

Impact of culture on consumer behaviour



**ASSIGN
BUSTER**

China is the fastest growing and most dynamic economy and is becoming one of the most important markets in the world. With a total population of 1.3 billion and a Gross Domestic Product (GDP) of US\$10.2 trillion, China accounts for 12% of the world's GDP. Luna & Gupta (2001) noted that the key factors contributing to the significant economic growth in China encompass:

Integration into the global economies and export growth;

- Being the world manufacturing hub;
- Expansion of China's domestic market and inland China growth; and
- Commitment to the World Trade Organization (WTO).

To excel in China, the understanding of Chinese culture is important. Culture is human activities and environment where sets of values and norms followed by a group of people with inherited ethical habits that are symbolic, meaningful and identifiable whether abstract and material (Blackwell et al., 2007). It is to be noted that every form of the culture elements (materials, social institutions, beliefs and value systems, aesthetics and languages) cannot be viewed singly as they are intricately intertwined as each has its synergistic effect with the other.

The national culture of any country is shaped by its core values and is the source of considerable amount of mental programming (Hofstede, 1991; Banerjee, 2008). Therefore, it is imperative for marketers to better understand Chinese consumers' behaviour (Cui & Liu, 2000; Zhou et al., 2009). The impact of national culture is derived and measured from Hofstede's Dimension of Culture – Individualism versus Collectivism; Power

Distance; Masculinity versus Femininity; Uncertainty Avoidance and Long-term Orientation versus Short-term Orientation. National culture has considerable influence on consumer behaviour (Jaishankar, 1998; Banerjee, 2008) and is outer stimuli, influencing the diffusion of product across countries (Kumar et al., 1998; Banerjee, 2008).

China being a large and complex society with 56 ethnic groups each with its own culture and values, there are different mindsets and values in different regions in China (Ralston et al., 1996; Zhou et al., 2009). It has thus been observed that China is a heterogeneous consumer market and not a homogeneous market (Dou et al., 2006; Zhou et al., 2009).

Coastal regions of China have long been the gateway to the West through the import and export activities whilst the vast inland has traditionally relied on agriculture with all related industries depended on the natural resources (Veek et al., 2007; Zhou et al., 2009). Therefore, there are two important cultural differences between the two regions – the residents from the coastal regions are more open, individualistic and innovative whereas the inland regions are more conservative and collectivistic (Cui & Liu, 2000; Zheng, 2006; Zhou et al., 2009). The different regional subcultures are definitely reflected in the different patterns of consumers' shopping behaviours. Therefore, it is pertinent to understand the influence of culture of the regions to avoid confounding the cultural dimension.

Luna & Gupta (2001) noted that culture affects consumer behaviour which reinforces the manifestation of culture. An individual's consumption behaviour is a result of the individual culture value system developed over

time as they socialise in a particular group which is in turn influenced by regional sub-cultures and familial values. The first stage of understanding buyer behaviour is to focus on the factors that determine the “ buyer characteristics” in the “ black box”. These can be summarised as follows:

The 7P’s of marketing – Product, Price, Promotion, Place, Process, People and Physical Evidence shall be conceptualised and operationalised in a culturally-sensitive environment. Such analysis on consumer behaviour provides to marketers the basic and underlying motives for consumption that helps in understanding the fundamental needs, wants and different forms of the consumers’ decision making variables.

This paper aims to review the impact of culture on the consumer behaviour in China focusing on three of the culture elements which are values, languages and aesthetics and how culture elements shape the purchasing patterns of the Chinese.

2. 0 The impact of values on consumer behaviour

2. 1 Definition of values

Values can be defined as moral or professional standards of behaviour.

Literally, it means a set of emotional rules people follow to help make the right decisions in life. It instils a sense of integrity, honesty and diligence in people. As reported by Rokeach, (1968, 1973); Tai, (2008), value is defined as an enduring belief that a specific mode of conduct personally or socially preferable.

2. 2 Overview of Chinese values

Values, attitudes, lifestyles and consumption patterns for the people of China have been deeply influenced by their long historical and cultural traditions. It is therefore important to have a comprehensive understanding of the significant aspects of Chinese cultural norms that have been shaped and formed mainly from interpersonal relationships and social orientations of the Chinese people. Religion has been diffused throughout the society and the term 'religion' 宗教 (zōng-jào) did not even exist in the Chinese lexicon until the 19th century. It is highlighted that the above behavioural pattern has its origin from the works of Confucius, whose doctrines constitute the basic pillars of the Chinese life and ways of living (Bhasin, 2007; Qian, Abdur Razzaque & Keng, 2007). Bhasin, (2007) also recognised that Confucianism had the most profound and lasting effect on Chinese society, where it promoted harmony through moral tenets at all levels of human relationships, especially the family and nation.

2. 3 Values are regional

Industrialisation which began on the coastal areas of China was unevenly spread and hence most of the inland regions were isolated from industrialisation. People in coastal regions with higher industrialisation levels have more interaction with imported products compare to the inland people and thus, adopt more western values. While China's coastal and inland regions share the same overall Chinese culture, they may also have their own distinctive values and norms (Huo & Randall, 1991; Zhang, Grigoriou & Li, 2008). As a result of that, coastal consumers are more individualistic compare to their inland counterparts which are more collectivistic.

2.4 Core Chinese values

Understanding basic cultural competence is important when doing business in China. The Chinese core values which affect the consumers' behaviour are conversed below.

Family and group orientation

Chinese society is made up of network of families with cultural values derived exclusively from the same. It strengthens the thought that the Chinese in general are collectivist. It is the family and kinship relations that pass on the heritage to the children and not the educational institutions (Qian, Abdur Razzaque & Keng, 2007).

Guanxi (关 系 guān xì)

Literally consists of two Chinese characters; “guan” refers to a gate or a hurdle, while “xi” means a tie. Taken together, guanxi means “pass a gate or a hurdle and get connected” (Ambler, 1994; Zhuang, Xi & Tsang, 2010). It is an interactive behaviour or tie between two or more individuals that established the closeness of one relationship. The larger one's guanxi network is, the more powerful the person becomes (Qian, Abdur Razzaque & Keng, 2007).

Renqing (人 情 rén qíng)

Renqing is a social relationship concept according to an implicit set of rules. It can be interpreted as kind of resources, assistance or favour that one gives others and one should return the assistance given once the opportunity arises. Lee & Dawes, (2005); Zhuang, Xi & Tsang, (2010) explained that Renqing requires that, in a group, all members should help those in need and

that all assistance or favours should be repaid. Those who do not repay assistance are considered untrustworthy. Renqing also can be termed as reciprocity.

Mianzi (é 面 é 子 ǎ 子 miàn zǐ)

Mianzi can be directly translated as face. (Zhuang, Xi & Tsang, 2010)

indicated that one is given face when he or she is made to feel respected or important. The fact that saving face is so significant to the Chinese, a person is more concerned with other people's perception of him or herself and with maintenance of his or her own status (Lee & Green, 1991; Qian, Abdur Razzaque & Keng, 2007). The strong notion of face saving to a certain extent discourages consumer from voicing their product's dissatisfaction, where one loses face in front of others if no positive outcome from the complaint is obtained.

Yuan (é 运 yuán)

Yuan can be interpreted as karma or destiny. Chinese believe that there are predetermined things that are beyond one's control. Generally they have low expectations towards the purchased products and tend to attribute failure of the product to fate rather than to the manufacturer.

Thrift

Thrift has been identified as one of the core Chinese values. Faure & Fang (2008) recognised that thrift has a functional impact on social life.

Traditionally, Chinese people would bargain over the price when buying goods (Faure & Fang, 2008). Chinese in big cities like Beijing and Shanghai

put half of their annual per capita earnings into savings (Orr, 2004; Wang & Lin, 2009).

Traditional creeds

Traditional creeds take place in Chinese society due to absence of faith and deep spirituality. The Chinese are characterised as "extremely superstitious" but "not religious" (Fang, 1999; Faure & Fang, 2008). Chinese tend to believe in all sorts of supernatural powers that can intervene in their daily life (Faure, 2000; Pye, 1986; Faure & Fang, 2008). Astrology and geomancy (feng shui) are believed to have direct effect on life, from the date of birth to marriage or buying a new office to the choosing of the opening date.

Long-term orientation

Traditionally, time is not a main concern for the Chinese. Faure & Fang (2008) cited that time is perceived as an unlimited resource such as the air that people breathe. Companies and people could have a long term and continuous perspective about life and time. The long-term orientation relevant to the study of consumer behaviour is exemplified with the habit of saving for the future by the Chinese and hence they may spend less on unnecessary items.

The case of Procter & Gamble's Crest toothpaste which entered the Chinese market in 1997 with green tea flavoured toothpaste that built on the traditional Chinese belief that green tea is healthy and good for teeth, resulted in their revenues increased in China by 24% per year between 2002 and 2006 (Suessmuth-Dyckerhoff, Hexter & St-Maurice, 2008). On the other

hand Starbucks, despite having more than 400 coffee shops in China failed to recognise the cultural sensitivity of the Chinese when they opened an outlet inside Beijing's Forbidden City. Starbucks represents low context culture and are not compatible with the refined taste of cultural legacy condensed in the Forbidden City (Han & Zhang, 2009). As a result, the shop had to be closed down under tremendous public pressure.

The examples presented clearly show that values do impact consumer behaviour in terms of consumption patterns, lifestyles and the priority of needs. Urbanisation and industrialisation do give some influences on the values but Chinese do not seem to have given up its cultural characteristic, especially in deciding on a particular product. They tend to make judgments in the most traditional manner, thinking about issues of face, respect, trust and even guanxi. Thus, marketers need to engage in different approaches when dealing with the Chinese consumers with different value orientations.

3. The impact of Languages

3.1 Overview of Chinese Language

China official language is Mandarin or Putonghua (common language) where an estimate of around 80% of the urban population in China use as their main language of communication (Zhou, 1999; Li, 2004) and there are also numerous major Chinese oral dialects as depicted in Table 3. The complexity of Chinese language is due to one of its attributes, which is a tonal language that relies on four distinct tones with 5 levels of pitch range (Chan & Huang, 1997).

Table 3: The Sinitic language (Han Chinese) as observed by Swanson, 1999, p. 35

Language is arguably the most distinct differences when it comes to culture. For Chinese as observed by Alon, Littrel & Chan (2009), they associate written name with the long history of written communication in China and beautiful crafted characters can yield positive brand perceptions. Due to the numerous dialects in different regions within China, communication within different regions are not fully understood, for example, Northern Chinese (who speak Mandarin) may not fully understand Southern Chinese (who speak Cantonese) and vice versa. This results in complications when it comes to making a universal Chinese branding strategy to market in China, and care must be taken when products brand names are being transliterated so that they will have positive appeal to consumers.

3. 2 Standardised Written Chinese Characters

The solution to unite language in China is the introduction of standardised Chinese writing to either “ Traditional” (primarily outside Mainland China) or “ Simplified” (primarily within Mainland China). The Government officiated Simplified Chinese or pinyin in 1958, which relies on effort to Romanised the pronunciation of Chinese characters.

Marketers have long acknowledged the importance of localising their brand names, so that their brand names recall highly amongst Chinese consumers, as this is one of the best ways to attract attention. Coca Cola transliterated its name to 可口可乐 (kǎ-kǎ-u-kǎ-lè) which means “ to allow the mouth to be able to rejoice” is a clear example of localising brand name as

indicated by Alon, Littrel & Chan (2009). It can be further noted that in selecting brand names, it is essential that they are easy to remember, spell and pronounce (Li & Shooshtari 2003; Alon, Littrel & Chan, 2009). In a clear adherence to this, German automakers BMW can be transliterated to 宝马 (bǎo mǎ), meaning treasure horse and Mercedes Benz can be transliterated to 奔驰 (bēn chí), meaning dashing speed. The knowledge of naming products which have meaningful words in China would ensure the acceptance and success in the Chinese market.

3.3 Two-Syllable Brand Names

Due to the complexity of Chinese characters, the work of Alon, Littrel & Chan (2009) noted that out of 9,400 morphemes which relate to one syllable, a combination of these morphemes, rather than individually used, created a 70% Chinese words comprising of two morphemes or syllables.

Ideally, two-syllable brand names are preferred as they are easier to pronounce and remember (Chan & Huang 2001; Alon, Littrel & Chan, 2009). In the case of Coca Cola, when it was first launched in China in 1928, people called by its four syllables brand 可口可乐 (kě yǐ kǒu kǎi) and as its popularity and acceptance grew, Chinese consumers started calling the brand by its two syllables as 可口 (kě yǐ) as noted in the report of Chan & Huang (2001). In the case of another popular soft drink, Sprite, it is a one-syllable brand that has been popularly known by its two-syllable name in China as 雪碧 (xuě bì) which means snow-blue, which coincidentally also denotes coldness-related word which are very positive words in China for drinks (Chan & Huang, 2001).

3.4 Word-Of-Mouth Communication

China is predominantly a high context culture country, whereby information on purchase decision is usually referred to family members and friends. With 67% of Chinese consumers rely on word-of-mouth communication to know about a new brand as observed by Nunes, et al. (2010), and Chinese consumers rate word-of-mouth communication seven times more credible than television advertisements (Suessmuth-Dyckerhoff, Hexter, & St-Maurice, 2008).

Online discussion on the internet is also an effective tool of word-of-mouth communication albeit in a different forum. This leads to companies launching internet campaigns like KFC's China website focusing on interactive discussion with a Chinese web portal, QQ. com which is accessible at kfc. qq. com (Alon, Littrel & Chan, 2009).

The role of language in consumer behaviour relies heavily on getting a meaningful name in brand naming. Cross cultural translation must be approached sensibly to better understand culture of China. This is often a difficult task as direct translation is not easily achievable due to the fact that Mandarin is radically different from Roman-alphabet-based language. However if done correctly, the combination of chosen Chinese characters can play an important role, thus able to communicate product attributes and benefits, traditional or modern values, beliefs and customs (Fan, 2002; Alon, Littrel & Chan, 2009).

4. The impact of Aesthetics on consumer behaviour:

4.1 Definition of Aesthetics

Aesthetics relate to beauty and what the senses feel, see, touch, smell and appreciate. “ Aesthetics are of particular interest to the marketer because of their role in interpreting the symbolic meanings of various methods of artistic expression, colour and standards of beauty in each culture. The uniqueness of a culture can be spotted quickly in symbols having distinct meanings” (Ghauri & Cateora, 2006 p. 87).

In the perspective of marketing and consumer behaviour the term “ aesthetics” relate to the consumers’ five senses of vision, hearing, touch, taste, and smell in response to an object and has a direct bearing on consumer behaviour.

4.2 The relevance of aesthetics for the Chinese Market

To create an impact and succeed in China market and attract consumer by culturally adapting brand names to help the product become a success in China. Various industries need to take into consideration the Chinese rich culture.

Colours

Colour has significant value for the Chinese due to cultural superstition in terms of product logos and package designs. “ The colour red (especially when combined with the colour gold) became a symbol of good luck and prosperity” (Toronto Star Newspapers, Ltd., 2010), however the colour black is deemed to bring bad luck or symbolises death.

Logos

Logo perception and designs can lead to attraction or distraction for the Chinese Consumer. Brand name, symbols and designs should not offend the local culture. Logo designs and shapes indicate the following: Even shapes like round and symmetrical signify prosperity, dynamism and harmony while uneven shapes indicate conflicts to the Chinese consumers.

Numbers

Numbers can be deemed to bring good or bad luck. Certain numbers such 8, 11 and 13 have positive connotation while 4 has been associated with bad luck in the Mandarin language (Fletcher, 2006). Good example for auspicious number: 6, 8 and 9 like the official opening ceremony of the Beijing Olympics 2008 began at 8. 00pm on 08/08/08 and non-auspicious numbers: 1, 4 and 7 denote bad luck where pronunciation of ' Si' in Mandarin refers to death.

“ Long-term brand viability is more likely as design is not based on “ of the moment” creativity, but rather strategically timeless aesthetics that depict brand attitudes (Blumenthal, 2001). Henderson et al. (2003) suggest that the role of logo design in contributing to brand equity is of primary importance in less industrialized countries, when operating abroad, or in countries with logographic writing styles. India and China, for example, have diverse dialects, making language a significant barrier to communication.” (Pittard, Ewing & Jevons, 2007).

Aesthetics and application to local Chinese customs is important for the success of international companies entering China. Consulting local Chinese experts to strategize market penetration in terms of aesthetics looking at

wording, logo, designs and meaning will further enhance their success to Chinese consumers resulting in long term customer satisfaction.

4.3 Aesthetics and Brand Names

Mobile phone industry where the aesthetics and looks of the product is important to enhance customer satisfaction and long term commitment is a good example. In China, study was done conducted to test the customer behaviour towards selected brands within the Chinese mobile phone market. The outcome indicates brand image influences Chinese consumer behaviour but the study is not conclusive as factors like language and location of study could limit the bigger picture. (Ogba & Tan, 2009)

“ Chinese consumers have readily embraced global brands such as Louis Vuitton, BMW, Nokia, Starbucks and McDonald’s. Customisation and localisation are the key words in the strategies of foreign companies catering to the needs and preferences of Chinese consumers”. (Euromonitor International from trade sources/national statistics, 2008).

5. Conclusion

The impacts of culture on consumer behaviour from the perspective of values, languages and aesthetics in China have been proven to be complex and challenging tasks to the global marketers. Thus, a thorough understanding of culture is a necessary ingredient in the development of effective marketing strategy (Yaparak, 2008).

The result of rapid industrialization has prompted the emergence of consumer market and culture. Consumer preferences are also changing in tandem with higher disposable income, increased consumer information and

wider product selections and distribution channels which highlights the emerging growth of hedonic consumption values. The upshot of this is that the Chinese consumers are looking for more fun, gratification and pleasure in their consumption experience and it is found that hedonic values have a positive impact on the choice and consumption patterns of the Chinese consumers especially for brand consciousness and preference for foreign brands (Wang & Lin, 2009).

Although cultural characteristics in China often seem to be permanently enduring, a closer analysis reveals that cultural inclinations change from time to time since societies adopt and adapt to different lifestyles and priorities. This is due to the fact that individuals which constitute a particular culture continuously alter their perceptions, attitudes, values, beliefs and behaviours in light of societal and global changes. These perceptions, attitudes, values and behaviours are typified by the buying patterns of the Chinese.

During the Mao era, the word “ sexy” was completely forbidden from general use by the public. This is because a “ sexy” attitude was held to be synonymous with “ shamelessness” (Faure & Fang, 2008) and the wearing of short skirt by women was banned. However, these days not only the Chinese media freely discuss and portray sexuality in its colourful variety but the Chinese people confidently flaunt their freedom of dressing with all sorts of skimpy fashion. The annual China Sex Culture Festival in Guangzhou exemplifies how open China has become and is a testament to a major cultural shift. It would not go out of context to highlight here that during the infamous Cultural Revolution (1966-1976), the Chinese were all wearing grey

and green Mao uniforms and that the roads were all full with black bicycles as the famous mode of transportation. These images remain only in grainy black and white photographs of the yesteryears since these days the Chinese, at least in the coastal megacities like Shanghai and Guangzhou clad themselves in fashionable dresses and drive big imported cars.

These examples show that the shift in value perception and attitudes do have their impact on the consumer behaviour in China in the sense that culture does evolve from time to time and its evolution alters the preference of the buying masses. Cultural evolutions must then be understood by the international marketers so as to develop relevant, suitable and effective marketing strategy in the Chinese markets.

In conclusion, culture and its various core elements including values, languages and aesthetics must be seen in a constantly growing perspective. This is the reason why the understanding and appreciation of culture and its limitations in the context of consumer behaviour needs to be broadened. Culture must thus be viewed as a dynamic and holistic force that constantly shapes and reshapes its elements according to the variables of time. The ability of globalisation and modernisation in impacting the Chinese' consumer values are almost limitless in its scope and intent. However, China seems to have never given up its single most important cultural characteristics, which is the ability to manage paradoxes (Faure & Fang, 2008). Therefore, whilst certain aspects of the culture are still adhered to, other values closely associated with that same culture is slowly or rapidly losing ground.

Word count = 3995