

The Consequences of Cross Cultural Differences on Consumers' Awareness to Product Multiplicity: A Theoretical Discussion

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Abstract

Cultural variety in perception to diversity addresses a marketing instrument for which substantial cultural disparity to be expected. Consumers' perceptions of variety differ from the actual variety provided by a manufacturer or trader. Literature indicates that consumers' benefits and cost of perceive variety differ methodically across cultures. Self-sufficient consumers in idiosyncratic cultures place a quality on choice, on variety seeking and on personal sovereignty. Current cultural theory suggests that they also stumble upon greater cognitive and touching costs than individuals in collectivistic cultures when eventually choosing. The objective of this paper is to point out specific implications. First, theories on variety awareness and variety seeking are discussed in order to highlight consumers' benefits of variety. Second, theories of behavioral decision-making are reflected and consumers' costs of variety are illuminated. Third, theories and results of cultural psychology are reviewed with regard to fundamental psychological processes about consumers' reaction to variety.

Keywords: Cross-cultural studies, International marketing, Homogeny, Consumer behavior

1. Introduction

The question of homogeny or alteration is one of the heart issues in international marketing. Multi-domestic strategies have been compared to adaptive strategies with regard to the overall marketing mix, but also individual marketing mix instruments. Out of those, advertising has received most attention. Although some researchers argue that markets are homogenous and firms should accordingly apply similar strategies across countries, the widespread view seems to contradict this notion. Most researchers concur that cultural differences lead to different consumer responses across countries. Substantiation indicates that cultures differ with regard to brand perceptions, perceptions of risk and brand loyalty, as well as effectual advertising. Therefore, an assured degree of adaptation of marketing strategies is necessary for optimal overall value creation.

International marketers should be careful about understanding cultural differences when mounting marketing activities. Cultural difference in actual advertisements and their provoked reactions have been comprehensively examined. Regarding this marketing mix variable, cross-cultural study shows offering a broad product line seems to be chiefly conducive to superior market share performance. Overall, product variety has been of escalating interest to marketing researchers. Indeed, sizeable effort has been invested in studying consumers' reactions to variety and optimal strategies for providing variety. The magnitude of variety lies in the fact that industries are becoming gradually more competitive. Deregulated, globalization and information easily handy by consumers, results in a growing need to meet consumers' preferences as closely as possible and equally important, develop a long-term affiliation with customers. At the equivalent time, today's conglomerate companies are outfitted with management techniques and technologies such as elastic manufacturing, modularization and the use of standardized components, as well as stretchy supply chain management. The cost efficient production capacities for manufacturing a wide variety of items, and the stipulate for closely meeting

the individual taste of each consumer has lead many firms to provide disproportionate choice. As a result, regular supermarkets carry whole isles of cereals, potato chips or soft drinks.

2. Objectives of the Study

The objective of this paper is to point out explicit implications;

- (a) In order to draw attention to consumers' benefits of variety, theories on variety perception and variety seeking are discussed,
- (b) To replicate theories of behavioral decision-making.
- (c) To light up consumers' costs of variety.
- (d) To call attention to the substantial cultural differences those are projected when variety is provided to consumers around the world. and
- (e) Theories and outcome of cultural psychology are reviewed with regard to underlying psychological processes about consumers' feedback to variety.

3. Methodology

The paper is, basically, based on theoretical view. So it tends to draw conceptual structure on the impact of cultural differences' on consumers' response to variety seeking motive. Basic information has been composed from secondary sources, i.e., assorted books, journals and websites.

4. Hypothesis and theoretical Discussion

4.1 Consumers' perceptions of diversity looking for motives

Kahn points out that actual diversity must not essentially be equal to the variety professed by consumers. For example, a car merchant may provide a wide range of automobiles with respect to means of transportation style, engine category or color. Individual customers on the other hand may only be paying attention in a subset of vehicles, e.g. black, blue or silver station wagons with diesel engines. In these cases genuine variety exceeds perceived variety. On the other hand, Chinese restaurants frequently offer an inadequate choice of different ingredients. When all potential combinations are listed, the variation among options seems greater than the authentic variety. Obviously, the mere number of options represents a type of variety that is not unobserved by consumers. A superstore offering 20 dissimilar flavors of jam will propose customers more elasticity in terms of flavor than a superstore offering a partial selection of 6 flavors. However, customers' perceptions are often deceived by appropriate factors. For instance, physically larger ledge spaces tend to be perceived by customers as given that extra diversity than lesser ones even in cases when the actual number of distinct items is the same. In addition, perceived variety is determined by the distinctiveness of options and the preferences of the customer. Assortments that contain unnecessary items will have a lesser perceived variety than those with truly discrete items. Thus, when two items are added to a hodgepodge they do not add to perceived variety in the same way if they differ in terms of distinctiveness. Therefore, new products can either interpolate or extrapolate the existing assortment. For example, a restaurant that provides small and large drinks, may interpolate by offering medium sized drinks. On the other hand, the introduction of a new computer monitor with a significantly increased screen size extrapolates an existing assortment and may broaden the possible uses of the product (e.g. towards valuable picture editing). An even larger increase in perceived variety results from alternatives that include new product attributes such as flat screen monitors that can be easily rotated to make unusual working tasks more resourceful. On the other hand, the automobile example demonstrates that products below a doorsill of tolerability obviously do not add to the perceived variety of an assortment. Furthermore, companies can enthusiastically increase perceived variety without having to produce utterly new products. Gilovich, Wang & Regan distinguish between adaptive and aesthetic customization. Examples of adaptive customization include office chairs that can be made to order to different physical distinctiveness of customers. Chinese restaurants also permit for a kind of adaptive customization by enabling customers to spice their meals according to their individual preferences. Cosmetically customized products allow for variation not with regard to the actual product usage but with regard to its appeal and look. Car manufacturers such as Volkswagen or Daimler Chrysler aim to offer customers additional benefits by providing vast possibilities with regard to interior and exterior customization as they provide their in efficiently any color customers wish to order.

4.2 Consumers' benefits of professed diversity seeking motives

There are two distinct motives for consumers to respond diversity. Firstly, there is the issue of constrained choice. Behavioral decision theory views preferences as at least partly constructed in the light of the available options. In most cases, consumers do not possess a clear set of preferences to make a purchase decision when impending

unlike assortments. These are about to be constructed when individuals start dispensation the information on individual options. Consequently, at the assortment decision stage consumers are faced with a significant amount of ambiguity about which option paramount matches their future preferences. In the light of uncertainty about future preferences, consumers aim to maintain elasticity and accordingly choose better assortments.

Decision makers may instinctively recognize that their probability of making an optimal choice are better when choosing between a larger numbers of options, findings of cultural psychology challenge the simplification of such assessments. With respect to the initial evaluation of choice, Iyengar & Lepper found significant cultural differences. The study compared Japanese and American students on their desire for having choice. When both groups of students were asked to list occasions where they wished not to have a choice of alternatives available, 30 per cent of the American students replied, they always wished to have a alternative. None of the Japanese students replied identical. Similarly, in their review of cultural psychological studies, conclude that not all participants are equally motivated by choice opportunities. It seems that in collectivistic cultures such the Japanese, smaller assortments may not be discarded as often as in distinctive cultures such as the one of the United States.

An imperative consumer benefit of variety is the ability to seek a diversity of options over time, i.e. variety seeking. Many consumer goods are bought in high occurrence, consumers are familiar with the options being offered, purchases are of relatively low risk and consideration sets are large. Under such condition the ability to diversify consumption may be of particular value to consumers. Derived variety seeking occurs because shoppers may have multiple needs to satisfy, use products for compound occasions or even buy products for various consumers. Direct variety seeking on the other hand occurs because of an internal desire for change, satiation or inspiration by uniqueness.

Derived variety seeking can be ascribed to peripheral consumer's. If consumers find no product that satisfies all of their desires, consumers may logically have to purchase various items. There is no reason to believe that such peripheral reasons for variety seeking may vary methodically across cultures. However, this is not the case for direct variety seeking. Here, different consumer behavior across cultures is extremely likely. The research of Level & Ariely has shown that interpersonal choice contexts lead Americans to make different choices than other individuals because this enables them to portray an image of distinctiveness to their community environment. In the American culture, an image of ersatz is perceived as a peril rather than an opportunity. Indeed, research has shown that distinctiveness can be enhanced by behavioral change.

The link between behavioral change and distinctiveness is not restricted to variety seeking in group settings. For example, Drolet found that individuals who score high on a need for uniqueness scale seek to apply different choice strategies across a sequence of decisions. The study concludes that this happens because of consumer's desire for counter procedure. While such a desire represents Western cultural systems very well it does not fit with the cultural norms of many Asian countries. While in the American cultural context individuals are encouraged to follow their own feelings and convictions, in many Asian countries being different has mainly negative associations. In his high-ranking article, Greenwald differentiates between the independent self of distinctive cultures and the inter-reliant self of collectivistic cultures. He conceptualizes inter-reliant selves as individuals who view themselves not as alienated from, but rather firmly entrenched in their social context. Significant features of the self are in the public component of the self and not the individual one. Thus, choice behavior is motivated by social norms and projected opportunity of peers rather than inner wishes and own attributes.

Consequently, achieving positive feelings by displaying distinctive behavior may not make much sense for inter-reliant cultures. In contrary, such behavior may be a threat to the interdependent construal of the self. In eastern cultures such as the Japanese, individuals undertake great efforts to control themselves and their internal attributes which could potentially interfere with group solidity. Similarly, while individuals in Western cultures may enthusiastically boost and pursue their positive emotional experiences, individuals with interdependent self-perceptions view emotional experiences as potentially disruptive forces which need to be prohibited restrained. In particular, collectivistic and individualistic cultures seem to differ with regard to preferences for high variety assortments but also with regard to seeking varied decisions across time. In its significance noting that persons in individualistic cultures that strongly value choice and satisfaction of individual needs are ironically the ones that choose to vary their behavior even at the cost of subsequent will be based on the identified cultural differences one might simply terminate that high variety assortments should be offered in individualistic cultures, whereas in collectivistic cultures competition would be expected to focus on variety and, therefore, firms may offer fewer items.

4.3 Consumer's costs of perceived variety

Until the point where consumers need to compare individual alternatives and premeditated about which option to select, there are little costs associated with variety. The product selection stage of the purchase decision variety will serve to attract consumers, especially those in Western cultures. However, when consumers need to evaluate each of the available alternatives and furthermore turn down options in order to make a purchase, variety brings about poignant and cognitive costs for the decision maker. Firstly, decision tasks with a higher superficial variety include a larger number of acceptable options. A larger amount of information to process consequently increases cognitive effort. Cognitive effort can be conceptualized as the total use of cognitive wherewithal required completing a task. It is operationalised by rancid choice strategies into sets of components, such as reading information, comparing alternatives on attributes or computational tasks such as shrewd the size of a difference. The effort of thinking depends both on the convolution of the task as well the heuristic applied by the decision maker. At the very least, a larger number of acceptable options require a larger number of information accesses and comparison activities. If decision makers apply a more accurate decision making strategy and weight individual product attributes by their subjective importance, the effort increases further due to computational activities such as multiplications and subtractions. Consequently, perceived variety does not influence the cognitive effort of each consumer in the same way. The effect rather depends on the type of decision making strategy typically applied.

Several researchers argue that an increased variety of options leads to increased feeling of estimated regret and in turn to increase choice deferral as well as omission. There are two reasons for this. Firstly, variety increases the conscientiousness of the decision maker for the outcome he selects. In an extreme case where consumer only have one option to choose from, e.g. a regulated telephone monopoly, individuals may be disgruntled with the service they receive but they are not responsible for their dissatisfaction. On the other hand, when multiple service providers are available to choose from, the individuals themselves are responsible for paying higher fees or receiving mediocre services as compared to other consumers. Secondly, predictable regret arises in situations where consumers must turn down alternatives. Each alternative that is ruled out can potentially turn out to be superior after a final decision has been made. The more options a consumer has to reject, the more regret he can anticipate for not having chosen a competing option. Such anticipations of making a lamentable mistake result in a demodulation to decide and consequently decision avoidance. However, there are several strong reasons that suggest that counterfactual thinking and feelings of regret are not independent of culture. Firstly, it is important to note that regret does not depend on satisfaction. Research has shown that regret can arise independent of whether or not an individual is satisfied with a selected outcome. To illustrate this, think about a consumer who has decided between two summer holiday destinations. Even though the location he finally choose may have good weather, a nice hotel room and so forth, he may still question whether or not the competing destination would not have been a better choice. As such be repentant is always related to decision making. One of its sources for discomfort is the threat to an individual's self-conception as an able decision maker. Similarly, progress on the interrelated theory of cognitive dissonance has led to an ego-based view, in which disturbing inconsistencies are entrenched in individual's desire to maintain a positive view of him. Harvey first raised the possibility that Asian individuals with an interdependent view of the self might not feel discomforted when their behavior is contradictory with their internal needs and attitudes. This cultural difference occurs because interdependent selves have completely different views of themselves as independent selves. In interdependent cultures the self is not a bounded whole, it rather changes with the social context. As a consequence, making personal choices, forming judgments and having opinions are of less importance to interdependent selves. In such cultures failures are accepted more enthusiastically than in cultures with independent selves. In fact, information where one has failed is used to improve or perfect one's actions. This is turn serves to affirm one's belongingness and does not incriminate the self in the same way as for independent cultures. For example, in Japan ideal selfhoods do not require individuals to dismiss thoughts or own inadequacies. On the contrary, self-confidence and self-respect can even have negative connotations as they are associated with superciliousness, distinctiveness and the perception of not being interdependent. Consistent with such notions, Zou, S. & S. Tamer find that difference between actual and ideal self-conceptions are less related to negative consequences and the perception of falling short of one's standards.

One study by Iyengar & Lepper specifically concentrates on cultural differences with regard to post-decisional regret. The author asked participants from Japan, Russia, China and the United States to describe what they regretted most when looking back at their lives. Intercultural comparisons display no insignificant difference with consider to the tendency to regret inaction more than action over a long time period. However, it must be noted that Gilovich, Wanf & Regan have shown that regret operates differently whether individuals look back at

a recent choice or at a lifetime of decisions. While in the short term, actions are commonly more regretted than inactions, a vice versa pattern is found in the long term.

While Agarwal's analysis of self-reports shows that Chinese and American individuals tend to be more decisive than Japanese persons, some contradictory evidence has been produced with regard to the Chinese culture and their decisiveness. According to his results, Chinese executives seem to view outcomes of decisions as either certain or uncertain as opposed to making probability judgments. As it is more prudent to hesitate when outcomes are uncertain, Chinese are found to be less decisive in uncertain circumstances than Americans. He shows a lower confidence in decision making and an increased probability of procrastination in Eastern rather than in Western cultures.

5. Major Findings & Conclusion

With this article we have anticipated to point out that sizeable cultural differences are to be projected when variety is provided to consumers around the world. This is vital, since the provision of variety is a key marketing device. Offering a high variety can widen visibility, drive competitors out of the market, and permit companies to better understand the preferences of their clients to make use of economies of scope or simply capitalize on earlier brand investments. However, there are fascinating findings such as those of Iyengar & Lepper which show that extreme choice can essentially result in reduced instead of increased sales. To provide a sense of proportion, Drolet reports that when Procter & Gamble reduced the number of versions of their 'Head & Shoulders' shampoo from 26 to 15 they qualified an increased in sales of 10 percent. Considering the additional costs that arise from the difficulty of manufacturing and marketing a variety of 26 products, it becomes relatively clear that variety has considerable effects on a firm's performance. Obviously, determining the right amount of variety to provide is no easy task even in single markets such as the United States. Since variety exerts a direct and immediate impact on sales, providing the right amount of choice in regional markets is a key test in international marketing.

Today, research on cross cultural differences regarding consumer reactions to variety is inadequate. We have raised some vital issues that deserve promote awareness. The first topic regards cultural differences in reaction to variety at the early stages of the purchase decision process where consumers have yet to decide for a particular choice. Obviously, having numerous options will be precious in any cultural environment. However, contemporary research suggests that persons in idiosyncratic or sovereign cultures may place a elevated premium on having variety compared to collectivistic or inter-reliant cultures. Thus, for mutually dependent selves other variables may further simply take priority over variety when deciding between assortments of unlike companies.

Facts with observe to variety seeking in decision making strategies suggests once more that inter-reliant selves attempt for with a reduction of varied choice processing than sovereign selves. It would be of great attention to imitate existing studies in Asian cultures that have been formerly conducted in Western cultures. For example, it is most likely that variety seeking in cluster setting will considerably differ across cultures. Additionally, it is quite realistic to assume that instantaneous and chronological decisions will yield modest differences with regard to variety seeking in collectivistic cultures.

As predictable lament is one of the most mentioned reasons why consumers may reschedule from purchasing when confronted with high variety assortments. This seems to be one of the most vital constructs for accepting culturally reliant reactions to variety. Here, diverse types of products may be compared across cultures, e.g. privately versus publicly addicted products. Also, research on purchase decisions with dissimilar levels of ambiguity or decisions where consumers get goods for other persons, has the probable of considerably ornamental our understanding about the cultural reliance of expected lament in elevated variety assortments.

In our observation at the heart of the standardization versus adaptation subject matter of marketing strategies is the question whether fundamental social psychological theories seize athwart cultures. As we have outlined for the area of variety, research that tests cultural differences has a significant prospective to boost our knowledge in the field of international marketing.

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