Journal of Consumer Marketing

Emerald Article: Decomposition of cross-country differences in consumer attitudes toward marketing
Geng Cui, Hon-Kwong Lui, Tsang-Sing Chan, Annamma Joy

Article information:
To cite this document: Geng Cui, Hon-Kwong Lui, Tsang-Sing Chan, Annamma Joy, (2012),"Decomposition of cross-country differences in consumer attitudes toward marketing", Journal of Consumer Marketing, Vol. 29 Iss: 3 pp. 214 - 224
Permanent link to this document:
http://dx.doi.org/10.1108/07363761211221747
Downloaded on: 17-07-2012
References: This document contains references to 33 other documents
To copy this document: permissions@emeraldinsight.com
This document has been downloaded 233 times since 2012. *

Users who downloaded this Article also downloaded: *
http://dx.doi.org/10.1108/07363761211221738
http://dx.doi.org/10.1108/07363761211221729
http://dx.doi.org/10.1108/10610421011059568

Access to this document was granted through an Emerald subscription provided by LINGNAN UNIVERSITY

For Authors:
If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service. Information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com
With over forty years’ experience, Emerald Group Publishing is a leading independent publisher of global research with impact in business, society, public policy and education. In total, Emerald publishes over 275 journals and more than 130 book series, as well as an extensive range of online products and services. Emerald is both COUNTER 3 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.
Decomposition of cross-country differences in consumer attitudes toward marketing

Geng Cui, Hon-Kwong Lui and Tsang-Sing Chan
Department of Marketing and International Business, Lingnan University, Tuen Mun, Hong Kong, and
Annamma Joy
Faculty of Management, University of British Columbia at Okanagan, Kelowna, Canada

Abstract
Purpose – Previous studies have found significant differences in consumer attitudes toward marketing between countries and attributed such variations to differences in the stage of consumerism development and cultural values. This study aims to test these competing hypotheses using econometric decomposition to identify the source of such cross-country variations.
Design/methodology/approach – Using survey data of consumer attitudes toward marketing from China and Canada, this study adopts econometric decomposition to examine the cross-country difference in consumer attitudes toward marketing.
Findings – The results show that Chinese consumers have more positive attitudes toward marketing than Canadians and the two countries differ significantly across all predictor variables. However, the results of decomposition suggest that consumerism, individualism and relativism do not have any significant effect on the country gap in consumer attitudes toward marketing, while idealism has a significant coefficient effect.
Research limitations/implications – The study finds different effects of cultural values on consumer attitudes across countries and has meaningful implications for international marketing strategies.
Originality/value – The study investigates the sources of cross-national differences in consumer attitudes toward marketing using rigorous analyses to improve the accuracy of cultural attribution for international marketing and cross-cultural consumer research.

Keywords Consumer attitudes toward marketing, Decomposition, Cross-cultural consumer research, International marketing, Marketing strategy Cross cultural studies, Attitudes, China, Canada

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction
Consumer attitudes toward marketing (CATM) have significant implications for public policy and management strategies (Gaski, 2008; Gaski and Etzel, 2005). Likewise, cross-cultural differences in CATM affect multinational corporations (MNCs), for instance, standardizing or customizing their international marketing strategies when they expand in markets that are at a different stage of economic and consumerism development (Cui et al., 2008). Up to date, researchers have found significant differences across countries in people’s attitudes toward marketing. Early research suggests that consumers in advanced economies tend to have less negative attitudes toward marketing than their counterparts in less developed countries (Barksdale et al., 1982; Varadarajan and Thirunarayana, 1990). Recent studies have found the opposite and attributed the variations in attitudes toward marketing between countries to their differences in consumerism development and cultural values (Cui et al., 2008; Wee and Chan, 1989). However, simple comparisons of country differences in consumer attitudes and cultural values do not lend an opportunity to draw firm conclusions about the sources of such variations. Rigorous analyses are needed to ascertain whether the attitudinal differences across countries can be attributed to their differences in cultural values, and/or the different effects of such values on consumer attitudes in respective countries. These are important but different questions for improving our understanding of cross-cultural differences in consumer attitudes and behaviors and for informing international marketing strategies.

To identify the sources of cross-national differences in CATM, we adopt an econometric decomposition approach to determine how differences in cultural values and/or the different effects of cultural values explain cross-national difference in consumer attitudes. First, we provide a succinct review of the literature on consumer attitudes toward marketing and cultural attribution in international marketing and cross-cultural research. Second, we elaborate the econometric decomposition approach and its advantages for cross-cultural research and describe the competing hypotheses based on previous studies. Third, using the survey data of consumer attitudes toward marketing from China and Canada, we perform the decomposition of the cross-national difference between the two countries to...
Differences in consumer attitudes toward marketing
Geng Cui, Hon-Kwong Lui, Tsang-Sing Chan and Annamma Joy

Determine whether they are due to differences in the competing predictor variables or their different effects on consumer attitudes across countries. The results suggest that although that the two countries differ significantly in the dependent variables and all the predictor variables, decomposition analysis of country differences reveals that consumerism, individualism and relativism do not have any significant effect on the country difference in consumer attitudes, while only idealism has a significant coefficient effect. These findings suggest that cross-country differences in CATM are more complicated than previously anticipated, and that researchers should examine both the cultural value differences and the different effects of cultural values before attributing the observed country variations to these factors. The decomposition approach can serve as a powerful tool for cross-cultural analysis and international marketing research.

Research background

How consumers perceive marketing and how such perceptions affect consumers’ experiences in the marketplace have been a major subject of investigators among researchers and practitioners for decades. Barksdale and Darden (1972) found that consumer attitudes toward marketing practices in the US were rather negative. Gaski and Etzel (1990) uncovered a high level of discontent with marketing, while only idealism has a significant coefficient effect. These findings suggest that cross-country differences in CATM are more complicated than previously anticipated, and that researchers should examine both the cultural value differences and the different effects of cultural values before attributing the observed country variations to these factors. The decomposition approach can serve as a powerful tool for cross-cultural analysis and international marketing research.

Consumer attitudes toward marketing across countries

Meanwhile, researchers have found differences in CATM across countries with significant implications for MNCs. One key area of interest is the relationship between the level of consumerism development and consumer attitudes toward marketing. In this case, consumerism denotes the advocacy of consumers’ rights and protection of their interests rather than the promotion of consumption. StraVer (1977) proposed a model of consumerism development lifecycle in that consumers in the countries of advanced development in consumerism tended to be more satisfied with the status quo and were less likely to demand additional government regulation than consumers from countries at an early stage of consumerism development. Barksdale et al. (1982) placed six countries including Australia, Canada, Israel, Norway, the UK, and the US on a lifecycle of consumerism development from crusading, popular movement, organizational to bureaucracy stages. Despite the different levels of consumerism development, they found that consumers from these countries had rather similar attitudes toward marketing, thus suggesting a weak relationship between the two. In a study of India as a developing country at the crusading stage of consumerism lifecycle, Varadarajan and Thirunarayana (1990) uncovered a high level of discontent with marketing practices, a high level of consumerism sentiment, and support for consumer movement and greater government regulation. Thus, their findings lend some support to the lifecycle concept of consumerism development.

However, the findings using the same measurement scales in other countries have not been consistent. In a study of Hong Kong, which was also at an early stage of consumerism development, Wee and Chan (1989) found that Hong Kong consumers were more positive about marketing than consumers in the US and Australia studies (Chan et al. 1990; Gaski and Etzel, 1986). This was apparently not in line with the hypothesis of consumerism development lifecycle. They offered two possible explanations for the finding: either Hong Kong marketers were doing a better job in satisfying consumers, or the US consumers were more skeptical about marketing. Similarly, Chan and Cui (2004) found that consumers in the Chinese mainland, where protection of consumer rights and the consumerism movement were at the nascent stage of development, were more satisfied with marketing than those in western societies. In fact, the ICSM scores of the mainland Chinese consumers were closer to that of their counterparts in Hong Kong (Wee and Chan, 1989). Ferdous and Towfiq (2008) report similar findings from Bangladesh.

In a simultaneous study of China and Canada, Cui et al. (2008) find that contrary to the concept of consumerism development lifecycle, Chinese consumers report weaker consumerism sentiment than their Canadian counterparts. Although Chinese consumers indicate a higher frequency of problems with marketing, they report more positive attitudes toward marketing and a higher level of satisfaction than Canadians. Meanwhile, they are less likely to engage in complaining or negative word-of-mouth than the Canadians and more likely to support government regulations and public resolution such as complaining to the media. While consumerism and individualism have significant negative correlations with consumer attitudes toward marketing for the Canadians, they are not significant in the Chinese sample. Thus, Cui et al. (2008) suggest that the cross-cultural variations in consumer attitudes may reflect the differences in cultural values (i.e. individualism) and the role of government institutions between the two countries. Thus, the relationships between CATM and socio-cultural factors may not be similar across countries.

Thus, the recent findings cast doubt on the proposition that consumer attitudes toward marketing are positively related to the stage of consumerism development. Instead, researchers posit that cultural values may affect consumer attitudes toward marketing (Chan et al., 1990; Cui et al., 2008). Consumers in the US and Canada tend to be more individualistic and hence more likely to express their dissatisfaction with the marketing institution, while people from collectivist societies such as Hong Kong and mainland China place greater emphasis on harmonious relationships and tend to be less critical of marketing. Other researchers have attributed the observed cross-national differences in consumer attitudes toward marketing to their differences in ethical ideologies such as idealism and relativism idealism and relativism (Al-Khatib et al., 1997). Thus, the findings on the consumer attitudes toward marketing across countries have been inconclusive, and the effects of socio-cultural values on the cross-national differences in CATM have yet to be investigated thoroughly.
Attrition of cross-cultural variations
Update to date, researchers have found significant differences in CATM across countries, and in the presence of consistent findings, they proposed various predictor variables as alternative explanations (Barksdale et al., 1982; Chan et al., 1990; Chan and Cui, 2004). These studies, however, were mostly single-country studies, and researchers merely compared their findings with those from other countries. Simple comparisons of country differences do not allow any firm conclusions about the sources of cross-country variations in CATM. The results of the only recent two-country study were merely correlational (Cui et al., 2008). The competing hypotheses about the effects of consumerism sentiment and/or the cultural values on CATM in different societies have yet to be tested with empirical data and rigorous analyses.

The precise effects of cultural values on attitudinal differences across countries often elude researchers. This problem has arisen partially from the inadequate research designs and analytical procedures (Sin et al., 1999). First, in many cases, the specific cultural values are not measured across countries, but are assumed to explain the behavioral differences using country dummy variables (Lenartowicz and Roth, 1999). However, country is a proxy, albeit imperfect, for representing a culture. Confounding nationality with culture has received numerous criticisms (Kelley et al., 1987; Kirkman et al., 2006). Second, many studies fail to control for other competing beliefs and values and important contextual variables, which may weaken the effect of the cultural value in question (Weber and Hsee, 1999; Kirkman et al., 2006). Third, by relying on the establish indices of cultural differences, researchers often perform t-tests or analysis of variance (ANOVA) to compare country means (Peng et al., 1991). With a country dummy and/or its interaction with the cultural value in question in a pooled sample of countries, the underlying assumption is that the explanatory variables have similar effects on the dependent variable across countries. This assumption has a great potential for bias when in reality the effects of these variables are dissimilar among countries. Such analyses without examining the effects of cultural values in each country are not sufficient for inferring the effect of cultural values on behavioral differences across nations. Therefore, it is not clear whether the observed cross-country differences in consumer attitudes are due to the differences in cultural values or the different effects of consumer values across countries. Researchers need more precise analyses and rigorous tests to account for observed attitudinal or behavioral differences between countries before they can turn to cultural differences as the basis for formulating international marketing strategies.

A decomposition approach
One of the most important and challenging questions in international marketing and cross-cultural research is – what causes the differences in consumer attitudes and behaviors across countries? When one proposes that people from different countries think differently because of cultural differences, one assumes two differences: one in people’s attitudes, and the other in cultural values, and believes that these two differences are somewhat related or cultural differences are the causes of perceptual and behavioral differences. In this case, a researcher makes two inferences. First, assuming that one may find significant differences in attitude and cultural values, e.g. individualism/collectivism, between two countries, one may attribute the observed differences in consumer attitude to the differences in cultural values. We may refer to this as “the cultural difference hypothesis.” This is an implicit hypothesis in most cross-cultural studies. Second, given these differences, one may also infer that the effects of the cultural values on attitudes and/or behaviors may be different across countries and consequently lead to the observed difference in the dependent variable. This amounts to the “the cultural effect hypothesis,” which is a very different question seldom tested in cross-cultural research nonetheless an extremely important issue for cultural attribution. In order to assess this particular effect, researchers need to compare the parameter estimates of the cultural values or the “slopes” of the parameters in different societies (Sekaran, 1983).

To attribute the observed cross-country differences in consumer attitudes toward marketing to cultural differences, we propose an econometric decomposition approach that can reveal the extent to which the observed differences in attitudes between countries can be explained by 1) the differences in cultural values, and/or 2) the different effects of cultural values. This method does not require a large sample of countries and is suitable for most cross-cultural studies that typically involve two or a few countries. However, it can render detailed decompositions of the effects of cultural differences as well as the different effects of cultural values on the observed differences in consumer attitudes between countries. In the following sections, we describe a two-country study, articulate the advantages of decomposition approach in assessing the effects of cultural values across countries.

A two-country problem
Assuming that we have the data from two countries that differ significantly in the dependent variable, the starting point of the econometric decomposition is to have separate equations for each country. We estimate the model for each of the two countries using multiple demeaning for the econometric decomposition is to have separate equations for each country. We estimate the model for each of the two countries. We estimate the model for each of the two countries. We estimate the model for each of the two countries. We estimate the model for each of the two countries.

\[
Y_{w} = a_1 + b_1 x_1 + c_1 x_2 + u \text{ for country East} \\
Y_{e} = a_2 + b_2 x_1 + c_2 x_2 + u \text{ for country West}
\]
decomposed into differences in the group means of the predictor variables, and group differences in the effects (i.e. coefficients) of these predictors. This technique requires the sample means of the independent variables and coefficient estimates from linear regressions from both groups.

Given the two country equations (1 and 2), the gap decomposition between east (e.g. China) and west (e.g. Canada) can be performed by the following equation:

$$
\hat{Y}_1 - \hat{Y}_w = b_1(X_{1e} - X_{we}) + c_1(X_{2e} - X_{we})(\text{endowment effects})
+ (b_2 - b_w)X_{1w} + (c_2 - c_w)X_{2w} (\text{coefficient effects})
+ (a_e - a_w) (\text{unexplained/shift effect})
$$

where the first line shows the effects of cultural differences in country means of predictor variables, i.e. the endowment effects, while the second line reflects the effects of cultural values, that is, the coefficient effects, in addition to the shift coefficient ($a_e - a_w$).

As shown in equation (3), the endowment effects measure part of the country gap due to differences in the “average” characteristics or country means of the independent variables between the two countries: $b_1(X_{1e} - X_{we})$. To explain this concept, we can consider the following scenario. Suppose that we treat individualism as a cultural value and west and east as two countries and are interested in whether the difference in CATM between east and west can be explained by their difference in individualism. First, people from west are more individualistic than those from east. The endowment effects measure the extent to which the difference in the dependent variable arises from variations in the predictor variable, e.g. the level of individualism. The different level of individualism between west and east can be regarded as the endowment of each group, and this factor alone explains part of the difference in the two groups’ tendency to complain. The endowment effects help test “the cultural difference hypothesis” – whether the differences in the mean characteristics of cultural values between two countries (e.g. one country is more individualistic than the other) are significant in explaining their difference in consumer attitudes toward marketing.

The coefficient effects in equation (3) measure part of the group difference due to the different effects of the predictor variables in the two countries: $(b_2 - b_w)X_{1w}$. Thus, given the level of individualism in west and east, the marginal effect of an additional unit of increase in individualism on CATM may vary across the two groups. Here, the coefficient effects address the second question in cross-cultural research or “the cultural effect hypothesis”, i.e. whether the different effects of cultural values between countries, if any, play a significant role in explaining the observed differences in CATM. For instance, it is possible that individualism has a stronger effect on the tendency to complain in one country than in the other or individualism has a different “slope” or parameter estimates across the two countries (Sekaran, 1983).

### The invariance issue and normalized regressions

However, one of the problems associated with the traditional decomposition method is the invariance issue with respect to the parameter estimates due to the choice of the reference group (the index number problem), particularly when dummy variables are used (Oaxaca and Ransom, 1999). Thus, depending on the choice of the reference group (e.g. east or west), the parameter estimates can be different due to the identification problem with the model (Yun, 2005). The invariance issue leads to problems with interpreting the coefficients and intercept terms. Similar problems apply to cross-cultural research, as researchers often arbitrarily choose one country as the reference group. To overcome the problem of invariance, we adopt the averaging approach with normalized regressions proposed by Lui and Suen (1998) and Yun (2005). The country gap can be decomposed using the standard decomposition method by averaging the parameter estimates for the endowment effects and coefficient effects from the two groups using the following formula to replace those in the equation (3):

$$
\left(\frac{b_1 + b_w}{2}\right)(X_{1e} - X_{we}) + (b_2 - b_w)\left(\frac{X_{2e} + X_{we}}{2}\right)
$$

### Competing hypotheses

In the current study, researchers have attributed cross-national differences in consumer attitudes toward marketing to several predictor variables: the stage of consumerism development or consumerism sentiment, or cultural values such as individualism/collectivism, or ethical ideologies such as idealism and relativism. The differences in consumer attitudes and cultural values such as consumerism, individualism and idealism and a lower degree of relativism, while eastern societies like China have a lower degree of consumerism, individualism and idealism and a higher degree of relativism. These three groups of factors identified by the previous studies provide the alternative explanations about the potential causes of cross-cultural differences in CATM. Next, we choose China to represent an eastern society and Canada as a western country and draw the competing hypotheses from the existing literature.

#### Consumerism sentiment

According to the lifecycle concept of consumerism development (Straver, 1977), consumers in developed economies in Europe and North America such as Canada have more positive attitudes toward marketing but weaker consumerism sentiment because these societies already have strong institutions for protecting consumer rights. Consumers are in general satisfied with the existing conditions and want less government regulation (Barksdale et al., 1982). In less developed economies where consumerism development is at the early stage of the lifecycle, consumers tend to have stronger consumerism sentiment and accordingly less positive attitudes toward marketing (Varadarajan and Thirunarayana, 1990). Based on the lifecycle concept of consumerism development, mainland China would be at the introductory crusading stage, where legal infrastructure and consumer protection policies are still underdeveloped (Ho, 2001). Thus, given the low level of consumer protection, Chinese consumers should have stronger consumerism sentiment (i.e. greater endowment), which in turn leads to more negative attitudes toward marketing (i.e. coefficient effects) than those in a country such as Canada, where consumer protection has become more institutionalized. Thus, the
lifecycle concept of consumerism development leads to the following hypothesis:

**H1.** Consumerism sentiment has a significant endowment effect (H1a) and coefficient effect (H1b) in explaining the country difference in consumer attitudes toward marketing between China and Canada.

**Individualism/collectivism**

Contrary to the lifecycle concept of consumerism development, several researchers have found that consumers in less advanced economies have more positive attitudes toward marketing than their counterparts in advanced economies, and they have attributed the differences to cultural values (Chan et al., 1990; Chan and Cui, 2004). Among the great number of cultural values, the individualism/collectivism (I/C) value is one of the cultural dimensions that exert the greatest influences on an individual’s perceptions in the larger social group (Yau, 1988). Existing research has provided ample evidence about the differences in individualism/collectivism between western societies and eastern cultures such as China, and such differences have been found to influence many aspects of people’s attitudes across cultures (Hofstede, 2001). Thus, several researchers argue that consumer responses to evaluative questions about marketing may be grounded in the endowment of cultural values, such as individualism or collectivism, and cultural differences in the I/C value provide an alternative hypothesis about the cross-national differences in consumer attitudes toward marketing (Chan et al., 1990; Chan and Cui, 2004). Moreover, China represents one of the east Asian societies that emphasize the values of collectivism and place greater emphasis on harmonious relationships and being non-confrontational. The collectivist values in these societies would make consumers less likely to “voice” their opinions about marketing (Liu and McClure, 2001). Consequently, Chinese consumers tend to be less critical of marketing than those in individualist societies. By comparison, consumers in societies of individualistic traditions are more likely to express their dissatisfaction:

**H2.** Individualism has a significant endowment effect (H2a) and coefficient effect (H2b) in explaining the country difference in consumer attitudes toward marketing between China and Canada.

**Idealism/relativism**

Meanwhile, several studies find that consumer attitudes toward marketing may be affected by their ethical ideologies, such as idealism and relativism in that consumers from societies with greater emphasis on idealism and less on relativism tend to be more critical and more likely to complain (Al-Khatib et al., 1997; Treise et al., 1994). Thus, idealism and relativism can serve as strong competing hypotheses about the effects of cultural values on consumer attitudes toward marketing. Compared with the countries in the west, China has followed the pragmatism teachings of Confucius and other ancient scholars and emphasizes a balanced worldview, seeking middle-ground, and avoiding the extremes. The middle-of-the-road approach is often the preferred course of action for the Chinese, especially in the times of conflict (Yau, 1988). By comparison, consumers in western societies exhibit a higher level of idealism and/or a lower level of relativism. Thus, the emphasis on relativism instead of idealism provides a plausible explanation about the differences in consumers’ attitudes toward marketing between China and Canada. Moreover, given the emphasis on the value of relativism instead of idealism in the Chinese society, the Chinese tend to avoid extreme actions and have less negative perceptions about marketing and their Canadian counterparts:

**H3.** Idealism has a significant endowment effect (H3a) and coefficient effect (H3b) in explaining the country difference in consumer attitudes toward marketing between China and Canada.

**H4.** Relativism has a significant endowment effect (H4a) and coefficient effect (H4b) in explaining the country difference in consumer attitudes toward marketing between China and Canada.

**Methodology**

**Measures of variables**

To survey consumers and measure CATM in these two countries, the index for consumer sentiment toward marketing scale developed by Gaski and Etzel (1986) was adopted. It has been tested in the US for over several decades (e.g. Gaski, 2008) and has been validated in several studies outside of the US (Chan and Cui, 2004; Ferdous and Towfiq, 2008; Varadarajan and Thirunarayana, 1990; Uray and Menguc, 1996). The instrument measures consumer attitudes toward each of the marketing mix variables – product, retailing, advertising, and price, with statements such as “the quality of most products I buy today is as good as can be expected,” and “most advertising provides consumers with essential information.” A five-point Likert scale is used to measure consumer responses with a neutral point in the middle.

Measures of other variables are adopted from previous studies that validated the respective scales. Measurement of consumerism uses the six statements from Varadarajan and Thirunarayana (1990), such as “manufacturers seem to be more sensitive to consumer complaints now than they were in the past” and “the exploitation of consumers by business firms deserves more attention than it receives.” To measure individualism, we adopt the nine-item scale developed by Hofstede (2001). Ten statements are used to measure idealism and relativism respectively (Al-Khatib et al., 1997; Treise et al., 1994). Idealism is measured by items such as “a person should make certain that their actions never intentionally harm another even to a small degree” and “risks to another should never be tolerated, irrespective of how small the risks might be.” Measures of relativism include statements such as “there are no ethical principles that are so important that they should be a part of any code of ethics” and “what is ethical varies from one situation and society to another.” To ensure that we have unbiased estimates of these socio-cultural variables, we included frequency of problems and satisfaction with marketing as control variables. They are both measured using four items for each of the four marketing mix variables from the original study by Gaski and Etzel (1986). All these variables are measured on a five-point Likert scale.
The survey and data collection
In a developed economy such as Canada, it is rather expensive to conduct a large-scale consumer survey. Thus, a central location intercept survey (CLIS) was conducted in two major metropolitan areas in Canada, Toronto and Montreal, using the English version of the questionnaire. Research assistants were recruited among graduate students enrolled at local universities in the two cities. After training, they conducted a central location intercept survey in each city at three major shopping centers at different times of day during a 14-day period to interview every fifth person. Finally, total 250 interviews were conducted in each city, resulting in 500 usable questionnaires from Canada.

To generate the research instrument for China, the back translation procedure was followed with one researcher first translating the English questionnaire into Chinese, and then another researcher translating it back into English. The procedure was repeated three times to ensure conceptual correspondence of measures between the two versions of the questionnaire. As the consumer revolution has been a largely an urban phenomenon in China, the survey was conducted in four major cities of China, including Beijing, Shanghai, Guangzhou, and Chengdu. Research assistants among graduate students at local universities were recruited and trained to conduct personal interviews using the structured questionnaire. Three urban districts were randomly selected from each city. Within each district, the assistants conducted a central location intercept survey (CLIS) at a randomly selected shopping center at different times of day during a ten-day period. Every fifth person was interviewed until the 200th interview was completed in each of the four cities. Finally, total 800 usable questionnaires were collected from China.

Results
We adopt the same procedure of item purification procedure developed by Gaski and Etzel (1986) to construct the index of consumer sentiment toward marketing (ICSM) for both countries. The measures of all the variables achieve good reliability measures with the Cronbach’s alphas mostly above 0.7, similar to those found in previous studies (Chan and Cui, 2004; Gaski and Etzel, 1986). To compare the two countries in CATM, consumerism, cultural values, and other covariates, we present the means of these variables and the results of t-tests in Table I. The results suggest that the two countries differ significantly across all the variables. First, the overall ICSM score for China is 8.51, compared with 5.58 for Canada, resulting in a significant country gap of 2.93. Thus, contrary to the concept of consumerism lifecycle, the index score for Chinese consumers is significantly higher than that from Canada (Table I). To corroborate this finding, we find that the consumer satisfaction score is significantly higher for the Chinese than for the Canadians (3.24 vs 3.04, Table II). However, the results also suggest that the Chinese report a significantly higher frequency of problems with marketing activities than their Canadian counterparts (2.81 vs 2.54). Meanwhile, Chinese consumers show significantly weaker consumerism sentiment (4.02 vs 4.19). Again, these findings contradict the hypothesis based on stage of consumerism development and suggest that other factors such as cultural values may be at work here.

As expected, Chinese consumers show a significantly lower level of individualism than Canadians (3.92 vs 4.36). The country difference in individualism is consistent with the index scores of the cultural dimensions by Hofstede (2001): 20 for China and 80 for Canada. In addition, Chinese consumers have a lower level of idealism (5.37 vs 5.75), but a higher level of relativism (4.56 vs 4.00) in comparison with their Canadian counterparts (Table I). These findings suggest that the country differences in all independent variables are in the directions as anticipated. Thus, we may be tempted to conclude that even though the Chinese experience more problems with the marketing institution in the country, they tend to have more positive attitudes toward marketing because they are from a collectivist society, are less idealistic or more relativistic. These findings, however, also highlight the problems with simple comparisons of country differences. At this stage, it is premature to conclude which aspects of a society or culture are relevant in explaining the difference in consumer attitudes. One must be very circumspect about drawing any conclusions here.

To determine whether these predictors have different effects for the two samples, we run a separate regression for each country (Table II). In Table II, the intercept for the Chinese sample is negative (−4.778) while that for the Canadian sample is positive (9.156). The two control variables, i.e. frequency of problems and satisfaction, have significant effects on CATM in the same direction and with similar effect sizes in both countries. The effects of individualism and relativism are not significant in either country. While consumerism and idealism both have significant negative effects on attitudes toward marketing for the Canadian

### Table I T-tests of country differences across variables

<table>
<thead>
<tr>
<th>Variable/country</th>
<th>China</th>
<th>Canada</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall attitudes toward marketing</td>
<td>8.51</td>
<td>5.58</td>
<td>-7.39*</td>
</tr>
<tr>
<td>Satisfaction with marketing</td>
<td>3.24</td>
<td>3.04</td>
<td>-5.54*</td>
</tr>
<tr>
<td>Frequency of problems</td>
<td>2.81</td>
<td>2.54</td>
<td>-6.14*</td>
</tr>
<tr>
<td>Consumerism</td>
<td>4.02</td>
<td>4.19</td>
<td>-5.27*</td>
</tr>
<tr>
<td>Individualism</td>
<td>3.92</td>
<td>4.35</td>
<td>15.98*</td>
</tr>
<tr>
<td>Idealism</td>
<td>5.37</td>
<td>5.74</td>
<td>-8.05*</td>
</tr>
<tr>
<td>Relativism</td>
<td>4.56</td>
<td>4.03</td>
<td>-9.36*</td>
</tr>
</tbody>
</table>

**Note:** *Significant at 0.001

### Table II Country regressions, Chow’s test, and F-tests

<table>
<thead>
<tr>
<th>Samples</th>
<th>China</th>
<th>Canada</th>
<th>F-test/Chow’s test</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-square</td>
<td>0.459</td>
<td>0.473</td>
<td></td>
</tr>
<tr>
<td>Adjusted R-square</td>
<td>0.456</td>
<td>0.467</td>
<td></td>
</tr>
<tr>
<td>F-value</td>
<td>118.25***</td>
<td>79.09***</td>
<td>11.75***</td>
</tr>
<tr>
<td>Chow’s test</td>
<td>100.93***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>0.971 *</td>
<td>-1.246 **</td>
<td></td>
</tr>
<tr>
<td>Frequency of problems</td>
<td>-2.168***</td>
<td>-2.962***</td>
<td>3.730*</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>5.186***</td>
<td>4.800***</td>
<td>0.554</td>
</tr>
<tr>
<td>Consumerism</td>
<td>0.059</td>
<td>-0.803*</td>
<td>2.80</td>
</tr>
<tr>
<td>Individualism</td>
<td>-0.196</td>
<td>-0.516*</td>
<td>0.275</td>
</tr>
<tr>
<td>Idealism</td>
<td>0.452*</td>
<td>-0.924**</td>
<td>14.802***</td>
</tr>
<tr>
<td>Relativism</td>
<td>0.154</td>
<td>0.070</td>
<td>0.093</td>
</tr>
</tbody>
</table>

**Notes:** *Significant at 0.05; **significant at 0.01; ***significant at 0.001
sample (−0.803 and −0.924), the effect of consumerism is not significant among the Chinese, and yet idealism has a significant positive effect for the Chinese sample (0.452). To ascertain that the parameters are different for the two regressions, we apply the Chow’s test of equality and obtain an F value of 100.93 (Table II). The results suggest that the equation structures are significantly different between the two samples. Then, the F-tests of the parameter estimates of these variables find that the coefficients of frequency of problems and idealism are significantly different between the two countries (F = 3.730 and F = 14.802), and these two variables have a significantly more negative effect on consumer attitudes for Canadians than for the Chinese. There is no significant difference in the effects of other variables between the two countries. Thus, the same theoretical relationships do not hold across the two countries.

To assess whether the above differences in the mean values and the effects of consumerism sentiment and cultural value dimensions contribute to the difference in consumer attitudes between the two countries, we apply decomposition approach to test the four competing hypotheses. We first generate the results of Blinder-Oaxaca decomposition with both China and Canada as the reference group in the second and third columns of Table III. It is apparent that the coefficients of parameters are very different depending on which country is the reference group. This problem is due to the identification problem with the standard decomposition (Yun, 2005). Thus, we generate the results of decomposition using the averaging method via normalized regressions and China as the reference group. This problem is due to the identification problem with the standard decomposition (Yun, 2005). Thus, the results of the decomposition analyses using the averaging method suggest that only the different effects of idealism help to explain the gap between the two countries in consumer attitudes toward marketing.

By comparison, the coefficient effects explain a greater portion of the difference in consumer attitudes between the two samples (2.267 or 77.5 percent), suggesting that the differences in the effects of some explanatory variables between the two countries play a significant role in explaining the country difference in the dependent variable. Specifically, the coefficient effects equation have a constant of −5.859 for the Chinese, which is much lower than that use Canadians as the reference group (Table III). Among all the variables, only idealism has a significant coefficient effect (3.849), lending support to H3b. Other competing variables, i.e. consumerism sentiment, individualism, relativism as well as the two covariates, have no significant coefficient effects. H1b, H2b, and H4b are not supported. Thus, the results of the decomposition analyses using the averaging method suggest that only the different effects of idealism help to explain the gap between the two countries in consumer attitudes toward marketing.

**Discussion**

**Findings and implications**

Based on the comparisons of country means of the variables using t-tests, the results indicate that the two countries differ significantly in consumer attitudes toward marketing and the mean values of the socio-cultural factors. Based on separate regressions, consumerism sentiment and idealism have significant contributors to this country gap in consumer attitudes toward marketing. The endowment effects of other variables, including consumerism, individualism, idealism and relativism are not significant. Thus, H1a, H2a, H3a and H4a are not supported by the results. Thus, despite the significant differences in the mean values of consumerism sentiment and other cultural values between the two countries, these differences do not contribute significantly to the country difference in consumer attitudes toward marketing.

---

**Table III** Decompositions of the country gap

<table>
<thead>
<tr>
<th>Methods/variables</th>
<th>China as reference</th>
<th>Canada as reference</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Endowment effects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of problem</td>
<td>0.587***</td>
<td>−0.802***</td>
<td>−1.389***</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>−1.030***</td>
<td>0.953***</td>
<td>0.992***</td>
</tr>
<tr>
<td>Consumerism</td>
<td>0.010</td>
<td>0.139</td>
<td>0.064</td>
</tr>
<tr>
<td>Individualism</td>
<td>−0.084</td>
<td>0.221</td>
<td>0.153</td>
</tr>
<tr>
<td>Idealism</td>
<td>0.166*</td>
<td>0.340**</td>
<td>0.087</td>
</tr>
<tr>
<td>Relativism</td>
<td>−0.081</td>
<td>0.037</td>
<td>0.059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>−0.432</td>
<td>0.888*</td>
<td>0.660</td>
</tr>
<tr>
<td><strong>Coefficient effects</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of problem</td>
<td>−0.084</td>
<td>2.016</td>
<td>1.050</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>−0.030</td>
<td>1.173</td>
<td>0.601</td>
</tr>
<tr>
<td>Consumerism</td>
<td>0.058</td>
<td>3.612</td>
<td>1.777</td>
</tr>
<tr>
<td>Individualism</td>
<td>0.053</td>
<td>1.393</td>
<td>0.670</td>
</tr>
<tr>
<td>Idealism</td>
<td>0.191**</td>
<td>7.895***</td>
<td>3.849***</td>
</tr>
<tr>
<td>Relativism</td>
<td>−0.017</td>
<td>0.340</td>
<td>0.179</td>
</tr>
<tr>
<td>Country (intercept)</td>
<td>−2.217***</td>
<td>−13.934***</td>
<td>−5.859***</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>−2.039***</td>
<td>2.495***</td>
<td>2.267***</td>
</tr>
<tr>
<td><strong>Shift coefficient</strong></td>
<td>−0.456</td>
<td>−0.456</td>
<td>0.0</td>
</tr>
</tbody>
</table>

**Notes:** *Significant at 0.05; **significant at 0.01; ***significant at 0.001
significant negative effects on consumer attitudes among the Canadians, while the effect of consumerism is not significant for the Chinese, and yet idealism has a positive effect on consumer attitudes of Chinese consumers. Thus, the same cultural value may not have similar effect across countries. However, the results of decomposition suggest that the consumerism sentiment and cultural values do not have any significant endowment effects. Therefore, differences in the cultural values between the two countries cannot explain their difference in consumer attitudes. Too often observed country differences in the dependent variable are attributed to cultural differences without rigorous empirical validation. These findings serve as an important reminder that country differences in cultural values alone, however viable they seem to be, may not play a role in explaining the difference in the dependent variable between countries.

Furthermore, the results of decomposition indicate that only idealism has a significant coefficient effect on the country difference in CATM. Therefore, only the effect of idealism, which differs across the two countries, plays a meaningful role in explaining the difference between Canada and China in CATM. This is not surprising given that idealism has significant effects on CATM in both countries but in opposite directions. This could be due to the different interpretation of idealism by the Chinese, the reminiscence of the Communist legacy, and the result of long-term indoctrination that has resulted in reluctance to be critical of problematic marketing practices and thus has distorted the relationship between idealism and ethical evaluation. Apparently, this finding needs plausible explanations and further investigation. Overall, the results of decomposition using the averaging method help to uncover which socio-cultural variable(s) and to what extent explain the country gap in CATM.

Findings of the study reveal that attributing observed cross-country variations to differences in cultural values is rather complex. Although the study finds significant differences across the two countries in the mean values of consumerism and cultural values, not all variables have a significant effect on the country difference in CATM. When the competing hypotheses are tested simultaneously using the decomposition approach, some of the usual suspects such as consumerism sentiment and individualism/collectivism turn out to be insignificant. Thus, observing significant differences between countries in the dependent variable and socio-cultural variables is hardly a sufficient condition for “cultural attribution.” It is critical that researchers also test the competing propositions simultaneously and estimate the effects of these variables in the respective societies, which may be different across countries and account for the observed difference in the dependent variables. The detailed decompositions of the country difference provide a strong test and stylized results for the alternative hypotheses about the effects of cultural differences as well as the different effects of cultural values in explaining the country difference. They help pinpoint the sources of cross-national variations in consumer attitudes and answer the critical questions about the role of cultural differences in cross-cultural consumer research.

According to Hofstede (2001), culture is more often a source of conflict than of synergy, and cultural differences are a nuisance at best and often a disaster. Given the importance of cultural differences in international business, researchers should be vigilant about how one interprets cross-cultural differences in consumer attitudes and behaviors. In the age of intense global competition, there is great pressure for MNCs to standardize their international marketing strategies. Despite the increasing globalization, the world is far from being flat and few firms can span the world without running into the spikes and blocs, often seen in cultural differences between countries (Rugman, 2008). Whether the observed differences in behaviors and attitudes among people across countries can be attributed to differences in the cultural values under investigation is a non-trivial question. The Type I error of false positives (assuming cultural influences when there are not) can be equally costly as the Type II mistake of false negatives (ignoring cultural influences that exist). Without in-depth analyses, the presumed effects of cultural differences may result in misplaced confidence in cultural attributions. Thus, the decision whether to adopt standardized or localized international marketing strategies must be informed by rigorous tests with empirical data to assess the effects of differences in cultural values and their impact on people’s attitudes and behaviors across societies.

Given the increasing number of incidents of consumer discontent in emerging market economies (Cui et al., 2008), international marketers should not take their stated satisfaction for granted. Nor can they presume that the level of consumerism sentiment in these countries can be attributed to cultural values such as collectivism. As the legal infrastructure in these countries continues to evolve, consumers will become more assertive about their rights. They will follow the footsteps of consumers in advanced economies and become more proactive in organized consumer movement. Therefore, international marketers should be vigilant in monitoring and handling consumer complaints and providing quality goods and services. Moreover, they need to work together with industry associations, government agencies and consumer associations to promote responsible marketing practices and to protect the rights and interests of consumers.

Limitations and future directions

The decomposition approach in this study compares only two countries from two different cultures across a limited number of cultural values. The validity and effectiveness of the proposed method for cross-cultural analyses should be tested with data from other societies and cultural values. Moreover, researchers should develop stronger theories as well as meaningful explanations about cross-cultural differences. Meanwhile, a major limitation of the decomposition approach is that it does not incorporate the issues of measurement and error invariance issues across groups, which are beyond the scope of this study and nonetheless present a fruitful avenue for future research.

Multinational corporations are constantly pulled between the necessity for standardized and efficient operations and the need to accommodate the local cultures. The merits of standardized vs localization international marketing strategies must be tempered by pretests with data from multiple country markets. Therefore, the decomposition approach can be applied to many issues in cross-cultural consumer research and international marketing and business such as consumer responses to advertising appeals and product designs, employees’ perceptions of performance incentives and managerial practices, and help investigators to assess the role of cultural values when accounting for cross-national differences. To inform the formulation of international
business strategies, detailed decompositions can provide greater insight into which aspects of a cultural system, if any, provide a better explanation for the observed differences in people's attitudes and behaviors across countries.

References
Differences in consumer attitudes toward marketing

Geng Cui, Hon-Kwong Lui, Tsang-Sing Chan and Annamma Joy

About the authors

Geng Cui is Professor of Marketing and International Business at Lingnan University, Hong Kong. His research interests include the consumer market of China, international business strategies, and data mining and applications of machine learning in marketing. His works have appeared in journals such as Journal of International Business Studies, Management Science, Journal of Management Information Systems, Journal of International Marketing, Journal of Macromarketing, and Journal of World Business. He has been a consultant to private and public organizations on business and marketing strategies in China. Geng Cui is the corresponding author and can be contacted at: gcui@LN.edu.hk

Hon-Kwong Lui is Associate Professor of Marketing and International Business at Lingnan University, Hong Kong. Dr Lui’s research interests include labor economics, applied marketing research, and the economy of Hong Kong. He is the author of three books and has published articles in leading and highly respected journals including Management Science, Urban Studies, Human Relations, Economic Inquiry, and Journal of International Marketing, among many others. His current research focuses on the effects of public housing on income distribution, internal mobility, and travel patterns.

Tsang-Sing Chan is Shun Hing Chair Professor of Marketing and Associate Vice President at Lingnan University, Hong Kong. He has published/edited 12 books and over 100 articles and papers in the areas of international marketing channel strategies, cross-cultural consumer behavior, joint venture decisions, and marketing education. He serves on the editorial board of five international journals. He is also Chair of the Southeast Asia Chapter of the Academy of International Business. He consults widely for corporations and government agencies in Hong Kong and abroad in the areas of strategic marketing planning, effective selling, leadership and human relations, and intercultural communication.

Annamma Joy is Professor of Marketing in the Faculty of Management at the University of British Columbia at Okanagan, Canada. Before assuming her position in January 2008, she was Professor of Marketing at Concordia University in Montreal. Her research interests are primarily in the area of consumer behavior and branding with a special focus on luxury brands, fashion brand experiences, consumer behavior in the People’s Republic of China (PRC), aesthetic labor and aesthetic consumption. She has published in consumer behavior and marketing journals such as Journal of Consumer Research, Journal of Consumer Psychology, International Journal of Research in Marketing, Journal of Cross-cultural Psychology, Journal of Economic Psychology, and Consumption, Markets and Culture. She served as Vice President of the Editorial Policy Board of Journal of Consumer Research (2007-2008) as well as on the Editorial Review Board of Journal of Consumer Research (1991-2000). She currently serves on the editorial review boards of Journal of Macromarketing, Consumption, Markets and Culture and Cornell Hospitality Quarterly.

Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.

Different studies have emphasized the significance of consumer attitudes towards marketing (CATM). The issue impacts on public policy and management strategies, while attitude differences have added repercussions for multinational corporations (MNCs). Such organizations need to know whether to utilize standard or customized approaches to marketing when entering new international markets.

The stage of economic or consumerism development is considered important by many researchers. However, some contrasting findings have emerged in relation to these factors. For instance, early studies found less negative attitudes towards marketing among consumers in advanced economies. The opposite has been indicated in more recent work, where people in less developed nations showed greater positivity.

A response within the research community was to shift the focus and argue that the stage of consumerism development might better explain these attitude differences. Consumerism in this context refers to the support for consumer rights and protection of their interests, not encouragement of consumption behavior. Following one study, a consumerism development lifecycle model was proposed. A key premise was that satisfaction would be higher among consumers in countries where consumerism is more advanced. Other scholars have found similar attitudes existed towards marketing when comparing nations where consumerism development is at different stages. In one instance, consumers in Hong Kong were more positive about marketing than counterparts in Australia and the US, countries in much later stages of the consumerism development cycle. Findings from several other studies cast similar doubts about the model’s validity.

Given these indications, some scholars propose that cultural values could be more influential. The rationale for this argument is that consumers from individualistic nations like Canada and the US may be inclined to express any dissatisfaction. In contrast, the harmony that is valued in China and other collectivist nations is likely to deter people from making complaints about marketing. Variations in CATM have been similarly attributed to ideological differences such as idealism and relativism. A basic premise is that a strong tendency towards idealism makes consumers more critical and likelier to complain, whereas those with higher levels of relativism are prone to “avoid extreme actions” and consequently feel less negative about marketing.

Researchers often struggle to ascertain the precise impact of cultural values across countries. They are commonly assumed to explain behavioral differences, while culture is frequently undermined when it is interchanged with nationality. Another criticism is the tendency to make assumptions about the effect of cultural values by ignoring other potentially significant variables. Bias becomes likely as a result. One question that emerges is whether “differences in cultural values or the different effects of consumer values” between nations most effectively explicates cross country variation in CATM.

Cui et al. argue that differences in consumer attitudes towards marketing might be down to one or both of these factors. They propose an “econometric decomposition approach” that is appropriate for cross-cultural research involving two or a few more countries. Most previous claims
Differences in consumer attitudes toward marketing

Geng Cui, Hon-Kwong Lui, Tsang-Sing Chan and Annamma Joy

have resulted from comparing countries which are studied separately. This method has been successfully deployed to compare differences between certain groups and different approaches to decomposition analysis can be employed. The authors use equations to illustrate its application. These equations measure the “endowment effects” which reflect the differences in the mean characteristics of the independent variables across the countries being compared. In addition, the “coefficient effects” shown in the equation refer to the impact of cultural values.

Canada is used in the current study as a representative western society, with China as its eastern counterpart. The two are considered to differ in their degree of consumerism, individualism, idealism and relativism. The authors create and test several hypotheses relating to these factors.

The index for consumer sentiment toward marketing (ICSM) scale was used as the survey instrument in the two countries. It is a proven technique for measuring consumer attitudes towards marketing mix variables product, retailing, price and advertising. In Canada, the survey was conducted in Toronto and Montreal and 500 usable responses were obtained. The sample in China consisted of 800 completed questionnaires obtained in the cities of Beijing, Shanghai, Guangzhou and Chengdu.

From the various analyses performed, Cui et al. note that considerable differences exist between the two nations with regard to CATM and the average values of socio-cultural factors. In particular:

- CATM in the Canadian sample is negatively affected by consumerism sentiment and idealism;
- idealism positively impacts on CATM of consumers in China, though consumerism has no significant effect; and
- decomposition indicated that only idealism has a “meaningful role” in explaining CATM differences between Canadian and Chinese consumers.

These results led the authors to conclude that:

- different cross-country effects can emerge from the same cultural value; and
- CATM variations cannot alone be explained by differences in cultural values between these two countries.

Findings relating to idealism are not considered surprising, given its impact in both countries is strong, albeit in opposite directions. One possibility is that “long-term indoctrination” and the legacy of communist rule may have engendered some reluctance among Chinese consumers to complain about unsuitable marketing practices. That anticipated effects of consumerism sentiment and individualism/collectivism did not materialize illustrates that not all variables impact on CATM differences between countries.

Given the evident complexity of identifying factors which explain these differences, thorough simultaneous testing of “competing propositions” is strongly recommended. Decomposition can help ascertain if and how specific cultural differences and/or the different effects of cultural values clarify CATM variations. In-depth analysis is vital for proper understanding of the effects of cultural differences. The current propensity is simply to assume that these differences influence consumer attitudes and behaviors without any real knowledge of how.

Cui et al. warn international marketers not to assume that consumers in emerging markets will be content. They claim that consumers in such nations will become increasingly “assertive about their rights” as legal infrastructures grow more sophisticated. Organized consumer movements could well emerge as a result. Marketers should therefore ensure that products and service are of high quality, while customer complaints must be properly handled. Responsible marketing practices are also essential and some liaison with industry associations, government bodies and consumer groups will be necessary to guarantee such requirements are met.

A decomposition approach could be used to test data from other nations and cultural value systems. The authors likewise propose applying the method to different issues of cross-cultural consumer studies including consumer responses to advertising and product designs or employee perception of performance enticements and managerial practices.

(A précis of the article “Decomposition of cross-country differences in consumer attitudes toward marketing”. Supplied by Marketing Consultants for Emerald.)