

Culture and Consumer Brand switching: Moderating role of Consumer Involvement and Service Value

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Abstract

Culture of a society is considered to be one of the influencing factors for a consumer when switching a brand of a product. It not only shapes the underlying behavior but also influences the perception of a consumer in decision making. Since behavior of a consumer would be effected his/her inherent cultural values which in turn would rely on culture of its society he/she is a part of, it's important to study it in consumer switching context. Previous studies linking this phenomenon with culture has mostly found to be focusing on cross-cultural references, using variety, novelty, curiosity and vanity-seeking behavior of consumer. But there is hardly any study using cultural as a construct for consumer switching taking primarily in account different dimensions of culture.

Our research is one such attempt to explore consumer brand switching using cultural dimensions given by Hofstede. Effect of culture on consumer switching is explored using Hofstede's six-cultural dimensions taking into account different levels of involvement (High, Medium and Low) of consumer and Value of product as moderators. As depending on involvement of consumer, the cost in terms of time and effort invested for purchase, switching is going to differ, effecting satisfaction and loyalty construct. Similarly, when it comes to value of product the switching levels might differ for a cost-effective and premium category product.

Keywords

Consumer Switching, Culture, Hofstede's cultural dimensions, Involvement, Value of Service

I. INTRODUCTION

Culture is defined here as “the configuration of learned behavior and results of behavior whose component elements are shared and transmitted by the members of a particular society” (Linton, 1945, p. 32).).In addition, cultural values are normative beliefs that individuals have about how they are expected to behave by their culture (Yau, 1994).Customer loyalty is the key to long-term success for businesses. But even satisfied customers tend to seek variety by occasionally switching to a new service provider (see also Kahn, 1995). In this article, we propose that culture plays an important role in influencing consumers’ switching intentions. Lin and Matilla (2006) examined the role of culture as moderator in influencing consumers ‘switching intentions of different personalities of consumers. The study results indicated that Taiwanese consumers are more likely to switch restaurant providers and to exhibit exploratory behaviors than their U.S. counterparts, because of differences in their cultural values.

The main objective of this study is to identify the effect of culture on consumer switching depending on Consumers Involvement with services and Value of a service offering and develop a framework through which the hypotheses can be tested for causal relationship. Verification of the hypotheses using empirical data is beyond the scope of this conceptual stage. This paper theoretically scrutinizes the effects of Hofstede’ cultural dimensions: Individualism (IDV) and power distance (PD), Masculinity/ Femininity, Long term/Short term Orientation, Indulgence vs. restraint (IND) and Uncertainty Avoidance (UA) on consumer switching.

II LITERATURE REVIEW

A. Consumer Switching Behavior

CSB is the way customers shift from one supplier/service provider to another. In the other words, it can be defined the level of propensity of customers to switch from one product or service provider to another in a given industry or purchase situation. Previous research laid emphasis on switching intensions and switching behavior mostly through Consumer Characteristics, Firms marketing strategy, service experience and perception of consumers, but switching from a cultural perspective is an area unexplored. Since the a society's culture influence values of its members which in turn shape their underlying behavior, it is very important to study the effect of Culture on consumer switching.

B. Culture and its Dimensions

Societal culture, as discussed by Hofstede (1991), refers to a set of shared values, beliefs, assumptions and practices that shape and guide members’ attitudes and behavior in the society. Accordingly, culture is defined “as the collective programming of the mind that distinguishes the members of one group or category of people from another.” For this reason, Service parameters developed in one country or culture cannot be simply translated into another without considering cultural adaptation. Hence, culture is viewed as a significant factor that affects consumer switching behavior. It is apparent that every culture has developed with its own history, language, and religions creating identities that have been influenced by very different experiences. These experiences clearly affect a country’s perspective on the world. Cultures have shown a definite effect on Consumer Switching pattern and its implications.

C. Hofstede’s Cultural Dimensions

After conducting research in over fifty countries, Hofstede (1980) developed his cultural dimensions model, which provides a framework for cross-cultural communication. It comprises of the following:

1) Power distance (PD). Power distance represents the extent of adherence to formal authority channels and is the degree to which the lesser powerful accept the prevailing distribution of power. High power

distance cultures have members who are much more comfortable with centralized power than members of low power distance cultures.

2) Individualism (IDV)/Collectivism. In individualistic society's people take care only of their own selves. In collective societies people feel as though they belong to a strong group and always try to protect it. People with high individualism view self and immediate family as relatively more important than the collective.

3) Masculinity/ Femininity. In masculine cultures, winning is important and in feminine cultures, the welfare of disadvantaged members is taken care of.

4) Uncertainty Avoidance (UA). Uncertainty avoidance is the extent to which the members of a culture feel threatened by uncertain or unknown situations and try to avoid such situations.

5) Long term/Short term Orientation. It is self-explanatory. Long-term oriented societies attach more importance to the future. They foster pragmatic values oriented towards rewards, including persistence, saving and capacity for adaptation. For short term oriented societies, values promoted are related to the past and the present, including steadiness, and respect for tradition.

6) Indulgence vs. restraint (IND). This dimension is essentially a measure of happiness; whether or not simple joys are fulfilled. And if individuals are allowed to indulge and have fun or or supposed to restrain themselves according pre-defined rules of society.

D. Consumer Involvement

Ganesh et al, 2000, discussed moderating role of involvement on Customer satisfaction and loyalty relation and hence influencing consumer switching. Classifying involvement in Purchase and ego involvement he argued that high purchase involvement will lead to high switching tendency as it would mean investment of cost, effort and time in purchase. But with high levels of ego-involvement consumer might identify itself with the product/ service offering and hence is less likely to switch. Anton et al, 2005, found in his research that high levels of involvement would lead to high levels of satisfaction/ disaffection with the product/ service.

E. Service Value

In our research we are broadly classifying an offering into "Value for Money" or "Premium" Services. A Premium services' value lie in the upper mid- to high price range and targeted at groups with high income group, and are mostly designed to convey an impression of exclusiveness or rarity, whereas value for money services are most likely made available for mass markets. Business Class and Economy Class resp for an airline can be one such example.

IV. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Our study attempts to develop a framework to study the effect of culture considering Hofstede's cultural dimensions as antecedents of Consumer Switching with Levels of Consumer Involvement (High, Low) and Service Value. It is unique in sense that earlier cultural studies with respect to switching has mostly found to be focusing on cross-cultural references, using variety, novelty, curiosity and vanity-seeking behavior of consumer. But our research presents an integrated framework applying Hofstede's well established dimensions of Culture, in addition keeping involvement and Service value as moderators. Hence, for to test the same we propose following hypothesis:

A. Power distance (PD).

With regards to power distance index (PDI), empirical researches have shown that consumers from higher PDI countries are less likely to trust service providers and have higher privacy concerns than do the consumers from low PDI countries (Gefen and Heart, 2006; Bellman et al, 2004). According to Cateora et al (2008), those cultures that score low in power distance (PD) indices tend to be innovative and more likely to accept new innovations/offerings. This is because they tend to develop higher initial trust towards others more readily than do the less individualistic countries. Based on the above discussion it

can be hypothesized that Low power index leads to more individualistic culture and favored consumer switching; having this, in mind, we propose the following proposition.

H1: Societies with low power distance will experience more CBS (Consumer Brand Switching)

H1a: Societies with low power distance will experience more CBS for low level of Consumer Involvement.

H1b: Societies with low power distance will experience more CBS for a value for money Service.

B. Individualism (IDV)/Collectivism

In less individualistic cultures, social factors like social pressure and social expectations can be an important positive influence on consumer behavior. Individuals from cultures high in individualism, have a higher comfort (or trust) with switching activities than individuals from cultures exhibiting the opposite levels. Hence we propose,

H2: Societies with high individualism have a higher tendency to switch.

H2a: Societies with high individualism for low levels of involvement have a higher tendency to switch.

H2a: Societies with high individualism for a Premium Service have a higher tendency to switch.

C. Masculinity/ Femininity

A masculine society will give preference to achievement, heroism, assertiveness and material rewards for success.” Contrary to values of cooperation, modesty, caring for the weak and quality of life, and hence more likely to switch.

H3: Societies with high masculinity will have a higher tendency to switch.

H3a: Societies with high masculinity will have a higher tendency to switch for high levels of consumer involvement.

H3b: Societies with high masculinity will have a higher tendency to switch for a Premium Service.

D. Uncertainty Avoidance (UA)

Uncertainty Avoidance index (UAI) is “a society's tolerance for ambiguity,” in which people embrace or avert an event of something unexpected, unknown, or away from the status quo. Societies that score a high degree in this index opt for stiff codes of behavior, guidelines, laws, and generally rely on absolute Truth, or the belief. A lower degree in this index shows more acceptance of differing thoughts/ideas, and hence high levels of switching.

H4: Societies with low UAI are more likely to switch.

H4a: Societies with low UAI are more likely to switch for a low involvement Service.

H4b: Societies with low UAI are more likely to switch for a value for money Service

E. Long term/Short term Orientation

This dimension associates the connection of the past with the current and future actions/challenges. A lower degree of this index (short-term) indicates that traditions are honored and kept, while steadfastness is valued, and hence less likely to switch. Whereas, societies with a high degree in this index (long-term) views adaptation and circumstantial, pragmatic problem-solving as a necessity, so more likely to switch.

H5: Societies with Short-Term Orientation are less likely to exhibit Switching Behaviour.

H5a: Societies with Short-Term Orientation are less likely to exhibit Switching Behaviour for a low Involvement Service

H5b: Societies with Short-Term Orientation are less likely to exhibit Switching Behaviour for a Value for money Product

F. Indulgence vs. restraint (IND)

Indulgence is defined as “a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun.” Its counterpart is defined as “a society that controls gratification of needs and regulates it by means of strict social norms.” An indulgent Society is more likely to be variety seekers and change loving individuals and hence more likely switchers.

H6: Indulging Societies have more tendency to exhibit Switching Behaviour.

H6a: Indulging Societies have more tendency to exhibit Switching Behaviour for a high involvement Service

H6a: Indulging Societies have more tendency to exhibit Switching Behaviour for a Premium Service

VI. CONCLUSION & DISCUSSION

In this paper through literature review, we have identified that societal culture affects consumer Switching Behavior. It is also proposed that CSB would vary depending on the level of involvement and value of a service, which acts as a moderator between cultural antecedents of a society and Switching Behavior. And hence, it is concluded that different market strategies can be developed by marketing firms and consumer business' to tackle cultural differences of global consumers on these pre-defined Cultural dimensions to discourage switching, on different levels of consumer involvement for different types of Services depending on value-offering. We give a theoretical framework here and will get back after we are done with data collection and results. The proposed hypotheses will be verified through empirical data in the next version.

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Biographies

Anjali Sharma, is currently a Ph.D scholar in IME Dept, Indian Institute of Technology-Kanpur, India. She has completed Masters of Business Administration, MBA from Jamia Hamdard University, New Delhi and is also a UGC-NET JRF fellow. She has been pursuing research in marketing management involving areas of Consumer

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