CHAPTER – 2
LITERATURE REVIEW: CULTURE AND CONSUMER BEHAVIOR

2.1 Culture Defined

The word ‘culture’ is derived from the Latin word “colere”, meaning to build on, to cultivate, and to foster (Dahl 1998 p.8). In the early stages of the philosophical debate on ‘culture’, the term often refers to the opposite of ‘nature’, whereas ‘culture’ was referred to something constructed willingly by men, while ‘nature’ was given in itself (ibid.). Culture is rather a fuzzy and elusive concept. It has been defined and described in innumerable ways. Kroeber and Kluckhohn (1952) have reviewed about one hundred and sixty four different definitions and the conceptions associated with culture (Herskovits, 1969 p.305; Usunier, 2000 p.4). This often quoted work of Kroeber and Kluckhohn in literature of identifying more than 164 definitions of culture suggests that culture defies a single all purpose definition and there are almost as many meanings of the culture as people using the term (Groeschi and Doherty 2000 p.12). The seventh edition of Oxford Learners Advanced Dictionary describes it as the “customs and beliefs, art, way of life and social organization of a particular country or group”. Taylor (1874) gave one of the best earliest definition of culture who described it as “the complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society” (Herskovits,1969 p.305). It is regarded as everything that is “non biological and socially transmitted in a society, including artistic, social, ideological, and religious patterns of behavior, and the techniques of mastering the environment” by Winick (1958 p.144). Herskovits (1969 p.305) believes that culture is man-made part of environment and emphasizes that it largely determines the course of our lives. Culture is described as the totality of “shared values, believes and basic assumptions, as well as any behavior arising from those, of a given group” by Dahl (1998 p.8). Solomon (2003 p.461) defines it as “the accumulation of shared meanings, rituals, norms and traditions among the members of an organization or society”. According to Goodenbough (1971), “culture is a set of
beliefs or standards shared by a group of people, which help the individual decide what is, what can be, how to feel, what to do and how to go about doing it” (Usunier 2000 p.5). “Culture is a set of shared values passed down from generation to generation in a society” (Etzel, Walker and Stanton 2001 p.59).

Hofstede (1980 p.25) treats Culture as “the collective programming of the mind which distinguishes the members of one human group from others”. According to him, values which are invisible but evident in the behavior constitute the core of culture. The invisible values along with the three visible components symbols, heroes and rituals cover the total concept of culture. The values originate in a variety of ecological factors which affect the physical and social environment. The values lead to the development of institutions like family, education systems, political systems and legislature. Once the institutions are established, they enforce the societal norms and the ecological conditions that led to their establishment (Hofstede 2001 p.11).

Usunier (2000 p.4) views culture as the accumulation of the best possible solutions to the common problems that members of the society may face. He feels this definition of problem solving has advantage as it emphasizes the ‘shopping’ aspect of cultural dynamics. Groeschi and Doherty (2000 p.13) observe that recently developed definitions are based on two early definitions, Kluckhohn and Strodtbeck’s (1961) value orientations, and Inkeles and Levinson’s (1969) predictions of common human problems. “Both definitions aimed to identify common human problems which are shared by all human groups, but which are mastered in different ways”.

Sheth and Mittal(2003 p.60) view that “culture is everything a person learns and shares with members of a society, including ideas, norms, morals, values, knowledge, skills, technology, tools, material objects, and behavior. Culture excludes genetically inherited instincts, since these are not learned, as well as individual behaviors, norms, knowledge, and so on, not shared with other members of the society”. Culture can therefore said to be a set of learned beliefs, values, customs and “mental programmes” which are manifested in social institutions and are passed on from generation to another. There is a
general consensus that culture is learned; it allows man to adapt to his natural and social settings; it is greatly variable; it is manifested in institutions thought patterns and material objects (Herskovits 1969).

2.2 Conceptualization: Elements of Culture

The understanding of complex and multidimensional subject like culture requires the knowledge of its nature and elements (Rugman and Hodgets 2004 p.126). Herskovits (1969) identifies technology, social organizations, education, political institutions, religion, aesthetic drives (art), folklore, drama and music as the key aspects of culture. He regards language as the vehicle of the culture. For Usunier (2000 p.6) language plays a prominent role as an element of culture along with institutions, productions, symbolic and sacred elements. The institutions include family, political and social organizations within which the individual is rewarded for complying with the rules. The productions constitute the production of material, intellect, artistry and service products. The symbolic and sacred elements include religious and moral beliefs. He feels no element of culture can be prevented from belonging to any of these four categories (ibid.). Terpstra and David (1991) regard language, religion, values and attitudes, ethics, education and social organization as elements of culture (Hiam and Schewe 1992 p.79). Many researchers use onion as a metaphor to explain the manifestations of culture (Groeschi and Doherty 2000 p.14). The outer shallow layer is behavior, which represents the explicit culture. The next deeper layer is values which represent the implicit culture. The core constitutes the basic assumptions. They feel that the researchers come from different fields, so they ascribe different meanings to the terms like culture, values, norms and so on, which results in difficulty in coming up with single definition of culture. Hofstede (2001 p.11) also explains using the onion diagram and identifies values as the core element of culture. The invisible values along with three other visible elements-symbols, heroes, and rituals, constitute the total concept i.e. culture. Values are invisible but become evident in behavior, while the other three are the visible manifestations of culture.
Sheth and Mittal (2003 p.60) regard values, norms, rituals and myths as the elements of culture while Rugman and Hodgets (2004 p.126) identify seven elements of culture namely language, religion, values and attitudes, customs and manners, material goods, aesthetics and education. So values, language, organizations, religion, rituals and the various productions constitute the key elements of culture.

2.3 Culture Operationalisation: Delimitation of Culture

Researchers delimit culture, so as to operationalize cross cultural differences or similarities. Most of the cross cultural marketing segments are marked by geographical divisions, which is an efficient segmentation criterion in International marketing. Once the elements of culture are identified, many researchers try to define the boundaries of culture by coupling culture with another term. For example Pizam (1983) creates a "hierarchy of cultures" and argues that culture exists at various levels of society. The national culture is a geographical delimitation based on the physical boundaries of the nation state, whereas industry cultures, occupational cultures, corporate cultures and organizational cultures form distinctive patterns of behavior of social unit (Groeschl and Doherty 2000 p.15). Hofstede (1991) believes that "layers of culture" exist and layers include the national level, regional or ethnic/religious/linguistic levels and possibly gender, generational and social class levels (Lenartowicz and Roth 1999 p.795). Culture can be defined and studied at different levels, even though the levels may not be mutually exclusive (Steenkamp 2001 p.37). Hofstede (2001 p.394) argue that national cultures and organizational cultures are different. At the national level culture differences reside mostly in values and less in practices while at the organizational level cultural differences reside mostly in practices and less in values. At the occupational level culture both practices and values are acquired, while social class culture can be placed between national level and occupational level. Industry can be placed between the occupational and organizational culture level.
Figure 2.1: The Balance of Values versus Practices at the National, Occupational and Organizational Level

<table>
<thead>
<tr>
<th>Level</th>
<th>Place of Socialization</th>
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<tr>
<td>Nation</td>
<td>Family</td>
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<tr>
<td>Social Class</td>
<td>School</td>
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<tr>
<td>Occupation</td>
<td>Workplace</td>
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<td>Industry</td>
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<td>Organization</td>
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The values are acquired early in life usually till the age of ten and socialization or learning takes place in the family, neighborhood and school. Organizational practices are learned through socialization at the work place, while the occupational values are learned through socialization in the school or university. The differences in the cultures can be attributed to different levels of socialization as shown in the exhibit 2.1.

Lenartowicz and Roth (1999) believe that identification or assessment of a "proper" cultural unit or grouping is unexplored. They provide a framework for assessing valid cultural groupings. Their framework for cultural grouping or what they term 'culture assessment' consists of four approaches: Ethnological Description (ED), Use of proxies (Regional Affiliation), Direct values inference (DVI) and Indirect Values Inference (IVI).

i) Ethnological Description refers to qualitative approaches used for identifying or comparing cultures. It involves observations of "social structures, artifacts and collective behavior, which are then used to develop conclusions about groups" This approach delineates cultural groupings and their cultural characteristics. Though quantitative data is not produced but it helps in identification of the unit of analysis of culture. This approach is not used in cross cultural research in business. (ibid. p.783).
ii) Use of Proxies-Regional Affiliation commonly used in business, is based on the use of proxies, which connect cultural groupings to geographical regions. This approach defines culture based on characteristics like nationality, place of birth and country of resident. The approach helps only in classifying culture into nominal categories, so the relationships between dependent variables and culture can not be tested.

iii) Direct Values Inference (DVI) assumes that the values form the core of the construct of culture and cultural characteristics are inferred from the aggregate of values of the subjects in a sample.

Lenartowicz and Roth (1999) identify a number of values based models that support the Direct Values Inference approach for cultural assessment. Hofstede (1980) empirically developed four value dimensions of culture: Power Distance, Individualism-Collectivism, Masculinity-Femininity and Uncertainty Avoidance. The authors credit Hofstede's work for being the most discussed in literature and being the most cited in international business studies. Hofstede developed a tool to assess work values, called Value Survey Module (VSM) (Lenartowicz and Roth 1999 p.783). This Study uses VSM -94 a latest version of Value Survey Module to calculate the values of the different cultures of study.

Rockeach Values Survey was another model that was based on the DVI approach. The Rockeach values consist of two lists, each comprised of eighteen values and subjects classify them according to the importance of each to their life (Lenartowicz and Roth 1999 p.785).

iv) Indirect Values Inference (IVI)-Benchmarks basically uses secondary data in contrast to DVI which employs primary data. In this approach the characteristics of culture identified in other studies are used and extrapolated to the subjects. This provides for potential measurement error as the subjects who provide data for the dependent variables may not have the same characteristics who provided data for independent variable namely the values. However this is an
extensively used approach in many studies (Lenartowicz and Roth 1999 p.786).

The authors feel that no single approach is useful in cultural assessment. So they propose a combination of these approaches taking in to account the methodological goals and requirements of the research.

Steenkamp (2001 p.37) identifies and distinguishes between three layers of culture at different levels: Meta (Pan-Regional, Global) culture, National culture and Micro culture. Meta cultures include countries which may exhibit similar cultural characteristics. For example in Globe study Gupta, Hanges and Dorfman (2002) have grouped sixty one countries into ten cultural clusters. They believe that clustering provide important information regarding societal variation and is a useful way to summarize cross-cultural similarities as well as dissimilarities. The countries within each cluster grouped together on the basis of their cultural landscapes. One of the clusters clustered by them is the south Asian cluster which consists of India, Indonesia, Philippines, Malaysia, Thailand, and Iran. Gupta et al. (2002) discuss this cluster on basis of demographic, economic, historical, religious and societal profile. On the societal parameter the group is highly collectivist, Power distant but humane, male dominated and hierarchical.

The micro cultures are within country heterogeneous groups which preserve the important national cultural parameters as well as also develop their own unique patterns of behavior (Steenkamp 2001 p.37).

2.4 National Culture

National culture is the culture present within a country (Sheth and Mittal 2003 p.61). The nation provides a workable definition of culture because the basic similarity among people is both a cause and an effect of national boundaries (Daniels, Radebaugh and Sullivan 2004 p.48). A country’s culture has long been identified as an important environmental characteristic responsible for differences in behavior (Roth 1995 p.164; Steenkamp 2001 p.30), both convenient and operational (Usunier, 2000, p.11). In international business research today national culture is a key variable, to understand how culture
affects the "economic activities of individuals, groups, organization, nations, or regions (Sivakumar and Nakata 2001 p.555). A country’s culture has been a subject of interest since long time back but its operationalization gained prominence with the development of cultural dimensions by Hofstede (1980). It was only after Hofstede’s work that measured dimensions of culture began to be linked to every aspect of management (Triandis 2001a p.17).

2.4.1 Hofstede’s Dimensions of Culture

Hofstede’s national culture dimensions are one of the most comprehensive and accepted typology in international management (Chiang 2005 p.1545). Hofstede (1980; 2001) developed the most influential national culture framework (Roth 1995 p.165; Steenkamp 2001 p.31). His model has been path breaking and influential theoretically and methodologically in the discipline of International Business. His cultural dimensions and country rankings have provided valuable methods for understanding and measuring national cultures (Javidan and House 2002 p.1). His seminal work “Cultures Consequences” has become and is one of the most cited on Social Science Citation Index (Hofstede 2001 p.xvii). It was cited 1,101 times from 1987 to 1997 (Sivakumar and Nakata 2001 p.556). Chandy and Williams (1994) observe that Hofstede is the third most cited author after John Dunning and Michael Porter in international business research published between 1989 and 1993 (Sivakumar and Nakata 2001 p.556). An innumerable cross national researchers have used Hofstede’s dimension as independent variables to prove the effect on various dependent variables like brands (Roth 1995), new product development (Nakata and Sivakumar 1996), Economic growth (Johnson and Lenartowicz 1998), entrepreneurial orientation and global competitiveness (Lee and Peterson 2000), Leadership Theories (House et.al 2002), construction projects (Pheng and Yuquan 2002), Commercial airline Pilots (Merritt 1998), reward management (Chiang 2005), Product diffusion (Dwyer, Mesak and Hsu 2005), Brand Loyalty (Lam and Lee 2005), Customer Relationship Management (Sigala 2006). Hofstede’s work is increasingly used in business research making it the dominant cultural paradigm (Sivakumar and Nakata 2000).
Hofstede through his study across more than fifty countries on IBM employees has identified five independent dimensions of national culture differences. The five dimensions of national culture are as follows (Hofstede 2001):

2.4.1.1 Power Distance (PDI)

It is “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede 2001 p.98). This dimension is related to the basic problem of social inequality in a society. Inequality in a society is multidimensional and can occur in different areas: Physical and mental characteristics; Social status and prestige; Wealth; Power; Laws, rights and rules. These areas don’t go together, as some person like politician may enjoy status but may not enjoy wealth or another like businessman may have wealth but may not enjoy status. In any human society there is a one basic issue of conflict between the status consistencies versus overall equality. One force tries to remove the status inconsistencies between the various areas like politician may try to gain wealth and the countervailing force tries to maintain overall inequality by offsetting one rank in area against another.

Pragmatically no society has ever obtained equality. Hofstede (2001 p.81) has paraphrased Orwell (1945) “all societies are unequal but some are more unequal than others.” Pluralist societies are less unequal than elitist societies. The less powerful in a society try to reduce the power distance between themselves and the more powerful. Power distance is accepted both by the subordinate and by the subordinated and is supported by their social environment. The national culture to a considerable extent determines the power distance, as it sets in equilibrium level between the powerful to maintain or increase power distances and the less power to reduce them. Thus culture sets in an acceptable power distance balance in a society (ibid.).

Hofstede (2001) has listed the societal norms for Power Distance differences in a society. In a low PDI society inequality is minimum while in high PDI society there is an order of inequality in which everyone has his/her rightful place. The
hierarchy in case of low PDI society is for inconvenience in which subordinates and superiors are like each other. Whereas in a high PDI society the hierarchy means existential inequality in which superiors and subordinates are regarded of being different kind. The low PDI society, usually all have equal rights and the use of power is legitimate whereas, in a high PDI society the powerful are entitled to privileges and the legitimacy of power is irrelevant. The people in low PDI culture try to look less powerful and stress on reward, legitimate and expert power whereas in a high PDI culture the powerful try to look as powerful as possible and stress on coercive and referent power. To change low PDI social system the power is redistributed whereas in the high PDI the social system is changed by dethroning those in power. There is latent harmony between the powerful and powerless in low PDI society in contrast to high PDI society in which there is latent conflict between the powerful and the powerless. The older people are neither respected nor feared in low PDI society whereas they are respected and feared in high PDI society.

The welfare societies usually score lower on power distance. Power distance within a society influences the hierarchy in the family, society and organizations. In the societies which score high on power distance, entrepreneurs work for their family interest while in low power distance societies, they work out of job interest. Parents in a high power distance society usually teach children obedience while in low power distance society children are treated as equal. The education system in high power distance societies is usually teacher centered, where teachers are never publicly contradicted and treated with reverence, in contrast to low power distance societies where teachers are treated as equal and the students disagree, argue and criticize in front of the teachers.

There are correlations between PDI and work areas and media relations mostly though are correlations with consumption patterns. In high power distance country the organizations have tall hierarchy, more concentration of authority and usually centralized decision making while in a low power distance country the organizations are flat, less concentration of authority and there is decentralized decision making. There are usually large number of supervisory
personnel in organizations and formal rules in high PDI societies compared to low PDI in which there is proportionately less number of supervisors and managers rely more on personal experience and that of their subordinates. Similarly, the leadership in high PDI society is autocratic, authoritative, and close supervision leads to satisfaction, performance, and productivity as against the low PDI society in which leadership is democratic and consultative, which leads to satisfaction, performance, and productivity. In organizations in high PDI societies, subordinate-superior relations are polarized, subordinates influenced by formal authority, there is no defense against power abuse and MBO (Management by Objectives) cannot work whereas in low PDI the superior-subordinate relations are pragmatic, subordinates are influenced by bargaining and reasoning, there are grievance channels in case of power abuse and MBO is feasible. The privileges and status are expected for managers, there is wide disparity between the salary of the top and bottom managers, more career dissatisfaction, role ambiguity in high PDI society as compared to low PDI society (Hofstede 2001).

2.4.1.2 Uncertainty Avoidance (UAI)

It is rooted in the basic problem of level of stress in the society in the face of uncertain future. The Uncertainty Avoidance “is defined as the extent to which the members of institutions and organizations within a society feel threatened by uncertain, unknown, ambiguous, or structured situations” (Hofstede 1994). Individuals are conscious of the uncertainty they live with. Too much uncertainty generates anxiety and society has developed methods to cope with the inherent uncertainty. These methods belong to technology, law, and religion. Technology helps us to cope with uncertainties caused by nature, law to cope with the uncertainties of the behavior of other individuals, and religion helps us to accept uncertainties against which we cannot defend ourselves. Every society has different ways to cope with uncertainties, which depend on the culture heritage of every society and which are transferred and reinforced by the basic institutions like family, school, and the state. To cope with uncertainty, organizations use technology, rules, and rituals. Uncertainty avoiding societies
look for the organizations, institutions and relationships to interpret and predict events (Hofstede 2001).

In weak uncertainty societies both known and unknown risks are accepted in contrast to high uncertainty societies where only known risks are taken. In low uncertainty avoidance societies there is lower work stress, low anxiety, more happiness and emotions are generally controlled in the population, whereas in high uncertainty there is high work stress, high anxiety, less happiness and emotional expression is normal in the population. People in low uncertainty society are less company loyal, switch jobs frequently, prefer small organizations, admit dissatisfaction with the employer, more ambitious for management positions and have favorable attitude towards younger people, whereas in high uncertainty society people are more company loyal, stay with the same, prefer big organizations, don’t admit dissatisfaction with the employer, prefer specialist positions and have critical attitude toward younger people. There is low average seniority in jobs, optimism about employers’ motives, less resistance to change, employees may break rules if necessary, most people can be trusted and foreign managers are accepted in a low uncertainty society in contrast to high uncertainty society, where there is high average seniority in jobs, optimism about employers’ motives, more resistance to change, company rules should never be broken, most people can’t be trusted and there is suspicion about foreign managers.

Hofstede (2001) sums up the effect of UAI on the consumption pattern across various products. The consumption correlates significantly with UAI than other indexes (Hofstede 2001 p.170). The UAI correlated positively with mineral water, sales of fresh fruits and sugar. It correlated negatively with the consumption of ice cream, confectionary, savory snacks, milk, and fruit juices. Thus suggesting that there is a link between UAI and “a search for purity and simplicity in beverage and food purchases”(ibid.).

Similarly there was a positive correlation between UAI and consumption of textile washing powders and negative correlation with cosmetics thus suggesting the search for purity (ibid.). UAI correlated negatively with adoption of new media,
use of internet suggesting people in low UAI societies searching for information and innovation, and are open minded. People in higher UAI societies invested less in stocks and correlated with new car bought, thus suggesting that people in high-UAI play safe.

2.4.1.3 Individualism and Collectivism (IDV)

IDV is “related to the integration of individuals into primary groups.” This dimension describes the type of relationship the individuals have with the other people in the society. Man is a gregarious animal but different society show different degree of gregariousness. The gregariousness depends on the types of values and societal norms of the major groups in a society. This affects thinking of the people, the structure and functioning of the institutions: family, political, religious, educational and utilitarian. “Individualism stands for a society in which the ties between the individuals are loose: Everyone is expected to look after himself/herself and her/his immediate family only. Collectivism stands for a society in which people from birth onwards are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty.” The number of people living in individualistic society is very small, in which the individual interests prevail over the group interests. Individual is the smallest unit in an individualistic society, whereas the family is the smallest unit in a collectivistic society (Hofstede 2001).

Triandis (2001b) posits that it should not be assumed that everybody in individualistic cultures has all the characteristics of individualistic culture and similarly everybody in collectivistic culture has all the characteristics of collectivistic culture. Individuals respond depending on the situation and the situational determinant is more important in collectivistic cultures (ibid.).

There are different varieties of collectivism depend on the number of collectivistic like there are different types of collectivistic collectivism in which hierarchy is emphasized whereas in the latter equality is emphasized. Triandis (2001b p.909) identifies four types of culture on the basis of this distinction:
1. Horizontal Individualistic (HI), in which people want to be unique and do ‘their own thing.’

2. Vertical Individualistic (VI), in which people want to do their own thing and also want to be the best.

3. Horizontal Collectivistic (HC), in which the individual merges himself with their close groups.

4. Vertical Collectivism (VC), in which the individuals submit themselves to their groups and are willing to sacrifice themselves for their group or cultures (ibid.). The Korean collectivism is different from the Israeli kibbutz. The former is a vertical type of collectivism and the latter is horizontal collectivism.

Allick and Realo (2004) view that collectivism and individualism are not exclusively opposites. Individualism a characteristic of most of the modern societies is a by product of certain type of social order in which a person can develop into autonomous and self-sufficient individual. So “egalitarian, democratic, and secular society is indispensable condition for the emergence and maintenance of individualism” (ibid.). They feel since the tension between individualistic and collectivistic tendencies cannot be avoided, the only solution would be to combine and compromise these two tendencies.

Chen, Chen and Meindl (1998) propose a six culturally cooperation mechanisms to foster cooperation among the collectivists and individualists. The first proposition holds that goal interdependence which appeals to the cooperation for self-interest will be more effective in individualistic cultures whereas goal sharing for the collective good is more effective for gaining cooperation in collectivistic cultures. The second proposition holds that “cooperation in an individualistic culture increases to the extent that the new group identity enhances personal identities, whereas cooperation in a collectivistic culture increases to the extent that the new group identity complements existing group identities.” The third proposition holds that cooperation will be more positively related to “cognition-based trust” in individualist culture whereas in collectivistic culture “affect-based
trust will be more positively related to cooperation. The fourth proposition holds that there is more cooperation in individualistic culture if the accountability is individual based whereas group-based accountability will evoke more cooperation in collectivistic cultures. The face to face communication will foster cooperation in collectivistic culture than in individual culture is the fifth proposition. The sixth proposition holds that cooperation will be evoked if rewards are equity based in individualistic cultures whereas in collectivistic cultures equality-based rewards will evoke cooperation in long-term work relations.

Allick and Realo (2004) show, that there is strong association between individualism and social capital. The people in individualistic countries belong to large number of voluntary organizations; emphasize independence, personal time, personal accomplishments and freedom to choose one’s own goals. The individualistic countries are more democratic and people usually believe that “most people can be trusted” (ibid.)

Hofstede (2001) enlists the various consequences in high or low IDV societies. Management in low IDV society is the management of groups and theories based on individual psychology is of limited use whereas in high IDV society management is the management of individuals and theories based on individual psychology is useful.

Employees in low IDV society have to be viewed in family and social context, so productivity increases when ethnic or other groups are kept together whereas in high IDV society employee has to be seen as individual and work groups should be individual based. In low IDV incentives should be given to in-groups, direct appraisal should be avoided and open sharing of one’s feelings about him may jeopardize cooperation whereas in high IDV society incentives should be given to individuals, there should be direct appraisal and opening sharing of feeling towards someone may be productive.

People in low IDV societies usually live in apartments and flats, in contrast to high IDV in which people live in independent houses with private gardens.
People in low IDV live with human companions and find solace and security in social groups whereas in high IDV societies people live with animal pets and find security in home and insurance. The lifestyle is dependent on others and people look for others help for jobs in low IDV societies in contrast to high IDV in which people have self-supporting lifestyles and do all the jobs around their houses themselves. People in low IDV societies read fewer books, use fewer home computers, watch TV more and rely on social network for information whereas in high IDV society individuals read more books, employ answering machine and media is the main source of information.

Parkes, Bochner and Schneider (2001) find that difference between organizations on individualism-collectivism was greater than between the national cultures. They find that people in collectivistic cultures were more committed and loyal to the organizations and the job tenure was more in Asian organizations. This is probably due to the subordination of one’s goals to that of the group (ibid.).

2.4.1.4 Masculinity and Femininity (MAS)

MAS is “related to the division of emotional roles between men and women.” In most of the societies there is the distribution of gender roles. Men are supposed to be assertive, competitive and tough, so must be more concerned with economic role and other achievements. Women being tender must be more concerned with taking care of home, children and other people. So the tough and assertive man leads to male dominance in many fields and different societies accord different power distributions between the genders. “Masculinity stands for a society in which social gender roles are clearly distinct: Men are supposed to be assertive, tough and focused on material success; women are supposed to be more modest, tender, and concerned with the quality of life. Femininity stands for a society in which social gender roles overlap: Both men and women are supposed to be modest, tender, and concerned with the quality of life.” The socialization of gender roles starts in the family and continues in the peer groups and school. It is further reinforced by the motion pictures, television, press and the other media (Hofstede 2001).
In low MAS society there is less gender gap, more equality in jobs and education and there are large numbers of women in professional jobs whereas in high MAS society there is large gender gap, less equality in jobs and education and there are fewer women in professional jobs. Men are allowed to be gentle, feminine and weak, macho behavior is ridiculed and women describe themselves as more competitive in low MAS society whereas in high MAS society women should be gentle and feminine, macho behavior is acceptable and men describe themselves as more competitive.

In low MAS societies buying decisions and shopping is shared by the partners whereas in high MAS men make buying decisions and women shop for food. In low MAS more coffeemakers used, homemade products are popular, less demand for foreign products, and purchases are made for consumption whereas in high MAS society less coffeemakers are used, less homemade products, more demand for foreign products, and purchases are usually made to show off.

In low MAS car engine powers are irrelevant, motor houses are popular, there is more fiction reading, and there is less confidence in advertising whereas in high MAS engine power of cars is important, no motor homes but vacations include air flights, nonfiction is more read and there is more confidence in advertising.

### 2.4.1.5 Long-Versus Short-Term Orientation (LTO)

It “is related to the choice of focus for people’s efforts: the future or present.” People in short term oriented societies value traditions, expect quick results and persistence is not important, while long term oriented societies adapt to new traditions and value perseverance and persistence. In long-term societies leisure is not important and emphasis is laid on saving for future while in short term oriented societies emphasis is on spending rather than saving. “Long Term Orientation stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift. Its opposite pole, Short Term Orientation, stands for the fostering of virtues related to the past and present, in particular, respect to tradition, and preservation of ‘face’ and fulfilling social obligations.”
In a low LTO society quick results are expected, status is not an issue in relationships, people spend, personal steadiness and stability is a common desire and there is respect for traditions whereas in high LTO society persistence and perseverance is valued, status is the criteria for relationships, people are thrifty, personal adaptability is desired and there is adaptability to new circumstances. There is reciprocation of greetings, favors and gifts, children are expected to learn tolerance, leisure time is important, small share of additional income is saved, and investment is in mutual funds in low LTO society whereas reciprocation is regarded as overspending, children expected to be thrifty, leisure time is not important, large share of additional income saved and investment is done in the real estate. In a low LTO society gifts are given to children for self concept and love, and all children are equal while in high LTO society gifts to children are for their education and finances, and there is differentiation between elder and younger brothers and sisters. Family and business are separated, short term results expected in business and merit is the criteria for social and economic life in low LTO society whereas there is vertical and horizontal coordination in family and business, long term relationships and markets are desired and equality is the preferred way of life in high LTO societies.

2.5 Culture and Personality

Personality is a “configuration of cognitions, emotion, and habits which are activated when situations stimulate their expression. They generally determine the individual’s unique adjustment to the world” (Triandis 2001b p.908). Though term ‘personality’ has been used in different ways but most personality psychologists are “concerned about the whole individual and those features of psychology unique to him or her” (Hofstede and McCrae 2004 p.56). Culture is to a human collectivity what personality is to an individual (Hofstede 2001 p.10). Individuals are to societies in the same way as trees are to forests and so comparing trees is not similar to comparing forests (Hofstede and McCrae 2004 p.65).

Personality traits interact with culture and shape both the individual behavior and the collective behavior. Culture differences represent a wide array of
environmental features, including language, customs, and beliefs, that separately or collectively might influence individual personality traits (Allick & McCrae 2004 p.24). There is a complex set of relationships between individual and its culture. As on one side, the individual determines its culture, on the other the individual is determined by the culture (Dahl, 1998 p.9). Individuals are products of their culture and their social groupings, and they are conditioned by their social cultural environment to act in certain manner (Moij 2004 p.28). The cultural and individual levels of analysis can be linked “noting that customs are aspects of culture and habits aspects of personality” (Triandis 2001b p.910). Mcrae and Costa (2003) interpreted that personality traits are biological based characteristics that usually characterize different people (Hofsted and McCrae 2004 p.57). So the study of culture and personality is not about how the culture affects the personality but how personality and culture interact to shape the behavior of individuals and groups (ibid.). There is ecological fallacy committed when by comparing individuals on indexes developed for the group level and similarly reverse ecological fallacy committed when group cultures are compared on indexes developed for individual level of analysis (Hofstede 2001 p.16).

Triandis (2001b) posits that it should not be assumed that everybody in individualistic cultures has all the characteristics of individualistic culture and similarly everybody in collectivistic culture has all the characteristics of collectivistic culture. Individuals respond depending on the situation and the situational determinant is more important in collectivistic cultures (ibid.). There are different types of collectivistic and individualistic personalities depending on the types of collectivism and individualism culture (Triandis 2001b p.909). Some cultures exhibit horizontal collectivism and some the vertical collectivism. The former emphasizes equality while the latter values hierarchy. Similarly in individualistic cultures some may emphasize horizontal individualism while others may emphasize vertical individualism.

Aaker (2006) feels that there is need to identify individual-level variables that reflect and foster horizontal and vertical cultures. She identifies two most promising individual-level variables: beliefs and selves. She focuses on social
dominance orientation (e.g. egalitarian versus group based dominance) and specific self-views (e.g. active versus passive) as individual tools that may allow for a deeper examination of the horizontal/vertical dimensions. The horizontal/vertical dimension relates to the degree to which some societies are horizontal (valuing equality) and others are vertical (valuing hierarchy). At the individual level, the horizontal/vertical cultural dimension conceptually relates to personal values such as equality and conformity, hierarchy and power. Therefore the types of individual-level variables that have conceptual connections to this cultural dimension are likely to involve beliefs and the self. She feels that there are many questions which need to be answered: whether horizontal/vertical distinction will more easily conceptualized as a cultural dimension in isolation or as a dimension that remains nested within individualism-collectivism. Secondly how porous are boundaries between vertical individualism, horizontal individualism, vertical collectivism and horizontal collectivism and the factors that propel people to move from one quadrant to another.

Allcik and Realo (2004) believe that individualism and collectivism is viewed differently in psychology than in social sciences. Individualism is synonymous with modernity but with process of modernization though there is the rise of multiple institutional patterns which are though modern but differ in their traditions, cultural values and practices. Individualism in psychology is related to both modernization and Westernization. A cultural group which is modernized but has not adopted Western program of modernity is most likely to be called collectivistic (ibid.).

Allik and McCrae (2004) have analyzed the personality trait across 36 countries and find out that different subgroups which are defined by sex, age, social class, and so on may show distinct personality traits. They find no support to the view that climate is a major determinant of personality as both white and black South Africans have different personality traits though they live in the same country.

Cross-cultural research is hampered by using nation as a surrogate for cultural affiliation (Tan, McCullough and Teoh 1987). They feel that it would be sensible to start cross-cultural research by first spending time studying individuals within
different cultures and then advancing to comparative work when the researcher becomes quite familiar with the group. They opine that data collected for an aggregate study has little value for individual level analysis as it cannot provide answers to questions that the researcher might be seeking about individual consumers.

2.6 Cross Cultural Marketing Research

Research conducted across two cultures or nations' representing different cultures is known as cross cultural research. Globalization of markets has provided the markets an opportunity to tap the cross national markets. The recent years has witnessed growing importance of cross-cultural marketing research in academics and world business (Malhotra, Agarwal and Peterson 1996 p.7). Culture is a potent hindrance in the geographical expansion of firms’ activities (Salcuiuiene, Auruskeviciens and Lydeka 2005 p.147). Understanding culture requires understanding the various cross cultural research issues. The problems associated with cross research can be identified and summed up as methodological issues while the others may be identified as epistemological issues (Yeganeh, Su and Chrysostome 2004 p.66).

Henry (1976) provided one of the earliest empirical evidence to show that culture is one of the determinants of consumer behavior. He examined a relationship between four basic four cultural dimensions and ownership of various generic categories of major consumer durable the automobile. The four basic cultural dimensions he used were developed by Kluckhohn and Strodtbeck (1961) and based on value dimensions for work in American society. These four value dimensions he used to operationalize culture were: man’s relation to nature; time dimension, personal activity and man’s relation to others. Each of these dimensions has three alternatives as shown in the Table 2.1.
Table 2.1: Value Orientation Index

<table>
<thead>
<tr>
<th>Value dimension</th>
<th>Alternatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Man's relation to nature</td>
<td>Subjugated by</td>
</tr>
<tr>
<td>Time dimension</td>
<td>Past</td>
</tr>
<tr>
<td>Personal Activity</td>
<td>Being</td>
</tr>
<tr>
<td>Man’s relation to others</td>
<td>Lineal</td>
</tr>
</tbody>
</table>

Adapted from Henry (1976 p.122)

The automobile types included the major generic types: full size, intermediates, compacts, subcompacts, and sports cars. The results showed that culture is an underlying determinant of consumer behavior. The correlations between individual value dimensions and particular automobile types proved that value dimensions could be useful short-term predictors and market segmentation variables for auto industry sales. The study further supported that shift in values could lead to change in consumption patterns.

Among the first researchers to provide a theory of cross-cultural consumer behavior were Sheth and Sethi (1977). The model is based on numerous theories drawn from number of disciplines which consists of four types of constructs and variables as shown in figure 2.2. The four constructs are: exogenous, endogenous, inputs and outputs. The exogenous variables are the ‘givens’ or ‘constraints’ and which differ from one country to another. These variables are measured and explained. The endogamous variables constitute the theory in which the variables are defined and relationships are detailed, often quantified, and changes in them are explained and predicted. The input variables comprise of stimuli that affect the endogamous variables. The output variables which the theory explains and predicts are the behavioral and cognitive responses. The constructs are measurable at individual level to explain the differences among groups. The techniques that can be used to compare cross-cultural analyses are simple ANOVA, multivariate ANOVA, discriminant analysis and profiling-clustering methods.
Raju (1995) provided a framework for studying consumer behavior in the global markets. The framework is known as the A-B-C-D paradigm and is applied to examine consumer behavior in third world and Eastern Europe countries. The acronym A-B-C-D stands for the four stages in the framework: access, buying behavior, consumption characteristics and disposal as shown in figure 2.3. The first step ‘access’ stands for providing physical and economic access to the products and services for the consumers within a culture. The second step ‘buying behavior’ includes all the factors like perceptions, attitudes, brand loyalty, that impinge the decision making and choice within a culture. Consumption characteristics constitute the third step which includes the specific products and services that are purchased and consumed within a given culture. The consumption patterns depend on cultural values, social factors like class etc. Disposal is fourth and the last step of the framework which exhorts marketers to design systems to facilitate the safe disposal, recycling, resale and remanufacturing of the products as consumers are becoming more environmentally conscious. The paradigm basically encompasses all aspects of consumer behavior including purchase and consumption within a simple framework. The different stages are arranged in a hierarchical way and the model incorporates the concept of business process reengineering for improved corporate performance.

The effects of culture and socioeconomics on the global brand image performance have been examined by Roth (1955). He develops a conceptual framework that identifies various cultural and socioeconomic environmental characteristics that effects brand image performance from a study on ten countries and sixty regions. He examines the effect of the Hofstede’s cultural dimensions of power distance, uncertainty avoidance and individualism on brand image strategies. The findings show that cultural power distance, cultural individualism, and regional socioeconomics affect the performance of functional brand image strategies like problem prevention and solving. The cultures high on uncertainty avoidance consumers focus on risk aversion, problem solving, and prevention and thus become ideal candidate for functional brand image. Similarly
these cultural dimensions affect the social brand image strategies like group membership and salience, and sensory brand image strategies like novelty, variety and sensory gratification. The social brand image strategies best fits for high power distance cultures. The cultures in which there is low uncertainty avoidance, the risk aversion is low and the consumers are more open to variety and novelty. The cultures with high individualism tend to seek variety whereas collectivistic cultures tend to conform to group behavior thus becoming candidates for social brand image strategies.

Applbaum and Jordt (1996) chart a procedure to operationalize the descriptive term “cultural categories” and interpret aspects of consumer behavior. They ethnographically examine a dating service in Japan to demonstrate the utility of cultural categories as an applied construct for cross-cultural consumer research. They separate cultural categories into two types: commodity-represented group and commodity-non represented group. The commodity-represented group includes specific commodities associated with it in an experience. For example, in United States, turkey and thanksgiving is commodity-represented cultural category. There may be many commodities associated with thanksgiving. Commodity-non represented cultural categories are those which are not specifically associated with specific commodities, for example, “sacred”. These two cultural categories are in a semiotic relationship as people move unconsciously between these two categories for consistency and to fit into the cultural settings. The cultural categories are not static as they change with time under the influence of history, foreign contacts and political attempts. The cultural categories don’t just include a single phenomenon. “They are, rather, nested sets of values, attitudes, signifiers for social relations (e.g., sister, godfather)’ intellectual taxonomies, or classes of experiences (e.g., entertainment, work, dating)” (ibid. p. 207). The authors try to elucidate the value of consumer research by recognizing as being embedded in socio cultural circumstances.

The effect of National culture on new product development has been examined by Nakata and Sivakumar (1996). The researchers have incorporated Hofstede's
cultural dimensions to find the relationship between culture and new product development. The findings show that four of the five cultural factors: individualism, power distance, masculinity, and uncertainty avoidance have positive and negative effects on new product development. Their framework raises the possibility that some cultures may be more adept others in one phase of the new product development process and are thus more effective choices for that phase. The initiation cultures or the ones which are more adept in the initiation phase are high in individualism but low in power distance, masculinity, and uncertainty avoidance. Cultures that are strong on implementation phase are low in individualism but high on power distance, masculinity, and uncertainty avoidance. They provide three options which outline a range of possible approaches. One approach would be to sequence cultures in the new product development process on the basis of their stage-dependent strengths. The members of the initiating cultures are active in the first half of the process whereas the members of the implementing cultures are active in the later stage. The second approach could be to assemble multiple cultures within the new product team but the leader would change midway through the process. The leader would be from initiating culture in the first part of the project while the second phase leader could be from implementing culture. The third approach could be maintaining all the members same through out the project and selecting the most capable leader at each stage.

Aaker and Williams (1998) examine the persuasive effect of emotional appeals in advertising, on members of collectivistic versus individualistic cultures. The Chinese respondents are regarded as collectivistic and the respondents from United States represent individualistic culture based on the categorization of these countries by Hofstede (1980). The researchers recognize the distinction of emotional appeals as ‘ego-focused’ and ‘other-focused’. The ego-focused appeals are based on ego-focused emotions like pride, happiness, frustration, anger, and tend to be associated with an individual’s internal state and attributes. The other-focused appeals are based on other appeals like empathy,
peacefulness, indebtedness, shame, and are associated with others in a social context.

The researchers demonstrate that ego-focused versus other-focused appeals lead to more favorable attitudes for members of a collectivistic culture, while other-focused versus ego-focused appeals lead to more favorable attitudes for members of an individualistic culture. Their results further indicated that generation of and elaboration on a relatively novel type of thought (individual thoughts for members of collectivistic culture, collective thought for members of an individualistic culture) also accounts for the persuasive effects.

Keillor and Hult (1999) develop a construct of national identity to measure the cultural similarities and differences for practical applications across nations. The framework suggests that national identity is built on the notion that there are relatively few differences that exist across cultures. The dimensions of this framework are belief structure, national heritage, cultural homogeneity and ethnocentrism. The belief structure is defined "as the role which religion or supernatural beliefs play in facilitating cultural participation and solidarity, should have an impact on magnitude which a culture actively identifies with unique national identity." The next dimension "national heritage" reflects the unique history, historical figures and historical events of a nation. "Cultural homogeneity" the third component is basically the number of subcultures within a nation, as the number of subcultures is inversely related to the strength of national identity. The last dimension "ethnocentrism" is basically the general tendency of the individuals to evaluate other cultures using ones' own culture perspectives as the base line criteria. The authors opine that the framework reconciles between the concepts of "culture" and "nation" as it binds the societies within national boundaries.

Steenkamp, Hofstede and Wedel (1999) examine the complex phenomenon of consumer innovativeness cross-culturally in eleven countries of the European Union. They try to find who are high versus low consumers on innovativeness. The study postulates effects of values, consumer-context-specific dispositions, and national culture. The researchers first develop a conceptual model that
includes both individual differences, and national culture variables identified by Hofstede (1980; 2001). This framework distinguishes between two types of individual difference variables, and between individual difference and national cultural variables. Consumer innovativeness was affected negatively by the importance a consumer attaches to the value domain of conservation compared with openness to change. Innovativeness decreased with higher ethnocentrism, a more favorable attitude toward the past and age. National cultural values also played a role in consumer innovativeness. Consumers in more individualistic and more masculine countries tended to be more innovative. Innovativeness was found to be lower in national cultures emphasizing uncertainty avoidance. The negative relation between the resultant conservation and innovativeness was stronger in higher uncertainty avoidance countries than in countries low on uncertainty avoidance, and the negative effect of consumer ethnocentrism was stronger in countries that were relatively more collectivistic. The study showed that national culture moderated the effect of individual-level variables on innovativeness.

To measure the cultural values of Russia, Naumov and Puffer (2000) employ Hofstede’s dimensions. The Russian culture in mid-nineties was moderate in individualism, masculinity, and power distance, and high on paternalism and uncertainty avoidance. Generational differences were evidenced as younger and less experienced exhibited higher levels of masculinity and paternalism. The younger generation tends to converge more towards Western developed countries rather than the other groups surveyed in Russia.

The globalization of markets has necessitated the firms to operate in multicultural environment. Recognizing this fact an integrated framework for cross-cultural consumer behavior was provided by Luna and Gupta (2001). The framework recognizes that the individual’s behavior is the result of cultural value system for a particular context as shown in exhibit 2.6. The cultural value system of individual is a product of societal culture, regional subculture and familial values. So it includes cultural elements which an individual shares with groups to which he belongs as well as unique values that each individual possesses. The
marketing communications act as moderator between the culture and consumer behavior, and may also affect culture's manifestations through advertising. The framework reconciles two different approaches (etic and emic) in the study of culture as it affects consumer behavior.

Steenkamp 2001 reviews and discusses the role of national culture in international marketing research. He discusses the national cultural frameworks of Hofstede (1980) and Schwartz (1994), and their interrelations. He derives four comprehensive national cultural dimensions based on these frameworks: autonomy versus collectivism, egalitarianism versus hierarchy, mastery versus nurturance and uncertainty avoidance. The author recognizes that national level is one of several levels at which culture can be operationalized. He distinguishes and discusses the various levels of culture operationalization: pan-regional, national and micro culture. He discusses the acculturation process and explains how people react to other cultures.

The effect of culture on online behavior is discussed by Pavlou and Chai (2002). They apply theory of planned behavior to capture behavioral intentions for online transactions in China and United States. They employ Hofstede's (2001) cultural dimensions to study adoption of e-commerce across the countries. The results of the study emphasize the role of cultural differences on consumer e-commerce adoption. The researchers find that high individualistic online consumers though have positive attitude towards Web retailers of self interest but don't patronize the retailer. Similarly people in short-term cultures also don't feel any moral obligation to patronize retailer while the customers with long-term orientation do feel an inward moral obligation to follow their sentiments. Trust was found to be a significant predictor of attitude and perceived behavior in e-commerce in both cultures and was free of cultural idiosyncrasies.

Luna, Peracchio and Juan (2002) provide a framework focusing on the effect of culture on the attitudes towards site and how consumers worldwide process online information. The model identifies some of the site characteristics that can lead to website visitors an optimal navigation experience. The congruities of the site with culture of the visitors facilitate the processing of the site more easily.
The congruity of the site should be in site’s language and graphics. The site’s characteristics like supporting graphics, cultural congruity, and having the site in visitors’ first language may lead to more focused attention and allows more elaborate processing of the site. If the visitors achieve more flow they will have high intentions to revisit that Web site and purchase from it in future. The model suggests that the congruity of a site with a visitor’s culture is a key site content characteristic that influences a visitor’s likelihood of having optimal navigation experience or flow.

The role of culture in website creation by multinationals has been examined by Okazaki (2004). The author explores the cross-cultural differences in product based websites created by Japanese firms for two different markets Japan and United States. The American sites provide more complex or sophisticated online appeals, along with mixing of rational, entertaining and emotional appeals. The American sites are more personalized and interactive than Japanese sites. The Japanese sites use more symbolic and metaphoric appeals while they are relatively static.

The cross-cultural comparison of price perceptions has been performed by Sternquist, Byun and Jin (2004) between the Chinese and Korean consumers. Their findings show that Chinese sample showed only the negative perception of price while the Korean respondents showed both negative and positive perception of price. The Koreans view high price as an indication of price while the Chinese have stronger price-conscious shopping behavior and are value seekers. So the writers exhort the multi-national companies entering these markets to adapt price and promotional strategies accordingly for optimum results.

Lam and Lee (2005) examine the effect of culture on brand loyalty. They employ Hofstede’s (1980) dimensions of culture to find if culture influences proneness to brand loyalty. The findings of the study showed that respondents who scored high on individualism and uncertainty avoidance were more prone to be brand loyal. The relationship between masculinity and proneness to brand loyalty though is positive but it is non-significant.
The effect of cross-cultural differences on consumer impatience has been examined by Chen, NG and Rao (2005). Their research regards Hofstede's fifth dimension of "long-term orientation" as the foundation of the study. The authors predict that people from Western cultures are relatively less patient and therefore discount the future to a greater degree than people from the Eastern cultures. Therefore the Westerners relatively value immediate consumption. Western culture is promotion focused whereas Eastern culture is prevention focused. When the Westerners face the threat of not being able to enjoy a product (a promotion loss) their impatience increases whereas the Easterners are faced with the threat of delay (a prevention loss) they are more impatient. The Westerners spend money to achieve a desirable outcome while the Easterners spend money to avoid an undesirable outcome.

Dwyer, Mesak and Hsu (2005) investigate the influence of national culture on cross-cultural product diffusion using Hofstede's (1980) cultural dimensions. They found that masculinity and power distance had a positive relationship with cross-national product diffusion. The powerful in the high power distant countries acquire new product innovations and serve as opinion leaders for the less powerful members of the society. The feminine cultures accept less of the innovations. Individualism and long-term orientation were negatively related to the mean diffusion rate thus suggesting that short-term oriented cultures which emphasize materialism more rapidly adopt new product innovations. No association has been found between uncertainty avoidance and the rate of diffusion in this study.

Malhotra et al. (2005) examine service quality dimensions such as reliability, customer understanding, responsiveness, competence, courtesy, communication, credibility, security and tangibility on the basis of study in three countries India, Indonesia and United States. Further factors such as caring, friendliness, personalization, authenticity, perceived control, formality, and safety have been proposed as important influences on service quality perception. The countries were selected for study taking into account collectivism and
individualism of the countries as found by Hofstede (1980). India and Indonesia were collectivistic societies and United States was an individualistic society.

The study findings showed that there were predictable differences between developed and developing countries based on dimensions of service quality. On the basis of the results of their study the researchers opine that in developing countries the core aspects of service should be emphasized whereas in developed countries augmented services which are more intangible than cores services should be stressed. The customers in developed countries have a lower tolerance and expect breakthrough service, timely response, and continuous improvement whereas in developing countries they have higher tolerance levels and lower expectations. The study calls for understanding differences of economic and cultural value systems in different countries and to emphasize the specific service quality dimensions accordingly.

Salciuviene, Auruskeviciene and Lydeka (2005) recognize that globalization necessitates the marketers to understand the core values and needs of the customers. They assess the various approaches for cross-cultural consumer research and examine cross-cultural research conducted during 1990-2003. They review literature and identify two major deficiencies pointed out in cross-cultural research: data comparability and implementation of methodological techniques. The authors highlight the major concerns that have been shared by majority of the scholars in cross-cultural consumer research. The scholars ask for paying more attention to methodology, conceptualization of culture, design, research tools, construct and other equivalencies, and analytical tools in cross-cultural studies.

Sigala (2006) calls culture the software of e-customer relationship management (eCRM) and investigates the effect of cultural dimensions on eCRM implementation. This study employs the Hofstede’s dimensions of culture and finds that e-shoppers have different expectations on eCRM features depending on their cultural profile but some features are expected by all e-shoppers. The brand image can have great impact on online consumer behavior and on fostering brand loyalty in customers with high uncertainty. The e-shoppers from
high collectivism cultures seek less personalization but more group oriented features. The personalization features are not desired by high power distance cultures, which mainly seek advice and guidance from experts. The low individualism and masculinity e-shoppers seek more community services. The website content, interactivity and shopping experience, care, and service features are expected by all e-shoppers.

2.6.1 Epistemological Issues

Epistemology or the theory of knowledge provides us with the guidelines for the methodologies to be employed and so they affect the research process (Yeganeh, Su and Chrysostome 2004 p.67). Methodology cannot be studied in a vacuum and it has to be linked to the knowledge domain (Venkatesh and Dholakia 1986). “Culture” has not yet been defined and doesn't have sound theories about cross cultural management (Sekaran 1983 p.66; Firkola and Lim 2003). Albaum and Peterson (1985) share Sekaran’s concern that there is a "lack of strong theoretical and operationalisation of variables (Salciuviene, Auruskeviciene and Lydeka 2005 p.151). Most of the cross cultural research is based on the realistic perspective and adopts a positivistic/analytical research strategy, which insists on methodological unity in natural and social sciences. The hermeneutics hold that natural science methods are unsuitable in social sciences and the extent to which a positivistic approach can examine a complex concept like culture has been questioned by many scholars (Yeganeh, Su and Chrysostome 2004 p.67). The proponents of positivistic approach argue that the problems encountered in positivistic research are due to under developed methods and as advanced methods are developed the quality of research will improve (ibid. p.68). Hofstede (2001) believes that like forces in physics we use constructs but constructs contain an element of subjectivity on the part of the researcher. We use models as simplified designs for understanding and visualizing something too complex like culture, which helps us to turn our subjectivity into process (Hofstede 2001, p.2). The constructive perspective along with realistic perspective helps to understand culture and its impact in a better way (Yeganeh, Su and Chrysostome 2004 p.68).
2.6.2 Methodological Issues

Globalization of markets and the entry of organizations into new countries with diverse cultures necessitate the study of culture. The cross cultural research poses great challenges than studies done within a single culture or country (Sivakumar and Nakata 2001 p.557). Accordingly it requires the development of a sound cross- cultural research methodology. There are many cross-national studies being taking place in consumer research but analysis of this research shows that methodological issues are being ignored in this research and so over the years methodological issues have been the subjects of research of many researchers across several disciplines (Green and white1976 ; Sheth and Sethi 1977; Sekaran 1983; Parmeswaram and Yaprak 1987; Durvasula, Lysonski and Andrews 1993; Malhotra, Aggarwal and Peterson1996; Cavusgil and Das 1997; Lenartowicz and Roth 1999; Salzberger, Sinkovics and Schlegelmilch 1999; Luna and Gupta 2001; Sinkovics, Penz and Ghauri 2004; Yeganeh, Su and Chrysostome 2004; Ewing, Salzberger and Sinkovics 2005). The researchers have highlighted the comparable and equivalence issues at the various levels. Malhotra, Agarwal and Peterson (1996) have organized the methodological issues around the six-step marketing research process: problem definition, approach development, research design formulation, field work, data analysis, and report preparation and presentation.

2.6.2.1 Problem Definition

Defining a problem in international marketing research is more complex than in domestic research (Malhotra, Agarwal and Peterson 1996 p.8).The understanding of the cross-cultural environment is a basic requirement for research objective formulation (Usunier 2000 p.211). For comparison of two cultures they must have some features in common, and should also differ in some features. Comparability can be attained by identifying and adopting universals from other disciplines or by demonstrating equivalence of psychological concepts and data across various cultures. There should be functional, conceptual and metric equivalence of the phenomenon to be compared in two cultures (Green and White1976; Sekaran 1983; Parmeswaram
Functional equivalence exists when the behavior in question has been developed in response to similar problems shared by different cultures, even though the behavior may be different (Sekaran 1983 p.62; Malhotra, Aggarwal and Peterson 1996 p.15). The similar activities may perform different functions in different cultures. For example, a bicycle may be used for transportation in one country while it may be used for recreational purposes in another country (Green and White 1976 p.82; Usunier 2000 p.215).

Conceptual equivalence implies that research concepts, stimuli and materials should hold the same meaning in the cultures to be compared (Malhotra, Aggarwal and Peterson 1996 p.15). “It deals with how the constructs are expressed in the form of the behavior or attitude in different cultures” (Cavusgil and Das 1997 p.214). Many constructs are culture bound and so may inappropriate in different cultural settings (Green and White 1976). At the problem definition stage there should be functional and conceptual equivalence, further equivalence aspects are to be considered during data collection (Salzberger, Sinkovics and Schlegelmilch 1999) and measurement (Malhotra, Aggarwal and Peterson 1996).

The problem definition stage necessitates the functional, conceptual and category equivalence. At the data collection stage the equivalence of research methods, research units and research administration should be ensured. The data preparation stage calls for equivalence of data and at the data analysis stage there should be equivalence of data for comparison purposes.

Practically comparability can be attained by isolating and examining “the impact of self-reference criterion (SRC) or the unconscious reference to one’s own cultural values” (Malhotra and Peterson 2001 p.223). Douglas and Craig (1983) provide the following steps to define the problem in comparable ways (Malhotra, Aggarwal and Peterson 1996 p.8):
1. Define the marketing research problem in the context of domestic culture and environment.

2. Define the marketing research problem in terms of foreign cultural and environment.

3. Isolate the self-reference (SRC) influence on the problem and see how it complicates the problem. The difference between steps 1 and 2 can be attributed to self-reference (SRC).

4. Redefine the problem without the SRC influence and address it for foreign environment. If there are differences in step 3, the impact of SRC should be considered.

2.6.2.2 Approach Development

Different approaches can be employed for conducting cross-cultural research including anthropological, sociological and psychological. The anthropological approach tries to make a direct assessment of culture and behavior. There are two thought schools. The culture realists think that culture is an independent phenomenon, which predetermines behavior. Cultural nominalists, the second school of thought view culture as a system of meaning and it can be inferred or measured indirectly from behavior (Malhotra, Agarwal and Peterson 1996).

The sociological perspective views that behavior is an outcome of interaction of the social forces. Psychological approach focuses on the "processes through which people personalize social influences in their own cognitive organization". There are two schools of thought: Postmodernists and cognitive. Postmodernists rely on the actual interpretation of behavior or the elements of the culture while the cognitive school attempts to study cultural influences on the cognitive processes. The anthropological and sociological approaches are at the group level while the psychological approaches are usually operational at the group level. In marketing research the cognitive psychological approach is more appropriate (Malhotra, Agarwal and Peterson 1996). There are basically two cross cultural approaches to understand culture: emic and etic (Usunier 2000 p.212; Hofstede 2001 p.23; Mooij 2004 p.27).
2.6.2.2.1 Emic versus Etic

The terms were first introduced in to anthropology by Kenneth Pike (Peterson and Pike 2002). In the study of history of culture there has always been a debate as to whether culture is unique and non comparable or different cultures can be compared on some aspects (Hofstede 2001 p.24). The former view is called as emic approach which holds that each culture is unique and cannot be compared while the later view is the etic approach which holds that cultures are comparable on certain universal parameters. The emic approach examines culture from within the system, investigates only one culture and relative to internal characteristics of culture while etic examines the culture from a position outside the system, investigates many culture and criteria adopted are considered universal (Malhotra, Agarwal and Peterson 1996). Emic stresses the unique aspects while Etic stresses the comparable aspects.

In sociology similar two words idiographic and nomothetic are used to denote distinction between the unique and comparable, specific and general (Hofstede 2001 p.24). Similarly ethnoscience and ethnomethodology are used to study social systems (ibid.). Linguistics uses the distinction phonemic and phonetic (Hofstede 2001 p.25; Mooij 2004 p.27).

The emic approach offers more reliability and internal validity but it lacks comparability (Usunier 2000 p.212). Etic employs more of quantitative data while emic study employs less of quantitative data. Since etic approach uses generalizable variables across cultures, it is more suitable for broader analysis which involves two or more cultures, but it may lack conceptual equivalency (Yeganeh, Su and Chrysostome 2004 p.74). An ideal study of culture should combine emic and etic, qualitative and quantitative elements. Both the views may converge and provide enrich culture research (Maheswaram and Shavitt 2000 p.60). They are basically both sides of the same coin, equal and complementary (Hofstede 2001 p.26). Organizational researchers may find etic approach "more practical in terms of financial limitations and time pressures (Yeganeh, Su and Chrysostome 2004 p.74). The combination of cross-cultural
etic and culture specific emic approach helps in solving the problem of reliability and validity in different cultures (Malhotra, Agarwal and Peterson 1996 p.15).

2.6.2.3 Research Design

The research design developed for one country may not suitable for another due to the cultural and environmental differences (Malhotra and Peterson 2001). While preparing a research design close attention should be paid to theory and equivalence, as back tracking becomes impossible in cross-cultural research, due to complexity and expenses involved (Cavusgil and Das 1997 p.214). The research design stage requires important decisions to be taken regarding collecting data, qualitative research, survey methods, scaling techniques, questionnaire design and sampling.

2.6.2.3.1 Data collection

During research design formulation considerable attention needs to be paid to the equivalence and comparability of data from different culture groupings. There is a variety of secondary data involved but the accuracy and the measurement approaches are different thus causing problems of comparability and equivalence (Malhotra, Agarwal and Peterson 1996).

2.6.2.3.2 Qualitative Research

Qualitative research provides insights to the underlying factors responsible for behavior and helps in predicting future (Sinkovics, Penz and Ghauri 2004). The qualitative is useful in providing information about the unfamiliar foreign culture and provide insights in to the problem. Malhotra, Agarwal and Peterson (1996) highlight the various precautions need to be taken care of while conducting focus groups and employing projective techniques. Textual data analysis provides valuable information about the cultures of interest (Sinkovics, Penz and Ghauri 2004).

2.6.2.3.3 Survey Methods

Survey methods like telephone interview, personal interview or mail interview can be employed for conducting a survey. Telephonic interviews are appropriate
for upscale respondents who are accustomed to telephonic business transactions. Even though it is cost effective it requires interviewers with proficiency in relevant languages (Malhotra, Agarwal and Peterson 1996). Personal interview involves cost while mail interview is economical. The response rate is quite low in mail interview. The internet surveys don’t seem practical as it generates whooping number of junk emails (Yeganeh, Su and Chrysostome 2004 p.77). The prime consideration for selection of method must be its suitability and equivalence to the countries of interest. Observation is a method of choice for sensitive topics and causal research may be undertaken. The employing of multiple methods would prove helpful for collecting primary data rather than just single method (Malhotra, Agarwal and Peterson 1996). Sekaran (1983) highlights the importance of response equivalence, timing of data collection, status and other psychological issues and cross-sectional versus longitudinal data collection. Response equivalence can be gained by adopting uniform and identical data collection methods in all cultures being studied. To minimize variance due to data collection, identical methods of introduction of the study, the researcher instructions, closing remarks and so on by the administrators of the survey should be ensured. Timing of data collection is important for collecting data from different countries. Data if possible must be collected at the same time from different countries or too much time must not elapse between the data collected from the different countries. Status and other psychological issues must be taken into account while collecting data.

2.6.2.3.4 Measurement and Scaling

Equivalence is an issue of importance in most of the literature on cross-culture research (Green and White 1976; Sekaran 1983; Parmeswaram and Yaprak 1987; Malhotra, Aggarwal and Peterson 1996; Cavusgil and Das 1997; Salzberger, Sinkovics and Schlegelmilch 1999; Usunier 2000; Sinkovics, Penz and Ghauri 2004; Yeganeh, Su and Chrysostome 2004; Salciuviene, Auruskeviciene and Lydeka 2005). Adequate attention should be paid to construct equivalence, so that the construct and its dimensions are equivalent and have the same meaning in different cultural and national settings (Malhotra,

Functional equivalence examines to see if the research constructs or concepts serve the same meaning in different cultures (Cavusgil and Das 1997). For example a wrist watch may be used for time keeping in one culture while it may be fashion accessory in another culture; similarly a bicycle may be used for convenience in one culture while it may used for recreation in another culture. Similar products may have different motives, attitudes, behaviors and different competing products in different cultures (Malhotra, Agarwal and Peterson 1996). For valid cross cultural comparisons it is necessary to identify the behavior developed in response to similar problems in different cultural settings (Sekaran 1983 p.62).

Conceptual equivalence: Concepts and constructs may have different meanings and may be expressed differently in different cultures. Many concepts are cultural bound and may not be appropriate universally across cultures (Green and White 1976 p.82). Conceptual equivalence ensures that similar concepts have similar meanings in different cultures under investigation. Some basic concepts like beauty may seem universal, but it is advisable to ensure conceptual equivalence of all the basic words in design of cross-cultural questionnaire (Usunier 2000 p.213).

Instrument equivalence examines if “the scale items, response categories, and questionnaire stimuli such as brands, products, consumer behavior, and marketing effort are interpreted identically across cultures” (Malhotra, Agarwal and Peterson 1996 p.15).

Measurement equivalence deals with examining whether scale items measure the underlying constructs equivalently in various cultures. The construction of single testing items in cross-cultural research is one of the major hurdles in equivalence, which can be tackled by altering the instruments in certain cultures or by following etic or emic approaches depending on the cultures investigated.
The measurement equivalence includes calibration equivalence, translational/linguistic equivalence, and scalar equivalence (Malhotra, Agarwal and Peterson 1996 p.15).

Translational/linguistic equivalence deals with the language used in the scales, questionnaires and interviews. The instrument developed is usually translated into languages of the cultures in which the instrument is to be used. The translated stimuli should be clearly understood by the respondents and should have the same meaning in different cultures. The translated instruments should be equivalent idiomatically, grammatically and syntactically (Sekaran 1983 p.62). Usunier (2000 p.216) opines that translational equivalence can be subdivided into four categories: lexical equivalence, idiomatic equivalence, grammatical-syntactical equivalence and experiential equivalence. The lexical equivalence is provided by dictionaries while the experiential equivalence deals with what the words means to people in everyday life. The methods used for translation are direct translation and back-translation. Back translation helps to avoid the various pitfalls in translation equivalence (Green and White 1976 p.84), while Usunier (2000 p.218) feels that both techniques should be merged and a combined translated technique could be more efficacious.

Scalar/metric equivalence deals with the metric equivalence of the scales. Respondents in different countries respond differently to scales (Maheswaran and Shavitt 2000 p.60). So it must be examined if the scales in different cultures have the same meaning and interpretation. The scoring procedure and response to a measure should be same in different cultures (Malhotra, Agarwal and Peterson 1996).

2.6.2.3.5 Sampling

The sample in cross-cultural research should be comparable and true representative of the cultures under study which is difficult task (Green and White 1976; Sekaran 1983; Malhotra, Agarwal and Peterson 1996; Yeganeh, Su and Chrysostome 2004). It is difficult to exercise the controls on regional and other environmental differences so selection of matched samples is suggested.
by many researchers (Sekaran 1983 p.64; Hofstede 2001 p.23; Salciuviene, Auruskeviciene and Lydeka 2005 p.154). The samples should match on demographic, linguistic, profession, background (Yeganeh, Su and Chrysostome 2004 p.78) social class and urban- rural residence (Green and White 1976 p.85).

### 2.6.2.4 Field Work

The field work quality depends on number of factors like interviewer background, the interview and its setting, respondent background and the cultural background (Malhotra, Agarwal and Peterson 1996 p.20). The interviewer background includes factors such as affiliation, image and bias of the interviewer. The distance between the interviewer and interviewed should be minimized. The interview and its settings should be considered and aspects like thematic relevance, sensitivity, cultural relevance, social desirability, topic relevance and data collection procedures should be included. The previous experience of the respondents, willingness to participate, the communication gaps if any and the respondent bias should be considered. The field workers should be trained to deal with such biases (ibid.).

### 2.6.2.5 Data Analysis

While preparing data for analysis the outliers may be identified and removed taking into account the impact of the outliers and purpose of the research or the variables can be transformed or discounted weighted. Salciuviene, Auruskeviciene and Lydeka (2005 p.154) have identified different analytical methods used by researchers: frequency tables (Kahle et al. 1999; Liefield et al. 1999), correlation (Rose et al. 1999; Lee et al.1999), analysis of variance (Kropp et al. 1999; Donoho et al. 1999), factor analysis (Yu and Albaum 1999).

### 2.7 Culture and Consumer Behavior

As a field of academic practice, consumer behavior has emerged nearly sixty years ago (Hogg 2005 p. xxiv). It is “the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires” (Solomon 2003 p.5). Consumer behavior focuses on how consumers decide what to buy, why to buy,
when to buy, where to buy and how often they buy, how frequently they use it, "how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose of it" (Schiffman and Kanuk 2004).

Consumer behavior plays a significant effect on decisions which help in achieving the organizational objectives and further consumers influence the economic social conditions within a society (Loudon and Bitta 2002). There are various factors social and economic factors which influence the consumer behavior but culture is the “fundamental determinant” of consumer behavior (Kotler 2003). In international marketing understanding the cross-cultural differences is imperative for developing effective marketing strategies for the diverse foreign markets with a variety of cultures (Loudon and Bitta 2002 p.113; Perreault and McCarty 2002 p.170; Schiffman and Kanuk 2004 p.476).

Consumer behavior is the central aspect of human behavior. Consumer behavior includes not only purchasing products but also consuming products and leisure activities; not only fulfilling daily needs but also realization of long term life values. Thus consumer behavior can be regarded as a utility and value producing activities (Kojima and Baba 2001).

The research on cross cultural consumer behavior has recently gained some importance and the interest generated in this field is an important beginning in this area (Venkatesh 1995). There are basically two approaches in international marketing (Sheth and Sethi 1977 p.369): one approach considers that basic needs and behavior are universal everywhere and so the same products can be sold similarly in every market while the second approach considers that every country has its own unique set of problems and culture. This group contends that universal marketing theory is inapplicable in different regions and so there should be unique marketing decisions specific for each culture.

The proponents of first thought argue that the globalization of markets is causing the convergence of customers’ needs and so cross cultural differences will have minimal effect on the consumer behavior, thus calling for standardization of products and other marketing mix elements (Levit 1983). The concept of this approach is based on the theory of learning on human behavior but doesn't take
into account culture which can affect behavior (Sheth and Sethi 1977 p.370). The proponents of the second thought argue that culture has significant effect on the behavior of individuals (Henry 1976; Applbaum and Jordt 1996; Steenkamp, Hofstede and Wedel 1999; Usunier 2000; Mesdag 2000; Luna and Gupta 2001; Steenkamp 2001; Kau and Jung 2004; Ogden, Ogden and Schau 2004). Henry (1976) provides evidence that culture is an underlying determinant of consumer behavior. Culture has “profound implications on the psyche of the consumers” (Kumar 2007 p.4) and adaptation to cultural values leads to marketing effectiveness (Moijj and Hofstede 2002 p.63). Steenkamp, Hofstede and Wedel (1999) recognize the effect of culture on consumer innovativeness. Usunier (2000) lists the selected aspects of consumer behavior on which the culture may have possible impact: perception, motivation, learning and memory, age, self concept, group influence, social class, sex roles, attitude change, decision making, purchase and post-purchase behavior. Luna and Gupta (2001) recognize the effect of cultural values on the consumer behavior. Denis (2006) analyses the impact of culture on marketing mix decisions. Lyonski, Durvasula and Zotos (1996) recognize the effect of culture on consumer decision-making styles. Edgett and Cullen (1993) opine that culture affects the various levels of consumer involvement in decision making. Lam and Lee (2005) suggest that brand loyalty might be influenced by cultural values. Chen, NG and Rao (2005) examine the cultural effect on the consumer patience and view Western cultures are less patient as compared to Easterners. Aaker and Williams (1998) examine the persuasive effect emotional appeal across cultures. They find that appeals relying on "other-focused emotions" (e.g. empathy, peacefulness) lead to more favorable attitudes in individualistic cultures while appeals relying on "ego-focused emotions" (pride, happiness) lead to more favorable attitudes in collectivistic cultures. Aaker (2000) identifies the cross cultural effects on the persuasion appeals and finds that cultural differences in consumer preferences exist. Briley and Wyer (2002) posit that calling individuals' attention to their cultural identity may induce feelings of group membership in the same way as it would have by actually participation in a group, which would have analogous effects on decisions in both group and consumption situations. Briley, Morris
and Simonson (2000) provide insights into the role of reasons in decision making and contend that knowledge and differences are activated when the individuals are asked to give reasons for their decision or purchase decision.

2.7.1 Standardization versus Adaptation

The standardization in international marketing refers to using a common product, price, distribution, and promotion program on international basis (Jain 1989). The convergence debate is not new but has emanated since the modernization theory of the 1960s (Mooij 2004 p.52). The genesis of standardization argument might have taken place with Elinder’s (1961) article “How international can be advertised?” but he employed the term uniform instead for standardization having the same connotation (Medina and Duffy 1998 p.226). Buzzel (1968) defined the term “standardization” for the first time in marketing in his seminal article “Can you standardize international marketing?” Ted Levitt (1983) in his famous article “The globalization of markets” has argued that new technology would lead to homogenization of consumer needs and wants as consumers will prefer high quality but low price standard products assuming that consumer to be rational (Mooij and Hofstede 2002 p.61). He had put forth that “the global competitor will seek constantly to standardize his offering everywhere.” The article ever since has been ubiquitously cited in literature on the topic (Jain 1989; Samiee and Roth 1992; Szymanski, Bhardwaj and Varadarajan 1993; Medina and Duffy 1998; Witkowski and Kellner 1998; Mesdag 2000; Mooij 2000; Sheth and Parvatiyar 2001; Mooij and Hofstede 2002). Yeniyurt, Cavusgil and Hult (2005 p.1) believe that globalization and technology recognize the emergence of global consumer who expects standardized goods and services with consistency in service, quality and performance across nations and regions. Sheth and Parvatiyar (2001) recognize the effect of globalization on marketing as the various determinants of international marketing (political stability, government policy, ideology-driven economy, fear of colonialism, marketing transfer issues, lack of infrastructure, North-South dichotomy, East-West dichotomy and product life cycles) are fading out and view that international marketing will be replaced by integrated global marketing in which the focus will be on cross-functional
integration and less functional adjustments across different nations. Further they view that there will more focus on transnational similarities rather than differences. There will be worldwide market strategies which will be based on mass customization and there may be homogenization of demand and usage of products. However many researchers advocate the multi marketing strategies for different markets and adaptation of marketing programs and strategies to the various markets to satisfy customer effectively and maximize the sales (Suh and Kwon 2002). Marketing Research “has revealed that different ethnic and demographic groups and niches don’t respond favorably to mass market advertising” (Kotler et.al 2007 p.146). Malhotra et al. (2005) find that developing and developed countries are different on dimensions of service quality so adopting a standardized marketing strategy won’t be appropriate for countries differing on economic development and cultural value systems.

Many researches have observed that total standardization is not conceivable and so advocate varying degrees of standardization (Jain 1989; Samiee and Roth 1992; Medina and Duffy 1998; Mesdag 2000). The common views about standardization have not been empirically supported and are based on few general observations (Samnie and Roth 1992 p.1). Jain (1989 p.76) opines that standardization decision should be based on “economic payoff.” This “includes financial performance, competitive advantage and other aspects” (ibid.). He distinguishes between process and program standardization. Most of the standardization literature deals with program standardization which basically constitutes the different elements of marketing mix: product, price, promotion and distribution. Total standardization is inconceivable and degree of standardization can be planned taking into account the long term objectives of the firm and the various identified factors like target market, nature of the product and the environment which is unique to each country.

Samiee and Roth (1992) support Jain that standardization is appropriate as long as it has economic payoff and standardization decision should be based on economic payoff. They investigate the relationship between global standardization and financial performance and the relationship between
standardization and technological environment, stage of the product life cycle and the corporate policy and components of marketing plan. They posit that industrial products are more suitable for standardization than consumer goods as consumer preferences for consumer goods is more influenced by local cultures, values, tastes, economies and other factors. They put forth that standardization in introductory and growth stages of product life cycle is less as compared to decline stage. The firms following standardization follow mass marketing ignoring inter market segment differences. They posit that global standardization is not an optimal approach in all markets, for all the products and all the elements of marketing mix and ability of the firm to pursue global standardization may depend on their business philosophy and organizational structures. Their study does not support that standardization has positive influence on the economic payoff as the cost advantage for business organizations following standardization is compromised by the competition, which creates a downward pressure on prices and profits.

Szymanski, Bharadwaj and Varadarajan (1993) view that international marketing strategy comprises of strategy orientation (standardization vs adaptation), desired degree of standardization of the resource mix (pattern of resource allocation among the various marketing mix variables) and desired degree of standardization of the product positioning, brand media, advertising etc. They opine that standardized approach is desirable because by developing a universal approach across the markets sales can be increased and cost can be reduced by following economies of scale and moving production to low cost locations. Standardization could be conducive for superior performance and a similar resource mix for similar markets evokes similar performance. Maintaining broad high-quality product line along with high quality customer service helps in high performance (Szymanski, Bharadwaj and Varadarajan 1993). Medina and Duffy (1998) posit that brands can be standardized on certain key attributes and attributes that can not be reconciled across various markets can be roped as “unique attributes in the augmented component of the brand.” So standardized products can be customized using minimal changes to suit the local market.
Djursaa and Kragh (1998) are of view that the exposure to global consumption is unevenly distributed across the various cultures. They examine globalization at two levels: the macro-level and the product-level. At the macro-level markets are converging and local preferences will give way to new global products, new technology and communication. At the product-level they view that some products are more deeply integrated into culture than others. The more a product is integrated into culture the more difficult it is to standardized, so the standardization depends on the type of the product. The researchers observe that consumption in every culture can be viewed from two contexts-central and peripheral. The same product may be centrally context consumption but may be a peripheral consumption context in another culture. The central consumption context requires adaptation to core cultural values while the peripheral consumption tends to globalize with media and technology.

Mesdag (2000) recognizes that culture has wide impact on consumer and argues for adaptation to different cultures. He further postulates that though there is globalization and internationalization of products but longer the "duration-of-usage" of the product the longer time it will take to internationalize.

2.7.2 Convergence versus Divergence

The debate over whether globalization is leading to convergence of consumer behavior emanates from earlier debate of standardization and adaptation. Again there are two divergent and debatable views. One group of researchers advocates that globalization is leading to convergence of consumer needs and homogenization of markets. The other contrasting view holds that globalization has little effect on consumer behavior as behavior is anchored around the culture and globalization has no effect on culture. There are built in cultural differences which require satisfying similar social and psychological needs through different products, media and uses (Sheth and Sethi 1977 p.380).

The first perspective has been advocated by the standardization advocates as seen in the previous section holding the view that globalization leads to homogenization of cultural values and consumer behavior (Elinder 1965; Levitt
Yeniyurt, Cavusgil and Hult (2005) also recognize the emergence of global consumer with the advent of globalization with consistent expectation of standardized goods and services which is evident in the convergence of international and domestic pricing.

Mooij (2000) contends that convergence of economic systems doesn't lead to convergence of value system rather there is evidence that converging incomes leads to stronger manifestation of cultural values and divergence of habits. Mooij (2002) strongly advocates that homogenization of consumer behavior is a myth. She observes that many statements on convergence of values and lifestyles are not based on empirical evidence. She opines that there is pattern of convergence-divergence. Durable products like cars, television sets and computers converge with increase in wealth but convergence leads a ceiling after which there is no further convergence and it turns to convergence. She posits that cultural variables explain the differences in behavior. Increase of wealth or introduction of new technology doesn't lead to the emergence of new values rather existing values manifest.

Usunier (2000 p.136) believes that the encounter between the global companies and local consumers is a paradox. He contends that globalization has brought more variety to the consumers in most of the countries, so globalization brings in more diversity in our experiences. He feels that cross-cultural adaptation of modern culture is wrongly interpreted as full convergence and disappearance of local cultures but elements of local cultures like language, writing systems, religious and relational patterns still remain intact. There is regional and economic convergence around the world but there is no cultural convergence.

Suh and Kwon (2002) assess the impact of globalization on consumer ethnocentrism and observe that consumers in different cultures with different tastes, preferences, perceptions, ordering of needs and motivations to consume are sufficiently different even though exposed to globalization. They contend that marketing strategies need to be adapted to consumer from diverse cultures as "each culture's distinctive processes and dynamics in globalization will still resist the automatic, uniform application of the global market concept."
Day and Montgomery (1999) recognize the persistent globalization and diffusion of technology in facilitating the homogenization of customer needs, markets and ubiquity of global brands but the homogenization of markets can lead to fragmentation of markets leading to emergence of more segments within each country. There may still be universal segments across many countries but along with more diverse variety seeking segments.

Cannon and Yaprak (2000) believe that though there is rise in cosmopolitanism but it can’t be implied that the consumers transcend their local culture. They contradict the view that cosmopolitans are a homogenous group of world citizens and contend that there is no single but different patterns of cosmopolitan consumer behavior which vary with both the situation and the consumer. Though there is rise in cosmopolitan orientation and homogenization of the world there is also fragmentation leading to flourishing of local cultures.

Leeflang and Raaij (1995) observe that though there are some differences in the European Union nations but they are converging on some marketing environment variables like economic, demographic, cultural, consumption and marketing mix thus paving a way for standardized marketing strategies. Witkowski and Kellner (1998) provide evidence of globalization in advertising at the same time also find evidence of cross-national differences.

Many researchers suggest that in age of consumer globalization the marketers must identify identical group of consumers across the nations who share similar needs and wants, coalesce them and serve them in a profitable way (Jain 1989 p.77; Medina and Duffy 1998 p.234).

2.8 Postmodern Consumer Behavior

Though there is immense debate on standardization and customization, but the Postmodernism school of thought believes that predicting consumer behavior is very difficult in the present age of post modernism as behavior defies all the previous theories and segmentation criteria prescribed by the academia i.e. age, education, geographical location, etc.
In the present post modern period there is the juxtaposition of individualism and ‘tribalism’ (Cova 1996). The period is marked by fragmentation of consumption patterns, hyper reality, and juxtaposition of opposites Venkatesh 1999; Firtat and Venkatesh 1995; Cova 1996). The individuals in this period may belong to two or more groups (Cova 1996). There is the emergence of new sub-cultures of consumption in which consumers coalesce around some shared emotion, interest, consumption pattern, or brand (Schouten, McAleinerand and Koeing 2002). The consumers are not restricted by the traditional segmentation categories (Muniz and O’Guinn 2001). These different sub-cultures of consumption share rituals, create meanings and are from diverse geographical areas and cultures, thus coalescing around some shared consumption (Celsius, Rose and Leigh 1993; Kates 2001; Kozinets 2001; Thomson and Troester 2002) or some brand (Schouten and McAleinerand 1995; Muniz and O’Guinn 2001). Schlegelmich and Sinkovics (1998) introduce the term “fragvergence” referring to the simultaneous convergence and convergence of cultural boundaries. In post modern times it is difficult to say there is one right way of conducting business as the same approach which may prove beneficial to one company may prove disastrous to another (Arias and Acebron 2001). Thomas (1997 p.55) opines that the present times are of great unpredictability as consumer behavior has not been so unpredictable, “hence traditional consumer market research is incapable of providing the insights required by marketing decision makers.”

2.9 Cross Cultural Consumer Behavior Models

Culture influences culture to a considerable extent but there is scarce research on interaction of consumer behavior and culture (Maheswaram and Shavitt 2000 p.59). There are very few models that explain cross-cultural consumer behavior but some models have gained acceptance and are widely referred in the literature. The models regard culture as one of the potent factors responsible for consumer behavior. They are as below:
2.9.1 Sheth and Sethis' Model

Sheth and Sethi (1977) made one of the earliest attempts to develop a comprehensive model of cross-cultural consumer behavior (Figure 2.2). The model is based on the presumption that various cultures can be placed on a continuum according to the degree of resistance to change. The lower is the resistance to change the higher the society will be placed on the continuum. The transition of a society from one point to another on a continuum is accompanied by a weakening of the resistance to change. The understanding of this transition of cultures and the variables which affect this change, on the continuum help in understanding and predicting the circumstances under which a given product is likely to be accepted. Different types of products and ideas, and different cultures and their rate of transition will vary for different product types. The multinationals introduce new products and services and act as agents of change and innovation. The country’s propensity to change is influenced by the communication from the various sources.

The customers process the information and evaluate the innovation but if the culture is not ready for a change the customers won’t pay attention to the communication on the innovation. The country's change agents, the opinion leadership and lifestyle are other factors which affect the propensity to change and the evaluation of innovation. The adoption of the innovation depends on the per capita income; marketing institutions and distribution infrastructure have a considerable effect on the adoption of the innovation. The permanent adaptation of an innovation influences the propensity to change and innovation evaluation. If the culture is satisfied with the adoption, it will be receptive to change and there will be a favorable attitude towards the multinational that introduced the innovation.
Figure 2.2: Sheth and Sethi’s Theory of Cross-Cultural Consumer Behavior

Source: Seth and Sethi, 1977, p.373
2.9.2 A-B-C-D Model

P.S. Raju (1995) has developed a framework known as A-B-C-D paradigm to study and understand consumer behavior in Third World and Eastern Europe. The acronym A-B-C-D stands for the four stages of the paradigm namely access, buying behavior, consumption characteristics, and disposal. Figure 2.3 identifies the major factors within each stage.

**Figure 2.3: Raju's A-B-C-D paradigm**

- **Access**
  - Can consumers obtain your product/service?
    - (1) Economic access-income distribution, affordability
    - (2) Physical access-international trade barriers, distribution system, infrastructure

- **Buying behaviour**
  - How is the decision to buy made by consumers?
    - (1) Perceptions-Country of origin
      - Brand equity
      - Price-quality
    - (2) Brand loyalty/store loyalty
    - (3) General attitudes toward marketing/consumerism
    - (4) Deeper analysis of consumer psyche, e.g. impact of social norms, psychological orientation, etc.

- **Consumption characteristics**
  - What factors impact consumption patterns?
    - (1) Product versus service consumption in culture
    - (2) Cultural orientation (traditional versus modern)
    - (3) Social class/reference group influences
    - (4) Urban versus rural sector consumption patterns

- **Disposal**
  - What are the implications of product disposal?
    - (1) Resale, recycling, and remanufacturing considerations
    - (2) Social responsibility and environmental implications of product disposal

*Source: Raju, 1995 p.39.*
Access is the first step of the paradigm, refers to providing the physical and economic access of the products and services to consumers within a culture. The buying behavior refers to all the factors like perceptions, attitudes and consumer responses having effect on the decision making and the choices available within a culture. The third stage consumption characteristics refers to the type of products and services consumed within a culture and depend on the cultural orientation, social class, reference group and patterns of urban versus rural sector consumption. The last stage of the paradigm disposal refers to the resale, recycling, and remanufacturing, social and environmental considerations of product disposal. The customers world over are becoming environmentally conscious and so marketers need to be socially and environmentally responsible.

2.9.3 Ethnoconsumerism

Ethnoconsumerism is another paradigm that has been put forward by Venkatesh (1995) to study cross-cultural consumer behavior. Ethnoconsumerism “is the study of consumption from the point of view of the social or cultural group that is subject of study.” The behavior as a result of cultural realities is examined. It studies the actions, practices, words, thoughts, language, institutions and the relationships between these. Ethnoconsumerism not only looks the problem from view of the subjects like an emic study but it also but also probes deeper into the knowledge constructed from the culture’s point of view. It looks at individual not just as an individual but also as an individual as a part of culture, subculture and other group affiliations. It involves the study of consumer, his personality, cognition, and mental constructs and the values systems, symbolic belief systems, rituals, and everyday practices all interwoven into a holistic view of the consumer. It is a multilayered approach which involves the following steps (Venkatesh 1995):

1. The study of the cultural layer: symbolic and belief systems, norms, and ritualistic practices.

2. The study of social layer: social organization, social institutions, etc
3. The study of the individual: personality, cognition, behavior, mental constructs, etc.

Venkatesh (1995) gives some guidelines for conduction ethnoconsumerist research:

1. Firstly, identify the cultural framework. The cultural framework can be derived from the field view and text view. The field view involves “current practices, subjective impressions and statements of the people living within a cultural group.” The text view refers to “historical-sociocultural themes of the culture embedded in texts, local histories, value systems and archival sources.”

2. Derive cultural categories from the cultural framework. Cultural categories refer to theoretical concepts that are specific to culture under study.

3. Interpret and provide meanings for the cultural categories.

4. Relationships between the cultural practices should be established.

5. Identify and investigate relevant cultural practices and pertinent socioeconomic trends.

6. Identify relevant cultural objects and establish meanings.

7. The consumer environments under study should be described and describe specific consumer behaviors should also be explained. The consumer environments and the behaviors should be interpreted using the categories and their meanings.

8. The findings should be interpreted in such a way that the reader understands them.

2.9.4 Manrai and Manrai Model

Manrai and Manrai “structures the cultural component of the person in terms The marketing communications act as moderator of the effect of culture on consumer behavior and can even influence of consumer attributes and processes, and the cultural components of behavior in consumer behavior domains” (Moiij 2004).
The culture is influenced by the income and in turn gets influenced by the culture. The 'Who' refers to what the people are. The components of 'Who' are self i.e. what a person thinks who he is, his identity, image, attitudes, and the lifestyle. The 'How' refers to the processes that influence peoples' thinking, perception, learning and motivation. The self is shaped by culture and in turn it strongly influences social behavior through individual’s perceptions, evaluations and values. The self is the intermediary variable for understanding behavior (ibid.)

**Figure 2.4: Manrai and Manrai’s framework of Cross-Cultural Consumer Behavior**

Source: Manrai and Manrai (Mooij 2004, p. 95)
2.9.5 Luna and Gupta Model

Luna and Gupta (2001) in their model recognize the influence of cultural value systems on the behavior (Figure 2.5.). Culture is manifested through values, heroes, rituals, and symbols. Values is the core of culture and it influences the consumer behavior. The term ‘heroes’ refers to persons dead or alive, real or imaginary who are revered and prized in culture.

**Figure 2.5: Luna and Gupta’s Model of interaction of culture and consumer behavior**

![Diagram of Luna and Gupta's Model](image)

Source: Luna and Gupta, 2001, p. 47

In marketing the products are associated with heroes as they may influence the consumer behavior. Rituals involve consumption so are important in consumer behavior. Symbols may be absent or their meaning may be different in cultures. The consumers in order to define their self indulge in symbolic consumption. The consumer behavior constitutes of three elements-cognition, affect and behavior. The cognition refers to the memory processes, affect refers to the attitude formation process and the behavior includes the individual behavior and
consumption patterns. Marketing communications act as a moderator of the effect of culture on the consumer behavior and may affect consumer behavior independent of culture as shown in exhibit 2.5 above.

2.10 Conclusion

In this chapter an attempt was made to understand the basic elements of culture and the approaches to operationalize it. The literature on the operationalization of culture at the various levels has been explored and accordingly the issues concerned with each level have been unearthed. Hofstede's (1980) widely acknowledged framework for culture operationalization has been studied and the various studies incorporating this framework to understand the effect of culture on the various aspects of marketing and consumer behavior have been gone through. The literature on the cross-cultural research and cross-cultural consumer behavior proves that culture has paramount influence on the consumer behavior. This various cross-cultural consumer behavior models further highlight and corroborate the influence of culture on the consumer behavior.

It has been recognized that culture is one of the potent underlying factors that determine behavior (Henry 1976; Hofstede 1980; Sekaran 1983; Kale and Barnes 1992; Roth 1995; Lenartowicz and Roth 1999; Maheswaran and Shavitt 2000). The genesis of this study took place relying on the presumption that culture has a profound effect on the consumer behavior based on the literature reviewed in this chapter. The study uses Hofstede's cultural framework to operationalize culture considering its robustness and wide acceptance across the various disciplines to understand culture.