RELATIONSHIP BETWEEN CULTURAL VALUES AND CONSUMERS' BRAND CONSCIOUSNESS

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ABSTRACT

RELATIONSHIP BETWEEN CULTURAL VALUES AND CONSUMERS' BRAND CONSCIOUSNESS

This study is an empirical research on consumer behaviour that examines consumers' brand consciousness. The study focuses on one component that influences the consumers' brand consciousness, namely the cultural values. The purpose of this study is to determine the relationship between cultural values and consumers' brand consciousness.

Samples of the study consist of 253 respondents who are brand conscious, working adults and residing in Kota Kinabalu area. The results of this study indicate significant relationship between cultural values and consumers' brand consciousness. Demography factor of ethnicity significantly moderates the relationship between cultural values and consumers' brand consciousness.

Although some of the results of this study are consistent with results from previous studies, the relationship may change in due course. It could be attributed to marketing advertisements, social influence and so on. The results of the study will recommend whether the managers in clothing organizations should be concerned with the cultural dynamics of consumers as part of their segmentation and promotion strategies within their overall marketing strategies.

ABSTRAK

Kajian ini merupakan satu kajian empirikal terhadap perlakuan pengguna yang mengkaji kepentingan membeli pakaian berjenama di kalangan pengguna. Dalam kajian ini terdapat satu komponen yang mempengaruhi sifat mementingkan jenama di kalangan pengguna, iaitu nilai-nilai budaya. Objektif kajian ini adalah untuk memastikan sekiranya ada hubungkait di antara nilai budaya dan sifat mementingkan jenama di kalangan pengguna.

Sampel yang digunakan di dalam kajian ini terdiri daripada 253 orang yang mementingkan jenama, golongan dewasa yang bekerja dan menetap di kawasan Kota Kinabalu. Keputusan daripada kajian ini mendapati hubungkait di antara nilai budaya dan sifat mementingkan jenama di kalangan pengguna adaah nyata. Faktor demografi etnik juga ternyata didapati mempengaruhi hubungkait di antara nilai budaya dan juga sifat mementingkan jenama di kalangan pengguna.

Walaupun kajian ini mendapati keputusan yang sama dengan kajian-kajian lepas, keputusan-keputusan ini juga mungkin akan berubah di masa akan datang. Ini mungkin boleh disebabkan dari iklan pemasaran, pengaruh social dan lain-lain faktor. Hasil keputusan kajian ini boleh digunakan oleh pengurus pemasaran tempatan di dalam organisasi atau bidang pakaian, untuk mengambil kira budaya pengguna yang dinamik dalam strategi pemasaran segmentasi dan promosi.

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CHAPTER 1

INTRODUCTION

The domain of management refers to the organization of people, processes, products and markets. In this era of globalization, part of the debate in management is whether regional markets should be considered as unique and requiring customized management tools and techniques, or whether the same management tools and techniques can be applied across different market places. One way that scholars have sought to address these questions is through the study of cross-cultural consumer decision-making styles.

Consumer decision-making style refers to the mental orientation or approach a consumer has towards making choices (Sproles & Kendall, 1986). Although, consumer decision-making style represents a relatively consistent pattern of cognitive and affective responses (Bennett & Kassarjian, 1972) national culture has been proven to impact significantly on individual values and attitudes (Hofstede, 1980), thus, culture is expected to have a significant influence on consumer decision-making style.

As economic globalization intensifies, standardization of marketing mix elements can be an optimal approach to gain economies of scale. Indeed, global standardization can be seen in products, brands and advertising (van Raaij, 1997). Advertisers view standardized ad campaigns as a solution to minimize cost from localized advertising in each market. However, such standardization may not fit with the cultural variances around the world. According to De Mooij (1998), the success of a business depends on how well its product reach customer whose behaviour is affected by values that may vary in all kinds of unexpected ways from those of the business managers. To ignore these differences is to invite failure.

Cultural beliefs and values intervene in the economic decisions of consumers. Cultural values imply a widely held belief that has been internalized by

individuals, as well as a general guide for some set of activities and behavior rules for them (Heine and Lehman, 1997). Individuals have been known to react quite differently to the same situations according to their cultural background and general experience. Particularly in the case of non-durable consumer goods such as food and clothing, the different taste, habits and customs imparted by their culture prevent consumers from universally preferring the same product attributes, advertising messages, packaging and presentation. Therefore, to understand the behavior of people, some knowledge of the influence of cultural norms and values is necessary.

As commercial global integration unfolds in the world's marketplace, decision making is becoming increasingly complex for consumers. The range of brands, line extensions and product information has complicated consumer decision making strategies. Consumer style concept represents a cognitive and affective aspect of consumer behavior and it is closely linked with various personality traits, similar to the concept of personality in psychology (Sproles and Kendall, 1986). As culture and personality traits are interrelated (Mastor, Jin and Cooper 2000), it should provide a major justification for a more comprehensive investigation of its relationships to consumer purchase decision-making styles.

Culture's influence on consumption and marketing has drawn increasing attention in recent years. Lenartowicz and Roth (2001) reported that almost 10% of the articles published in renowned journals during 1996-2000 used culture as independent variable. The greater the cultural differences the greater the necessity of designing a marketing specific to the cultural context. Thus, the purpose of this study is to investigate the influence of cultural values towards consumers' purchase decision making style of brand conscious.

1.1 Problem Statement

In an increasingly globalized business environment, it is imperative that marketing management learn about differences in consumer decision-making. Brand

conscious is one of the consumer decision-making styles as proposed by Sproles & Kendall (1986). In a high technology environment, consumers are getting incredibly aware of how brands affect their lives. This indicates potential growing market for specific segmentation. Brand conscious consumers are less price sensitive since they perceive branded item have better quality (Sproles & Kendall, 1986). To the brand conscious consumers, brands are symbol of status and prestige.

In a multicultural marketplace, consumer's decision-making style differs. A number of scholars have stressed the significance of understanding the associated cultural dimension to marketing (Penaloza and Gilly, 1999). Wallace (1965) believes that culture is the all-encompassing force, which forms personality, which in turn is the key determinant of consumer behaviour. Rajagopalan and Heitmeyer (2005) acknowledge that culture impacts consumer decision-making. Leo, Bennett and Hartel (2005) found that individualists are more brand conscious than the collectivists. According to Ho (1976), Eastern cultures are more brand conscious due to high power distance.

Luna and Gupta (2001) in their studies suggested studies to be conducted to analyse the relationship between culture and consumer behaviour. This study attempts to fill the gap, with focus given on consumers' brand consciousness.

1.2 Research Questions

At the end of the study, this research should be able to answer the following questions:

- What is the relationship between cultural values (achievement, benevolence, stimulation, security, power, tradition, hedonism, universalism, conformity and self-direction) and consumers' brand consciousness?
- 2. Do demography factors of age, gender and ethnicity moderate the relationship between cultural values and the consumers' brand consciousness?

1.3 Research Objectives

The purpose of the research is to study on the influence of cultural values towards consumers' brand consciousness. This study will reveal the consumers' purchase decision making style of brand conscious in Kota Kinabalu and will examine the followings:

- To investigate the influence of cultural values on consumer's brand consciousness.
 - To investigate the influence of Achievement value on consumer's brand consciousness.
 - 1b. To investigate the influence of Benevolence value on consumer's brand consciousness.
 - 1c. To investigate the influence of Stimulation value on consumer's brand consciousness.
 - 1d. To investigate the influence of Security value on consumer's brand consciousness.
 - 1e. To investigate the influence of Power value on consumer's brand consciousness.
 - 1f. To investigate the influence of Tradition value on consumer's brand consciousness.
 - 1g. To investigate the influence of Hedonism value on consumer's brand consciousness.
 - To investigate the influence of Universalism value on consumer's brand consciousness.
 - To investigate the influence of Conformity value on consumer's brand consciousness.
 - 1j. To investigate the influence of Self-Direction value on consumer's brand consciousness.

- 2. To examine the role of demography factors as the moderator in the relationship between cultural values and consumer's brand consciousness.
 - 2a. To examine the role of age as the moderator in the relationship between cultural values and consumer's brand consciousness.
 - 2b. To examine the role of gender as the moderator in the relationship between cultural values and consumer's brand consciousness.
 - 2c. To examine the role of ethnicity as the moderator in the relationship between cultural values and consumer's brand consciousness.

1.4 Scope of Study

The study will examine the purchase decision-making style of brand consciousness. First consumers from various age, ethnicity and work backgrounds will be investigated in the context of their brand consciousness. Then the cultural dimension as suggested by Schwartz (1994) would be used to identify their cultural values. Finally this study will investigate the relationship between cultural values and purchase decision-making styles, and whether they are moderated by demography or not.

The sample of this study consists of working adults from various background and culture in Kota Kinabalu area, considering that they have the purchasing power. Cultural values of Schwartz (1994) will be used to categorize individual consumers. Schwartz cultural values are used instead of Hofstede cultural dimension because Schwartz value are evaluating individual personal value, while Hofstede dimension emphasizes more on national or organizational culture. Since this study is examining consumer's personal value individually, hence Schwartz cultural values are more suitable to be used. Purchase decision making style of brand conscious will focus on characteristics developed by Sproles and Kendall (1986). Shopping product of casual clothing is chosen because consumers often take more time to think, choose or purchase their choice of casual clothing. Casual clothing such as jeans and T-shirts are worn for outings

and informal activities. Nowadays, there are a lot of branded casual clothing outlets such as Levi's, Body Glove, Nicole, Hush Puppies and others are available for consumer choices.

Moderating variables of demography factors age, gender and ethnicity are chosen for this study. Previous study by Kacen and Lee (2002) provided evidence that age significantly moderates the relationship between cultural values and impulsive buying behaviour. Demography factors of gender and ethnicity are tested in this study as a new knowledge.

1.5 Significance of the Study

This study will contribute to consumer brand consciousness literature and consumer education efforts in Kota Kinabalu context. Furthermore, it will assist marketers to better address the needs of multicultural consumers as a specialized target market.

Consumer affair specialist have been particularly keen about using the consumer decision making style profiles to understand a consumer's shopping behaviour so as to use this as a counseling device. Advertisers and marketers can use the information to segment consumers into viable and profitable clusters. Armed with such knowledge, marketers and advertisers can have a better understanding of how to position or advertise their products. This concern is particularly germane to the controversy regarding standardization of marketing programmes. If decision-making styles of consumers vary among cultural values, advertising and other elements of the marketing mix must be adjusted to accommodate these differences.

1.6 Definition of Terms

Consumer Decision-Making Style

Consumer decision-making style is defined as the mental orientation or approach a consumer has towards making choices (Sproles & Kendall, 1986).

Brand Consciousness

Brand consciousness refers to the consumer's orientation towards the purchase of expensive and well-known brands (Sproles and Kendall 1986).

Cultural Values

Cultural values serve as the criteria its members use to determine what behaviour is appropriate, to guide self-presentation and to justify their choices to others (Rokeach, 1973).

Demography

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Demography is the study of human populations in terms of size, density, location, age, gender, ethnicity, occupation, and other statistics (Armstrong, Kotler & Silva, 2006).

1.7 Summary and Organization of Remaining Chapters

Chapter 1 gives an overview of the research, started with the introduction of consumer decision-making styles issues, the problem statement, the research questions and objectives, scope of the study, significance of the study and the definition of the key terms. Chapter 2 presents the past studies of consumer decision making styles background, the consumers' brand consciousness, and cultural values. Chapter 3 covers the outline of the theoretical framework, research hypotheses, approach and subjects, questionnaire, data collection method and data statistical methods. Chapter 4 presents the results of the statistical analyses. The final chapter in this study, chapter 5, provides a discussion of the results presented in Chapter 4. This is followed by the discussion centers on the contributions of the study, the limitations associated with the study are presented and some potential avenues of future research.





CHAPTER 2

LITERATURE REVIEW

In order to deal with the marketing environment and make purchasing decisions, all consumers, regardless of age, gender, nationality or religion, engage in a decision-making process. The focus of this process, which forms an integral part of consumer behaviour (Lamb, Hair & McDaniel, 2004), is on how consumers spend their available resources such as time and money) on personal and household products and services so as to satisfy their needs (Schiffman & Kanuk, 2000).

Consumer behaviour is described as a study of how consumers make purchasing decisions and how they consume and dispose of the purchased products (Lamb *et al.*, 2004). According to Arnould, Price and Zinkhan (2002), consumer behaviour is concerned with how consumers acquire, organize and use information to make consumption choices. From the definition, it can be said that consumer behaviour is a study of the decision-making process in relation to the environmental factors and their effect on the purchasing decision.

The consumer decision-making process does not occur in a vacuum (Lamb *et al.*, 2004). Needs and problems may be recognized through either internal or external factors. Internal, individual or psychological influences include aspects such as perception, memories or previous experiences, needs, attitudes, demographics, lifestyle, personality, motivation and learning (Solomon, 2002). External or social influences include aspects such as culture, subculture, social class and reference groups (Schiffman & Kanuk 2000).

Although several factors influence consumer decision-making, consumers are thought to approach the market with certain basic decision-making styles. These styles can be grouped in what has become known as the Consumer Styles Inventory (CSI). The CSI is discussed in detail in this chapter. In addition to the consumer decision-making styles, the factors that influence consumers' purchasing decision-making will also be discussed.

2.1 Culture and Consumer Behaviour

2.1.1 Emic and etic approaches

Cross-cultural management researchers have traditionally used Hofstede's (1980, 1997) definition of culture, which equates culture to "the collective programming of the mind which distinguishes the members of one group or category of people from another" (Hofstede, 1997). The focus of this definition is the comparison of one culture with another. This is an etic definition of culture. Researchers that follow an etic approach in cross-cultural consumer research generally look for universal or culture-free theories and concepts. They search for variables and constructs common to all cultures that can be directly compared in order to discover how those cultures are different from or similar to each other. This approach is typical of cross-cultural psychology and other comparative social sciences.

An alternative approach is the emic methodology, which focuses upon understanding issues from the viewpoint of the subjects being studied. Culture is defined emically as "the 'lens' through which all phenomena are seen. It determines how these phenomena are apprehended and assimilated. Second, culture is the 'blueprint' of human activity. It determines the coordinates of social action and productive activity, specifying the behaviours and objects that issue from both" (McCracken, 1988). Emic approaches to culture do not intend to directly compare two or more differing cultures, but promote a complete understanding of the culture of study through "thick description" (Geertz, 1973). The methods utilized in conducting emic research do not provide "culture-free" measures that can be directly compared. Instead, they provide "culture-rich" information. The choice of emic versus etic approaches depends on several important factors, including the nature of the research question, the researcher's resources and training, and the purpose of the study. From an applied perspective, the two definitions of culture, emic and etic, can be considered as two sides of the same coin. Culture is a lens, shaping reality, and a blueprint, specifying a plan of action. At the same time, a culture is unique to a specific group of people. By utilizing the research provided by both approaches, we gain a more complete understanding of the culture of interest.

2.1.2 The interaction of culture and consumer behaviour

Figure 2.1 depicts a model of the mutual influence of culture and consumer behaviour. The model was constructed by Luna and Gupta (2001) in their study of "Cross Cultural Consumer Behaviour". An individual's behaviour is a result of that individual's cultural value system for a particular context. Individuals' cultural value systems are developed over time as they are socialized into a particular group. Societal culture as well as regional subculture and familial values all influence the formation of an individual's cultural value system. Thus, the cultural value system includes cultural elements that individuals have in common with the group to which they belong, as well as idiosyncratic values unique to the individual.

As the model suggests, culture affects consumer behaviour, which itself may reinforce the manifestations of culture (Peter and Olson, 1998). An individual's consumption behaviour may be viewed and imitated or rejected by others. It can then become the group's norm of behaviour and be identified as part of the culture of a given population. Marketers' actions serve as a vehicle to transfer meanings or values from the culturally constituted world to consumer goods (McCracken, 1986, 1988), so marketing communications are represented in the model as a moderator of the effect of culture on consumer behaviour. At the same time, marketing communications may also affect a culture's manifestations through advertising (for example, Calvin Klein's ads have reinforced the "thinness" value in American society). Of course, as Figure 2.1 shows, marketing communications can affect consumer behaviour independent of culture. From an emic perspective, culture may not be seen as a construct apart from and causing behaviour. Emic researchers view culture as inseparable from the individual, as an inherent quality (Geertz, 1973).