

THE CROSS-CULTURAL CONSUMER BEHAVIOR IN RETAIL SECTOR: EMPIRICAL EVIDENCE FROM RUSSIAN AND CHINESE CONSUMERS

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ABSTRACT

Growing and rapidly changing international trade and globalization lead many retail companies into changing their cross-cultural strategies with consumers. One of the goals of this study is to develop the measurement of the cross-cultural differences in consumer behavior in retail stores among Russian and Chinese consumers. This study investigates interdisciplinary and cross-cultural differences in consumer behavior in combination of management, marketing, and psychology. Authors develop the cultural model, including the factors such as a cultural values, materialism, social values, adapted to the service in the retail industry. Our findings suggest that the cultural value is the most influential factor in term of consumer behavior in the retail sector. However, regarding the Chinese consumers, the study reveals that all three factors influence consumer equally. The study also creates the cross-cultural analysis of the consumer behavior in retail sector with the focus on the marketing mix (Product, Price, Place, Promotion, People, Process, and Physical Evidence). The results indicate that in both cultures the physical evidence and process are of the greatest influence on the consumer behavior rather than other elements of marketing mix. The results of this study can be used to improve the effectiveness of the cross-cultural strategies in retail sector.

Keywords: Cross-cultural, Russian and Chinese consumers, consumer behavior, marketing mix

INTRODUCTION

Some research found that globalization leads the reduction of international barriers along with the preservation of cultural traits and rises the necessity of consumer cross-cultural behavior research in different markets of goods and services. The development of international trade demands the accurate measurements of cultural influence on consumer behavior in retail industry. Influence of culture on economic behavior of consumers has been recently analyzed in Russian and foreign research. The field of cross-cultural research has been investigated in many studies [1][2][3][4][5][6][7][8][9][10]. Some research have investigated the field of a variety of goods and

services and connection of cultural measurements with the level of social and economic development [3]. Other research identified interactivities between culture and personality and developed some research methods to measure the relationship between various characteristics of consumer personality and their influences on consumer behavior [4]. In the cross-cultural research, the empirical method dominates over other methods. The major part of theoretical conclusions has been built on the materials which were developed on the real cultural fields.

However, the effects of cross-cultural differences on consumer behavior in service sector remain insufficiently explored. The methodology of such research acutely demands future investigations along with the conceptualization of this area.

RESEARCH MODEL AND METHODOLOGY

Our study has two objectives. The first objective is to investigate the relationship between certain characteristics of behavior of Russian and Chinese consumer in retail sector and elements of marketing mix. The second objective is to develop the methodological approach to measure the effect of cross-cultural characteristics of consumer behavior in retail sector.

In accordance with the objectives of the research, the study is interested to develop the research model of the cross-cultural differences that influence Russian and Chinese consumer in retail sector in the context of the marketing mix (product, price, place, promotion, physical evidence, and process).

In order to compare two cultures, Russian and Chinese, the cultural model developed by J. Moven [9] has been used. The measures used to assess cultural, material, and social values.

The first, the research constructs to measure the cultural value. To measure the cultural values, the following values have been employed: life, ethical, and self-proof, and intellectual values. To measure the life value, the study used the characteristics, such as a health, job, family, friends, freedom, development, activity, entertainment, income, self-confidence, safety. To measure the ethical values, the study uses the constructs, such as an honesty, beauty, tolerance, happiness, responsiveness, confidence, and attention. To measure the self-actualization values, the study uses the constructs, such as a high standard, independence, courage, willpower. To measure the intellectual values, the following constructs were used : education, rationalism, open-mindedness, self-control).

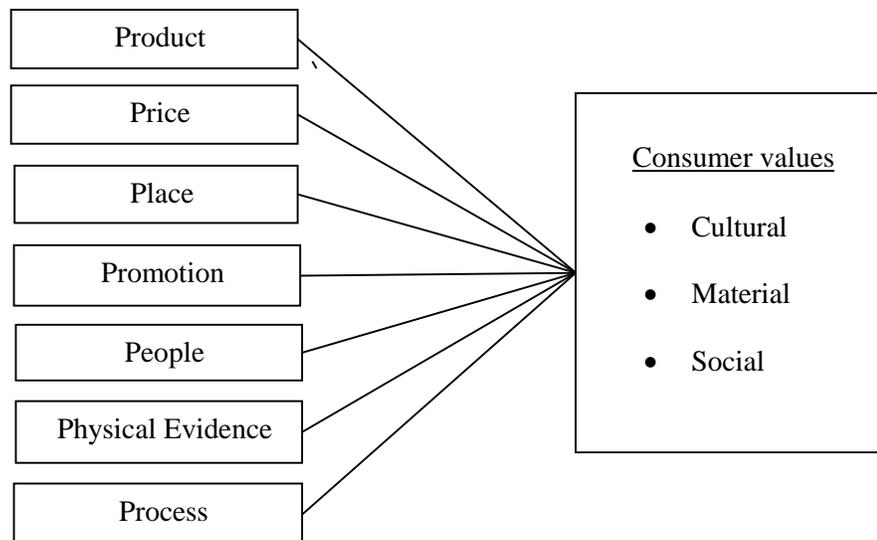
The second, the study measures the economic or material value of the consumers. To measure it, the study uses the constructs, such as a level of the economic development, level of technological development, level of technology use in retail, level of commercial production, geographical location of the country, and level of influence of climate on consumption.

The third, the study measured the social value and included the following items: the level of political stability, level of diplomatic relations, quality of life, level of regulations in retail, and the level of religious influence.

Based on previous research, our research model was developed (see Figure 1).

This quantitative study was conducted among consumers in the Russian Federation and China and two samples were developed. The Russian data were collected from 750 respondents that included Russian business students at a large university.

Figure 1
Research Model of Consumer Values and Marketing Mix



The Chinese data was collected from 100 Chinese consumers in China. The survey was developed and used to assess consumer behavior in both samples. All constructs included in this study were measured by multiple-item measures. All items were measured by using a scale from 1-strongly disagree to 5-strongly agree.

RESULTS

Table 1 and 2 represent the final results. The results indicate that the biggest gaps in evaluation of cultural values between Russian and Chinese consumers are marked by the following characteristics: high standards, tolerance, active life, and friends. In both samples identified the cultural value as the most important value than material and social values.

Table 1
Results of Measurement consumer values in retail, Russian sample

| Value | Mean* | | | | | | |
|-----------------|---------|-------|-------|-----------|--------|-------------------|---------|
| | Product | Price | Place | Promotion | People | Physical Evidence | Process |
| Cultural | 4.33 | 4.24 | 3.84 | 3.89 | 4.43 | 4.30 | 4.47 |
| Material | 3.73 | 3.64 | 3.24 | 3.29 | 3.83 | 3.70 | 3.87 |
| Social | 3.93 | 3.84 | 3.44 | 3.49 | 4.03 | 3.90 | 4.07 |

* 5-point scale: from 1-strongly disagree to 5-strongly agree

Our findings indicate that the Chinese data is almost equal across all three values (cultural, material, and social). It can be explained by the impact of Confucius philosophy on the consumer behavior towards to culture in China.

Table 2
Results of Measurement consumer values in retail, Chinese sample

| Value | Mean* | | | | | | |
|-----------------|---------|-------|-------|-----------|--------|-------------------|---------|
| | Product | Price | Place | Promotion | People | Physical Evidence | Process |
| Cultural | 4.41 | 4.25 | 4.23 | 4.36 | 4.58 | 4.50 | 4.63 |
| Material | 4.33 | 4.17 | 4.15 | 4.28 | 4.50 | 4.42 | 4.57 |
| Social | 4.36 | 4.20 | 4.18 | 4.31 | 4.53 | 4.45 | 4.60 |

* 5-point scale: from 1-strongly disagree to 5-strongly agree

The results indicate that in both cultures the physical evidence and process are of the greatest influences on the consumer value rather than other elements of marketing mix. The same measure indicates that place has less an impact on the consumer value.

CONCLUSION

Our results make practical contributions. For example, the findings can be considered when a firm develops a strategy for the global expansion, which will contribute to their overall international competitiveness. The study suggests that the developed research model can be used by a firm to conduct the quantitative measure of the cultural, social, and material values of consumers in the retail industry. This study is the first investigation of the cross-cultural consumer behavior in term of measurement of consumer value and seven elements of marketing mix. In view of this, there are still many other factors that have an influence on cross-cultural consumer behavior which will be a good reason to continue this stream of research in the future.

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