles of product standardisation sometimes to be found in marketing literature (Whitelock, 1987). A chain of French bakeries established in Australia adopted a similar approach. Before the finger of accusation was pointed at France for its nuclear testing, Délifrance had been proud to underline its 'Frenchness', by talking of French-style good food and good living and even by displaying the French flag on its logo. It too had to change its communication campaign very quickly, by emphasising its two Australian manufacturing sites, the raw materials of Australian origin and even the local workforce. For some companies, this 'backseat' approach in terms of specifically French character was becoming more and more obvious. Those that were not fortunate enough to have "local" plants that they could shove into the limelight to distance themselves from the French label were forced to resort to another subterfuge. Moulinex was the first to take the plunge and venture out with the "Made in EC" label rather than "Made in France" in order to market its products abroad.

** Reaction 3: Emphasising transnationality.*

This reaction consisted of insisting on the overlap of companies and capitals of different nationalities. In this way, a company cannot be identified with a single nation; instead it is linked with other companies, as part of a whole, and therefore linked with a body of states. This complexity and globalisation make companies neutral in terms of nationality. Companies are no longer French but transnational. To illustrate this we can take the case of the company Thomson-Sintra, which sells underwater equipment: acoustic detection and location equipment for submarine positioning. For some time now, the company has been associated with a British partner, GEC-Marconi. Selling in Australia was

then no longer a problem: all they had to do was emphasise the GEC part rather than Thomson, and the problem was solved.

** Reaction 4: Pressure in the opposite direction.*

An aspect that illustrates this type of reaction very well is what was done already in early July 1995 by the French Chambers of Commerce to anticipate the possibility of a boycott of French products in Germany. Indeed, a survey conducted by the Forsa Institute at the time showed that 50% of Germans were prepared to boycott France and its products.

The Chambers sent out a very subtle communiqué explaining the economic dependency that existed between France and Germany. The communiqué insisted on the risk of job losses in France caused by a potential reaction to French products by German consumers, a risk which, in a second stage, would also have economic repercussions in Germany due to the principle of chain reaction.

5. The theoretical implications in terms of international marketing and public policies.

In this section, we shall be attempting to put into perspective the different conceptual stakes involved in the situation we have described extensively above. Evidently, a number of new questions arise from it. While we cannot claim to provide definitive answers, important issues are raised on the role of the "Made in" label and also on the inevitable interference between public policies and marketing strategies.

5.1. The difficulties of distancing oneself from the "Made in France" label.

French wine-growers have always placed a great deal of emphasis of the specific character of French wine in their communication campaigns aimed at exports.

And an official agency attached to the French Ministry of Foreign Trade such as SOPEXHA (agency for the promotion of French food products abroad) has always contributed a great deal towards disseminating the "Made in France" label. Consequently, it became very difficult for them to disassociate themselves from the national label and to go it alone. This fundamentally raises the question of the attributes of "Frenchness" abroad and, in this context, one has to admit on the strength of the evidence that sources for the dissemination of the attributes of Frenchness are French companies as much as their government. And, more importantly, that on the "receiving end", i.e. the consumer side,

the image of France that is perceived will be similarly influenced by its two main categories of sources. It then becomes an impossible task, as a French company, to want to stand up as an autonomous source, totally distinct from one's government. Moreover, at the marketing level, one also has to wonder about the long-term effects of any excessively strong disassociation on the part of French wine-growers. Indeed, by wanting to disown the national asset for a time, they become involved in a much more level and dangerous playing field with foreign competitors, such as for example the Australians and Californians. Once the boycott over, the need for authenticity as the mainstay of the demand for French wines is likely to resurface as quickly as it was submerged. Likewise, those who will have waved the flag of marginalism a little too enthusiastically may also find themselves in a spot of bother as they find it difficult to reclaim, loud and strong, the Frenchness they had so quickly disowned.

5.2. The paradox of the "Made in..."

It is extremely surprising to note that it is at a time of the growing internationalisation of our economy, a time precisely when it is more and more difficult to attribute a nationality to product, that this dimension finally takes on all its meaning. The "Made in..." label has its origins in international trade where the foreign product is perceived as such, provided it is imported, that it has physically crossed a border, that it comes from elsewhere. In fact, it is because our borders are more and more open that boycott reactions such as those described above become possible and that citizens at the grass-roots level can take action themselves to influence matters. In other words, it is precisely at a time when the world is at its most complex, when it is the most difficult to grasp by players on the ground that they are able to regain part of their power and their autonomy against the backdrop of a supra-national economic dimension which they, more often than not, find overwhelming. Evidently, this new complexity of the macro-economic world offers new potential at the micro-economic level.

5.3. The paradoxes of the boycott of "Frenchness."

The boycott of French products affects not just French products but also products that are connotated as French because they rely on "Frenchness" as an attribute. That's why cheese manufacturers in Wisconsin, who use labels with a French connotation, experienced a drop in their sales of "brie" and that Australian and New Zealand restaurateurs with French names to their establishments were forced to change name. The most famous

example, however, is the case of the Estée Lauder brand. The world cosmetics giant was forced to broadcast communiqués in Australia aimed at underlining its American identity to ensure that it was clearly distinguished from the big French names such as Dior and Saint Laurent and thus narrowly avoid being "wrongly" boycotted.

5.4. The interdependence between public policies and international marketing strategies

Many French companies found themselves in a "double-bind" situation. Indeed, by disassociating themselves from the positions of the French government, they were also abandoning part of the attribute of "Frenchness" which, normally, was so effective and so efficient in helping to sell products that pertain to "good living" (perfumes, wines, etc.).

By adopting such a strategy of disassociation, they knew perfectly well that they would find it difficult, once the boycott was over, to avail themselves again in the medium term of that same attribute of Frenchness. Moreover, not to do so was just as suicidal for them as they ran the risk, purely and simply, of being eliminated from certain regions of the world. In that respect, it was a veritable "double-bind": whatever option they chose, it would be painful and full of consequences. In such situations it is very difficult to act, all the more so as some companies propagate the image of France "de facto" and implicitly. The reference to France cannot, then, be completely eliminated. All this shows very clearly how political decisions can have serious consequences on a country's businesses and those businesses will find it all the more difficult to detach themselves from their French frame of reference as they will have made an asset of it in the marketing of their products.

5.5 All transactions are not affected in the same way. Some companies are more equal than others.

It would seem that the boycott of French products affects small traders and distribution first and foremost. Obviously, shops are easier to target than factories. What's more, as we have explained in some detail above, luxury products are not affected while the sector of French wines and spirits as a whole experienced great difficulties with its exports after the announcement of the tests. By way of explanation, we can come back to the notion of product "substitutability", greater in some cases than in others. Where large French industrial groups are concerned, the outcome is more mitigated. Indeed, while Claude Bébéar, CEO of the French insurance group Axa, takes every

opportunity to express his delight at the takeover of Australia's "National Mutual Life", it is important to stress that the success of such transactions is relative and cannot be generalised. The stakes of French companies which have invested in regions of the world where boycott measures are emerging are high and call for caution. For example, in 1995 there were some 200 "large" French companies directly sited in Australia (BNP, Thomson, Bouygues, Accor,...), employing 40,000 people on site for a turnover of US\$ 40 bn. However, virtually none of these companies, from Alcatel to Pechiney (Australia's leading French investor, with US\$ 1 bn) has had to deplore a sudden breach of contract, throughout the entire period the boycott was in place, i.e. from July to September 1995. While it is still difficult, in 1996, to make any definitive pronouncements on the size of the market shares lost sector by sector, there is one sector that has suffered most spectacularly from the announcement of the nuclear tests, namely armaments. Examples are legion in this sector because governments can act effectively and they know that this sector is directly in the hands of the French State. Nearly all the French companies in that sector have had their faces slapped: the company Dassault and its Alphajet aircraft have been driven out of Australia; orders for Matra missiles have been cancelled by New Zealand; Aérospatiale's Eurocopter aircraft has been ousted from New Zealand's market. It is quite obvious that the French armaments industry has lost market shares. We would have cause for rejoicing if all this had contributed towards reducing armaments throughout the world but there is none of that; it has simply enabled other countries operating in that sector to claim market shares from France.

Conclusion

During a highly mediatised interview conducted by the CNN journalist Larry King, in October 1995, President Chirac told viewers all over the world that the number of tests would be reduced from eight to six and that the campaign was over by the spring of 1996. At the time of writing this paper, the last test has been completed and France has promised to sign the international agreement banning nuclear tests. Nonetheless, it is still difficult to say with any certainty what sort of impact this entire affair will have had on France's world trade in the long term. One thing is certain: throughout the world, this affair has contributed towards tarnishing part of France's image, and restoring the situation durably will take time. Indeed, how does one go about improving France's image once again around the world? It remains a difficult question. To try and solve this problem, a

French cosmetics company such as Cosmopharma has decided to launch a communication campaign to convince international opinion of the harmlessness of the nuclear tests. Original but very risky; after all, what entitles such a company to make those claims? It seems that time will have to run its course. French companies, for their part, have learnt an important lesson: it is impossible for them to operate on international markets if they disassociate themselves from the actions of their government; their inability to disassociate themselves effectively from the positions of the French political bodies has provided ample proof of that. What's more, more and more of them are involved in lobbying actions among the political powers that be, to prevent a situation comparable to that of 1995 from ever recurring. There are also many confidential reports now circulating through French ministries, drawn up at the initiative of groups of industrialists, to show the negative impact on any given sector of the nuclear tests announcement. But since every cloud has a silver lining, it will undoubtedly provide an opportunity for certain industrialists to ask the French State for subsidies since, as we all know, a French company in difficulty always has a "scapegoat", namely the French State. It would be a surprise, therefore, if things were any different this time round. That is also probably why, in France, relations between businesses and public authorities are often of the type: "*je t'aime*", "*moi non plus*". It would seem, then, that this whole affair will again strengthen a characteristic trait of France's identity: a state ultimately more interested in cultural and its political "influence" than in the economy...

Bibliographical References:

BRAUDEL, Fernand (1970), *L'identité de la France*, Paris, Gallimard

CLARK, Harold (1987), Consumer and corporate values: yet another view on global marketing, *International Journal of Advertising*, Volume 6, Pages 20-42

DION, Roger (1990), *Histoire de la Vigne et du Vin en France: des origines au XIXème Siècle*, Paris, Flammarion

MARCELIN, Jean (1993), *La guerre du commerce mondial: forces et faiblesses de la France à l'étranger*, Paris, ESKA

MCCRACKEN, Grant (1986), Culture and consumption: a theoretical account of the structure and movement of the cultural meaning of consumer goods, *Journal of Consumer Research*; Volume 13, June, Pages 71-84

MERLE, M. (1976), *Sociologie des relations internationales*, Paris, Dalloz

SMITH, David B., HEEDE, Sören (1996), The North-South divide: Changing patterns in the consumption of alcoholic beverages in Europe, *Proceedings of the 25th EMAC Conference*, Budapest, Pages 1065-1084

USUNIER, Jean-Claude (1996), *Marketing across cultures*, 2nd edition, Hemel Hempstead, Herts, Prentice Hall

WALLISER, Björn, FROEHLICHER, Thomas (1996), The Commercial Impact of French Nuclear Testing on French Subsidiaries in Germany, Paper presented at the 22nd Annual Conference of the European International Business Academy, Stockholm, Sweden

WHITELOCK, J.M. (1987), Global marketing and the case for international product standardization, *European Journal of Marketing*, Volume 21, N°9, Pages 32-44

YAPP, Nick, SYRETT, Michel (1993), *The Xenophobe's Guide to The French*, Horsham, West Sussex, Ravette Books