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Understanding Culture, Values and Lifestyles of Consumerism: Future Research Agenda

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ABSTRACT

This paper is an inquiry on the possible impacts of culture, values and lifestyles towards consumerism. It researches and reflects upon past reviews on cultural issues, values and lifestyles towards consumers' perceptions. These aspects are significant when dealing with globalisation and the unique and progressing nation. Increased competition in the marketplace has contributed to the urgent need to understand and capture the influence of culture, values and lifestyles. Absent of an in-depth understanding on the impacts of cultural diversity in the global agenda would render to inappropriate strategies and implementation. Through this conceptual paper, it is hoped that further research could be carried out to model an appropriate approach to capture the differences in behaviour in this diverse world economy for providers before penetrating the market.

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INTRODUCTION

Culture comes from Latin, cultura, stemming from colere, meaning to cultivate. The word generally refers to the different patterns in human activity and the symbolic structures that give such activities its significance. According to Houtt (1969), a common way to understand culture is that it consists of four elements that are passed down from a generation to the next through learning. The four elements are values, norms, institutions and artefacts. Culture, when passed-on from generation to generation will introduce new elements or lifting some practices and traditions. The understanding of culture, values and lifestyles are still very superficial. Providers have been trying to understand and capture the various behaviours in human being. To date, the understanding of human behaviour and perceptions influenced by culture, values and lifestyles are very scarce, hence limiting the ability of providers to further develop approaches to draw consumers to consume their products and services. This paper attempts to draw upon these limitations and provide future research agenda to stir-up the mind-sets of providers in order to better capture the behaviours and perceptions drawn from the distinct aspects of culture, value and lifestyle.

Culture and Consumers:

According to Craig and Douglas (2006), culture has significant influence on every aspect of human behaviour, including consumers' buying behaviour. Generally, most countries have their individual national cultures, which are distinctive from another country. The findings from previous researches on consumer behaviours generating from different activities are diverse and inconsistent. In other words, subsequent behaviours of an activity will generate different outcome in another setting leading to issues of generalization. The authors believe that these can be attributed to the role of culture and values of contemporary consumers.

There is a growing recognition in the marketing literature that many national markets are not homogeneous. In some countries, there are few ethnicities including citizens and migrants who populate the countries. It is paramount to take into account the cultural issues since this phenomenon is of great influence to the society, as it will influence the perceptions and consumer buying behaviours. Although customer satisfaction and perceived product quality may have significant influence on customer loyalty, such impacts may be directly/indirectly influenced by the cultural elements. Many providers tend to spend their limited resources to capture the loyal

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customers through different strategies or marketing tactics. However, they often neglect the cultural issues which may have significant influences on consumer behaviours.

Leung, Bhagat, Buchan, Erez and Gibson (2005) view culture as a multi-layered construct which exists at different levels including global, national, organisational and group cultures, which consist of individuals that are raised from his/her own culture, which is constructed by his/her own distinctive groups. Based on research, the cultural differences of a society will bring different impacts towards consumer behaviour and their perceptions toward a certain product (Craig & Douglas, 2006). This result is consistent with Gardiner, King and Grace (2013) who indicate that cultural based variations in people's values, attitude and behaviour will affect their behaviours.

In addition, Palumbo and Herbig (2000) signify that, various sub-groups within a country have different consumption patterns and the cultural impact on ethnic consumption has significantly influenced the marketing decisions. For example, USA's ethnic minority families have higher expenses on groceries than the overall population because their families tend to be larger and spend more money on quality products (Palumbo & Herbig, 2000). Besides, different ethnic groups within the same nation may not have identical response on various promotional schemes due to the differences on their consumer behaviours, needs, wants and desires (Bristow & Asquith, 1998).

Since different cultural dimensions exist within each individual country, Bristow and Asquith (1998) recommend marketers to distinguish and incorporate the issues regarding cultural variation into their marketing plans. In this context, it is worthwhile to consider the issues such as the different lifestyles and values that are apparent in each ethnic group. In addition, from the strategic point of view, competitive advantages will be attainable through recognising the cultural diversities and similarities within a society (Laroche, Kalamas & Cleveland, 2005). Hence, culture in this study is divided into two components, namely values and lifestyles.

Values:

Based on the social adaptation theory, value is defined as "a type of social cognition that functions to facilitate adaptation to one's environment through continuous assimilation, accommodation, organisation, and integration of environmental information" (Kim et al., 2002). The values held by members of a nation vary according to their individual ethnic groups (Bristow & Asquith, 1998). For instance, Americans consist of different ethnic groups such as White, Black, Hispanic, Asian etc. are demonstrating significant socio-cultural differences in the values of the consumers, beliefs and behaviours (Bristow & Asquith, 1998). Given this orientation, one could reasonably expect that there are cultural differences such as values and beliefs when comparing the different ethnic groups that populate a country.

People from cultures with high power distance (PD) and low individualism (IDV) configuration, such as Malaysians (PD: 104; IDV: 26) and Chinese (PD: 80; IDV: 20) (Itim International, 2007), reflect a higher extent of brand loyalty (Palumbo & Herbig, 2000). In other words, consumers in such countries are more likely to repurchase famous brands. In order to retain Chinese customers, providers need to prove that they provide high quality products (DeLong et al., 2004).

Besides, those collectivist societies also concern about how other people perceive or view both the company and the product (DeLong et al., 2004). This denotes that, the brand name and brand image are very likely to be important factors for the providers to create a larger number of loyal customers within the collective societies. This is because their perceptions on product quality are mainly influenced by the social reference groups (DeLong et al., 2004; Sun, Horn & Merritt, 2004), and they also tend to buy certain products which are recommended by other members of the society (Palumbo & Herbig, 2000).

On the other hand, the Japanese who have relatively low power distance (index: 54), have relatively low individualism (index: 46) and high uncertainty avoidance (index: 92) (Itim International, 2007), tend to opt for the safety of a well-known brand (Palumbo & Herbig, 2000). Generally, they are highly unlikely to be influenced by other promotional programmes such as loyalty card programme or discount coupons. The underlying concept from this literature is that the Japanese will show more loyalty to a brand once they have confidence with the trustable and reliable brands (Palumbo & Herbig, 2000).

In contrast, the United Kingdom (UK) has differences in their cultural values compared to other countries: low power distance (index: 35) and high individualism (index: 89) (Itim International, 2007). BMRB International's survey reveals 61 percent of the British consumers "tended to agree" that they are more likely to continue with a brand once they like it personally (Palumbo & Herbig, 2000). Unlike the Chinese consumers, the British are highly unlikely to be influenced by other in-group members, as they are the opinionated leaders who can make their own decisions (Sun, Horn & Merritt, 2004).

Moreover, in Wong and Wan (2013) research findings, there is a direct positive relationship between consumer values (self-actualising value and social affiliation value) and favourable shopping attitudes. Besides, the study carried out by Kang and Sharma (2012) show direct and indirect relationships between human values and consumer products or brand preferences. These findings indicate that, consumer values are one of the significant factors which influence customer's behaviour. On top of that, Kim et al. (2002) imply that consumer

values result from the society's culture and ethnicity, and the values may affect the prioritising of needs to be satisfied through the procurement of certain consumer goods.

Lifestyles:

As noted earlier, the lifestyle of the consumers may be one of the significant factors which influence a particular behaviour. In this context, it is worthwhile to consider and review the term lifestyle in the following section. According to Kucukemiroglu (1999), in terms of marketing, lifestyle is defined as "the behaviour of individuals, a small group of interacting people, and large groups of people (e.g. market segments) acting as potential consumers". Similarly, Walker and Li (2007) justify lifestyle as the deep-rooted common attitudes towards a certain pattern of living. Besides, lifestyle research measures people's activities in several terms, such as, how they spend their time, what are their interests, their opinions on themselves and the world around them (Kucukemiroglu, 1999).

In order to have a better understanding, lifestyle information comprises a few elements including: consumer's interests, attitudes, and opinions (Green et al., 2006; Kucukemiroglu, 1999). The lifestyle information provides advantages to a number of entities such as, wholesalers, retailers, private product manufacturers, and service deliverers (Green et al., 2006). For instance, providers can discover a better pathway for advertising by accurately identifying the consumers' interest, attitudes and opinions. The providers are more likely to obtain a better outreach of the targeted customers as well as higher earnings. In addition, the lifestyle characteristics also offer more precise and practical information on consumers for the marketers to exercise better tactics or strategies in delivering the consumer products or services at the highly competitive environment (Yang, 2004).

There is various prior researches emphasis on the impacts of one's lifestyles on their attitudes or behaviour towards a range of activities. The examples of previous researches which are related to consumers' lifestyles are: recreational activities (Green et al., 2006), Internet advertising (Yang, 2004), preferences of household locations (Walker & Li, 2007) and ecological consumer behaviours (Fraj& Martinez, 2006). These researches suggest that, consumers who are having different lifestyles are likely to have distinctive buying behaviour, perceptions and preferences toward a product compared to other consumers. Besides, the variations in consumers' lifestyles also have significant implications for the marketers to implement appropriate positioning strategies and publicise their goods in the diverse cultural environment (Sun, Horn & Merritt, 2004).

As discussed in the previous section, the Chinese (China) and Japanese consumers possess collectivism characteristics, while British consumers are individualists in general. Based on Sun, Horn and Merritt's (2004) research results, the collectivists are more pessimistic about their current states of being and they are harder to be satisfied. However, the collectivists tend to be more loyal to a particular brand as long as that brand satisfies their expectations well at the first place. This is supported by Sun, Horn and Merritt's (2004) study which states that, the collectivists are more likely to stick to their regular lifestyles and repurchase the products which had previously satisfied them.

On the contrary, the individualists like the British and Americans are easier to be satisfied because they are more optimistic about their current lifestyles (Sun, Horn & Merritt, 2004). However, they do not have very high attachment with a particular brand as compared to the collectivists. Nevertheless, they are more brand savvy as they have a higher tendency to prefer the well-known brand names instead of the unknown brands (Sun, Horn & Merritt, 2004).

Lifestyle is the way a person lives that includes patterns of social relations, consumption, entertainment, dress and etc. Lifestyle will reflect an individual's attitudes, values and behaviors. As a result, the people with different lifestyles tend to have dissimilar attitudes toward purchasing products and services. From the literatures, it is believed that lifestyles might pose some impacts towards decision making processes. Therefore, this is a vital issue to be considered when dealing with strategies.

Implications and Future Research Agenda:

The impacts of the cultural issues on the customer's buying behaviour have received research attention for several reasons. Firstly, the individuals' reactions toward a product may be influence by their cultural values and lifestyles. Secondly, the distinctive ethnic groups also may not have similar perception on the products' quality and its values. Thirdly, consumers of different cultural background may not have the same degree of loyalty or commitment towards a particular product when other factors are held constant. As a result, it is necessary for the practitioners and academicians to observe the influences of cultural elements on consumers' buying behaviour.

Culture can be developed and be expanded to other aspects in daily living. Culture will influence perceptions and the way humans behave. Perceptions towards products, quality, satisfaction and buying behaviours stem from cultural issues. Therefore, in order to have a better understanding on how this influence the marketing strategies and businesses, this study should be enhanced by conducting a quantitative study on how humans response to these issues. Furthermore, effective ways of customer retention and successful marketing strategies will help a company to earn further revenues in the future. Hence, an in-depth understanding concerning this issue will assist the providers to determine if customer satisfactions will lead to a

higher level of customer loyalty among the general consumers. In addition, quality is one of the key elements in the profit equation, which is directly linked to the profitability of an organisation. As a result, it is also worthwhile to further research on whether the customers' perceptions on the quality of product have significant impacts on the levels of customer loyalty.

As discussed in the previous section, each country or ethnic group has its own distinctive characteristics, buying behaviours and opinions. All these differences could be attributed to the cultures within a society or nation. Although they are from the same country, different ways of upbringing, environment and culture will lead to different values and lifestyles. As a result, a further insight to this study may be realised through additional exploration on the effects of cultural differences within a society on behaviours. A proper segmentation bases could be carried out for values and lifestyles attributes to cluster the subjects into distinctive groups. According to Fontaine and Richardson (2005), culture can be developed into a source of competitive advantage if it is well managed. Therefore, the inquiry nature of this study will have significant impact on the providers in terms of market strategies plans, such as market segmentation and positioning. In contrast, inappropriate marketing strategy may lead to difficulties in the future marketing planning of an organisation. Therefore, in order to enhance a company's creditability and profitability, the organisations have to understand the impacts of the cultural differences on the consumers' buying behaviours.

Since there are disparities among previous research on customer satisfaction and loyalty behaviour, whereby, some studies indicate the direct behaviour and some other studies posit no relationship, therefore, there is a need to further understand in what situations or conditions that customer satisfaction does not lead to customer loyalty. In the contemporary world, the society is being influenced with the inconsistent, chaotic, disorganized and confused behaviour. A conventional theory is no longer able to prove and predict human behaviour. Loss of prediction power and sovereignty of products lead to inability of properly conjecture human needs and behaviours. Thorough understanding and probing into the nature of human beings and the breakdown of wants and behaviour is much warranted in the future in order to facilitate the understanding of consumers in this modern era. The deconstruction of consumers and disentanglement of perceptions between individuals, societies and nations is much warranted to build a new model and theory that will incorporate the ambiguity and vague behaviours.

Earlier discussions indicate that the values and lifestyles of different people or ethnic groups have influenced consumer behaviour to a certain extent. Cultural values and lifestyles are the significant areas to be thoroughly researched as the failure to recognise the importance of values and lifestyle factors will hinder the providers' ability to identify the consumers' attitudes toward purchasing products and services. Besides, probing into the matter will facilitate the providers to explore the moderation effects of cultural diversity on the relationship between customer satisfaction, perceived product quality, and customer loyalty. However, prior researches have not specifically attempted to model the moderation impacts of cultural elements on the relationship between customers' perceptions and customer loyalty. Therefore, this is an important under-researched marketing issue. In this circumstance, the following section reviews the prior researches concerning the general impacts of cultural issues on consumers' buying behaviour to provide a foundation for this research.

A direct comparison between the cultures and to match the samples in terms of socio-economic background will play a crucial role in determining the impact of cultural diversity in a multi-cultural country. There are still a lot to learn from this distinct socio-economic background. Hence, future studies should be conducted across consumers to reflect different socio-economic background which enables a better comparison among the different aspects of lifestyles and behavioural patterns. Thus, future studies should break the consumers into different sub-markets in order to capture the different behaviour patterns.

Furthermore, future research should also explore the buying behaviours of each group of consumers towards various promotional activities. Different ethnic groups may have diverse response towards certain promotional activity, such as advertisement or loyalty card programme. For instance, certain group of customers may be more attracted by the price reduction promotions, while another group is more attracted by the promotions that involve freebies. So, the marketers should have a better understanding of which kind of promotional activities are more favourable to their targeted customers. Then, the marketers will be able to implement more successful promotional activities, which help them to boost up their sales and profits. Besides, successful promotional activities also enable the company to develop and build up positive images among the consumers.

Research should also focus on the geographical area of the consumers. For example, the citizens who are staying in the rural areas may have different lifestyles and values compared to those who are staying in the urban areas. As a result, the same ethnic group who came from different geographical areas may have different viewpoints and perceptions. Thus, they may be willing to purchase a certain product at different price levels. Therefore, the marketers should find out the willingness to pay of the consumers from different geographical areas and set the prices of their products according to their willingness to pay. This will assist the marketers to capture a larger market for that products or services. Research agenda should also be focused on the

disentanglement of migrants from the rural to the urban areas and vice versa in order to better capture the influences and integration of cultural, values and lifestyles and how it impact behaviours and perceptions.

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