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**CULTURAL  
EFFECTS ON  
CONSUMER  
BEHAVIOR**

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## **Abstract**

Cultural value systems have a direct effect on consumer behavior and vary by the major cultural dimensions between countries but become increasingly complex when people immigrate to foreign countries that have different cultural dimensions. In these situations, people are subjected to a wide variety of cultural reference groups that ultimately affect their consumer behavior. Consequently, marketers must develop marketing communication that addresses cultural and reference group factors from both a domestic and global perspective; that means marketers must adhere to the Levi-Strauss maxim to think globally but act locally. To this end, marketers use market segmentation and micromarketing to develop customer-centric marketing messages with the goal of providing precisely defined marketing messages that satisfy consumer's need for personal information regarding products and services so that consumers should be adequately stimulated to purchase the product or service being advertised.



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# **Cultural Effects on Consumer Behavior**

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## **Introduction**

Consumer behavior is largely dependent on cultural factors consisting of mutually shared operating procedures, unstated assumptions, tools, norms, values, standards for perceiving, believing, evaluating, and communicating. Cultural factors vary by country but become increasingly complex when people immigrate to foreign countries that have different cultural dimensions. In these situations, people are subjected to a wide variety of cultural reference groups that ultimately affect their purchase behavior. In addition, reference groups may consist of familial groups or external peer groups with each group providing specific and often conflicting information that affects purchase and consumption behavior. In response, marketers must develop marketing communication that addresses cultural and reference group factors from both a domestic and global perspective. To this end, marketers use market segmentation and micromarketing to develop customer-centric marketing messages with the goal of providing precisely defined marketing messages that satisfy consumer's need for personal information regarding products and services so that consumers should be adequately stimulated to purchase the product or service being advertised.

## **Effects of Cultural Values on Consumer Behavior**

### ***Characteristics of Cultural Values***

Hofstede (1984) defines culture as, "The collective programming of the mind which distinguishes the members of one human group from another" p. 21. The elements of culture consist of mutually shared operating procedures, unstated assumptions, tools, norms, values,

habits about sampling the environment, etc.” (Cross-Cultural Psychology, Encyclopedia of Applied Psychology) p.1. The element of value may be considered to include the concept of individuality, independence, achievement, and self-fulfillment. Hofstede (1984) indicates that value concepts that could have significant effect on consumer behavior. These value concepts may be defined as follows:

- A. Power-Distance (PD): Striving to have power over less powerful individuals and increasing the social distance between powerful and less powerful. PD represents the degree of authoritarianism in a culture.
- B. Uncertainty Avoidance (UA): The level of anxiety about the future in a society and the corresponding need to protect society through technology, rules, and rituals. Low UA societies are more modern, pragmatic, and relativistic than high UA societies. High UA societies are more impoverished and ritualistic than low UA societies.
- C. Individualism (IDV): The relationship between the individual and the collective that prevails in a society. In high IDV countries, identity is based in the individual whereas in a low IDV country identity is based on the social system. Individuals tend to make decisions based on the proclivities of the group.
- D. Masculinity (MAS): Male behavior is associated with autonomy, aggression, exhibition, and dominance; female behavior with nurturance, affiliation, helpfulness, and humility. High MAS societies are wealth oriented while low MAS societies are people oriented. In high MAS societies sex roles should be clearly differentiated while in low MAS societies sex roles should be fluid.

### *Strategic Application of Cross Cultural and Global Influence*

Research has shown that the strength of ethnic culture has a significant effect on consumer purchasing behavior and that the higher their strength of ethnic identification the greater their propensity to purchase products associated with their culture (Chattaraman, 2008). Evidence, however, indicates that the longer consumers are in a host country the more likely the consumer will adopt cultural values specific to the host country. This acculturation becomes complex when the consumer is in close contacts with other unique ethnic cultures, especially in the United States, resulting in a cross-cultural amalgam (Ogden, 2004), (Chattaraman, 2008). The results of these studies suggest that the micro-segmentation of consumers according to their cultural values would be important for marketing managers operating in heterogeneous, multicultural markets such as the U.S. (Daghfous, 1999).

There is evidence that ethnic influences affect purchases to the degree that consumers tend to acculturate to the host country, creating a cross cultural condition in the process (Chattaraman, 2008). The marketing message, therefore, must address the cultural characteristics that correspond to the level of acculturation. For instance, if an ethnic consumer group strongly resists assimilation into the host country's culture, such as some Hispanic groups in the U.S., the marketing message would focus on the characteristics of the Hispanic host country per the culture value dimensions posited by Hofstede (1984). As a foreigner becomes acculturated to the host country, the marketing message would be moderated to include messages that combine cultural characteristics of the host country and the country of origin. In countries other than the U.S., an effective marketing message would need to address the cultural values of the particular ethnic group in question relative to the cultural dimensions of the host country (Ogden, 2004; Hofstede, 1984). For instance the cross cultural values would be different for populations of



Chinese in Indonesia, Middle-easterners in Germany, France, or England, Americans in Russia, and Mexicans in the U.S verses Puerto Ricans in the U.S.

### **Societal Implications of Reference Group Influences**

#### ***Influence of Reference Groups on Consumers***

The elements of culture consist of mutually shared operating procedures, unstated assumptions, tools, norms, values, standards for perceiving, believing, evaluating, and communicating (Cross-Cultural Psychology, 2010; Advertising and Culture, 2010). Culture is a macro-level perspective of a population whereas cultural reference groups are a micro-level perspective of specific clusters of individual people within the culture. This is especially important for consumer-oriented marketing because reference groups form the lens through which consumers view advertising messages and products (Cross-Cultural Psychology, Encyclopedia of Applied Psychology).

Cultural characteristics are country dependent and research has shown that consumers within a specific culture tend to interpret and react to marketing information differently from other cultures which means marketers should use culturally matched advertisements to induce consumers to act. For instance, consumers in countries like Japan or China are high in collectivism (Hofstede's low Individuality value) and react to advertisements differently than consumers in countries like the U.S. or England where there is a high degree of individualism (Advertising and Culture, 2010; Hofstede, 1984). The cultural problems are compounded when people migrate to a country that has different cultural values because their reference group orientation changes as they are acculturated to the resident country's culture thereby modifying their purchasing and consumption behaviors to conform more to the resident country rather than to their country of origin (Childers, 1992).

Although Childers (1992) references Hofstede's (1984) research, he further segregates reference groups into comparative reference groups which are used for a consumer's self-appraisal and normative reference groups which are the source of a person's macro-level cultural values. The comparative reference groups influence purchase decisions of both luxury and necessity products that may be used publically (a conspicuous purchase) and privately (an inconspicuous purchase) (Childers, 1992). In addition, reference groups may be composed of peers or of familial groups. Familial groups may consist of relatives melded into an extended family, typical of cultures that are collectivistic (China, Japan, Mexico), or it could be a small nuclear family, typical of individualistic cultures (U.S.A., Great Britain, Denmark). The effect of these reference groups on purchase decisions are summarized in Figure 1.

**Figure 1: Combining Public-Private and Luxury-Necessity Dimensions with Product and Brand Decisions for Peer and Familial Influences**

Type of Product	Reference Group	Public	Private
Luxury	Peer	<ul style="list-style-type: none"> <li>▪ Strong product influence</li> <li>▪ Strong brand influence</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong Product Influence</li> <li>▪ Weak brand influence</li> </ul>
	Familial	<ul style="list-style-type: none"> <li>▪ Weak Influence</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong nuclear family influence</li> <li>▪ Very strong extended family influence</li> </ul>
Necessity	Peer	<ul style="list-style-type: none"> <li>▪ Weak product influence</li> <li>▪ Strong brand influence</li> </ul>	<ul style="list-style-type: none"> <li>▪ Weak product influence</li> <li>▪ Weak brand influence</li> </ul>
	Familial	<ul style="list-style-type: none"> <li>▪ Weak Influence</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strong nuclear family influence</li> <li>▪ Very strong extended family influence</li> </ul>

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Source: (Childers, 1992, p. 201)

Reference groups increase the level of consumer involvement of their members by placing attention on the following components: self-identity, product importance, interest, emotion, risk, and badge value. Badge value is particularly important because “badge value products” enable the consumer to be conspicuously identified with the norms of his or her reference group (Assael, 2004).

### *Strategic Application of Reference Group Influences*

A cultural effect of some countries concerns the parochial perspective that products made in their country are superior to products from foreign countries. This country-of-origin effect is prevalent in China, Japan, and France (Advertising and Culture, 2004). When consumers from countries like these become residents in countries like the U.S. the acculturation process typically reduces the country-of-origin effect especially if the immigrant consumer’s reference

group has cultural values closely aligned with those of the resident country; their frames of reference are changed. For example, immigrants living in America may express a high level of their country-of-origin cultural characteristics in private but their reference group may motivate them to make purchases of public, conspicuous products in accordance with mainstream American culture in order to increase their acceptance within the country's society (Childers, 1992; Advertising and Culture, 2004).

The degree of consumer involvement may be affected by reference groups especially for conspicuous or badge value products. Assael (2004, p.106) states, "Involved consumers are more likely to be influenced by reference groups because a high-involvement product is likely to reflect the norms and values of the group." Successful marketing strategy, therefore, would need to know the consumption characteristics of a reference group and how they relate to the consumption needs of the dominant culture. Ogden (2004, p. 19) points out, "Different consumer needs and responses require different marketing tactics and in some circumstances, different marketing strategy altogether."

### *Nature of Reference Groups and Web Communities*

Web communities are a physical society of people that use the Internet to access websites designed to provide information regarding specific topics and to interact with people of similar interests. In this regard, web communities are similar to reference groups in that they espouse shared values, beliefs, and interests. As with reference groups, web communities provide its members with a sense shared interests and belonging in order to encourage their member's participation (Assael, 2004).

Web communities may be divided into four basic categories based on their main functionality (Hagel and Armstrong, 1997 in Ahmed, 1999, p. 76; Assael, 2004, p. 409):

1. Communities of transaction: Communities in which the core activity that brings together active participants is engagement in specific transactions. Includes websites like EBay.
2. Communities of interest: Communities in which participants share common interests in a specific topic or concern and have a high degree of interpersonal interaction. Includes websites like the Garden Exchange, Proctor and Gable's product specific sites, Arm & Hammer's pet care site, and blog sites.
3. Communities of fantasy: Communities that are comprised of people that indulge in an extensive level of make-believe and fantasy. Includes websites like online, real-time interactive gaming, and ESPN.net.
4. Communities of relationship: Communities where people congregate that share similar experiences and world views and desire to share their opinions with like-minded people. The communities are based on strong personal connections. Websites include political, religious, and philosophical blog and web sites, electronic social media like, Facebook, MySpace, Linked-In, and Twitter.

As with cultural reference groups, web communities can affect consumer purchase decisions and brand choice and marketing strategy should vary by type of community. Marketers, however, have a distinct advantage in web communities because they can create or sponsor web sites that address the interests of a particular web community thereby gaining important demographic and purchasing information that will enable them to focus their marketing messages.

## **ROLE OF HOUSEHOLDS IN DECISION MAKING AND MARKETING STRATEGIES**

### ***Purchasing Patterns by Household Life Cycles***

A household as defined by Assael (2008), “is composed of individuals living singly or together with others in a residential unit” (p. 434). Households progress through a series of cycles from a person living on their own as a single consumer through marriage to living as an older single person. In addition, the composition of households vary by culture where familial groups may consist of relatives melded into an extended family typical of cultures that are collectivistic like those of China, Japan, and Mexico, or it could be a small nuclear family typical of individualistic cultures like those typical of the U.S.A., Great Britain, or Denmark) (Childers, 1992). Most households, regardless of their composition, display consistent purchasing patterns relative to their stage of the life cycle. In fact, life cycle stages are more important than chronological age in predicting purchasing behavior (Wells, 1966).

There are several salient reasons why household decision making is significantly different than individual consumer decision making. One reason is that joint decision making is prevalent in multi-person households. Assael (2008) said that joint decision making is affected by three factors (p.440):

1. There is greater probability of joint decisions.
2. Different role specifications for household members in the decision making process.
3. The need to resolve purchase decision conflicts among household members.

Another reason is that household composition varies depending on whether it is a nuclear or extended household. In an extended household the family composition may consist of

grandparents, aunts, uncles, and cousins thereby increasing the number of potential decision makers and increasing the probability of conflict (Childers, 1992).

The consumer decision making process varies by household composition within the household life cycle because as the household population changes due to aging there are corresponding changes in income and expenses. When dual income young married couples are in the life cycle stage of forming residential unit they have high discretionary income but as they move into the child-bearing stage or add relatives to their household, living expenses increase thereby changing their consumption pattern. As children move through life cycle aging stages, their household expense requirements increase until they leave home to start their own residential unit.

The range of household life cycle stages and their effect on consumption patterns are shown in Table 1. The data are a combination of results obtained by Wells (1966) and Childers (1992) and include traditional households and non-traditional households such as never married, divorced, and middle-aged single and divorced. Consumption is presented by three major categories: home related, services, and other. Increase for a particular product category – life cycle stage denotes an increase in consumption for that category and decrease denotes a reduction in expenditures for the category. A blank is shown where no data was available for the category-stage. The changes in expenditures clearly indicate a pattern of consumption by household life cycle stage.

**Table 1: Consumption by Household Life Cycle Stage**

Product Category	Life Cycle Stage									
	Young Single	Young Married	Young Married Child <6 Full Nest I	Young Married Child 6+ Full Nest II	Middle-aged Married Child 6+ Full Nest III	Middle-aged Married Child <6 Delayed Full Nest	Middle-aged Single Non-Traditional	Middle-aged Married Empty Nest I	Older Married Empty Nest II	Older Single
Discretionary Income	--	Increases	Dedines	Dedines	Increases	Increases	Variable	Increases	Declines	Declines
Home Related Category:										
Home improvement	Variable	Increase	Decrease	Decrease	Sharp Incr.	Decrease	Increase	Increase	Decrease	Decrease
Power & lawn tools	--	Increase	Decrease	Decrease	Increase	Sharp Incr.	Increase	Sharp Incr.	Sharp Incr.	Decrease
Major appliances	--	Increase	Increase	Decrease	--	Increase	--	--	--	--
Small appliances	--	Increase	Decrease	Decrease	--	Decrease	Increase	--	--	Decrease
Furniture	Increase	Increase	Decrease	Decrease	Increase	Sharp Incr.	Increase	Decrease	Decrease	Decrease
Services Category:										
Entertainment	--	Increase	Decrease	Decrease	Sharp Incr.	Increase	--	Increase	Decrease	--
Eating out	Increase	Increase	Decrease	Decrease	Sharp Incr.	Decrease	--	Increase	--	--
Insurance	--	Increase	Increase	Increase	Increase	decrease	Increase	Increase	Increase	Decrease
Travel	Increase	Increase	Decrease	Decrease	Sharp Incr.	Decrease	Increase	Increase	Increase	Decrease
Child care	--	--	Increase	Increase	Decrease	Increase	--	--	--	--
Misc. services	--	--	Decrease	Decrease	Sharp Incr.	Sharp Incr.	--	--	--	--
Other Category:										
Automobiles	Increase	Increase	Decrease	Increase	Increase	Decrease	--	Decrease	Decrease	Decrease
Men's apparel	Increase	Increase	Decrease	Decrease	Sharp Incr.	Decrease	Increase	Increase	Decrease	Decrease
Women's apparel	Increase	Increase	Decrease	Decrease	Sharp Incr.	Decrease	Increase	Increase	Decrease	Decrease
Boy's apparel	--	--	Increase	Increase	Increase	Sharp Incr.	--	--	--	--
Girl's apparel	--	--	Increase	Increase	Increase	Sharp Incr.	--	--	--	--
Infant's apparel	--	--	Increase	Increase	--	Sharp Incr.	--	--	--	--
Stereo equipment	Increase	Increase	Decrease	Decrease	Increase	Decrease	Decrease	Decrease	Decrease	Decrease
Alcohol	Increase	Decrease	Decrease	Decrease	Increase	Decrease	Increase	Increase	Decrease	Decrease
Medical	Increase	--	Increase	Increase	--	Increase	Increase	--	Increase	Increase

### *Parent verses Peer Group Influence among Adolescents*

Parent influence and peer group influence on adolescent purchase decisions is affected by the type of purchase, private verses public, and by household type, nuclear or extended. When children are young they rely more on their parents when making a purchase decision (Assael, 2004). Adolescents, however, are cognizant of non-familial reference groups and peer pressure thereby adding a new dimension to their decision making. Childers (1992) points out that adolescent purchases of Products purchased for public use, however, are almost always subjected to influence by peer groups but more so for nuclear rather than extended households. Childers (1992) states, “ In nuclear families, the degree to which an individual is influenced by peers



appears to be significantly higher for public than for private products and brands, while this is not the case in extended families” (p. 207).

### ***Societal Implications of Household Influences***

Household influences may have a stabilizing effect on children’s view of and interaction with society especially when the parents are either authoritarian, with high control over children, democratic, with balanced control over children, and permissive, with little control over children. These parental types tend to be closely involved in their children’s activities and exercise a definite abet varying degree of control over their children’s consumer purchases and the advertising that influence their child’s view of consumer products and society (Assael, 2004).

Advertising to children has been subject to scrutiny for years due to the possibility of harmful societal effects on child viewers. Armstrong (1988) suggested that advertising to children involves four major issues:

1. Is advertising to children inherently unfair?
2. Does advertising to children cause them to make poor consumer choices?
3. Is parent-child conflict increased because of advertising to children?
4. Does advertising have a negative effect on children’s socialization?

These issues appear to be mitigated when parents help children to understand advertising’s boundaries of reality while teaching children the realities of making sound economic decisions such as considering opportunity costs.

## **MERITS AND DEMERITS OF WORD-OF-MOUTH COMMUNICATION**

### ***The Nature of Word-of-Mouth Communication***

Word-of-Mouth (hereafter WOM) is a verbal form of interpersonal communication typically used to convey information to and within cultural reference groups for the purpose of influencing or informing members of the groups. The information may be in the form of product news,

advice, or a statement of personal experience but regardless of the type of message, WOM communication is an important method of disseminating information (Assael, 2004). In fact, Lam (2005) states, “Word-of-Mouth has been widely reported to be many times more influential than information from print, radio, and personal selling” (p. 5).

WOM communication is a multistep flow process involving opinion leaders and followers. Followers, people likely to be influenced with WOM communication, are not simply passive receptors of information but they frequently initiate communications when disseminating a message to other members within their reference groups as well as spreading, or diffusing, the information across other reference groups with which the follower has contact. Opinion leaders, those people most likely to influence other people, not only verbally distribute information but they receive it both involuntarily and by performing personal research (Assael, 2004). In addition, the dynamic nature of WOM communication is accelerated by the Internet especially through blog sites, chat rooms, and digital social media.

#### ***Strategic Application of Word-of-Mouth Communication***

WOM communication occurs within a person’s reference groups as well as between reference groups. Homophilous reference groups with which a person has close ties are considered to be a WOM “in-group” and generally consist of immediate family, neighbors, church members, and associates at work whereas “out-groups” are heterophilous reference groups with which a person has dissimilar characteristics and loose ties such as civic groups, professional organizations, and geographically distant friends and family members. The greater the affiliation distance between reference groups, the more influential external factors become but the most influential factor in WOM communications appears to be cultural characteristics. Lam (2005) stated, “The

influence of culture appears to be the most important external factor, particularly in the contest of international marketing” (p. 1).

To illustrate this phenomenon, Lam and his colleagues conducted a study of WOM communication using Hofstede’s (1984) macro dimensions of international culture. These dimensions include:

- A. Masculinity: the measure of male dominance in a culture and the degree of assertiveness in interpersonal communication.
- B. Individualism: the measure of individualism verses collectivism in a culture.
- C. Power Distance: the degree to which a person can determine the behavior of another person.
- D. Uncertainty Avoidance: the degree to which a culture relies on rituals and formal procedures to make decisions.

The results of Lam’s (2005) study on the cultural influence on WOM behavior indicated that there is a measurable effect of engaging in WOM communications principally within the masculinity and power distance dimensions but little effect of engagement relative to the individualism and uncertainty avoidance dimensions. Results of the study are presented in Figure 3 with a brief list of countries that represent each dimension as originally compiled by Hofstede (1984).

**Figure 3: Tendency to Engage in Word-of-Mouth Communication**

	Masculinity		Individualism		Power Distance		Uncertainty Avoidance	
	High	Low	High	Low	High	Low	High	Low
OUT Group	More Likely	Less Likely	Little Impact	Little Impact	Less Likely	More Likely	Little Impact	Little Impact
IN Group	More Likely	More Likely	Little Impact	Little Impact	More Likely	More Likely	Little Impact	Little Impact
Representative Countries	Japan	France	USA	Venezuela	Philippines	Austria	Greece	Singapore
	Venezuela	Spain	Australia	Singapore	Mexico	Israel	Portugal	Denmark
	Mexico	Portugal	Great Britain	Mexico	India	Sweden	Japan	Sweden
	USA	Sweden	Sweden	Greece	Singapore	USA	Mexico	USA

Results indicated that the influence of high masculinity had a significant effect on both out-groups and in-groups but low masculinity was less likely to engage in WOM communication in out-groups. Consequently, cultures high in masculinity are more likely to exchange product information both within and across reference groups. Groups with high power distance were more likely to engage in WOM communication within their in-groups but not with groups outside of their social position thereby restricting the exchange of product information. Countries that are low in power distance, however, are more likely to engage in WOM behavior especially when exchanging consumer-related information (Lam, 2005).

Being aware of the cultural dimensions that are most favorable for WOM marketing may assist marketers in applying an appropriate strategy for stimulating product awareness. Assael (2004, p. 475) suggests the following strategic applications to stimulate WOM activity:

- A. Stimulate WOM through product trials.
- B. Stimulate WOM in advertising by suggesting that consumers tell friends about the product or service.
- C. Stimulate WOM through advertising showing typical consumers saying positive things about the product.
- D. Portray communications from opinion leaders.

In summary, the Lam's (2005) study suggests that marketers would probably enjoy greater success with WOM marketing in countries that are high in the masculinity dimension and low in the power distance dimension. Employing the appropriate WOM strategy in these countries should stimulate WOM activities that create positive product and brand awareness.

*Strategic Application of Diffusion Theory.*

Using WOM communication to exchange product information is a form micro-communication when activities occur within homophilous in-groups but gains greater marketing impact when communication occurs at the macro-level between groups especially heterophilous, out-groups. The process is called diffusion and is defined as “. . . the process by which the adoption of an innovation or idea spreads over time to other consumer groups through communication” (Assael, 2004, p. 479). The key strategic marketing application of diffusion is to spread information across a large number of reference groups in order to encourage adoption and continuous use of specific products.

As consumers are introduced to new products or services the WOM communication regarding the product will spread within the consumer's in-group as well as trickling down to lower socioeconomic groups or trickling up to higher socioeconomic groups. The research by Lam (2005) suggests that the rate of diffusion will be affected by cultural influences. It appears that diffusion will be more likely to occur in countries high in the masculinity cultural dimension such as Japan, Mexico, and the USA and in countries low in the power distance dimension such as Austria, Israel, Sweden, and the USA. The implication is that marketers may incur lower WOM marketing expense in these countries and that diffusion will occur at a more rapid rate than in countries whose cultural dimensions do not encourage WOM communication to heterophilous out-groups.

## MARKET SEGMENTATION AND THE MARKETING COMMUNICATION PROCESS

### *Market Segmentation and Micromarketing*

Marketing segmentation is a process where marketers divide markets into homogeneous groups that have similar cultural and demographic background, and similar product consumption needs in order to develop marketing programs to target these groups. In the past, marketers have used a mass marketing or product-centric approach that employed a standard message developed around the “4Ps” of price, promotion, place, and product combined to be aimed at all consumers in a large market. With advent of the Internet consumers have the ability to easily acquire product information and word-of-mouth news regarding brands and products thereby becoming more discriminating in their selections. In response, marketers have developed customer-centric advertising that focus on benefits segmentation, behavior segmentation, and segmentation by response elasticity (Assael, 2004).

Benefits segmentation requires that marketers define segments by the benefits that consumers desire in products. Behavior segmentation focuses on who is purchasing particular products and further refines the segmentation by analyzing brand usage, product usage, and level of usage (Assael, 2004). Segmentation by response elasticity involves determining appropriate changes in marketing stimulus through price changes and promotion alterations that will induce people to purchase and consume specific products.

Consumers typically take a personal approach to making purchase decisions rather than simply responding to a generic, mass-marketing message. The goal of market segmentation and micromarketing is to provide precisely defines marketing messages that satisfy consumer’s need for personal information regarding products and services.

### *Marketing Communication Processes*

Marketing communication is the process and methods used by marketers to convey the message of their product and benefits to consumers. The five fundamental components of the marketing communication process according to Assael (2004, p. 502) include:

- A. The source of the message is where marketers develop their communication objectives and target audience.
- B. Encoding the message involves translating the marketing objectives into an advertising message.
- C. Transmission of the message is the process of sending the message through various media that will reach consumers in particular market segment.
- D. Decoding the message is performed by the consumer in order to understand and retain the core message.
- E. Feedback to marketers indirectly through surveys and directly through purchase of the product that is the subject of the message.

For marketing communication to be effective it must have a credible source and the content should be appropriate to the product or service relative to the following communication aspects (Assael, 2004):

- A. Hedonic verses a utilitarian appeal
- B. A one-sided or two-sided message
- C. Comparison to competitive products or services
- D. Appealing to fear or fear avoidance
- E. Humor.

When marketing communication is accurately developed, targeted to the correct audience, a delivered through the appropriate media, consumers are able to easily decode and interpret the message. If there are no barriers to the communication process and the consumer is favorable toward the communication source, they should be adequately stimulated to purchase the product or service being advertised.

### ***Societal Implications of Marketing Communications***

Assael (2004) points out that most advertising is socially responsible but there are instances where advertisers communicate a deceptive or irresponsible message. There are direct legal remedies for deceptive advertising but some advertising may be legal but not responsible. Such marketing communication could be in the form of advertisements of alcohol or cigarettes to minors, promises of medication efficaciousness without supporting evidence, or inflated price comparisons.

Another form of socially irresponsible marketing communication is excessive advertising especially between competitors involving low-involvement products. According to Netter (1982), these products have a relatively constant level of purchase in a given calendar period and large amounts of advertising have a limited capacity to increase primary demand. Under these conditions, excessive advertising distorts resource allocation, increases product expenses, and often is the source of increased retail prices.

### **SUMMARY**

Cultural value systems have a direct effect on consumer behavior and vary by the major cultural dimensions between countries but become increasingly complex when people immigrate to foreign countries that have different cultural dimensions. In these situations, people are subjected to a wide variety of cultural reference groups that ultimately affect their consumer



behavior. Consequently, marketers must develop marketing communication that addresses cultural and reference group factors from both a domestic and global perspective; that means marketers must adhere to the Levi-Strauss maxim to think globally but act locally. To this end, marketers use market segmentation and micromarketing to develop customer-centric marketing messages with the goal of providing precisely defined marketing messages that satisfy consumer's need for personal information regarding products and services so that consumers should be adequately stimulated to purchase the product or service being advertised.

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