



The Dissimilar Significance of Functional and Experiential Beliefs when Marketing Brands in Cross-Cultural Settings

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Abstract

Drawing from social science literatures, this paper proffers and examines a theory that firms should adapt their marketing strategies in cross-cultural settings in order to reflect the dissimilar significance of their brand's *functional* and *experiential* elements in disparate cultures. Employing American and Chinese respondents, the paper tests hypotheses that empirically examine whether there is support for the discussed theory. It presents the findings, some which were unexpected, and offers new insight into the ongoing standardized vs. localized marketing strategy debate, with respect to marketing brand(s) in cross-cultural settings. The paper also provides a future research program to further our understanding of which marketing strategies are more apposite in cross-cultural settings.

Keywords: Cross-cultural, Marketing strategy, Functional elements, Experiential elements

1. Introduction

As domestic markets mature and competitive pressures increase, firms frequently turn to foreign markets in quest of growth opportunities for their brands. Unfortunately, the increased marketing costs and greater risks that are associated with international expansion frequently lead to firms failing to achieve their performance goals in these markets (Liu and McClure, 2001; Ma and Elango, 2008). Merrill Lynch's initial entry into the Japanese market in the 1980's is an exemplar of such failure because of the firm's inadequate adaptation of its marketing strategy to the customer disparities that are found in this cross-cultural setting (Ekeledo and Sivakumar, 2004).

While practitioners often assume that brands which do well in their home market will do well abroad, if customers perceive brands to be dissimilar in cross-cultural settings similar success cannot be assumed, because foreign customers'

purchase behavior might differ (Sinha and DeSarbo, 1998; Keller, 2000; Barnes, 2003). Thus, given the importance of international markets to many firms and the challenges that confront their brands in these markets, it becomes critical to understand the differences in consumers' brand beliefs and perceptions across cultures, and the impact (if any) of these differences on individuals' purchase behavior.

Interestingly the literature suggests that two aspects of a brand which are important contributors to consumers' beliefs regarding a brand are its functional elements and its experiential elements (Zaltman, 2003; Barnes, 2003; deChernatony, Harris and Riley, 2000). Specifically, consumers' beliefs about a brand reflect their perception of its *functional* (utilitarian) elements (a brand's quality and performance), and its *experiential* (subjective) elements (the resonance and imagery associated with a brand) (Broyles, Schumann, and Leinpibul, 2009).

In drawing from social science literatures, we theorize that the dissimilar cognitive processes, values, evaluative criteria, and purchase decision processes that exist in disparate cultures (e.g. Nisbett, Peng, Choi and Norenzayan, 2001; Briley and Wyer, 2001) likely lead to a brand's *functional* and *experiential* elements having dissimilar influence on consumers' purchase behavior. If supported, this difference would suggest that firms will most likely need to adapt their marketing strategies to place disparate weights on the *functional* versus the *experiential* elements of their brands in cross-cultural transactions.

From a strategic perspective, this is an important issue that is related to the ongoing standardized versus localized marketing strategy debate. For example, some (e.g. Katsikea and Skarmeas, 2003) suggest that firms tend to struggle in international markets when they do not adapt their marketing strategies to reflect dissimilarities that exist between customers in their domestic and foreign markets. Conversely, others (e.g. Ozsomer and Prussia, 2000) question whether firms should adapt their marketing strategies in foreign markets, suggesting that standardized strategies may be quite apposite in cross-cultural settings.

In order to expand our understanding of whether standardized or localized marketing strategies are more appropriate in cross-cultural transactions, this paper discusses an empirical study that examines whether consumers' perceptions of a brand's *functional* and *experiential* elements suggest that firms' marketing strategies should have (dis)similar focus on the *functional* and *experiential* elements of their brands across cultures.

Using individuals in a Western culture, such as exists in the U.S., and in a traditional Eastern culture, such as exists in mainland China, the present study was conducted to test the proposed theory. These cultures were chosen for a comparative study based on social science literatures suggesting that the cognitive processes, values, and evaluative and decision processes of individuals typically found in these two cultures are so dissimilar that they are essentially opposite (Nisbett et al., 2001). Because of these differences, some (e.g. Nisbett et al., 2001; Briley and Wyer, 2001) suggest that the focus of a firm's marketing strategy on its brand's *functional* and *experiential* elements should differ in these cultures. This would suggest that a firm would need to have a more localized marketing strategy for these markets. This makes a stronger case for the use of U.S. and Chinese subjects in this study for evaluating the (dis)similar importance of a brand's *functional* and *experiential* aspects in these cultures.

This paper begins by discussing the *functional* and *experiential* elements of a brand that are frequently employed in a firm's marketing strategies. The paper next examines the dissimilar significance of these elements in Western and traditional Eastern cultures, and puts forth testable hypotheses to examine this study's theory. It then discusses the study and its findings, some of which were quite unexpected. It closes by discussing implications of the study's findings, after which it puts forth a future research agenda to provide further insight into the standardized vs. localized marketing strategy debate, followed by a discussion of this study's limitations.

2. Conceptual Development

2.1 Functional and Experiential Beliefs

Fundamentally, consumers' beliefs regarding a brand are linked to their perceptions of its *functional* and *experiential* facets (Zaltman, 2003; Barnes, 2003; deChernatony, Harris and Riley, 2000). The *functional* aspect represents a brand's more intrinsic, objective, utilitarian, and tangible facets (Holbrook and Hirschman, 1982; Keller, 2003), including consumers' perception of its quality and performance (Rajagopal, 2007; Hall and Jones, 2007). Perceived quality refers to consumers' judgments of the overall excellence of a brand, relative to substitutes (Zeithaml, 1988). Perceived performance refers to one's judgment of a brand's ability to fulfill its intended functions, relative to substitutes (Keller, 2001).

The *experiential* aspect refers to a brand's extrinsic, subjective, emotive, and intangible facets (Holbrook and Hirschman, 1982; Keller, 2003), including its resonance and imagery (Keller, 2001). Whereas resonance refers to the relationship that consumers have with a brand, such as an individual having an emotive bond with the brand (Rajagopal, 2007), imagery deals with how well a brand fulfills consumers' psychological/social needs (Hall and Jones, 2007).

It is important for a firm to determine whether its marketing strategies should have disparate focus on the *functional* or *experiential* elements of its brand(s) in cross-cultural settings (Herstein and Tifferet, 2007). For example, Wheelwright (1984) addresses our need to better understand the significance of the *functional* elements with regards to their influence on consumers' purchase intent by noting that a firm has greater potential to achieve its performance goals by incorporating guiding principles such as a commitment to the *functional* elements of its brand(s). With respect to the *experiential* elements, Taylor and Prideaux (2008) discuss that firms have greater potential for success if their marketing strategies incorporate these elements. These views clearly suggest that we need to better understand whether the *functional* and *experiential* elements have dissimilar influence on consumers' purchase behavior.

It should be noted that consumers' purchase behavior toward a brand could be influenced by factors beyond the four employed here (i.e. quality, performance, resonance and imagery). For example, the literature discusses that other facets of a brand which might impact purchase behavior include: i) one's awareness of a brand (i.e. ability to recognize and recall a brand name) (Keller, 2003); ii) one's attitude toward a brand (favor/disfavor) (Armstrong and Kotler, 2003); iii) one's loyalty toward a brand (repeat purchases) (Keller, 2003); and, iv) a brand's economic life (Aaker, 1991). Demographic variables such as age could also play a role in influencing purchase behavior. However, as the purpose of this paper is to build a foundation of new knowledge about the comparative influence of brands' *functional* and *experiential* facets on purchase behavior in cross-cultural settings, we elected to limit the study to those antecedent variables which literature discusses as being crucial in the development of consumers' purchase behavior toward a brand. Thus, we did not incorporate other factors as dummy variables in this study (Hair, Black, Basin, Anderson and Tatham, 2006).

2.2 Implications for Marketing in Cross-Cultural Settings

Social science literatures suggest that the significance of one's *functional* and *experiential* beliefs may differ across cultures due to the disparate cognitions, perceptions, emotional experiences and expressions, and evaluative and consumptive behaviors that exist in such settings (Paladino, 2007). If empirical evidence supports the existence of such differences, might the inadequacies of existing cross-cultural research (Ferraro, 2002) be restricting our ability to develop and disseminate knowledge about such differences to practitioners which would help firms achieve their desired performance in international markets (Contractor, 2007)?

Support for examination of this question is found in Abbott's (1976) discussion that we need to develop and test theories and models that help overcome our 'foreignness', which refers to our unfamiliarity with, and inadequate understanding of customers' differences that exist across international markets (Zaheer and Mosakowski, 1997). Further support regarding the need to understand potential disparities among consumers in foreign markets is found in Ferraro's (2002) statement: "Since there are so many good brands on the market today, the crucial factor in determining who makes the sale is not so much the intrinsic superiority of the brand but rather the skill of the seller in understanding the...cultural differences and similarities operating in the global marketplace" (p. 14).

3. The U.S. and China as Exemplars for Cross-Cultural Study

Drawing from social science literatures, we posit that U.S. and Chinese samples are apposite for a comparative cross-cultural study, as the literature indicates that there are no two cultures with greater differences than the Western culture, such as found in the U.S. and the traditional Eastern culture, such as found in mainland China. Hofstede (2001), for example, shows that the Chinese and U.S. cultures differ most significantly on the Individualism and Long-term Orientation cultural dimensions. It is essential to strengthen our understanding of the impact of these differences on customer purchase behavior given that China is a strategic target market for many firms because of its large population and relatively strong economic growth (Liu and McClure, 2001). Further, studies are needed that will help stop domestic firms' declining market share in China, which stems from practitioners' uncertainty of how to develop marketing strategies that accommodate the differences between these two cultures (Zhou and Hui, 2003).

3.1 Differences between Chinese and U.S. Cultures

Before discussing dissimilarities between the U.S. and China, an assumption needs to be discussed. Specifically, any reference to China means mainland China, and does not include Taiwan, Hong Kong, or other parts of China. This is to avoid entangled discussions about the cultural, cognitive, and behavioral dissimilarities that exist between mainland China and these other areas (Tai and Tam, 1997; Inglehart and Baker, 2000).

With respect to individuals typically found in China, the literature suggests that their values, cognitive and evaluative processes, and behaviors can be traced back to the ancient philosophies, beliefs, and teachings of Confucius, Buddha, and Tao (Hofstede, 1984; Markus and Kitayama, 1991; Watkins and Liu, 1996). In comparison, these aspects of individuals in Western cultures can be traced back to the ancient teachings of Socrates, Aristotle and Plato (Nakamura, 1960). The beliefs, teachings and philosophies of these great thinkers have been passed down over generations through each culture's arts and sciences (Huntington, 1993), through their educational, religious (Huntington, 1993) and legal systems

(Nakamura, 1960; Nisbett et al., 2001), and have been influenced by the level of each culture's economic development (Nakamura, 1960).

The result of these influences is that a typical Westerner (as compared to a typical Chinese) has an *experiential* orientation, and wants to fulfill his/her subjective, emotional and psychological needs through purchase behaviors (Costa and Bamossy, 1995; Inglehart and Baker, 2000). Understanding these orientations is important for helping firms determine whether standardized or localized marketing strategies are best suited for cross-cultural settings (Eerie, Edwards and Lee, 2008). Thus with respect to *experiential* facets, we expect that:

H1: Resonance has stronger influence on future purchase intent with Americans than with Chinese.

H2: Imagery has stronger influence on future purchase intent with Americans than with Chinese.

With respect to Chinese, the literature suggests that the typical individual in an Eastern culture, and in particular, China has more of a utilitarian and objective orientation (Inglehart, 2001; Inglehart and Baker, 2000). This suggests that the *functional* facets of a firm's brands should be given greater focus in a firm's marketing strategies within the Chinese culture (as compared to the U.S. culture) (Inglehart, 2001; Holbrook and Hirschman, 1982). To examine whether these thoughts are empirically supported, the following hypotheses are put forth:

H3: Perceived quality has stronger influence on future purchase intent with Chinese than with Americans.

H4: Perceived performance has stronger influence on future purchase intent with Chinese than with Americans.

4. Study

4.1 Study Perspective

Future purchase behavior was employed in this study's hypotheses as the consequence of brand's *functional* and *experiential* elements, because increasing consumers' purchase behavior is a desired performance outcome for a firm (Calderon, Cervera and Molla, 1997). Further, various scholars (e.g. Holbrook and Hirschman, 1982; Sinha and DeSarbo, 1998; Zeithaml, 1988; Keller, 2001, 2003; McAlexander, Schouten, and Koenig, 2002) indicate that a consequence of strong brands is that consumers' purchase behavior toward those brands is strengthened.

As found in the noted hypotheses, future purchase intent was used in this study as a surrogate for future purchase behavior (Newberry, Klemz and Boshoff, 2003) because current research reveals that intent is "most likely to be predictive of actual purchase" (Keller, 2003, p. 462). Further, Chandon, Morwitz and Reinartz (2004) found support for this view in their study which found a degree of evidence that one's purchase intentions has some level of association with their actual purchase behavior.

4.2 Participant and Brand Selection

To test this study's hypotheses it was important to secure comparable U.S. and Chinese respondents to minimize within-group heterogeneity, reduce measurement and random error, strengthen the study's validity, and lead to more valid comparisons of the two groups (Ter Hofstede, Wedel and Steenkamp, 2002; Steenkamp and Baumgartner, 2000). To this regard, we conducted qualitative interviews with 24 students at a major southeastern U.S. university, with half of the samples having been born and raised in mainland China, and only recently having come to the U.S. to pursue their undergraduate degree. The other half of the sample is American born and bred university students. The qualitative data secured from these interviews indicate that the test could be conducted with U.S. and Chinese university students, in that the samples from each culture noted this would lead to a strong probability that the study should be conducted with respondents that have comparably similar needs, attitudes and beliefs, lifestyles, and behaviors (especially as compared to older age groups).

Because a cross-cultural comparative study requires using a brand(s) for which respondents in each group have similar familiarity and usage, qualitative interviews were conducted with various U.S. and Chinese respondents to identify suitable brands. Interview data indicated that KFC would be an appropriate brand based on it meeting our criteria. Support of using KFC is found in discussion of the samples that it is a brand with a strong market presence and strong recognition by individuals in the U.S. and China (Businessline, 2006).

4.3 Survey Development

An in-depth review of literature did not reveal extant measures that adequately capture the contextualities of KFC (e.g. smell, taste, and tenderness of its chicken; the choice of side items; and, the cleanliness of its restaurants). Thus, Churchill's (1979) guidelines were used to develop new measurement items, with focus on ensuring the measures and survey instrument are easy for U.S. and Chinese samples to comprehend (Dillman, 1978).

Interviews were conducted with employees of KFC and volunteer university student respondents to develop insights into perceptions of the brand's *functional* and *experiential* elements. Interview data were used to develop initial measures that were then reviewed by four subject matter experts (SME's) to confirm the face validity of the measures, and to determine how well they represent the constructs. SME feedback was also used to identify any measures that should be

dropped from the survey or be altered; and, to determine whether any new measures needed to be developed (Maurer and Tross, 2000). The resultant survey instrument employed a Strongly Disagree – Strongly Agree, 5-point Likert scale throughout, and was examined by various respondents to confirm its clarity and understandability (Dillman, 2000).

Next, the survey instrument was translated into Chinese, after which it was back-translated into English by a bi-lingual person, with all discrepancies corrected. The Chinese version was then examined by a Chinese university professor and two of his student assistants, each who are proficient in English, in order to ensure similarity of the two versions of the survey (Mullen, 1995).

4.4 Pre-Test and Methodology

A pre-test was conducted with 272 American and Chinese volunteer student respondents at the noted U.S. university. Of these completed surveys, twenty-two were discarded due to outliers (using the multivariate data screening function in NCSS 2001), missing data, incomplete surveys, and indifferent answer patterns. Using the pre-test data, descriptive statistics procedures in SPSS 15.0 were utilized for identifying whether any of the measures were problematic (e.g. were poorly worded or had high kurtosis). Any measures identified as being problematic were either corrected or removed if judged to be uncorrectable. Then, confirmatory factor analysis (CFA), utilizing SPSS 15.0 was used to identify the degree of construct validity (e.g. no cross-loading or weak loading). The results of the measurement model were then run in Structural Equation Modeling (SEM), employing Amos 7.0 in order to cross-check the retained items for evaluating their potential behavior in the actual study. The modification indices and normality test in SEM were also satisfied.

SEM was employed because it is a good methodology for a study that entails constructs which must be evaluated through observable measures and indicators (Steenkamp and Baumgartner, 2000). It also enables cross-cultural comparison (Steenkamp and Baumgartner, 2000) and produces series of goodness-of-fit statistics to help evaluate proposed models (Mullen, 1995). Lastly, SEM helps ensure equivalence of constructs, measurement items, and samples, which are important for avoiding weakening the validity of substantive inferences in a cross-cultural study (Mullen, 1995).

4.5 Conducting of the Actual Study and Revealed Findings

The final survey was administered to 280 volunteer students at a southeastern U.S. university, and to 298 volunteer students at a university in Beijing. Of the U.S. samples, 60% were male and 40 % female; and, of the Chinese samples, 45% were male and 55% female. The average age of the samples was 19-25 for each group.

Of the completed surveys, 65 that were completed by U.S. students and 68 that were completed by Chinese students were discarded due to outlier test, illegibility, missing data, or answers that were overly similar. CFA, employing SPSS 15.0 was utilized to examine the study's data in order to ensure proper factor loading patterns. Next, SEM in Amos 7.0 was used to examine the data to evaluate how well it performs with the proposed model.

Measures identified as loading weakly on constructs, or having atypically strong modification indices were removed. Descriptive statistics such as kurtosis and skewness were also examined for identifying any problematic items, which were then removed from the data. Next, the measurement model was re-run to confirm that the purified data performs well with the structural model.

Since this cross cultural study entails comparison between two cultures, the measurement invariance (equivalence) was evaluated (Steenkamp and Baumgartner, 1998; Myers, Calantone, Page and Taylor, 2000; He, Merz and Alden, 2008). Although back translation was conducted during scale development to ensure some degree of face validity, the EFA and multi-group analysis were also conducted to ensure the degree of measurement invariance (Deshpande, Farley, and Webster, 2000; He et al., 2008).

The result of EFA showed a similar loading pattern for both cultures, indicating the existence of the same simple structure in both cultures. Finally, the multi-group analysis in SEM was conducted to define the level of measurement invariance by comparing the fit of a baseline model (unconstrained) with other four constrained models, including: i) equal covariance, ii) equal lambdas, iii) equal covariance and lambdas; and, iv) equal covariance, lambdas, and error variances (Mullen, 1995; Steenkamp and Baumgartner, 1998; Myers et al., 2000). The results of Chi-square and degree-of-freedom and other fit indices (e.g. CFI, RMSEA, etc.) from the three constrained models revealed that the configural and metric invariance are satisfied, but the last constrained model showed some degree of instrument bias in Chinese samples. Two items which indicate bias error variances in Chinese samples were removed in order to avoid the common method variance (Myers et al., 2000). In sum, the level of measurement invariance is matched with the purpose of this research (Steenkamp and Baumgartner, 1998) and the measurement should work for comparison study.

As shown in Table 1, the targeted overall fit statistics for the structural model were achieved (Chi-Square: $DF \leq 3:1$; $CFI \geq .9$; $RMSEA \leq .07$) (Hair et al., 2006). Table 1 also depicts that the statistical results for the Structural Model reveal that at a confidence level of 95% the parameter weights for the retained measurement items met, or were very close to the targeted parameter weight ($\geq .4$) (Hair et al., 2006). However, Table 1 shows that some of the constructs have Cronbach's Alpha values below the oft cited value of .70 (Hair et al., 2006). For example, the value for quality is .54 for

Chinese samples; performance is .65 with Americans; Imagery is .59 with Chinese; and, future purchase intent is .68 for U.S. and .56 for Chinese samples. While the targeted Cronbach's Alpha value of .70 was not met by some of the constructs, the scores were significantly higher than the .40 recommendation by Hinkin (1998).

Similar to the perspective held by Churchill (1979), Anderson, Plotnikoff, Raine and Barrett (2005), and Hair et al. (2006), we believe that with a study such as this, which examines new hypotheses and uses new measures, and was conducted with respondents in two dissimilar cultures, that statistical flexibility is essential. Based on these various points, we warrant that the model and statistical findings are sufficiently strong to accept in this study.

While Figure 1 presents a conceptual model that guided the study, Figure 2 depicts the final structural equation model that was employed for testing this study's hypotheses. As indicated in Figure 2, this study revealed expected and unexpected findings. All findings related to paths that were retained between constructs shown in Figure 2 were significant at a 95% confidence level. As depicted in this model, the paths between resonance and future purchase intent and between imagery and future purchase intent did not hold up. Thus, **H1 and H2 are not supported**.

While Figure 2 depicts that perceived quality was found to have statistically significant influence on future purchase behavior for Americans (standardized path weight of .46), it also depicts that perceived quality does not have significant influence for the Chinese respondents. Thus, **H3 is not supported**. With respect to perceived performance, it was found to have greater influence on future purchase intent for Chinese than for Americans (standardized path weights of .91 and .26, respectively). Thus, **H4 is supported**.

5. Discussion and Conclusion

5.1 Need for International Marketing Studies

Notable international marketing studies have been completed on topics such as market selection (Brouthers and Nakos, 2005); patterns and speed of multinational corporations' penetration of international markets (Buckley and Casson, 2007); the relationship between international diversification and performance (Hennart, 2007); and, international market channel partner selection (Wang and Kess, 2006). However, there has been inadequate investigation of potential cross-cultural disparities regarding consumers' preference for brands' *functional* and *experiential* elements.

Some (e.g. Ferraro, 2002; Gilmore and Dumont, 2003) indicate this restricted study may be a result of the limited focus on international studies in the Western educational system. Unfortunately, this limits scholars' knowledge of consumers' likely dissimilar purchase behavior in cross-cultural settings. The probable consequence of this situation is that academicians cannot disseminate adequate knowledge to practitioners that enables firms to develop marketing strategies which yield their desired international performance goals (Homburg, Harley, Cannon and Kiedaisch, 2002). To this regard, we believe that studies such as the present one discussed here are needed for strengthening our understanding of consumer disparities in international markets.

5.2 Revealed Cross-Cultural Differences

An unexpected finding of this study is that consumers' perception of a brand's quality was found to have greater influence on future purchase intent for the U.S. respondents (standardized path weight of .46 for Americans vs. no statistically significant path for Chinese, as shown in Figure 2), than with the Chinese. This implies that in order to fortify consumers' purchase behavior towards their brand(s) in a Western culture, a firm's marketing strategies need to emphasize the excellence of its brand(s), while such emphasis may be questionable in an Eastern culture. Another difference revealed in this study is that the performance of a firm's brand(s) has greater significance with Chinese samples than with U.S. respondents (standardized path weights of .91 and .26, respectively). This finding suggests that a firm should place greater emphasis of a brand's performance in an Eastern culture than in a Western culture.

Regarding a brand's *experiential* elements (resonance and imagery), this study found that these elements have no significant impact on consumers' purchase behavior in either a Western or Eastern cultural setting. This suggests that it is unlikely beneficial for firms to promote the *experiential* facets of their brand(s) in either Western or Eastern cultures.

In attempting to ascertain what might have led to this study's findings, it may be that respondents' familiarity with, and periodic usage of KFC was a contributing factor. This usage experience may result in respondents in each culture simply assuming that their social and psychological needs will be met by KFC, leading to it being unnecessary for respondents to consider whether the brand will meet their experiential expectations. This situation may not exist (or be as strong) with brand(s) that respondents have less familiarity or usage experience.

5.3 Implications

Some suggest that any revealed differences between Americans and Chinese that were uncovered in this study are likely to dissolve due to globalization leading to cultures around the world converging and becoming homogeneous (Tse, Lee, Vertinsky and Wehrung, 1988; Costa and Bamossy, 1995). Sewell (1999) suggests that such convergence will occur because cultures are changeable, and the ever greater transnational flows of capital, technology, people, brands, ideas and information between these cultures are evolving in the same direction.

However, some (Hofstede, 1984; Sewell, 1999) make a case for the argument that the fundamental values and identities that underlie cultures are durable and resistant to change, and will endure over many generations. Tse et al. (1988) and Abbott (1976) argue that the Chinese culture will be especially resistant to change because its values have long and strong historical roots that are deeply entrenched. This suggests that the extant differences between the U.S. and Chinese cultures are likely to remain into the foreseeable future (Costa and Bamossy, 1995). In fact, the ongoing cultural homogenization vs. heterogenization debate (Venkatesh, 1995) is likely to provide additional insight on whether a firm's marketing strategy should be localized or standardized in cross-cultural settings. Thus, a study such as this which helps strengthen our understanding of cross-cultural differences is likely to correlate with, and impact our understanding of the issues involved in homogenization vs. localization, and vice versa.

5.4 Future Research

Knowledge gained from cross-cultural studies such as discussed in this paper offers insights that can help guide future studies. Specifically, this study offers insights that the impact of brand beliefs on purchase behavior can vary in cross-cultural settings. This is important, based on the calls for cross-cultural studies that strengthen our understanding of (dis)similarities that exist between individuals in disparate cultures (Nisbett et al., 2001; Ferraro, 2002) and the fact that these differences can impact firms' performance.

As previously noted in this paper, we acknowledge that the functional and experiential facets of brands which influence consumers' purchase behavior may include more than the 4 variables studied here (quality, performance, resonance, and imagery). Thus, we posit that future studies need to identify and empirically examine the influence of other variables, such as consumers' attitude and loyalty toward a brand, and the economic life of a brand. Undoubtedly, other variables such as price also influence purchase behavior.

It is important to acknowledge that in addition to brand communication, there are other elements of a firm's overall marketing approach that are critical. A firm's brand pricing and distribution channel strategies are two prominent examples. For these two elements, what is the most effective way to proceed when addressing the needs of multiple cultures? Might a standardized approach work, or should adaptation be implemented in disparate cultures?

With respect to future research, this paper suggests several avenues for additional study. For example, because this study employed a well known brand that the majority of respondents had periodically consumed, future research should be conducted with brands/services with which consumers are less familiar, and have had less usage experience. Future research should also include studies that entail a wider array of respondents within cultures because it might provide insight into potential regional dissimilarities. Also, future studies need to entail a wide age range of respondents to help determine whether this study's findings offer any degree of generalizability, with this also offering potential to evaluate whether other demographics such as income would impact the findings.

5.5 Limitations

The present study only involved one brand that is neither exclusive nor conspicuous. It is also a brand that is relatively affordable and available to individuals within each culture. Thus, this study's findings may not be reflective of other brand classes.

Another limitation is that the study used only U.S. and Chinese undergraduate student volunteers. As indicated by Ter Hofstede et al. (2002) and Steenkamp and Baumgartner (2000), this minimizes within-group heterogeneity, reduces measurement and random errors, strengthens the validity of the study, and contributes to a more valid set of comparisons for the two groups. However, use of a very narrow range of samples likely results in the respondents not being representative of other age or socioeconomic groups. Thus, future studies need to explore a wider range of sample groups in order to strengthen our understanding of how *functional* and *experiential* facets of brand(s) impact purchase behavior for dissimilar respondents.

Finally, while steps were taken to ensure that the English and Chinese versions of the survey were conceptually similar and equally understandable, one cannot discount the possibility that the dissimilarities and nuances of each culture's language may have led to some unfound differential understanding of some of the questions.

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Notes

1. The sequence of standardized path weights is Americans followed by (Chinese) at significance level of 0.05
2. “*” reflects that the directional path is statistically insignificant at a significance level of 0.05

Table 1. Statistical Results for the Structural Model (Sequence is U.S. followed by Chinese)

Constructs and Items	Mean	Standard Deviation	Parameter Estimate	Cronbach's Alpha
Quality: Compared to other products of fast food, KFC:				
Is made with high quality ingredients	3.524 (3.357)	0.846 (0.840)	0.538 (0.412)	0.790 (0.540)
Has the best taste	3.660 (3.556)	0.831 (0.842)	0.860 (0.878)	
Is the best fast food	3.520 (3.132)	0.941 (0.904)	0.844 (0.817)	
Performance: Eating KFC food:				
Provides me with the menu options that I want	3.204 (1.936)	1.019 (0.796)	0.585 (0.416)	0.650 (0.750)
Sells food that fills my hunger the way I hope it will	2.248 (2.316)	1.077 (0.951)	0.844 (0.436)	
Sells food that tastes the way I hope it will	2.164 (1.962)	1.134 (0.786)	0.828 (0.757)	
Resonance: Compared to other products of fast food, KFC:				
Reminds me of doing things with my family and friends	1.640 (2.526)	0.681 (0.895)	0.677 (0.808)	0.940 (0.820)
Is part of the American(Chinese) culture	1.768 (2.744)	0.735 (0.933)	0.724 (0.719)	
Is like eating a meal that my mom cooked	1.688 (2.560)	0.722 (0.832)	0.459 (0.613)	
Imagery: Eating at KFC:				
Makes me feel popular	4.016 (3.707)	0.717 (0.849)	0.961 (0.910)	0.810 (0.590)
Makes me feel like part of the group	3.916 (3.756)	0.784 (0.714)	0.911 (0.763)	
Makes me feel like a person with high social status	3.784 (3.793)	0.756 (0.751)	0.864 (0.675)	
Future Purchase Intent: In the future:				
The next time I want fast food I am likely to eat at KFC	1.972 (3.741)	0.866 (0.714)	0.827 (0.647)	0.680 (0.560)
I will eat at KFC within the next month	2.400 (3.312)	1.199 (0.946)	0.794 (0.694)	
I am likely to purchase another product of fast food	1.988 (2.883)	1.058 (0.785)	0.361 (0.380)	
Overall Structural Model's Fit Statistics				
	Chi-Square: DF	CFI	RMSEA	
Targeted (Hair et al. 2006)	≤ 3: 1	≥ 0.9	≤ 0.05	
Results	1.69: 1	0.0964	0.037	

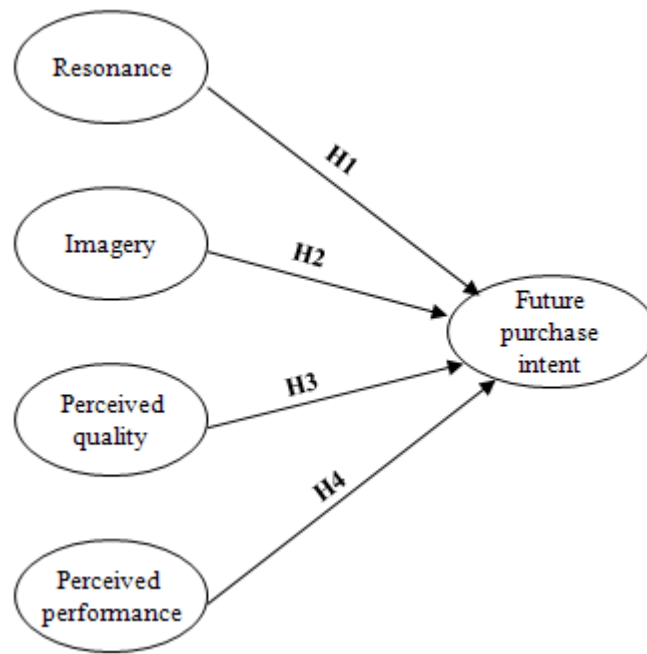


Figure 1. Proposed Conceptual Model

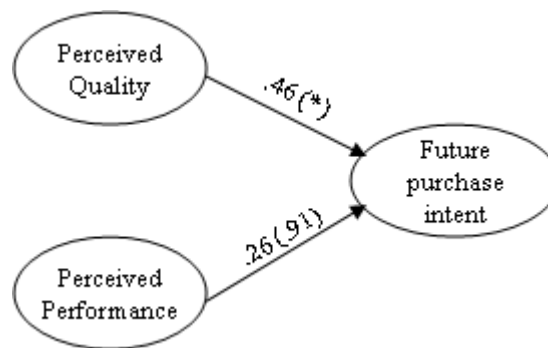


Figure 2. Final Structural Model