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Working Paper

Culture affects consumer behavior: Theoretical reflections and an illustrative example with Germany and Iran

Wirtschaftswissenschaftliche Diskussionspapiere, No. 02/2011

Provided in Cooperation with:

University of Greifswald, Faculty of Law and Economics

Suggested Citation: Bathae, Atieh (2011) : Culture affects consumer behavior: Theoretical reflections and an illustrative example with Germany and Iran, Wirtschaftswissenschaftliche Diskussionspapiere, No. 02/2011, Universität Greifswald, Rechts- und Staatswissenschaftliche Fakultät, Greifswald

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Ernst-Moritz-Arndt-Universität Greifswald
Rechts- und Staatswissenschaftliche Fakultät
Wirtschaftswissenschaftliche Diskussionspapiere

**Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran**

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Diskussionspapier 02/11
März 2011
ISSN 1437-6989
<http://www.rsf.uni-greifswald.de/bwl/paper.html>

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Table of content:

1.	Introduction	1
2.	The concept of culture	1
2.1	Culture: definition and elements	1
2.2	Typology and dimensions of cultural values	4
2.3	Measuring and analyzing culture	9
2.3.1	The levels of measurement	9
2.3.2	Analyzing cultural dimensions	13
2.4	Culture and consumer behavior	14
2.5	Positioning of the study	16
3.	Description of selected consumer-behavior variables	18
3.1	Variety-seeking	18
3.2	Class-based consumption	22
3.3	Reference-group influence	25
3.4	Enjoyment of bargain hunting	26
3.5	Effort minimization	28
3.6	Purchase risk-reduction	29
4.	Survey design	30
4.1	Iran-Germany samples	30
4.2	Structure of the questionnaire	32
4.3	Scale development	34
5.	Analyses and results	40
5.1	Reliability and validity analysis	40
5.2	Pan-country analysis of cultural influences	42
5.2.1	The measurement model	42
5.2.2	Interactions between cultural dimensions	42
5.2.3	The interdependencies of sex and age with cultural and consumer-behavioral dimensions	43
5.2.4	The influences of nationality on cultural and behavioral dimensions	44
5.2.5	Influences of cultural values and nationality on behavioral dimensions	45
5.3	Intra-country analysis of cultural influences	48
5.4	Discussion	51
6.	Limitations and directions for future studies	55
	References	57

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

1. Introduction¹

In the age of international markets, it is essential to understand culture's influences on consumer behaviors. The increasing interest for cross-cultural studies on several aspects of consumer behavior (such as brand preferences, purchase decision making, and post-purchase behavior) is clear evidence. Many of the researches have examined few behavioral facets and paid little attention to the role of consumer intrinsic factors as mediators between cultural and behavioral variables. Besides, studying cultural dimensions at individual-level was basically neglected in marketing and is mainly studied in psychology or sociology. Knowing the fact that the *Hofstede* (1980) research results are aging and could very well be outdated, it may be a mistake to automatically rely on the rankings and ignore cultural changes; individual-level measurement could be a reliable substitute. There is another reason behind performing this study: although there are numerous researches performed in some countries (e.g. USA, Canada), several nations are still behaviorally unknown for marketers; this may end in financial disasters for brands entering these markets. Iran is among the culturally undiscovered markets with an ever increasing demand; an attractive choice for export-oriented countries.

This article aims to examine the effects of cultural dimensions on various implicit and explicit consumer behaviors, each playing a role in consumer final choice, in an integrative framework conformed to *Hofstede* proposed dimensions; whether the results are empirically verifiable and in accordance with *Hofstede* rankings, is the main question of the present study. The hypotheses are investigated in two culturally different countries, Germany and Iran, measured at individual level.

The next part, focused on definition and elements of culture, introduces *Hofstede* (1980) dimensions as the best-known measurement framework in this field of study. Also the superiorities of the individual-level measurement over the national-level option in consumer related studies are declared. Further, the study tries to straighten out the relation between culture and consumer every-day behaviors, reviewing literature and analyses. In section 3, with a glance on psychology of purchase, we develop hypotheses to shape the framework of this study. Details on scale development and research implementation are presented in section 4 and the statistical analyses and results as well as future directions of the study are presented in section 5.

2. The concept of culture

2.1 Culture: definition and elements

In an anthropological view, humans are forced to meet biological and social needs in order to survive. Ultimately, survival is dependent on the degree to which people can

¹ The author would like to give special thanks to Prof. Dr. Hans Pechtl (Ernst-Moritz-Arndt University of Greifswald) for his helpful ideas, comments and critiques of the paper.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

adapt to their specific environments. Thus, each group creates solutions to the problems posed by their environments in order to address biological needs and social motives; these solutions form the basis of culture. Culture is, therefore, a solution to the problem of “how to survive”, given the problems in the environment, physical and social needs that must be addressed, and the tools available (*Matsumoto, 2007*). But human culture is much more than that. By creating and maintaining complex social systems, institutionalizing and improving practices, developing beliefs about the world, and communicating the meanings to other humans and subsequent generations, culture embraces several emotions, attitudes, values, preferences, beliefs and behaviors, shared and socially learned as a collective mental programming of the people in an environment (*Triandis, 1995; Clark, 1990*).

Culture is so pervasive, yet complex that it is difficult to define in short simple terms for all study subjects; it has been therefore defined in hundreds of ways (*Kroeber and Kluckhohn, 1952*) and has been studied from several related aspects; sociology, anthropology, psychology, physiology, politics, natural sciences, management and marketing each have developed definitions and hypothesis related to the concept and have tried to declare additional characteristics of culture. *Triandis (2002, p.135)* draws a simple, general and yet complex picture of culture: “culture is to society what memory is to individuals. It refers to tools and ideas that are shared and transmitted to succeeding generations because they were once practical at some point in time”. For the purpose of understanding the word in marketing, *Rice (1993)* introduces culture as values, attitudes, beliefs, artifacts, and other meaningful symbols represented in the pattern of life adopted by individuals that help them interpret, evaluate and communicate as members of society and both affect and describe their behaviors.

In general, for human studies culture is conceived as the human-made part of environment (*Herskovitz, 1955*); it consists of physical elements (e.g. educational system, institutions and rituals) as well as subjective elements (e.g. beliefs, attitudes, norms and values). *Kluckhohn and Kelly (1972)* differentiated between two understandings of culture, called descriptive and explicative concepts. The descriptive concept focuses on what is perceivable immediately (*Holzmüller, 1995*); it involves everything observable, be it material artifacts (e.g. clothing, architecture and literature) or immaterial ones (e.g. language and social manner). It deals with everything at the surface of the society, thus could be named as “surface culture”.

The explicative concept focuses on “causes for the visible”, in other words the invisible and not directly observable, culture-specific behaviors (e.g. attitudes, norms and mentalities) hence named as “deep culture” (*Osgood, 1951*). These two complementary concepts provide a logical platform for analysis of culture in many cross-cultural researches (e.g. *Mennicken, 2000; Holzmüller, 1995*); though there are studies that only concentrate on the descriptive concepts of culture and describe cultural material and immaterial artifacts (e.g. *Radcliffe-Brown, 1958*), ignoring theoretical reasoning behind them. In an explicative cultural understanding, however, culture is defined as an

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

influential hidden factor aimed to develop a structure for behaviors (*Keller, 1982*), a complex system of collective-shared, internalized values, norms and motives (*Mennicken, 2000; Osgood, 1951*) that are likely to influence cognition, affect, and motivation in meaningful ways (*Oyserman et al., 2002*).

Following the explicative approach, *Schutte and Ciarlante (1998)* described culture as an iceberg organized into three levels: (1) behavioral practices, (2) values, beliefs, preferences and norms, (3) basic assumptions and customs, as the main elements. Cultural dependent behavioral practices are only the tip of iceberg, and a firm understanding of values, and other lower level influencers are critical to analyze any behavior. *Hofstede (1991)* distinguishes four other manifestations of culture, depicted like the layers of an onion indicating symbols as the most superficial and values as the deepest manifestations, with heroes and rituals falling in between.

Other components of culture, layers of onion, are a single dominant language, national symbols (e.g. flags, sports teams), institutions, communication systems (e.g. face-to-face communication), educational system, political system, belief systems, norms and even brands (*Holt, 1998*), that may each function as components of cultures (*Craig and Douglas, 1983*). National boundaries do not necessarily correspond to the boundaries of organically developed, relatively homogeneous societies with a shared culture. But there are strong forces towards integration that can produce substantial sharing of culture in nations that have existed for some time (*Hofstede, 1990*).

In order to analyze culture beyond its components, we have the option of cutting the “culture cake” by level. Although culture is influential on all social entities (e.g. nation, group, sub-group, individual), its effects differ in dimension and therefore are an interesting subject for researches. Comparing culture-related studies regarding levels of analyzing culture shows three different orientation levels toward this concept: some studies focus on culture as collective, social phenomena related to different countries, geographical areas and ethnical groups (e.g. *Hofstede, 1984*). Since this orientation (macro-level) is based on similarities due to historical, religious, lingual or national backgrounds (*Bouchet, 1995*), it cannot explain the reasons behind many culture-related phenomena (e.g. multilingual countries). There are also studies that focus on the sub-culture² level, considering selected social groups (e.g. *Parsons, 1977*) to find better explanations for social realities as different life-styles or consumption patterns (e.g. *Schouten and McAlexander, 1995*).

² A subculture is a group of people with a culture (whether distinct or hidden) which differentiates them from the larger culture to which they belong. According to *Hebdige (1979)* subcultures bring together like-minded individuals who feel neglected by societal standards and allow them to develop a sense of identity.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

As the final group, we have individual-level orientation, concentrated on the influences of culture on individual behavior. This approach assumes that at least part of what culture is can be found at each individual as articulated mental representations. Of course in this view, all personal characteristics and behaviors cannot be traced back to culture; still it could be considered among influential factors for several attitudinal and behavioral elements (Mennicken, 2000; Keller, 1982). Based on the individual-level (micro-level) orientation, culture is defined as a back-ground phenomenon that is unconsciously adopted or internalized, and involves conforming patterns of thinking, feeling and behaving (Kroeber-Riel et al., 2009). Thus, there are theoretical reasons to expect national and individual-level culture to be related conceptually (Schwartz, 1990). Also a review on the studies proves that most researchers have based their works on the fact that culture does shape attitudes, values, and concepts of individuals which, in turn, unquestionably affect behavior (Singelis, et al. 1995; Geertz, 1975; Markus, 1977; Markus and Kitayama, 1991; Marsella, et al., 1985; Schwartz, 1990; Shweder et al., 1984; Triandis, 1985, 1990).

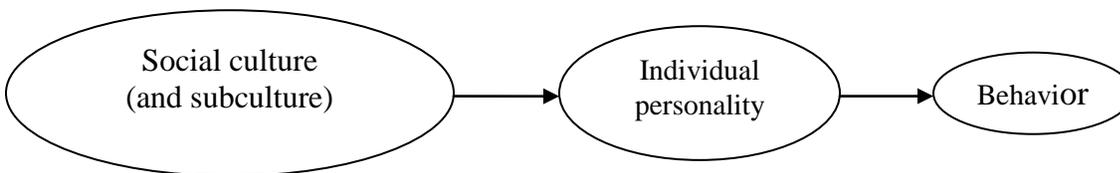


Figure 1³: Culture, personality and behavior

Also Triandis (1995), introducing subjective culture as a synonym for individual-level culture in psychology, argues that many of the more basic cultural syndromes such as beliefs, norms, and values which manifest themselves as macro cultural dimensions have an individual analogue. According to Triandis (1995), we can link cultural (macro-level) and individual (micro-level) of analysis by noting that *customs* are aspects of culture and *habits* are aspects of personality. Defining personality as a configuration of cognition, emotions and habits, which are activated when situations stimulate their expression and gradually determine individual's unique adjustments to the world, a correspondence between the two levels of analysis is conceived. Individual personality acts as the moderating factor between social culture and individual behavior; thus micro and macro cultural dimensions are significantly correlated, and personality traits can cause for heterogeneities.

2.2 Typology and dimensions of cultural values

Values, in general, are conceptions of the desirable that guide the way individual select, act, evaluate, and explain their actions and evaluations (Kluckhohn, 1951; Rokeach, 1973;

³ Adapted from Singelis (1995) and Triandis (1995).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

Schwartz, 1992). Whether in macro- or micro level dimension, values are the core component of culture, that help individual and society establish norms, standards and ideals and separate or classify the acceptable, credited choices. At micro-level, values determine subjective definition of logic by showing the approved and sanctioned ways for dealing with circumstances, and direct feelings (*Hofstede*, 2001).

“Cultural values” represent the implicitly or explicitly shared abstract ideas about what is good, right, and desirable in a society (*Williams*, 1970) which base the norms and tell people what is appropriate in various situations. The ways that societal institutions (e.g. the family, education, economic, political, religious systems) function, their goals and their modes of operation, express cultural value priorities (*Schwartz*, 1999). Cultural values are defined as the explicit and implicit values, that characterize a culture and are imparted to societal members through everyday exposure to customs, laws, norms, scripts, and organizational practices which are shaped by, and expressing, a culture (*Bourdieu*, 1972; *Markus and Kitayama*, 1994 a, b). Thus a cultural value accepted by the society could be easily internalized within individuals.

All values could be declared cultural values if they could fulfill some conditions: *Kluckhohn* (1951) argued that values named as cultural need to build the “generalized framework” that underlies behaviors, should constitute distinct answers to essentially the same questions posed by “generalities of human situations”, provide approved and punished ways for dealing with “universal circumstances” among societies. According to *Hofstede* (1980, 2001) cultural values must be empirically verifiable, almost independent dimensions, and constitute meaningfully ordered and differentiated cultures. In other words, cultural values are those that shape the behavioral framework for individuals, remain and function almost similar in all situations, could be verified empirically and are shared within different entities of society⁴.

Thus, cultural values reflect the basic issues or problems that societies must confront, in order to regulate human activity, and are therefore the vocabulary of socially approved goals used to motivate action, and express and justify the solutions chosen (*Schwartz*, 1999).

To define a valid structure for cultural values many authors and researchers have studied different aspects of culture or introduced influential frameworks of dimensions. Some of the researchers have posed the underlying questions of human cultures to declare issues that confront all societies, prior to the research and tried to find the approaches followed by cultures (*Schwartz*, 1999). For example *Hall* (1977) focused on the communication patterns within cultures and studied four dimensions of context, space, and time and information flow. *Gannon* (2008) identifies metaphors that society members view as very important, if not critical. *Triandis* (2002) emphasizes a subjective aspect of culture by which he means people’s response to the manmade part of the environment. *Schwartz*

⁴ Examples of society entities are nation, group, sub-group and individual.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

(1999) bases his framework on success, justice, freedom, social order, and tradition and tries to compare cultures orientations toward these questions. These researchers have each selected and “predefined” some concepts from human every-day lives, as the origin of cultural values and thus formed the studies based on them.

On the other hand, there were researchers who had no predefined selections and introduced cultural values, at least partly, based on the results of continuous studies. *Hofstede* (1980) distinguished four (later five and seven) general dimensions of cultural values based on an enormous database with scores of 72 countries, using *hologeistic*⁵ studies (i.e. data matrices to show the value of variables using techniques such as factor analysis, cluster analysis, multidimensional scaling and smallest-space analysis) to analyze and reduce data, and gain fundamental dimensions (*Hofstede*, 2001). These were empirically found and validated, and each country could be positioned on the scale represented for each dimension; they are distinct and occur in all possible combinations. *Hofstede’s* cultural dimensions are the most comprehensive framework of cultural values (*Schwartz*, 1999).

According to *Sivakumar and Nakata* (2001), the cultural framework of *Hofstede* has gained the greatest attention from business scholars in recent years, and it is well established in international marketing. This had a number of reasons, including limited availability of alternatives, convenience, popularity, and simply habit. It can be partly credited to its large international sample and to the fact that *Hofstede* was the first one, for its time, to employ relatively advanced research designs and statistical analysis tools (*Taras et al.* 2009)⁶. *Hofstede’s* main cultural values which were developed prior to others and are supported by most cross-cultural researches, are:

- **Power distance**

Power distance pertains to general human inequality in areas such as prestige, wealth, power, social status, and the class system. People of large power distance assume that less powerful people should “expect and accept that power is distributed unequally” (*Hofstede* 2001, p. 98). They ask for clear directions from someone superior, more intellectual in relation to a particular course of action, while cultures with less power distance have little tolerance for authority and are more likely to make their decisions on

⁵ This name was introduced by Hofstede and was only found in his works.

⁶ Hofstede has become known as one of the leading scholars of culture among the business academic community. Starting in the 1960’s, he and his colleagues conducted two rounds of surveys across the IBM company’s worldwide offices.. Through the lengthy analysis process, Hofstede found four cultural dimensions, which was added later and in the last version (2008) of his works increased to seven. Based on a review, 51.2% of the models applied in cross-cultural studies contain unique dimensions, such as universal–particular or affective–neutral in the model of *Trompenaars* (1993), hedonism and benevolence in the model of *Schwartz* (1994), and determinism and fate in the model offered by *Maznevski and Di Stefano* (1995). However, 97.5% of all reviewed measures contain at least some dimensions that are conceptually similar to those introduced by *Hofstede* (*Taras et al.*, 2009).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

the basis of facts and reasoning (*Hofstede, 1991*). In large power distance societies, people are afraid of powerful entities, unwilling to disagree with them, and highly cautious about how to express themselves (*Yoo and Donthu, 2005*). Individuals in high power-distance societies put great importance on prestige, wealth, and power and are more likely to accept a power hierarchy, tight control over them, vertical top-down communication, and even discrimination based on age, gender, hometown, family, social class, school, education level, or job positions (*Yoo and Donthu, 2005*).

- **Uncertainty avoidance**

This dimension addresses the manner in which a society faces uncertainty and is defined as the extent to which a person “feels threatened by uncertain or unknown situations” (*Hofstede, 2001, p.161*). This feeling of being threatened is communicated through anxiety and a need for predictability, explicit rules, or structured situations. *Hofstede* (1984) introduced this dimension based on “intolerance for ambiguity”, a construct defined by *Budner* (1962) as interpretations of ambiguous situations as sources of threats. These situations are often characterized by novelty, complexity, change or insolubility. Those with low tolerance of ambiguity experiences great discomfort and avoid ambiguous stimuli; at the other extreme of the scale, however, the person with high ambiguity tolerance perceives ambiguous stimuli/situations as challenging, desirable and interesting (*Furnham and Ribchester, 1995*).

In cultures with high uncertainty avoidance, members behave rigidly, whereas in cultures characterized by low uncertainty avoidance, people tend to flexibility (*Hofstede, 2001*). People in a lower uncertainty avoidance society tend to accept uncertainty without much discomfort, take risks easily, and show greater tolerance for opinions and behaviors different from their own. They do not need precise and explicit details such as job descriptions, product descriptions, and product use instructions. In contrast, people in a higher uncertainty avoidance society need to control the environment, events, and situations (*Yoo and Donthu, 2005*), by being aware of the plans and changes, manipulating others and may even use illegal solutions to take over the control.

The clear prediction from most researches is that people in western societies tend to be more uncertainty oriented because of their self-oriented and individualistic approaches to life than people in eastern and collectivistic societies, who, in turn, should be more certainty oriented as a function of their heavy reliance on groups (*Sorrentino et al., 1992; Hodson and Sorrentino, 2001*).

- **Masculinity/Femininity**

The masculine-feminine dimension is related to status, power, success and pleasure; competitiveness, money and “things” are important to give individuals high on masculinity a sense of satisfaction. The dimension states that masculine cultures will place more emphasis on tasks, assertiveness, and performance, while feminine cultures value the quality of life, helping others, preserving the environment and not drawing

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

attention to oneself (*Hofstede*, 1988). It also indicates the distribution of emotional roles between individuals, in family or between genders). It opposes “tough” (masculine) to “tender” (feminine) societies⁷ (*Van Bossuyt*, 2008).

According to *Leung et al.* (1990) in decision making situations people low on masculinity, and high on femininity, prefer harmony-enhancing routine procedures to avoid any conflicts, whereas those high on masculinity prefer confrontational, new procedures which might even be challenging, regretful or totally unknown to win. Regarding societies, those with lower masculinity level believe in "small is beautiful"; whereas in masculine cultures “the big and best is beautiful” (*Hofstede*, 1980).

• **Individualism/ Collectivism**

This dimension means the degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around the family (*Hofstede*, 1991). In individualistic cultures “the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family only”, whereas in collectivistic cultures “from birth onwards, subjects are integrated into strong, cohesive in-groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (*Hofstede*, 2001, p. 225).

Originated from *Hofstede*’s work (1980), the notion of individualism versus collectivism illustrates differences in basic beliefs that individuals hold with respect to their interaction with others. Most researchers have followed this approach and assumed the two constructs as opposite poles of a value dimension, defining cultures (or individuals) individualistic or collectivistic.

Researchers have incorporated cultural individualism in two different ways, at the society (or country) level and at the individual level. With regard to the former, research has relied on *Hofstede*’s classification of countries as more or less individualist/collectivistic and used this classification to examine phenomena in collectivist versus individualistic cultures (e.g. *Aaker*, 2000; *Lynn et al.*, 1993). With regard to the latter, researchers who have measured cultural individualism at the individual level, also the present study, acknowledge that individuals within a given individualistic society are more likely to be individualistic, but still allow for variability in person’s individualist/collectivist tendencies (*Triandis et al.*, 1985).

Individualistic cultures emphasize the goals of individuals rather than group concerns and needs (*Ting-Toomey and Korzenny*, 1989; *Kim and Gudykunst*, 1988); self-actualization, as the highest level of needs (*Maslow*, 1970) is important and individualists attach

⁷ The masculinity-femininity dimension developed by *Hofstede* (1980) is perhaps the most misunderstood of his dimensions (*Rich*, 2000) and he reminds his readers that femininity is not the same as the ideal of feminism. This dimension implies characteristics which could easily stereotype sex-role in an inaccurate and polarizing way and in some cases unnecessarily politicize the construct.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

priority to variety and adventure. Also valuation of self-expression and ideals of uniqueness lead members of individualistic cultures to benefit more from personal and differentiated choices than members of collectivistic cultures (*Iyengar and Lepper, 1999*). On the other hand, collectivists focus on social network to which they belong are "we" conscious, prefer harmony within-group members and avoid loss of "face" (*De Mooij, 2004*).

An alternative view point (*Triandis, 1993; Rhyne et al., 2002; Kim and Choi, 2005*) argues that a culture may possess both individualistic and collectivistic tendencies and these concepts are not necessarily opposite ends of a continuum, but could be regarded as two independent constructs. Based on this approach a number of researchers have begun to explore both individualism and collectivism, in greater depth as two separate constructs (*Ghorpade and Lackritz, 1996; Roney, 1996; Triandis, 1993; Rhyne et al., 2002*). *Hofstede* (2001) accepted the new approach but only for the individual level analysis: "At the individual level there is no reason a person cannot show individualistic and collectivistic personality traits at the same time, so the two should be treated as separate dimensions" (*Hofstede, 2001, p.216*). He insists that at the societal level (macro-level) of analysis, however, collective mental programs and institutions that are individualistically organized exclude those with collectivist approaches and this is empirically, statistically verified (*Hofstede, 2001*).

In this study we follow the original *Hofstede* approach and only focus on individualism. Due to some organizational considerations measuring collectivism was delayed for future studies, though the better option was measuring both constructs (i.e. individualism and collectivism), since we make our analysis at the individual level. Therefore we limit our conclusions and result analysis only to individualism; none of the research outcomes will be automatically reversed for collectivism analysis.

2.3 Measuring and analyzing culture

2.3.1 The levels of measurement

Corresponding to the macro-level and micro-level orientations to view and define culture, two measurement and analysis approaches for cultural values are designed:

- ***National-level measurement approach:***

The approach, which had its springboard with *Triandis* (1972), and then *Hofstede* (1980, 1984), measured culture at the national (country, societal) level by aggregating matched responses of the participants (i.e. respondents are usually selected from employees of international companies or comparable groups from dozens of countries) and assumed less diversity within the society entities, so that each culture represented one observation in the analysis (*Linville and Jones, 1980*), with no attention to intra-country variations. The average priorities attributed to different values by respondents, selected from each culture, are assumed to reflect their central thrust of their shared concerns and point to the

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

underlying, common cultural values (Schwartz, 1999); therefore it is clear to measure and analyze (i.e. simply measured by aggregating responses and measuring average value and analyzed by generalizing results for all those with same nationality). Many researchers have used national-level correlations to explain people's behaviors or characteristics (e.g. Aaker, 2000; Hofstede, 1980; Lee, 2000; Leung, 1989; Lynn et al., 1993; Triandis 1995) and hundreds of empirical researches have supported the approach for comparing nations. It is easily interpreted due the rankings and therefore best designed for macro-level analytical sciences. Still, this measurement approach is inconvenient (Hofstede, 2001), because of the troubles in data gathering from dozens of countries and is seldom repeated. So the impacts of cultural and social changes and trends would be neglected (Schaffer and Riodan, 2003). Also because of the generality when interpreting the results (e.g. assuming all Germans as individualists), perception errs (e.g. stereotyping, halo effects or selective perceptions). Furthermore the use of one company (IBM) in data collection has been the focus of many criticisms of Hofstede's country scores (McCoy, 2003).

However, Hofstede and others have later conceded that is likely to be a great deal of intra-culture variation in cultural values which is not addressed through such methodology. Hofstede (2001) states that pattern of associations (i.e. related characteristics) for values at the national level can be different from those at the individual level. It has been observed that individuals within a country show as much heterogeneity of cultural dimensions as countries do (Rokeach, 1973; Schwartz and Bilsky, 1990). Thus, the original country-level dimensions would cause an ecological fallacy, when applied to individual behaviors; an ecological fallacy would be committed where the ecological or country-level relationships are interpreted as if they are applied to individuals (Chelminski and Coulter, 2007; Hofstede, 2001). Furthermore, especially in marketing and consumer behavior studies, it is not logical to generalize the impacts of internal influencers on every consumer segment within a society. This is almost similar to one of the classical mistakes in statistics: Too much attention to the sample means. Therefore using national level correlations and scales to interpret and compare individual behavior can lead to misinterpretations.

- ***Individual-level measurement approach:***

The modern, substitute approach labeled individual-level measurement, is based on the micro-level orientation toward culture. Since in this approach culture is viewed as fragmented across groups and individuals it is inconsistent across its manifestations (Martin, 1992). Culture manifestations are depicted as psychological traits carried by the individuals, and thus may vary considerably even among those within close geographic proximity to one another and is partly a product of unique personal experience. This shift from macro- to micro-level measurement of cultural values makes studying culture much

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

more complicated and related to psychology; once we acknowledge that people behave as if they use culture strategically⁸ (i.e. they adapt their behavior based on their situation and thus move on cultural value poles, from one side to the other), it follows that the cultures into which people are socialized leave much opportunity for choice and variation (*DiMaggio*, 1997) and cultural heterogeneity is declared totally normal. Therefore aggregating respondents' scores and calculating sample means does not work anymore to analyze underlying values of micro-level cultures and more complex measurement and analysis techniques would be necessary.

As the first researchers, *Triandis* and colleagues (*Triandis et al.*, 1985, 1988) conceptualized and measured individualism/collectivism at individual level and found substantial differences across study samples within the same culture, and in the case of the U.S., even within the same state. Other researchers have attempted to measure the four original *Hofstede* dimensions (*Dorfman and Howell*, 1988) and the fifth *Hofstede and Bond* dimension (*Robertson and Hoffman*, 1999) at the individual level and developed scales to measure similar dimensions to those obtained using *Hofstede's* national level constructs considering deep concepts and meanings behind each dimension.

The measurement approach based on micro-level orientation had a major impact in both cross-cultural and mainstream psychology. For decades, cross-cultural research has documented many differences between cultures. Now it was clear that cross-cultural is not cross-cultural per se; it is generally cross-national and more specifically, cross-city, even cross university and cross-individual. Thus the issue of defining and measuring culture is through the adoption of psychological descriptions, focusing on the subjective elements of culture in each individual. It has undoubtedly aided researchers with the ability to extract meaningful dimensions of psychological variability in cross-cultural (national) works so that differences within cultures, when observed, can be interpreted in terms of functional psychological characteristics (*Matsumoto*, 1999).

Examining cultural dimensions at the individual psychological level appears to offer great potentials in furthering our knowledge of cross-national behavior and management. It may increase our understanding of the linkage between cultures and subcultures and also enables the examination of whether individuals whose cultural attitudes are different than the dominant culture (e.g. minorities) behave differently than individuals who inhabit cultures that are consistent with their particular attitudes (*Culpepper and Watts*,

⁸ An example could better clarify the case: Imagine a person with strong masculinity values. He believes on the differentiation among individuals based on sex roles and he emphasizes on power and dominance of men. This person would behave at home, based on his position on masculinity-femininity dimension (i.e., near to masculine pole), quite different with workplace, where his boss is a woman. He would strategically change his behavior, and thus his position, to look more like a feminine person (i.e., near to feminine pole). This change of behavior could even happen at shopping center, where "the customer is the king".

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

1999). Furthermore, when we accept culture as a psychological characteristic of an individual with great influences on behavior, it sounds logical to find solutions for behavioral changes through cultural adjustments and acculturation. It is also more convenient to design and perform a reliable individual-level measurement of values since it does not need data from dozens of countries⁹, and can be easily planned for a comparison between two countries, subcultures, or groups of individuals. Besides, it is still regarded as innovative approach due to low number of studies and possible initiatives, especially in dynamic sciences as marketing. However, due to the lack of reliable general questionnaires, measurement tools need to be designed and adapted based on study interests, subject and aims. The tools are best applied in sciences with deep social approaches and micro-level orientations toward culture.

A summary of the explained details on the two measurement approaches is presented in table 1. Regarding the mentioned benefits of the modern approach, *Bochner and Hesketh* (1994) strongly suggest using individualized measures of culture, especially when culture is an independent variable predicting any individually measured dependent variable.

National-level measurement (country-level, society-level, culture-level)	<p>Characteristics:</p> <ul style="list-style-type: none"> - Belongs to anthropology; - Show dimensions of national culture; - Aggregating responses; items are usually weighted; - Comparisons of the mean country scores of matched samples from ten or more countries; - Only shows how the values prevailing in a national society differ from those in another society (i.e. comparison between societies at macro level).
	<p>Common misunderstandings:</p> <ul style="list-style-type: none"> - Perception errors (e.g. Stereotyping, halo effects, etc.).
	<p>Weaknesses:</p> <ul style="list-style-type: none"> - Ecological fallacy; - Seldom repeated; aging results are not renewed(e.g. <i>Hofstede</i> results belong to 1980and are not totally valid anymore); - Results do not reflect cultural and social changes but cultures are not static (<i>Schaffer and Riordan, 2003</i>); - Data usually gathered from international organizations and not from ordinary people (e.g. <i>Hofstede</i> gathered all data in a single company IBM). <p>(Table continued)</p>

⁹ As an example, for *Hofstede* national-level rankings, in total, more than 116,000 responses from 72 countries in 20 languages were collected. His initial analysis was limited to 40countries who had 50 or more respondents to the survey; later he was able to add three multi-country regions and ten additional individual nations to the dataset (*Hofstede, 1980*).

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

	<p>Strengths:</p> <ul style="list-style-type: none"> - Compact, easy to understand ranking for each country; - Clear measurement system (gathering responses and calculating averages) and levels of analysis (<i>Hofstede and McCrae, 2004</i>); - Supported by hundreds of empirical researches (<i>Hofstede and McCrae, 2004</i>); - Best applied by economics, politics and sociology at macro level.
Individual-level measurement	<p>Characteristics:</p> <ul style="list-style-type: none"> - Belongs to psychology; - Shows dimensions of personality affected by culture; - Cultural dimensions are treated as an individual difference variable.
	<p>Weaknesses:</p> <ul style="list-style-type: none"> - Could not be generalized to nations or cultures; - Scales need to be adapted; is not yet established in literature; - Results should be analyzed and interpreted with caution.
	<p>Strengths:</p> <ul style="list-style-type: none"> - Helps interpret cultural differences by psychological characteristics (<i>Matsumoto, 1999</i>); - Great potentials for cross-cultural behavioral studies (e.g. marketing); - Easy to plan and perform; - Innovative; needs to be supported through further studies; - Best applied by psychology, management science and sociology at micro level (i.e. social psychology).

Table 1: Classifications of cultural values measurement

2.3.2 Analyzing cultural dimensions

Multi country data, gathered from individual-level measurement, can be analyzed at two different levels of aggregation: Pan country and intra country (*Craig and Douglas, 2000*). Pan country analysis involves using combined data from all countries being studied, each respondent is considered as a unit of analysis (*Chelminski and Coulter, 2007*). This approach is used to determine whether the hypothesized relationships hold across countries and all individuals. However, statistically significant relationships in pan country analysis do not necessarily guarantee that relationships remain proved in each country under study. Thus, pan country analysis should be followed by intra country (i.e. within each country separately) analysis to verify the hypothesized relationships (*Craig and Douglas, 2000*). Therefore in most cross-cultural studies the analyses begin with the pan country analysis and subsequently, to examine and compare the relationships between countries, intra country analysis is performed. In other words, pan country analysis focus on the similarities between individuals, whereas intra country analysis points to the differences and tries to find the reasons hidden in culture. A summary of the mentioned characteristics is presented in table 2.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

We should always keep in mind that both analysis methods (pan and intra country) compare only the culture internalized by individuals selected as respondents and not the dominant general culture within society; for comparing society or national cultures the only option is still national-level measurement.

Analysis level ¹⁰ (only applied for individual-level) :	
Pan-country level	<p>Characteristics:</p> <ul style="list-style-type: none"> - Assesses <u>whether</u> a phenomenon or relationship can be found which holds across all individuals from different countries (cultures); - Provides evidence that cultural dimensions at individual-level have influence on behavior (or prove a relation in between) of all respondents, no matter which nationality; - Focuses on the similarities among cultures and individuals.
Intra-country level	<p>Characteristics:</p> <ul style="list-style-type: none"> - Compare <u>how</u> a phenomenon or relationship exists/influences individuals from different countries (cultures); - Examines the consistency of measures and their properties across countries; - Focuses on the differences among cultures and individuals.

Table 2: Classifications of cultural values analysis

2.4 Culture and consumer behavior

Many of the differences in preference, product usage, and purchase and in general consumer behavior are influenced by cultural values. Also national wealth could be regarded as an explaining variable and difference in income level could be influential (*De Mooij, 2004*). There are also dozens of variables rooted in disciplines as economics, sociology and ecology that may result in attitudinal or behavioral reactions by a person; yet when analyzing consumer decisions and reactions, most ways end to psychological traits and cultural values are magnificent players in this game.

How people behave and what motivates them is largely a matter of culture. How they relate to each other in buying process, whether their decisions are individual or group decisions, how their emotions drive market choices, are among all influenced by the culture to which they belong. Consequently, theories of consumer behavior are not culture-free¹¹ (*De Mooij, 1998*). To name some possible facets of cultural influence on different aspects of consumer behavior, Figure 2 is presented.

¹⁰ Sources: *Craig and Douglas (2000); Chelminski and Coulter (2007)*.

¹¹ There might be some "culture-free" theories in economics, marketing and consumer-behavior; theories that are defined to be general and the role of situational or cultural factors are ignored. But considering the undeniable influence of culture in human studies, these theories could be revised, or at least re-examined, bringing culture into attention.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

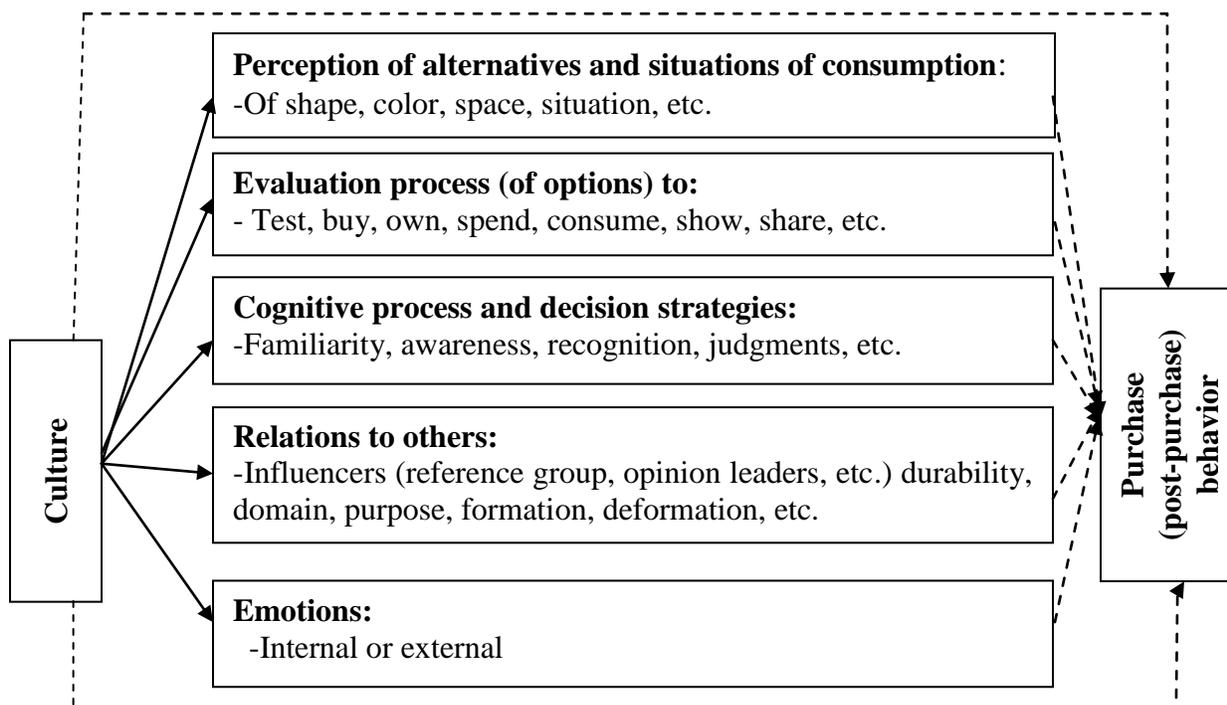


Figure 2: Cultural influences on general marketing constructs and purchase behavior¹²

Cultural values play an undeniable role in almost all domains of management because they influence choice; they influence how consumers process information (*Schmitt et al.*, 1994). In some domains, like marketing, this role may be complicated, fine but important. These values can be arranged in the order of their relative importance to individuals, groups, and societies. In marketplace, cultural values provide consumers with the standards for making comparisons among alternatives and motivate to buy. Each cultural value may offer an opportunity to differentiate brands by going beyond a focus on attributes or benefits, and building strong positions for brands (*De Mooij*, 1998). The following table (table3) is a compact summary of only few recent studies in this field, all focused on the cultural influences on consumer behavior.

Regarding the consumer purchase behavior, the marketing literature differs in its findings about cross-cultural differences. Some researches (*Graham et al.*, 1988; *Graham*, 1983) believe that differences are relevant to marketers; some studies find no significant differences among consumers behavior (*Anderson and Engledow*, 1977; *Douglas and Craig*, 1992). However, the majority of researchers (e.g. *Hofstede*, 1980; *Hall*, 1976; *Triandis*, 1985; *Schwartz*, 1992; *De Mooij*, 1998) follows the cultural differences approach and believes that national characteristics of behavior are unique and consistent formed due to shared norms, values and learned behaviors within national boundaries

¹² Adapted from *Usunier and Lee* (2005) ; *Keller* (2008); *Hawkins et al.*, (2004).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

over time and has their influences in customer purchase behavior. Also, evidences indicate that cultures differ with regard to brand perceptions (Aaker et al., 2001), perceptions of risk and brand loyalty (Kanwar, 1993; Yavas et al., 1992), the effectiveness of emotional appeals in advertising (Aaker and Williams, 1998) as well as effective advertising (Biswas et al., 1992), word-of-mouth in industrial services (Money et al., 1998), and buyer behavior in tourism (Pizam and Reichel, 1996).

Cultural dimensions	Summary of impacts on consumer behavior¹³
Power distance	Belief that dominant brands are good ¹⁴ ; unconscious classification of purchase options based on brand position ¹⁵ ; high brand loyalty degree ¹⁶ .
Individualism	No need to group approval for particular brands; ¹⁷ more impulsive purchase rates ¹⁸ ; lower levels of prestige-sensitivity and need for "face" ¹⁹ .
Uncertainty avoidance	Not Eager to new options ²⁰ ; avoid uncertainty by using familiar brands ²¹ ; more price conscious ²² .
Masculinity	Importance for status, power, success, pleasure and prestige ²³ .

Table 3: Summary of the influences of Hofstede's cultural dimensions on consumer-purchase behavior

2.5 Positioning of the study

The main innovative characteristic which separates this research from previous studies, is the application of an individual level measurement approach using a scale adapted to consumer purchase behavior. Most cultural researches have focused on organizational or social behavior of individuals or nations; few recent studies were concentrated on general management or psychological subjects. Specifically, marketing and consumer behavior oriented studies could hardly be found (see *Matsumoto and Yoo, 2006*). Comparing the scales applied, indicated that many of the researches have followed *Hofstede* approach in designing questionnaire items and limited their questions to organizations. Few examples of the most valid and best-known scales could declare the situation better:

¹³ Only positive extremes (i.e. higher degree) of dimensions are declared.

¹⁴ *Palumbo and Herbig* (2000)

¹⁵ *Leo et al.* (2005)

¹⁶ *Palumbo and Herbig* (2000)

¹⁷ *Leo et al.* (2005)

¹⁸ *Leo et al.* (2005)

¹⁹ *McGowan and Sternquist* (1998)

²⁰ *Sheth and Ram* (1987)

²¹ *Verhage et al.* (1990)

²² *Leo et al.* (2005)

²³ *De Mooij* (2004)

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

<i>Power distance</i>	<p><u>Hofstede (2008)</u>: An organization structure in which certain subordinates have two bosses should be avoided at all cost.</p> <p><u>Yoo and Donthu (2005)</u>: Those in higher position should not delegate important tasks to people in lower positions.</p> <p><u>Dorfman and Howel (1988)</u>: Managers should seldom ask for the opinions of employees.</p>
<i>Individualism</i>	<p><u>Hofstede (2008)</u>: To have an ideal job, I should do work that is interesting.</p> <p><u>Yoo and Donthu (2005)</u>: Group success is more important than individual success.</p> <p><u>Dorfman and Howel (1988)</u>: Employees should only pursue their goals after considering the welfare of the group.</p>
<i>Masculinity</i>	<p><u>Hofstede (2008)</u>: To have an ideal job, I should have chances for promotion.</p> <p><u>Yoo and Donthu (2005)</u>: There are some jobs a man can always do better than a woman.</p> <p><u>Dorfman and Howell (1988)</u>: It is preferable to have a man in a high level position rather than a woman.</p>
<i>Uncertainty avoidance</i>	<p><u>Hofstede (2008)</u>: A company's or organization's rules should not be broken- not even when the employee thinks breaking the rule would be in the organization's best interest.</p> <p><u>Yoo and Donthu (2005)</u>: Standardized work procedures are helpful.</p> <p><u>Dorfman and Howell (1988)</u>: managers expect employees to closely follow instructions.</p>

Table 4: Examples of items to measure cultural values

The similar point in all these questionnaires is that the respondent is asked to imagine himself in an organizational environment, reflecting his view points about a particular job situation. Although this could be an agreed solution for measuring cultural dimensions among employees when the study is related to organizational behavior, asking such questions from individuals (consumers) appears irrelevant to the purchase situation. Designing a new scale to measure *Hofstede's* cultural dimensions, analyzing deep meanings of each, having an eye on implicit²⁴ and explicit²⁵ general behaviors, and consumer behaviors, of individuals was among the special features of this study. Studying several individual-level and cultural value measurement scales, the author has tried to learn the essence of each dimension and classify them into characteristics of those at the two opposite poles of a continuum. These were later interpreted with new wordings and formulations. We will review each scale item with detailed features in section 4.

²⁴ Implicit consumer behaviors are those not readily apparent and not directly expressed (e.g. reference-group influence or effort minimization).

²⁵ Explicit consumer behaviors are those which could be clearly expressed and demonstrated (e.g. variety seeking, which could be measured by asking the numbers of product varieties or brands purchased).

3. Description of selected consumer-behavior variables

This study focuses on five consumer implicit behavioral variables (class based consumption, purchase risk reduction, reference group influence, enjoyment of bargain hunting and effort minimizing) and variety seeking as the only variable which could measure consumer's explicit behavior. These variables are probably affected by the four cultural dimensions (power distance, uncertainty avoidance, masculinity and individualism). In this section, we define these behavioral variables and develop the theoretical bases for the hypothesized relationships:

3.1 Variety-seeking

Variety seeking is the phenomenon of a consumer, though satisfied with the previous choice, switching brands induced by the utility he derives from the change (*Givon, 1984*). It could be defined as an explicit consumer behavior, describing a desire to change and consume novel brands or product varieties due to personal traits, or as an overt behavior of switching from an option to other, motivated by any factor, which ends to individual's utility (*Helmig, 1997*).

The central theoretical explanation for the phenomenon of variety-seeking is provided by the theory of the Optimum Stimulation Level (OSL) (*Berlyne, 1960*). The concept was introduced almost simultaneously in the psychology literature by *Hebb (1955)* and *Leuba (1955)*. According to *Helmig (1997)* each individual has its own specific optimal level of stimulation, which is relatively constant over time. In situations containing an increased level of arousal, further stimulation will be avoided. In situations where the level of stimulation is below the optimum, individuals will seek additional stimulation. A consumption situation may provide a less-than-optimal level of stimulation for a consumer, thus leading to a state of boredom. As a consequence, the consumer will try to increase the arousal potential of the situation, for example, by exhibiting variety-seeking behavior (*Helmig, 1997; Menon and Kahn, 1995*).

Other explanations for variety-seeking behavior are the uncertainty about future preferences (*Kahn and Lehmann, 1991*) as well as the belief of people that no one item provides desired levels of all attributes (*Farquhar and Rao, 1976*).

Personal factors seem to influence the optimal level of stimulation of an individual and hence the degree of variety-seeking behavior (*Hoyer and Ridgway, 1984*) the individual shows. As an example, the age of an individual plays an important role. Childhood and youth are characterized by a higher level of curiosity than retirement age mainly due to more experience of life. Generally, the desire for change decreases as people grow older, although this cannot be applied to all areas of life and to all purchasing situations. The degree of variety-seeking behavior even appears to be depend on gender; men are more likely to exhibit variety-seeking behavior than women (*McAlister and Pessemier, 1982; Tscheulin, 1994*). In addition to a person's physical characteristics (e.g. age, sex) people's ideological attitudes and their lifestyles, influenced by cultural values, impact their

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

variety-seeking tendency. People dedicated to a rather spartan life are less likely to engage in variety-seeking behavior than people living a hedonistic lifestyle (Van Trijp et al. 1996). Venturesome, spontaneous and extrovert people will have a higher tendency to show variety-seeking behavior than risk averse, rational people. The degree of education and the level of income are also assumed to be positively correlated with variety-seeking behavior (McAlister and Pessemier, 1982; Raju, 1980). McAlister and Pessemier (1982) suggest that there are also motives like the desire for group affiliation or individual identity that influence variety-seeking behavior because social pressures for conformity create the need to express individuality in subtle ways.

Although variety seeking has been the subject of many studies, the influences of cultural values on this consumer-behavioral measure has been neglected. According to Hohl (2008), some of the main elements behind variety seeking, which could cause for consumer utility and motivate individuals to change, are: prestige, hope for benefits, risk reduction and curiosity. These elements may all be different among individuals and have their roots in cultural values²⁶:

- *Prestige*: Masculinity has an impact on interests for prestige and status. Also the dimensions of individualism and power distance could have impacts on prestige need and interest among individuals.
- *Risk reduction*: This element which could stimulate consumers in variety seeking among brands or products is influenced by the cultural dimension of uncertainty avoidance. The dimensions of masculinity and individualism could have both impacts on consumers need for risk reduction.
- *Curiosity*: Regarding the “pleasure seeking” aspect of the masculinity dimension and the great interest in ambition among masculine individuals and cultures, this variety seeking need element could be related to culture. Also the degree of uncertainty avoidance is directly influential on curiosity interests among consumers.
- *Hope for further benefits*: This element could be influenced by ambition interest, masculinity, risk aversion and uncertainty avoidance and individualism.

Since drivers of variety seeking may be influenced by cultural variables, we propose:

H1.1: Variety seeking is different among cultures.

- ***Power distance and variety seeking:***

In high power-distance societies, individuals may believe that leader brands (usually oldest, wealthiest, and the most famous brands) could be more dominant (have greater market shares), enjoy more benefits (e.g. best quality, best product image, most attractive promotions) and are logically better than the newly born ones. Based on this belief, they may ignore new options and seldom seek for variety of brands and products.

²⁶ Explained in previous section based on several sources e.g. Hofstede (1980), De Mooij (2004) etc.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

In contrast, consumers of low power distance are unlikely to support brands accepted by others as market leaders, simply because they are known to be better and are positioned among “high-class brands”. Large gaps among options (in quality measures) are not easily accepted by these consumers; we may conclude that all offered products or brands are considered almost equal. In other words, they all have at least the minimum quality, image or other benefits that a consumer expects; when the minimum expectation level is achieved, the product would have the equal chance of selection by low-power distance consumer, compared to other brands or product varieties in the market. Low power-distance consumers may believe that brands with lower market shares (and no names²⁷) could deserve to be treated, by them, as fairly and uniformly as leader brands. As a result they may be open and more flexible to new options and may have more variety-seeking impulses; when all options are regarded, more or less, equal, consumers may try another brand just to know how it is, satisfy their curiosity or discover further benefits. They may also like to be acquainted with more options (apart from their brand name and other unimportant details) to make the best choice in the future.

Also, considering the OSL theory as the main explanation for variety seeking, we make the same conclusions: according to *Hofstede* (1980, 1988) in high power distance societies independence and freedom of choice is lower among individuals, authorities control and limit activities of subordinates (whether in family, organization or nation), and respect to norms and conformity is the main behavioral value. In such a society, optimum stimulus level or arousal seeking tendency (*Raju*, 1980) may logically be lower, since society rejects sensation seeking by individuals and it is not in accordance with norms. Due to a lower level of optimum stimulus, exploratory tendencies, and therefore variety seeking, would be significantly lower among consumers (*Raju*, 1980). Consequently we make the following hypothesis:

H1.2: Power distance negatively impacts variety seeking.

- ***Individualism and variety seeking:***

Looking through the lens of consumer behavior, collectivistic consumers may feel obliged to choose products and brands that could be accepted and liked by others or are better choices for all. Ignoring variety seeking temptation is a behavior congruent with collectivism because it may foster the group interests and could be found expedient by most members. Collectivistic consumers are most likely to sacrifice personal interests for group's welfare and show high reliance on and short emotional distance from purchase decisions proved to be acceptable by others. They believe they should restrain their

²⁷ No names or generic brands of consumer products (often supermarket goods) are distinguished, from other brands and products, since though packed and labeled, they either lack a brand name (and other brand elements) or their names belongs to the store in which they are sold. Generally, these are less-known names, labeled on different product categories at the same time which may not be aggressively advertised, are usually absent in other supermarkets and could not perform most of the brand functions.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

actions and impulses, ignore temptations and desires in favor of group interests (*Schwartz and Bilsky, 1990*); variety seeking, interest in having more and different brands or varieties of actually similar products, is among these temptations and thus collectivistic consumers feel it is necessary to ignore them.

According to *Tsai and Levenson (1997)*, among individualistic cultures there is less emphasis, than among collectivistic cultures, on controlling and moderating one's emotional experience and expression. Recent researches proved that collectivists exhibit a higher level of action control, compared with individualists (*Abe et.al. 1996*). This may lead to ignore desire for new options and to suppress variety seeking tendencies.

Another behavioral aspect of individualistic cultures is the need for uniqueness. Research on variety-seeking in interpersonal contexts has shown that individuals try to make different choices from other people, because in an interpersonal context, individual choices are aimed at satisfying goals of portraying oneself as unique in the eyes of others rather than risking the appearance of imitation by making the same choices as others (*Ariely and Levav, 2000*). Past researches have shown that behavioral changes within a person are associated with perceptions of uniqueness (*Snyder and Fromkin, 1980*). Variety seeking means changing selection and purchase behavior; the need for uniqueness as an aspect of individualism may be among reasons behind this behavior. In contrast, since variety seeking in many collectivistic cultures is similar to being different and is mainly assumed as negative behavior (*Bellah et al., 1985; Kim and Markus, 1999; Triandis, 1995*) collectivistic consumers may be less variety-seeker and more loyal to brands chosen previously, approved by others in previous occasions and in accordance with their society class and status which are "good for all of us".

Concentrating on OSL theory to explain variety seeking, we conclude there would be higher variety seeking level among individualistic cultures. Since there is more autonomy and emphasis on individual initiatives among individualist cultures, variety and pleasure is among the main points of interest for this cultural value (*Hofstede, 1980*). With such attitudes among individuals, optimum stimulus level or arousal seeking tendency (*Raju, 1980*) may logically get higher day-by-day, since sensation seeking is among behavioral elements of individuals; higher level of optimum stimulus and exploratory tendencies result in more variety seeking among consumers (*Raju, 1980*). Therefore we believe in the following hypothesis:

H1.3: Individualism positively impacts variety seeking.

- ***Uncertainty avoidance and variety seeking:***

Based on *Hofstede (1984)* in high uncertainty avoidance societies, uncertainty is viewed as a threat that must be controlled via conservatism, law and order whereas countries with low uncertainty avoidance find uncertainty less threatening. As a result, they are more open to change, more willing to take risks, and more tolerant for diversity, ambiguity and novelty. According to *Leo et al., (2005)* uncertainty avoider consumers are more likely to use the familiarity of brands to reduce ambiguity. In support, *Verhage et al. (1990)* found

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

stronger perceived-uncertainty and brand loyalty relationships in the United States than in Thailand. Also, since variety seekers are interested in innovative, new options and see benefits in changing their choices (*Helmig, 2001*) they consequently belong to low-uncertainty avoidance group of customers.

This explanation is also in accordance with the OSL theory, because of the attention to keeping the standards and intolerance of any deviation from “normal and usual” (*Hofstede, 1988*) among cultures with high uncertainty avoidance level. Thus the optimum stimulus would be kept at lower levels and sensation seeking may be regarded as an unforgivable mistake; lower level of optimum stimulus and exploratory tendencies, ends to lower variety seeking among consumers (*Raju, 1980*).

H1.4: Uncertainty avoidance negatively impacts variety seeking.

- ***Masculinity and variety-seeking:***

Purchase is among the best ways to show others achievements and status; a largely symbolic means of demonstrating achievement is by having the latest and most novel possessions. This essentially serves as a proxy for success, reflecting a given level of status in a society; brand switching and impulse purchases are expected to occur more often in masculine cultures. Also according to *Singh (2005)* higher levels of masculinity in societies are indirectly reflected in individual's material possessions and the quantity or variety of the possessions. Individuals from such societies would therefore be more curious of new products in the marketplace (*Singh, 2005*), or products unfamiliar to them, which would help them display their achievements; “show off” and “emulation”, the two phenomena that influence individual purchase behavior, are therefore expected to be higher in masculine societies.

OSL theory is also a good choice to explain higher variety seeking among masculine cultures and individuals, since there is more emphasis on ambition seeking, pleasure and choosing “big and differentiated solutions” among masculine cultures (*Hofstede, 1980*). Thus, optimum stimulus level or arousal seeking tendency may increase and variety seeking tendencies would be supported. We conclude:

H1.5: Masculinity positively impacts variety-seeking.

3.2 Class-based consumption

According to *Bourdieu (1985)*: "Classes are sets of individuals who occupy similar positions (in society) and who, being placed in similar conditions and submitted to similar types of conditioning, have every chance of having similar dispositions and interests, and thus of producing similar practices and adopting similar stances". He argues that through the mediation of the habitus (i.e. patterns of thought, comprehension, and behavior) people internalize their class position and express it in their choices that reproduce the class structure; people consumption choices based on their class structure is class-based consumption. *Bourdieu*, in addition, defines class and culture as two hierarchical systems in mutually reinforcing ways (*Katz-Gerro, 2002*).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

The concept of class-based consumption, therefore, has its roots in social class and status; an old definition in sociology designed to include processes of ranking people, into superior and inferior social position, by different factors (*Warner and Lunt, 1950*). In a study of department stores and shopping behavior, it was found that the lower-status woman is completely aware that, if she goes into high-status department stores, the clerks and the other customers in the store will punish her in various subtle ways (*Martineau, 1958*). In a very real sense, everyone in his consumption pattern and lifestyle shows an awareness that there is some kind of a superiority-inferiority system operating, and that he must accept the symbolic patterns of his own class; if not, he would be punished by others. Thus class-based consumption could be defined as a personality trait among consumers, apart from their cultural values; of course, it is logical to be declared as life style and thinking model among some cultures with more hierarchical levels and regulations.

The way this concept has been employed in marketing is basically different from that of sociology and economics. It seems that many economists overlook the possibility of any psychological differences between individuals resulting from different class membership; it is assumed that a rich man is simply a poor man with more money and that, given the same income, the poor man would behave exactly like the rich man. But in marketing, the class-based consumption pattern in consumer behavior, proved for the first time in works of the social anthropologist *W. Lloyd Warner* (1941), as an evidence that this assumption is not true, and the lower-status person is profoundly different from middle, and upper class consumers in his mode of thinking and behaving in purchase situation. Of course, there are no hard lines between the classes; the phenomenon of social mobility as the movement from one class to another could take place and make exceptions. Thus class-based consumption could be exceptional, individual traits among some cultures.

Many studies show a very clear relationship between spend-save aspirations and social class (*Martineau, 1958; Schneider and Lysgaard, 1953; Furnham, 1985*). Consumption patterns operate as prestige symbols to define class membership, which is a more significant determinant of “consumer economical behavior” than mere income (*Martineau, 1958*). But the product type could have a moderating effect:

According the above explained definition for power distance as the importance of power sources (e.g. wealth, prestige) for an individual, we may conclude that for high-involvement, durable and prestige articles (e.g. cars, TV sets, jewels and dresses) which are influential in others thinking about one’s status, even higher power distance levels could make lower-class customers decide for upper-class products and brands, only to avoid “losing face”. In such circumstances, it becomes an issue for the consumer to express certain preferences in a (class) conscious (or perhaps even in a semiconscious) way dependent upon his or her position within the system; this is what *Bourdieu* (1983) calls “culture of defiance”. Thus for such products, the influence of power distance on class based consumption might be insignificant.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

But for non-durable²⁸, every-day and low-involvement products less (or no) show-off would be necessary. Thus, the consumer would prefer to save more and not to waste money for an expensive product/ brand, which is invisible and unimportant for others; he would not decide for an expensive brand of coffee, which is not influential for his social status, when he can substitute it with a cheaper option and save money for a night dress. The concept of “face” is almost unimportant for non-durable products; therefore the consumer could save money for “face-keeping” situations.

Class-based consumption may not always be a conscious behavior; it could be defined and measured as an intrinsic motive and a personal trait. Cultural and social dimensions may play significant roles in restricting choice in more complex ways. But the result could be the same: consumer may find himself in a certain position within the class structure of society and then has to choose what he consumes, in part, subject to the constraints or opportunities of the class (*McMeekin and Tomlinson, 1998*). We may conclude that in high power distance societies, higher levels of class distance among consumers would result in more classified shopping patterns and each person defines certain products/ brands “permitted” while others are declared “prohibited” for shopping or are totally unimportant. Thus we expect:

H2.1: Class-based consumption is different among cultures.

H2.2: In purchasing daily consuming products²⁹, power distance positively impacts class-based consumption.

- Individualism and class-based consumption:

In most individualistic cultures uniqueness, or being different from the rest, takes on positive meaning, because the state of uniqueness clearly signals the individual freedom to follow one’s mind and the expression of one’s specialness; individualists differentiate themselves from others feel “special” (*Kim and Drolet, 2003*) and are likely to make autonomous decisions, with less consideration of the societal acceptance (*Wagner, 1995*) or social class. Their purchase decision making will be based on their independent emotional and rational judgment about product attributes such as price and quality; maximizing personal well being or utility is very important, because they are tied loosely to groups (*Yoo and Donthu, 2005*).

Individualists support competitive climates in which they perceive themselves as dominant or in control of their environment (*Adler and Jelinek, 1986*). As a result individualistic cultures may cause the individual to feel decision freedom in his purchase behavior and seek for varieties when deciding for a product or brand. Thus defining a

²⁸ As explained, in the present study we have focused on the non durable and everyday products purchased in supermarkets; thus the hypotheses are proposed for these articles.

²⁹ This means the non-durable products purchased to satisfy every-day needs (e.g. foods, drinks, cigarettes, etc).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

limited framework of choice, based on price level or society class, in purchase situation is less possible among individualistic consumers.

H2.3: Individualism negatively impacts class-based consumption.

3.3 Reference-group influence

A reference group is a person or group of people that significantly influences an individual's behavior. Based on the work of *Deutsch and Gerard* (1955) and *Kelman* (1961), informational, utilitarian, and value-expressive influences of reference group have been identified (*Park and Lessig*, 1966). In other words, a reference-group may

- enhance consumers' knowledge of environment or his ability to cope with it (informational influence);
- help in the compliance process of an individual with the preferences or expectations of another individual or group (utilitarian influence);
- benefit an individual in expressing himself or bolster his ego (value-expressive influence).

This influence has its roots in a psychological concept known as social approval and reflects the importance one assumes for opinions of the larger social system (*Witt and Bruce*, 1972).

Considering the informational influence, as the main influence of reference groups, *Kau and Jung* (2004a) proposed that in collectivistic cultures, which values ties within the in-group relations, individuals are more inclined to relate with people from within the group as their information sources and are more likely to engage in information sharing, compared to individualistic groups, who do not seek information from the people around them that frequently. *Ownbey and Horridge* (1997) found that there was a significant difference in shopping approach among cultures. They found that individualistic cultures (compared to collectivistic cultures) are less inclined to share and search for shopping advices, suggestions and information. Also, *Triandis* (1985), *Erez and Earley* (1993) suggested that individualists use privately referenced information while collectivists use in-group-referenced information to make decisions. Since, informational reference-group influence on product and brand decisions will be facilitated by the degree to which social interaction or public observation of consumption behavior occurs (*Bearden and Etzel*, 1982) we may conclude that reference groups play a more significant role in purchase decision within collectivistic, compared to individualistic, cultures.

Regarding the utilitarian influence of reference groups, in which an individual is willing to satisfy a particular group's expectation in order to obtain the praise or to avoid the punishment from the group (*Kelman*, 1961), the famous Asch experiment in which participants were found to willingly conform to the group answers, even changing their original right answers could be the best example. This way, by behaving as suggested by others, using a certain commodity, one could obtain social approval and acceptance. Considering *Triandis* (1995) people in individualistic cultures, in contrast to collectivistic cultures, are not motivated to engage in group behavior, maintain group harmony,

conform to group norms or enjoy group acceptance. Based on the above mentioned reasons we propose:

H3.1: Reference-group influence is different among cultures.

H3.2: Individualism negatively impacts reference-group influence.

- ***Power distance and reference-group influence:***

Based on the above explanations for reference-group influence, power distance dimension could also have influences on the role that reference-group plays in individual's life. Since the utilitarian influence of reference group makes it like a "power" which could force individuals to conform to the group members in behaviors, this influence could be stronger in high-power distance societies, where power is the basic fact that antedates good or evil and those who disobey the power holders are to blame (Hofstede, 1988). In other words, power functions in the form of utilitarian influence of reference-group on people, forcing them to comply with preferences and expectations of others. Thus we conclude:

H3.3: Power distance positively impacts reference-group influence.

- ***Uncertainty avoidance and reference group influence:***

Since individuals in high uncertainty avoidance cultures may feel strong need for consensus and believe more on experts and their knowledge (Hofstede, 1988), the informational influence of reference-groups would be more needed, and is therefore stronger, among individuals with high level of uncertainty avoidance. Also according to Hofstede (1980), those with higher avoidance of uncertainty find deviant persons or ideas dangerous and try to avoid them. In other words, the utilitarian influence of reference-groups could be higher in these cultures and people try to conform to the group because of the rejection risk.

H3.4: Uncertainty avoidance positively impacts reference-group influence.

3.4 Enjoyment of bargain hunting

In order to define this behavioral aspect thoroughly, we need to be familiar with cherry picking. Cherry pickers are consumers who enjoy looking around for cheapest, and at the same time, best possible options and experience a sense of accomplishment from saving money and getting an article at a lower price (Fox and Hoch, 2005). Studies find that cherry-picking is positively related to self-reported benefits from search such as enjoyment of shopping (Doti and Sharir, 1980; Fox and Hoch, 2005) or gaining market knowledge (Feick and Price, 1987). This internal enjoyment and accomplishment when paying less and hunt a bargain, for gaining the same, might be influenced by cultural dimension of individualism.

Individualism refers to the relative importance people accord to personal interests. As defined by Wagner and Moch (1986), individualism is the condition in which personal interests maintain greater importance than the needs of others. Individualists look after

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

themselves, their wants and desires and tend to ignore group interests if they conflict with personal desires. On the other hand, collectivists look for well-being of the groups to which they belong; even if such actions sometimes require that personal interests be disregarded and sacrificed.

Variety, pleasure and self consciousness are the dominant values in the lives of individualists (Hofstede, 1990). Thus an individualist may be ready to pay more and gain the pleasure and satisfaction he desires; the priority of “self”, has the final word in the decisions individualists make. Expensive objects, items that convey prestige and end to internal enjoyment could better match with individualistic lifestyle; bargain hunting and cherry-picking should be assumed less probable behaviors with less enjoyment for them. On the contrary for a bargain hunter, product status plays minor roles; product quality could be regarded with less importance; the main point for a cherry picker is price and when price comparison accepts a choice, the consumer decides to purchase. Each product is supposed to have a certain function and when it could be anyhow performed, the person is satisfied; thus, pleasure seeking may not be urgent for a bargain hunter and the functional role an item performs would be at the center of attention. Although product price, demographical and social situations play influential roles in cherry picking behavior by consumers, culture would also have impacts. Therefore we conclude:

H4.1: Enjoyment of bargain hunting is different among cultures.

H4.2: Individualism negatively impacts enjoyment of bargain hunting.

- ***Masculinity and enjoyment of bargain-hunting:***

As explained, masculinity dimension is directly associated with “trial to gain success” and money orientation (Hofstede, 1980). Thus, it is logical to conclude that individuals with high masculinity level may be more interested in gaining a sense of accomplishment from saving money and getting an article at a lower price, which is exactly the meaning of enjoyment of bargain-hunting among our consumer-behavioral measures. Therefore we suggest that:

H4.3: Masculinity positively impacts enjoyment of bargain-hunting.

- ***Power-distance and enjoyment of bargain-hunting:***

Considering the definition presented for power-distance as the importance of power sources (e.g. wealth, prestige) for an individual, and the concept of “face” among high power-distance cultures, people in high power-distance cultures “disregard” cheaper products, because they believe having such articles could demonstrate their lack of power sources (e.g. wealth) to other people lower their status and results in “losing face”. Therefore the enjoyment and the achievement feeling of buying a product with lower-quality and, in normal cases, lower-price is less among people with high power-distance and it is logical to conclude:

H4.4: Power distance negatively impacts enjoyment of bargain-hunting.

3.5 Effort minimization

Maximizing consumer utility as an ultimate shopping aim may be inseparable with time and effort minimization in his buying activity. Effort minimization is defined as the strategy of decreasing physical, psychological and transaction costs of gaining or buying a product; consumer make decisions considering a trade-off between the accuracy of the solution and the desire to minimize effort (*Dhar and Sherman. 2000*). A consumer, who selects this strategy, prefers convenience shopping and is not willing to make a lot of price comparisons (*Pechtl, 2004*); in other words low-search, time pressure, energy saving and overlooking shopping entertainment are among concerns of consumers who select this strategy in purchase situations.

Based on *Shannon and Mandhachitara (2005)* individualists may tend to shop alone or in small groups, and perceive fewer social benefits from shopping, while for collectivists, shopping enjoyment is important, and it is preferred to practice this activity with less time pressure influence. Shopping was found to be the number one leisure activity undertaken by Singaporeans, as people from a collectivistic culture, away from home (*Chua, 2003*). Also, *Doran (2002)* found that the Chinese enjoy searching and shopping more than Americans. Thus, due to the enjoyment, they will decide for more convenience (more time, more energy) for purchase decisions.

In an attempt to study consumer online shopping behavior, it has been shown that convenience, and variety seeking, are important constructs for individualistic consumers (*Joines et al., 2003*). Also according to *Chau et al., (2000)* consumers from an individualistic culture are more likely to use the Internet for their shopping than those from a collectivistic culture, among all, due to its convenience.

It is logical to conclude the highly competitive climate (i.e. everyday struggle with others in gaining the best position, resource and relation), priority of personal utility and goals over social relationships and the importance of affluence in individualistic cultures usually result in the emergence of consumerism, and the limited time and energy of people force them to minimize their shopping time and efforts to gain more convenience. Consequently we conclude:

H5.1: Effort minimization is different among cultures.

H5.2: Individualism positively impacts effort minimization.

- ***Uncertainty avoidance and effort minimization:***

Effort minimization as a consumer behavior may be influenced by another cultural dimension: uncertainty avoidance. because of the inner urge to work and try hard, the experienced anxiety and stress, strong beliefs on rules and regulations, and finally internal search for ultimate, absolute and perfect solutions and truths (*Hofstede, 1980*), individuals may try to invest enough, or even more than enough, time and energy for activities. Effort minimization would be regarded as a sin in high uncertainty avoidance cultures, since it means breaking the regulations and neglecting necessary details;

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

perfectionism would be regarded as a value in these cultures. Therefore we may conclude:

H5.3: Uncertainty avoidance negatively impacts effort minimization.

3.6 Purchase risk-reduction

According to *Mitchell and Boustani* (1994) purchase risk reduction focuses on increasing the amount of certainty that a satisfactory product will be purchased as well as reducing the negative consequences, should the purchase be unsatisfactory. Gaining access to several information sources is the main intrinsic reaction of consumers with could lower the purchase risk level (*Hoover et al.*, 1978). Reading package descriptions, seeking for unbiased information on product and asking for recommendations are among the main strategies of pre-purchase risk reduction (*Mitchell and Boustani*, 1994).

Although these strategies are practiced by many consumers with different cultural backgrounds, those with higher uncertainty avoidance level are logically more cautious about their actions and decisions. *Blake et al.* (1973) suggested that persons with low ambiguity tolerance, and therefore high uncertainty avoidance level, are more reluctant to buy products and try to reduce purchase risks. Also *Dawar et al.* (1996) found that uncertainty avoidance, as a measure of intolerance for risk, influences information search behavior aimed to reduce risk degree.

Quintal et al. (2009) found that since perceived uncertainty is the expectation of an ambiguous potential loss, it is as likely to influence attitudes toward behaviors. Thus, the higher the perceived uncertainty about a potential financial loss in a purchase, the more negative attitudes will be toward the purchase and therefore more credible information from several trusted sources are needed to reduce perceived purchase risk degree in their evaluations to make their purchase decision.

Thus, we conclude:

H6.1: Purchase risk-reduction is different among cultures.

H6.2: Uncertainty avoidance positively impacts purchase risk-reduction.

- Individualism and purchase-risk reduction:

Purchase risk-reduction would be significantly lower in individualistic cultures due to the self-confidence and self-reliance attitude, autonomy in decision making, emphasis on individual initiative and ideas, interest in variety and seeking pleasure (*Hofstede*, 1988). These characteristics could urge challenging and daring personalities. Thus, when an individualist decides to purchase a product or brand (or even such an idea comes to his mind), he would feel fewer holdbacks to prevent, less motives for reassessment and more spurs for experiencing.

Thus the following proposition is suggested:

H6.3: Individualism negatively impacts purchase risk-reduction.

4. Survey design

4.1 Iran-Germany samples

To facilitate variability on cultural dimensions two countries, expected to differ significantly, are selected; they also represent western and eastern cultures as well as developed and developing economies: Germany and Iran. Comparison of the countries based on demographic and economical variables, as well as *Hofstede's* (1980, 2001) cultural dimensions, show considerable variations. It is important to note the fact that the results, presented in table 5 are all measured at national-level and belong to 1980 revised and forecasted at 2001.

Hofstede cultural dimensions index (0-100)				
Recent results, 2001 ³⁰	Individualism (vs. collectivism)	Power distance	Uncertainty avoidance	Masculinity (vs. femininity)
Iran	41	58	59	66
Germany	67	35	65	43
Macro economical index				
Results from 2009-2010 ³¹	Inflation rate (June 2010)	GDP (2009)	Growth rate (2010)	Average salary (gross, Euro, monthly, 2009)
Iran	15%	\$827.1 (billion, total) \$12,500(per capita)	2.6%	310
Germany	0.3%	\$3.352 trillion, total \$34,212 (per capita)	3%	2311

Table 5: Cultural and economical variables for Iran and Germany

Considering directions of the study toward cultural values and the significant role imagined for them in customer every-day decision making process, designing a new, clear and compact scale composed of questions selected from standardized questionnaires and adapted, where necessary, to research purposes, respondent groups (adults from every social class) and survey method (interview with average time of 11 minutes) was preferred.

The questionnaire, initially developed in German language, was translated into Farsi (Persian language) by the author of this paper, a native Iranian, and then was evaluated by two other native Iranians. Also a limited pretest on (10-16) German and Iranian respondents aided in the identification of appropriate wording to measure the constructs,

³⁰ Source: *Hofstede* official website.

³¹ Source: CIA world fact book.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

and minor modifications were made to adjust and match the meanings in German and Persian (Farsi); the statements presented are the final version. Thus the Farsi version used in the study was a questionnaire of comparable contents to the German version; due to some organizational problems, the back translation process was not executed.

The interviewees in both countries, 8 experienced business students, were explained about the scale details and were guided to prevent data manipulation with verbal or nonverbal reactions. Interviews were executed based on random sampling method in public locations (streets, shopping centers) during a 2 month period (May-June, 2010) in Tehran and Berlin.

The Iran sample included 117 persons (70 females and 47 males with a mean age of 36 years) and the German included 113 persons (68 females and 45 males with a mean age of 32 years).

Statistical tests proved that sex distribution was the same across nationality categories ($t=.054$; $df =228$, $p>0.5$), but age distribution was not equal ($t=2.66$; $df=228$, $p<0.01$). The mean age differences between the two samples are only 4 years and may not be regarded as a problem in our analyses. However, the influence of age and sex on cultural and behavioral measures is analyzed in the next chapter; also, this difference needs to be removed for further studies.

The samples are not nationally representative, as indicated in table 6 (e.g. sex ratio, median age) but constitute almost comparable populations.

Recent results, 2010 ³²	Total population (million)	Sex ratio (male/female)	Median Age (years)	Percentage of 15 -64 years old people ³³ in the country:
Iran	77	1.02 ³⁴	26.3 ³⁵	72.9%
Germany	82	.97 ³⁶	44.3 ³⁷	66.0%

Table 6: Population demographics; comparison between Iran and Germany

The fact that the two samples are not representative for the countries is not troublesome since we measure and analyze variables at individual-level and do not intend to compare the two nations; we only measure the possible effects of culture on behavioral aspects of two samples, randomly selected from Germany and Iran. No generalization of behaviors is supposed to take place.

³² Source CIA, July 2010 (est)

³³ Respondents' age structure is 15 to 64 years.

³⁴ Sex ratio for Iranian sample: 0.67.

³⁵ Median age for Iranian sample is 35.

³⁶ Sex ratio for German sample is 0.66.

³⁷ Median age for German sample is 28.

4.2 Structure of the questionnaire

To measure the theoretical constructs of the above mentioned dimensions, a questionnaire was designed; for each of the four cultural constructs (i.e. individualism, power distance, masculinity and uncertainty avoidance) and four of the five behavioral constructs (i.e. enjoyment of bargain hunting, effort minimization, purchase risk reduction, reference group influence and class based consumption), three questions were asked, each formulated based on several considerations (i.e. survey purpose, individual level measurement method, respondents, etc). To measure variety-seeking, only one direct question was added, asking about the number of (mentioned) product varieties/brands purchased last week. The items for each construct were so designed to be representative, simple and compact.

A main point about this study is the selection of consumer behavior measures. There is a wide range of variables that could be incorporated into the model of culture's influence on behavior. Any measurable individual difference could be selected for the research, provided it can be theoretically linked to a cultural value dimension on one side and an outcome measurable variable on the other. This task sounds simple, but is at the heart of explaining culture's influence on behavior. In this study, we have selected variety-seeking as the main explicit consumer behavior; other five measures (reference-group influence, purchase risk-reduction, class-based consumption, enjoyment of bargain hunting, and effort minimization) were selected from hundreds of implicit consumer behaviors, based on their logical influence on variety seeking. Although these influences may differ in quality³⁸ and quantity³⁹), it was the main similarity between the implicit consumer-behavior variables.

<i>Dimensions</i>	<i>Sources:</i>
<p><u>Cultural dimensions:</u> Individualism, power distance, uncertainty avoidance, masculinity</p> <p>(Table continued)</p>	<p><i>Rhyne et al. (2002)</i> <i>Yoo and Donthu (2005)</i> <i>Schwarz (2009)</i> <i>Kau and Jung (2004a,b)</i> <i>Tai (2004)</i> <i>Flores-Barron (2010)</i> <i>Hofstede (1980)</i> <i>Hofstede et al. (2008)</i> <i>Clugston et al. (2000)</i></p>

³⁸ Some may have positive and others negative influences on variety seeking.

³⁹ Some may have significant influence on variety seeking whereas others play unimportant roles.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

<p>Consumer-behavioral dimensions: Enjoyment of bargain hunting, effort minimization, variety seeking reference group influence, class-based consumption, purchase risk reduction</p>	<p><i>Pechtl (2004)</i> <i>Hohl (2008)</i> <i>Park and Lessig (1977)</i> <i>Quintal et al. (2009)</i></p>
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Table 7: Main sources of the questionnaire.

The cultural dimensions of power distance, uncertainty avoidance, individualism, and masculinity were measured using a new questionnaire, based on the sources named in Table 7. Since most of the cultural measurement tools, named above, are designed for studying organizational behavior, the essence of each dimension with a general formulation is applied and so a new version of questionnaire was designed⁴⁰. This technique of adapting measurement tool has been previously used by other cross-cultural researchers (e.g. *Bontempo et al.*, 1990; *Hui and Villareal*, 1989; *Clugston et al.* 2000), but their scales differ in wording and research purpose. The new scale items are each named and the reasons behind using each question are explained as follows.

As the first question, all respondents were asked about the product category they purchase most often in supermarkets. The questionnaire was so designed that the category named impulsively by the respondent would be focused and repeatedly asked. The blank space in the questionnaire items refer to the product category named by the respondent at the beginning.

Results (table 8) show that dairy products, desserts and snacks were mentioned as the main product respondents purchase per week.

Impulsive mentioned product category	Percentage
Dairy products (milk, yoghurt, cheese, etc.)	42.6
Drinks (beer, juices, wine, etc.)	14.3
Sweet desserts (chocolate, ice-cream, cakes, etc.)	11.6
Snacks (chips, cornflakes, etc.)	9.2
Fast food and frozen food (pizza, soup, canned food, etc.)	5.2
Others (coffee, detergents, cigarettes, oil, etc.)	17.1

Table 8: Impulsively named categories.

⁴⁰ This point is clearly explained in section 2 (positioning of the study).

Responses to other measurement items were collected using Likert five point scales, from strongly disagree to strongly agree.

4.3 Scale development

All selected/adapted cultural and consumer-behavioral items of the questionnaire are explained as follows:

Individualism:

- “*Others play important roles in many of my decisions*” (R)⁴¹ (IND1)

When individualism is the dominant orientation, persons tend to define themselves as independent of groups. In contrast, there is a strong emphasis among collectivists on social goals and a feeling of interdependence (*Hofstede, 1980*). Also according to *Triandis et al. (1988)* the core meaning of individualism is giving priority to personal attitudes over that of group, whereas collectivist emphasize on values that serve the group by subordinating personal interests and goals, when making decisions. Designing a question centered on this core element in a reversed formulation (i.e. formulating the question in accordance with collectivism) may function better than making a direct question; fewer individuals would confess that they do not care about others opinions and ideas in their decisions. Also the item was designed in a general way, without naming any specific situation. This was among the items with new formulation, though its meaning is similar to the items designed for this variable in previous researches (*Chelminsky and Coulter, 2007*⁴²; *Triandis and Gelfand, 1998*⁴³).

- “*I feel bad when doing something that my friends would not*” (R)(IND2)

Maintaining harmony within groups, and behaving according to group rules and norms, is critical among collectivists (*Hofstede, 1980*). Conforming to group standards and norms is among key principles of behavior for collectivists, which could guarantee their group membership (*Triandis et al., 1985*). Again this item is better asked in reversed form. Group membership was also asked in other scales but the wording was different. The new formulation in this study focus on group norms while in previous researches⁴⁴, it was designed in a general form as interest in belonging to the group⁴⁵.

- “*In society, everyone is supposed to only take care of himself and his immediate family*” (IND3)

Individualism implies a loosely knit social framework in which people are supposed to take care of themselves and their immediate families only, whereas collectivism is characterized by a tight social framework in which people expect their in-group (e.g.

⁴¹ Reversed question formulation.

⁴² “I rely on myself most of the time”.

⁴³ “I rarely rely on others when making decision”.

⁴⁴ Yoo and Donthu (2005).

⁴⁵ “Individual should stick with the group”.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

friends, relatives, clan, colleagues) to look after them (Hofstede, 1980). Based on this aspect of individualism, this item originally designed and applied by Rhyne et al. (2002) was selected to cover the main characteristics of individualism construct.

Uncertainty avoidance:

- “*I try to avoid risk in my life*”(UA1)

Uncertainty avoidance indicates the extent to which people of a society feel threatened by uncertain, risky situations and try to avoid them (Hofstede, 2008). This item measures the basic element of uncertainty avoidance. The item appears in almost all scales measuring this dimension, in different forms⁴⁶ based on research subject⁴⁷. It was designed quite simple with no changes in wording and without any reversion. In this study it was applied to measure the dominant cultural orientation, of individual’s mentality and behavior, toward uncertainty.

- “*I do not like situations with unclear results or ends*” (UA2)

Ambiguity cannot be tolerated and can unleash anxiety and stress; there is also a great concern for security and certainty in life among people in high uncertainty avoidance cultures (Hofstede, 2001). This item is a soft formulation for ambiguity intolerance. It was questioned in other studies with different wording⁴⁸.

- “*This is my motto: no risk, no fun*” (R) (UA3)

In cultures with low uncertainty avoidance there is more willingness to take risks in life; uncertainty inherent in life is easily or eagerly accepted and each day is taken as it comes (Hofstede, 1980). This item is among those with a new formulation; a simple, short motto which could be easily understood by all respondents, and the reversed format could work as a controlling factor for the other two items within this dimension.

Power distance:

- “*I think unequal power distribution among society members is acceptable*” (PD1)

The main point about power distance is the extent to which society accepts the fact that power is distributed unequally among institutions and organizations (Hofstede, 1980). The item based on this definition is again generally formulated; it was also applied in a research by Schwarz (2009) with the same wording.

- “*I can live with the fact that I earn/have less than others*” (PD2)

In high power distance societies, subordinates consider superiors as different kind of people. Among high power distance cultures, there should be an order of inequality in which everyone has a rightful place and accepts it. Since this place in the order of inequality is protected, people have to live with it (Hofstede, 1980). Based on this

⁴⁶ „A willingness to take risks in life is important“, (Rhyne et al., 2002)

⁴⁷ “I try to follow instructions and procedures”, (Yoo and Donthu, 2002)

⁴⁸ “Unknown and uncertain situations are threatening”, (Rhyne et al., 2002)

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

definition, the item measures the acceptance level of people with their power share in society. This new formulation was considered to be better than those asking directly about inequality order within the society.⁴⁹

- *“Decision makers in the society/economy deserve to have more privileges than others”* (PD3)

In high power distance societies, power-holders are entitled to privileges whereas in low power distance societies everyone is supposed to have equal rights (*Hofstede*, 1980). This item which could be politically interpreted and negatively reacted was designed in a soft formulation to avoid any misunderstanding and emotional answering⁵⁰. Other wordings for this item were used in a scale designed by *Schwarz* (2009)⁵¹.

Masculinity (vs. femininity):

- *“I always fight to be the best”* (MAS1)

In masculinity dominant cultures, achievement is the main reason for admiration and people respect the successful individual, whereas in feminine cultures, people sympathize with the unfortunate (*Hofstede*, 1980). People high on masculinity, in comparison with people high on femininity, have stronger motivation for achievement (*Yoo and Donthu*, 2005). This item was newly designed to reflect the achievement orientation of the individuals; the wording “fight to be the best” is the soft formulation, implicitly in harmony with masculine characteristics could demonstrate the achievement value for the individual. In feminine cultures, though the interest for success is there, individuals would not sacrifice everything to gain achievement and therefore “fight to be the best” would not be agreed by them. Achievement orientation is a key point in masculinity dimension and should be considered among scale items⁵².

- *“I am usually in situations that I should give my job priority over relations with others (family, friends...)”* (MAS2)

In masculine cultures, performance is what counts whereas in feminine cultures quality of life, relationships and other people are important. People in feminine cultures believe that “they work to live”; thus life and relations have priority over job (*Hofstede*, 1980). People high on masculinity, live with high job stress and sacrifice private lives for work (*Yoo and Donthu*, 2005). This item has new wording, but the same concept was used by other researchers with different formulation. Examples are “you live to work” or the reversed form “you work in order to live”⁵³.

⁴⁹ Examples of other formulations are: “there is an order of inequality in which everyone has a rightful place”, (*Rhyne et al.*, 2002)

⁵⁰ Asking on privileges that “must” belong to power holders in today’s situation of Iran could result in negative emotions.

⁵¹ „Those in power must have more privileges“.

⁵² See *Rhyne et al.* (2002)

⁵³ *Rhyne et al.* (2002)

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

“One should not boast about his successes, no difference how great they are.” (MAS3)
 In masculine societies the importance of showing off and boasting is emphasized, whereas in feminine societies, not showing off is a value (Hofstede, 1983). This item was designed to evaluate the cultural dimension at deep layers of personality.
 One important point about the three masculinity items is that unlike many other researches, “men” and “women” were not named as the central elements of this dimension. Thus, the authors, avoiding any misunderstanding of this measure, have formulated items without asking about comparison of men and women; this way, the stereotyping, prejudice or other perceptual errors would be minimized by respondents. In other words, deep meanings behind masculinity were central items of the scale. According to Hofstede (1983), in masculine societies, the traditional masculine social values permeate the whole society, even the way of thinking of the women. Thus, making questions about roles of men and women in the society⁵⁴, is a misunderstanding of the dimension, and we have avoided this mistake.

Reference-group influence:

- “I pay attention to the products or brands of ... that others purchase” (RG1)
 A person may use an informational reference group by observing the behavior of significant others to make an inference. This type of information search requires no actual interaction between the individual and the reference group (Park and Lessig, 1977). Therefore, to measure the informational role of reference group under the influence of cultural dimensions, this concept was formulated in accordance with a purchase situation. The concept was named among manifestations of informational reference group influence and studied by questionnaire or observation in other researches.⁵⁵
- “When buying a ...I consider experiences of my friends with it” (RG2)
 An individual may benefit from a reference group in making informational influence by actively searching for information from a group with the experience or expertise (Park and Lessig, 1977). Based on this concept, the item was designed in accordance with buying situation; it has also been applied in related researches⁵⁶ (Park and Lessig, 1977).
- “I think twice when buying a... if I believe that my friends would criticize me” (RG3)
 This reference group influence is similar to the normative influence (Deutsch and Gerard, 1955), the conformity concept of "it-is-dangerous-not-to-conform" (Asch, 1952),

⁵⁴ Examples of the questions are: „men should play the dominant roles in the society“or „men and women should play different roles in the society”.

⁵⁵ Examples are: „The individual's observation of what experts/ others do influences his choice of a brand”, (Park and Lessig, 1977).

⁵⁶ Examples are: „The individual seeks brand related knowledge and experience from those friends, neighbors, relatives, or work associates who have reliable information about the brands (Park and Lessig, 1977).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

and the compliance process (Kelman, 1961; Jahoda, 1972). A person in a product purchasing situation would be expected to comply with the preferences or expectations of another individual or group if he perceives that they mediate significant rewards or punishments and critics (Park and Lessig, 1977). This influence known as “utilitarian influence of reference-group” was the main concept in this item; it is manifested when the person’s decision to purchase a particular brand is influenced by the preferences of family members, friends or colleagues. Adding this item to measure reference-group influence was in order to measure deeper (i.e. beyond informational) influences of cultural dimensions on consumer-behavior.

Purchase risk reduction:

- *“Before buying a, I get information about the producer or the brand”*(PRR1)

and

- *“I do not buy a without reading the package”* (PRR2)

According to Mitchell and Boustani (1994), one of the main options to reduce purchase risk is active information search. Active search involves consumers obtaining data from various information sources categorized as personal (e.g. family and friends, etc.), commercial (e.g. advertising, salespeople, packaging, etc.), public (e.g. mass media, consumer organizations), or experiential (e.g. handling, examining, and using the product). This search process reduces purchase risk.

These two items were designed to measure the active information search through personal and commercial sources; high individuals’ effort to search information reveals high level of risk aversion and more tendencies to reduce purchase risks.

- *“When buying a I try to avoid risks”* (PRR3)

This item is used as a simple control question which can indicate the risk avoidance degree of respondents and together with the other two questions reflects the reaction of consumers toward new, untried options.

Effort minimization:

- *“I prefer to do my shopping quickly, rather than looking for stores in which a would be offered at a reduced price”* (EM1)

- *“I do not take time and effort to inform myself about the prices of ... in several stores before going to shop”* (EM2)

and

- *“I find it too elaborate to visit a particular store just because they offer ... at a reduced price”* (EM3)

According to Pechtl (2004, p. 224) the consumer who decides for this behavior, aims to minimize time and effort in his buying activity. He prefers fast and convenient shopping and is not willing to make a lot of price comparisons to identify a more attractive option. Taking time and effort, quick shopping and interest to spend time and energy, were each

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

the main points of the three items selected from *Pechtl* (2004) scale with almost no changes.

Enjoyment of bargain hunting:

- “*I enjoy cherry picking to buy....*” (EB1)
 - “*I am proud of myself for having saved money if I buy at a reduced price*”(EB2)
- and
- “*I am annoyed at having bought at a normal price if I could have got it in another store at a reduced price*”(EB3)

This behavioral aspect is considered when the consumer enjoys looking around for gaining reduced prices (cherry picking) as an activity per se and experiences a sense of accomplishment from saving money if he gets an article at a lower price than in other stores or times (*Pechtl*, 2004). The items originally designed by *Pechtl* (2004), consider the positive emotion of gaining a bargain product (i.e. proud of myself), negative emotion of losing a chance of cherry picking (i.e. annoyed) and a general item asking about this behavioral aspect of consumer.

***Class based consumption*⁵⁷:**

- “*I believe the unemployed who live from social welfare should not buy champagne or caviar*” (CBC1)
 - “*An employee should not ride a more expensive car than his boss*” (CBC2)
- and
- “*Some automobile brands do not match me, because people from other social classes buy them*”(CBC3)

According to *Martineau* (1958), consumption patterns and products/brands purchased operate as prestige symbols to define class membership; this is a significant determinant of consumer behavior. In order to measure this effect, the author decided to design questions asking about consumer approach toward some brands or products belonging to other social classes; thus the items try to investigate whether the respondent accepts or has a tendency toward class based consumption in purchase situation. We decided for the luxury (or semi-luxury) products category to easily measure this influence; the first item was selected for the considerations toward lower-class (income or status class), reflecting the attitude toward consumption patterns of those with lower financial level (i.e. the unemployed, those living from hand to mouth). The second item was aimed to reflect the

⁵⁷ Only for the class-based consumption variable, respondents were asked to focus on cars and other named luxury products (e.g. caviars).

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

individual's attitude toward higher status (or financial) society class (i.e. the supervisor or those in higher job positions). The last item was a general question asking about individual's attitude toward brands/ products belonging to other social classes, whether higher or lower than person's own social class. This item could reflect the importance of the social-class concept in purchase; it proves whether the respondent could be identified by the behavior and it is probable in purchase situation.

Variety seeking:

- *“When buying (product), do you select the same brand or different brands?”*

To measure variety seeking behavior among respondents, the author decided for one direct question about the number of brands selected from the mentioned product category⁵⁸. Although measuring this concept is better performed when more items focus on its different aspects, due to some organizational considerations, the item was selected. In addition, one other question was designed to give more information about purchase frequency (*“How often do you purchase products of this category? times per week”*). Although it was not among the interested variables, the frequency question was mainly posed to prepare respondent's mind for the subject and point to probable relations between shopping frequency and pursuit of variety.

5. Analyses and results

5.1 Reliability and validity analysis

Exploratory factor analysis (EFA), Cronbach's alpha (CA) and item-to-total correlation (ITTC) measurements were undertaken to assess the internal validity of the measurement instrument; for each of the cultural and behavioral dimensions⁵⁹, except for variety seeking⁶⁰, the three measures (EFA, CA and ITTC) were separately calculated to present a detailed report of the data gathered and the measurement model. Items that caused CA and ITTC measures for their related variables drop below the acceptable thresholds of 0.5 and 0.3, could not meet the level of internal consistency and were removed (*Nunnally and Bernstein, 1994*). Thus, as presented in Table 9, the items of PD2, PD3, MAS2, MAS3 and IND3 were omitted from further analyses. The dimensions of masculinity and power-distance were measured based on the results for one item, MAS1 (I usually fight to be the

⁵⁸ The four options to this question were: always the same brand, 2-3 different brands, 4-5 different brands, more than 5 brands.

⁵⁹ The cultural dimensions are power distance, individualism, uncertainty avoidance and masculinity; the behavioral dimensions are effort minimization, reference-group influence, enjoyment of bargain hunting, purchase risk reduction and class based consumption.

⁶⁰ Since the variety seeking variable was composed of only one item, this part of analysis was not performed.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

best) and PD1 (unequal power distribution is acceptable), which were selected since they were recognized to be more relevant to the meaning of the two dimensions (see section 2). In the exploratory factor analysis for the accepted items, factor loadings were all higher than 0.6 threshold.

Research items	EFA (≥ 0.6)	ITTC (≥ 0.3)	CA (≥ 0.5)
Reference-group influence:			.76
-what others purchase (RG1)	.85	.62	
-considering others experiences (RG2)	.87	.68	
-think twice when others criticize (RG3)	.73	.48	
Enjoyment of Bargain hunting:			.68
-enjoy cherry picking (EB1)	.78	.49	
-proud of bargain hunting (EB2)	.84	.58	
-get angry to know lost bargain (EB3)	.72	.42	
Purchase risk reduction:			.65
-get information about the producer (PRR1)	.79	.48	
-no purchase without reading package (PRR2)	.84	.56	
-want no risk (PRR3)	.65	.35	
Effort minimization:			.67
-information seeking is not worth (EM1)	.75	.45	
-fast end shopping (EM2)	.82	.54	
-too hard to visit store just for the offer (EM3)	.77	.47	
Class-based Consumption:			.68
-the poor should not have caviar or champagne (CBC1)	.75	.46	
-workers should ride cars cheaper than bosses (CBC2)	.79	.51	
-not for me when the rich buy (CBC3)	.80	.52	
Individualism:			.497
-others play great role in my decisions (IND1)	.81(.81)*	.33(.32)*	
-feel bad to do what friends don't (IND2)	.81(.77)*	.33(.25)*	
-everyone cares for himself (IND3; <u>item removed</u>)	.30	.08	
Power distance:			.35 (before items removed)
-unequal power distribution is acceptable (PD1)	.79	.25	
-can live with less income (PD2; <u>item removed</u>)	.26	.06	
-privilege for decision makers(PD3; <u>item removed</u>)	.81	.29	

(Table continued)

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

Research items	EFA (≥0.6)	ITTC (≥0.3)	CA (≥0.5)
Masculinity:			.13 (before items removed)
-fight to be the best (MAS1)	.71	.09	
-priority for job over relations (MAS2; <u>Item removed</u>)	.41	.03	
-not to boast about himself (MAS3; <u>Item removed</u>)	.65	.06	
Uncertainty avoidance:			.65
-try not to have risks (UA1)	.88	.65	
-don't like unclear ends (UA2)	.66	.34	
-no risk, no fun (UA3)	.75	.43	

Table 9: Measured exploratory factor loadings (EFA), Cronbach's Alpha (CA) and item to total correlation (ITTC); * Results before item removal

5.2 Pan country analysis of cultural influences

Data were first analyzed based on pan country option for the entire sample of 230 German and Iranian respondents (117 Iranian and 113 German participants).

5.2.1 The measurement model

Two separate confirmatory factor analyses (CFA) were performed to analyze the cultural and consumer-behavioral constructs⁶¹. Results (Table10), suggest that both cultural and consumer behavioral constructs maintain satisfactory fitness level, when we pile up all the respondents and analyze the measurement model for the whole sample, without any attention to their nationalities.

Measurement model constructs	χ^2	df	χ^2/df	RMSEA
Cultural dimensions	35.60	15	2.37	.07
Consumer-behavioral dimensions	306.20	105	2.91	.09

Table 10: Goodness of fit indexes, pan country results

5.2.2 Interactions between cultural dimensions

To study the interaction between cultural dimensions, correlation analyses (see Table 11) were performed among the four cultural dimensions. Results prove the interaction among dimensions.

⁶¹ Since the two cultural dimensions of masculinity and power distance were measured based on only one item and the other two items were removed (see Table 9), in confirmatory factor analysis the cultural construct is measured based on the individualism and uncertainty avoidance. Also the dimension of variety seeking was not considered in the behavioral construct; thus the CFA results for consumer behavioral construct were measured based on effort minimization, reference-group influence, purchase risk reduction, enjoyment of bargain hunting, and class based consumption.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

	Individualism	Uncertainty avoidance	Power distance
Uncertainty avoidance	-.31***	—	
Power distance	-.001	-.14*	—
Masculinity	-.06	-.15 *	.003

Table 11: Correlations between cultural dimensions and nationality (n=230)

*p<.05, **p<.01, ***p<.001

5.2.3 The interdependencies of sex and age with cultural and consumer-behavioral dimensions

Results of Spearman's rho test, presented in Table 12, proved that the correlation between age and cultural or behavioral dimensions were only significant for variety seeking. Also t-test results prove the interdependency between sex of the respondents and their masculinity level.

Dimensions	Age⁶²	Sex⁶³
<u>Cultural dimensions</u>		
Individualism	-.06	.14
Power distance	.05	.17
Uncertainty avoidance	.10	2.92
Masculinity	-.02	4.10* ⁶⁴
<u>Consumer-behavioral dimensions</u>		
Reference-group influence	.09	0
Enjoyment of bargain hunting	.03	.38
Effort minimization	.07	1.37
Purchase risk reduction	.07	2.34
Class-based consumption	.07	1.49
Variety seeking	-.14*	.17

Table 12: Interdependencies of age and sex with cultural and behavioral variables;

*p<.05, **p<.01, ***p<.001

The table mainly implies that differences in the two demographic variables of age and sex, between the two samples of Iran and Germany, are rather irrelevant to the study and do not affect the results.

The variable of age was only proved to be correlated with variety seeking; this point was previously studied by *Handelsman* (1987) who proved that age could have a negative influence on variety seeking interest and behavior. Also the Variable of sex was merely

⁶² Results of spearman's rho tests.

⁶³ Results of t-tests.

⁶⁴ The results were higher for masculine respondents.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

interdependent with masculinity dimension; the sex role in masculinity level has been accepted as a result, or even a fact, by other researchers (e.g. *Hofstede et al.*, 1998).

5.2.4 Influences of Nationality on cultural and behavioral dimensions

To find evidences for the role nationality plays, the measurement model was analyzed and the nationality influences on each dimension, based on the accepted items, were measured. Results (see Table 13) prove that the two independent samples of Iran and Germany differ in some cultural and consumer-behavioral dimensions and nationality has significant influences. Further, a t-test was accompanied to compare values and declare variations in the average results for each sample separately.

Dependent variables	Regression coefficients (standardized) ⁶⁵	t-values ⁶⁶	Sample means scores Germany (N=113)	Sample mean scores Iran (N=117)	Support of Hofstede's Rankings or Hypotheses
<u>Cultural dimensions</u>					
Individualism	.37***	-6.15***	3.39	2.57	Yes ⁶⁷
Power distance	.11	-1.73	2.50	2.23	No ⁶⁸
Uncertainty avoidance	-.15	1.21	3.17	3.32	No ⁶⁹
Masculinity	-.27***	4.21***	3.17	3.77	Yes ⁷⁰
<u>Consumer-behavioral dimensions</u>					
Reference-group influence	-.58***	9.78***	2.31	3.48	Yes
Enjoyment of bargain hunting	-.36**	2.73**	3.18	3.51	Yes
Effort minimization	.001	-.01	3.311	3.313	No
Purchase risk reduction	-.46***	7.97***	2.72	3.62	Yes
Class-based consumption	.03	-.40	2.78	2.73	No
Variety seeking	.24***	-3.69***	2.23	1.84	Yes

Table 13: Influences of Nationality on cultural and behavioral dimensions; *p<.05, **p<.01, ***p<.001

⁶⁵ Based on AMOS estimates.

⁶⁶ Results of independent sample t-tests.

⁶⁷ As presented in Table 5, according to *Hofstede* rankings, individualism is higher in Germany.

⁶⁸ As presented in Table 5, according to *Hofstede* rankings, power distance is higher in Iran.

⁶⁹ As presented in Table 5, according to *Hofstede* rankings, uncertainty avoidance is higher in Germany.

⁷⁰ As presented in Table 5, according to *Hofstede* rankings, masculinity level is higher in Iran.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

According to the table, some results do not support *Hofstede* rankings of 1980 or that of 2000 (rankings presented in table 5); the influences of nationality on power distance and uncertainty avoidance were not in accordance with Hofstede's findings. Besides, two of our hypotheses regarding the nationality influence on consumer-behavioral variables (effort minimization and class-based consumption) were not supported. Still, the role Nationality could play was proved to be significant on some cultural (individualism and masculinity) and consumer behavioral dimensions (reference-group influence, Enjoyment of bargain hunting, purchase risk reduction and variety seeking).

The inconformity between *Hofstede's* rankings and the present results are not regarded as unusual; based on the explanations presented before (see section 2), the measurement details, sample specifications and analysis methodology are totally different in this study. Furthermore, the differences between Iran and Germany in *Hofstede's* rankings for uncertainty avoidance result are not considerable.

Regarding the power distance dimension, a profound observation of the present political and social situation in Iran (as other African and Middle East countries) could be remarkable; the new national movements could be regarded as a symptom of opposition to the dominant high power distance in these countries. People, mainly convinced of low power distance systems in general, show objections and ask for revolutionary alternatives and changes. Thus, the power distance level would have noticeable variations, when measured today, compared to the available rankings which belong to 1980 (only results for Germany were revised in 2001).

5.2.5 Influences of cultural values and nationality on behavioral dimensions

Using the univariate analysis, measuring the average value of the accepted items defined for each variable as a single variable, does provide unbiased estimates of the population regression coefficients (*Clark, 1973*) and represents a computationally simple approach (*Lorch et al., 1990*).

Thus, the univariate covariance analysis was performed to measure the influences of cultural dimensions, together with the nationality influence, on consumer-behavior variables. Results presented in Table 14, are applied for our final conclusions.

This table comprises a number of issues: as obvious, the hypothesized influences of cultural values on some consumer-behavioral dimensions are confirmed to be significant (e.g. effects of individualism on reference-group and class-based consumption, power distance on enjoyment of bargain hunting and masculinity on variety seeking). Besides, the nationality, as a typical indicator of cultural differences, was proved to have significant impacts on several behaviors of consumers (e.g. reference-group influence, purchase risk reduction and variety seeking).

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

Variables	RG		EB		EM		CBC		PRR		VS	
R^2 (adjusted)	.35		.04		.004		.07		.22		.05	
B and t values ⁷¹	B	t	B	t	B	t	B	t	B	t	B	t
Individualism (p-value)	-.22	-3.7 (***)	-.10	-1.7 (.09)	-.40	-.54 (.57)	-.26	-4.23 (***)	-.06	-1.16 (.24)	-.02	-.38 (.70)
Power distance (p-value)	.07	1.49 (.13)	-.10	-2.5 (*)	—		.08	1.41 (.16)	—		.02	.49 (.62)
Uncertainty avoidance (p-value)	.07	1.11 (.26)	—		-.06	-.90 (.36)	—		.06	.88 (.37)	.02	.47 (.63)
Masculinity (p-value)	—		.04	.75 (.45)	—		—		—		.09	1.95 (*)
Nationality ⁷² (p-value)	—	7.94 (***)	—	1.43 (.15)	—	-.16 (.87)	—	-1.82 (.06)	—	6.86 (***)	—	-3.9 (***)

Table 14: Results of the covariance analysis⁷³, influences of cultural dimensions (as covariates) on consumer-behavioral measures at individual level and the influence of Nationality; PRR=purchase risk reduction, RG=reference group influence, EB= enjoyment of bargain hunting, EM=effort minimization, VS = variety seeking, *p<.05, **p<.01, ***p<.001

The results also suggest that the selected cultural values could not explain most part of the variances in related consumer behaviors; there are definitely many other personal or situational influencers which were not examined in this study and have great impacts on consumer explicit and implicit behaviors. Thus some of the mentioned behavioral aspects, such as enjoyment of bargain hunting, effort minimization, class based consumption and variety seeking do not benefit from an acceptable R square level; this implies that cultural values, at least those selected for this study, would play inferior roles in demonstration of the mentioned consumer behaviors. The economical (e.g. income level), social (e.g. education) and environmental (e.g. house location) factors, as the main situation influencers, could have substantial effects on any consumer-behavioral dimension. Furthermore, personal influencers such as life style, personality and attitudinal orientation could have the final word in consumer purchase behaviors.

Comparing the results of Tables 14 and 13 suggests another interesting implication of the study: though nationality influences are proved to be significant in both tables, results are slightly different and do not match perfectly. This difference could be explained by the covariates (cultural dimensions) which were analyzed together with the nationality effect. As obvious in Table 14, the nationality influences are to a lower degree, compared to the

⁷¹ B= regression coefficients and t= t value for B.

⁷² Results for Iran compared to Germany.

⁷³ In this Table, the variables were analyzed based on the univariate analysis option. Thus each variable is measured using the average of accepted items: e.g. RG= (RG1+RG2+RG3) / 3.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

results presented in Table 13, when the cultural dimensions are added to the analysis. This could be a reason why path analysis would have priority over the average measurement method; while in path analysis all direct and indirect effects are considered in estimates, the mean scores measurement option would ignore parts of the variations and effects.

Nr	code	Hypothesis	Significance	Hypothesis
1	H1.1	Variety seeking is different among cultures.	significant	<i>supported</i>
2	H1.2	Power distance negatively impacts variety seeking.	not significant	not significant
3	H1.3	Individualism positively impacts variety seeking.	not significant	not significant
4	H1.4	Uncertainty avoidance negatively impacts variety seeking.	not significant	not significant
5	H1.5	Masculinity positively impacts variety-seeking.	significant	<i>supported</i>
6	H2.1	Class-based consumption is different among cultures.	not significant	not significant
7	H2.2	Power distance positively impacts class-based consumption.	not significant	not significant
8	H2.3	Individualism negatively impacts class-based consumption.	significant	<i>supported</i>
9	H3.1	Reference-group influence is different among cultures.	significant	<i>supported</i>
10	H3.2	Individualism negatively impacts reference-group Influence.	significant	<i>supported</i>
11	H3.3	Power distance positively impacts reference-group influence.	not significant	not significant
12	H3.4	Uncertainty avoidance positively impacts reference-group influence.	not significant	not significant
13	H4.1	Enjoyment of bargain hunting is different among cultures.	not significant	not significant
14	H4.2	Individualism negatively impacts enjoyment of bargain-hunting.	not significant	not significant
15	H4.3	Masculinity positively impacts enjoyment of bargain-hunting.	not significant	not significant
16	H4.4	Power distance negatively impacts enjoyment of bargain-hunting.	significant	<i>supported</i>
17	H5.1	Effort minimization is different among cultures.	not significant	not significant
18	H5.2	Individualism positively impacts effort minimization.	not significant	not significant
19	H5.3	Uncertainty avoidance negatively impacts effort minimization.	not significant	not significant
20	H6.1	Purchase risk-reduction is different among cultures.	significant	<i>supported</i>
21	H6.2	Uncertainty avoidance positively impacts purchase risk-reduction.	not significant	not significant
22	H6.3	Individualism negatively impacts purchase-risk reduction	not significant	not significant

Table 15: Summary of the results based on covariance analysis.

5.3 Intra-country analysis of cultural influences

In addition to the pan-country analysis, which usually is the main part of cross-cultural studies, intra-country analysis is performed to finalize the empirical section. Apart from the role intra-country analysis performs in comparing the conditions of cultural values and consumer behaviors among the two samples, it examines the consistency of measures and their properties across countries. Since one of the greatest challenges in cross-cultural researches is determining whether measurement constructs developed in one country are applicable in another country (Singh, 1995; Steenkamp and Baumgartner, 1998; van de Vijver and Leung, 2000), an intra-country analysis is needed.

In testing the consumer-behavior construct based on confirmatory factor analysis, we selected all the items (see table 9), measured it for each country separately, and found that a satisfactory fit level has been obtained for both countries. To evaluate the measurement model, the commonly reported fit indices were used⁷⁴. The goodness-of-fit measures for the proposed consumer-behavior construct (reference group influence, purchase risk reduction, class based consumption, enjoyment of bargain hunting, effort minimization and variety seeking) were acceptable, as shown in Table 16.

Measurement constructs	model	Country	χ^2	df	χ^2/df	RMSEA
Consumer-behavior dimensions		Germany(N=113)	189.07	105	1.80	.08
		Iran (N=117)	193.20	105	1.84	.08

Table 16: Intra-country analysis of behavioral dimensions; Iran vs. Germany

Results presented in the next table, declare the similarities and differences between the two samples. As presented, some of the hypotheses were proved in one country and rejected in the other. This nonconformity between the two samples was the main reason behind a problem occurred when measuring the cultural construct. As obvious in Table 16, the cultural dimensions are absent among measurement constructs and the analysis could not be performed for each country separately due to the lack of fit, based on some indices⁷⁵, for the Iran sample. Furthermore, because of this contradiction between the Iranian and German samples, several measurement items were removed (as explained in section 5.1).

The intra-country analysis (results presented in table 17) gained by 2 separate regression analyses (one for each country sample) belongs, however, to the explorative part of the study; which could be of great importance in finding directions for future studies. The situational factors (e.g. economical, social, personal), apart from cultural values, could explain many of the disagreements or deviations from the hypotheses effect directions.

⁷⁴ AMOS 18.0 was used as the analysis and measurement application.

⁷⁵ P-value for IND2 item and the RMSEA fit index, related to the Cultural construct (only for Iran sample) were not satisfying.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

For example, although the positive influence of power distance on class-based consumption was confirmed in the Iranian sample, the hypothesis was rejected for German respondents; this puzzle could be solved when we know that Iran is among high power distance societies, where many social-economical capitals are gained by a minority of people and power distance is taken for granted. But this concept is almost unknown among German individuals, compared to the Iranians; Germany is proved to be among low power-distance cultures (based on *Hofstede* results), and since quality is the main point of interest for most manufacturers in Germany, the concept of class-based consumption would fade. But in Iran, consumption based on social class is a measure accepted by many; thus the positive effect of power distance on this consumer-behavioral dimension is proved to be significant.

Independent and dependent measures	Regression coefficients Germany	Hypothesis	Hypothesis Effect Direction	Regression coefficients Iran
PD →VS	.17	H1.2	Negative	-.16
IND→VS	-.07	H1.3	Positive	.01
UA →VS	.13	H1.4	Negative	-.15
MAS→VS	.16	H1.5	Positive	.06
PD →CBC	-.04	H2.2	Positive	.26**
IND→CBC	-.36***	H2.3	Negative	-.20*
IND→RG	-.39***	H3.2	Negative	-.18 *
PD →RG	.07	H3.3	Positive	.14
UA →RG	.02	H3.4	Positive	.25**
IND→EB	-.21*	H4.2	Negative	-.01
MAS→EB	.02	H4.3	Positive	.06
PD →EB	-.14	H4.4	Negative	-.11
IND→EM	.23*	H5.2	Positive	-.23**
UA →EM	-.06	H5.3	Negative	-.04
UA →PRR	-.03	H6.2	Positive	.22*
IND→PRR	-.20*	H6.3	Negative	-.003

Table 17: Results for hypotheses tests, intra-country: comparison between Germany and Iran (standardized regression coefficients⁷⁶).

IND=individualism, UA=uncertainty avoidance, PD=power distance, CBC=class based consumption, PRR=purchase risk reduction, RG=reference group influence, EB= enjoyment of bargain hunting, EM=effort minimization, VS = variety seeking, *p<.05, **p<.01, ***p<.001, (Scale ranges from 1 to 5.)

⁷⁶ Based on AMOS estimates

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

For some hypotheses (e.g. H3.4, H4.2, H6.3) effect directions are similar, as hypothesized, but the significance level differ excessively which could be explained by the variations in the two samples; further explorative and confirmative studies are needed to affirm the influence of each cultural dimension on consumer-behavioral measures and declare reasons for variations.

As obvious, the effect directions in only one hypothesis (H5.2) were significantly opposite in the two samples. This great difference needs additional studies to be declared, but situational factors could be an explanation; Tehran is a megacity with more than 10 million inhabitants. Due to several traffic problems, any transportation would take excessive amount of time and energy; fatigue could logically lead to more interest in effort minimization and would counter balance any hypothesized influence of Individualism.

Another noteworthy explanation could be sought in the fifth basic *Hofstede's* cultural values: The time orientation⁷⁷. According to *Shannon and Cai* (2010), time orientation would be influential in shaping utilitarian versus hedonic shopping motives, for any individual. Consumers with higher present orientation (short term orientation) are more concerned with what is happening now, than in the past or in the future; this would have great impacts in gaining hedonic motives when shopping. Hedonic shoppers tend to view life as “full of fun and joy” and “not to be taken too seriously”; investing time and effort to compare options and find a better choice would sound meaningless for these consumers.

On the other hand, Long terms oriented consumers would be more cautious about spending and are less likely to make impulsive purchase during their shopping trip (*Li et al.*, 2004). Utilitarian shoppers tend to view shopping as a work and burden, rather than fun (*Nicholls et al.*, 2000), and would invest time and energy to compare products and prices⁷⁸.

Based on the study results, though the individualism dimension was significantly different between the two samples, the effort minimization variable was rather equal; this would indicate that another dimension could play an undeniable role; we believe that considering the time orientation as an additional cultural value could solve the puzzle.

To sum up, culture is confirmed to be the background factor for the influence structure of cultural values, as individual traits, on consumer behavior; results proved that such influences could be more sophisticated than expected or elaborated in the literature.

⁷⁷ Studying this dimension was not included in this research due to some organizational considerations, but complementary studies in future could be supportive.

⁷⁸ The Chinese saying “never make a purchase until you have compared three shops” reflects the typical searching behavior of Chinese consumers, which is an example of how culture can shape consumer behavior and lead to differences between groups (*Shannon and Cai*, 2010).

5.4 Discussion

In this section, there were different tests for analyzing the results. Tests show that cultural values have significant impacts on both implicit and explicit consumer behaviors. These impacts certainly differ among countries and are not similar for all individuals. For example, as presented in section 5.3, cultural dimensions show greatest influences on the Iranian sample since in most high-context and eastern countries, culture may be regarded an inseparable part of life and the background of many behaviors. This influence could also be present in low-context western cultures, but may be lower in level.

Comparing these similarities and differences would help international marketers to consider fine, and almost unknown remarks. It could also facilitate the communication to consumers with different cultural viewpoints and thus upgrade trade processes. A summary of the study results for each cultural and behavioral variables based on the above presented tables, are followed:

- **Individualism** was proved to have negative effects on reference-group influence and class-based consumption. The relation between this dimension and the other two behavioral aspects of consumers (i.e. purchase risk reduction and enjoyment of bargain hunting) was also proved to be in accordance with our hypotheses. Results did not support the positive influence of individualism on effort minimization. Although the influence of nationality on this cultural value formation was accepted, sex or age correlations were both proved to be unimportant. The results could support *Hofstede* rankings, for the two countries of Germany and Iran, since in general German people are considered to be more individualists and the Iranians are assumed to be less accustomed to behave as individualists.
- **Uncertainty-avoidance** was verified to have insignificant negative influences on effort minimization; the positive influence on purchase risk reduction was only proved to be significant for the Iran sample and therefore the pan country analysis rejected the hypothesis. The two cultural dimensions of individualism and uncertainty avoidance were significantly correlated with the negative direction.

The intra country analysis proved a significant positive effect of this value on reference group influence among Iranian respondents; however this was not the case for the German sample and therefore in pan country analysis this hypothesis was not supported.

Nationality was proved to have a weak influence on this dimension; apparently the two samples have similar levels of uncertainty avoidance. This is also in accordance with *Hofstede* rankings of 2001, where the two countries have only 6 points differences with each other in uncertainty avoidance. The correlation between age or sex and this dimension were also not significant. Further studies seem to be needed to confirm the negative influences of uncertainty avoidance on explicit aspects of consumer behavior.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

- **Power distance** was confirmed to have significant negative effects on enjoyment of bargain hunting. This influence is quite logical since as hypothesized for the individuals with high power distance level, the concept of “face” is very important in everyday purchases. Although the impacts of this cultural value dimension on the two other implicit behaviors, reference-group influence and class-based consumption, are supported in the hypothesized direction (positive), these effect were not significant. Defining more items to measure this dimension, might solve this problem in future studies. Also the influence of power distance on variety seeking was not confirmed. The two dimensions of power distance and uncertainty avoidance were shown to be significantly correlated. Regarding the effects of nationality on power distance, our study results could not support *Hofstede* rankings of 1980 and 2001. This was predicted by the author, since Iran is experiencing pre-revolution changes at this time. Due to the political and economical problems, mainly those occurred during and after the 2009 presidential election, Iranians have now an extraordinary demand for change and equality. The negative emotional reactions toward those in “power”⁷⁹ (in any form) now, may definitely have impacts on their answers to each question about “power holders”, and prevent them from logical reactions. This may also be the reason behind the problems we encountered when analyzing the reliability of the items, which forced us to select the best possible item (PD1) for our further analysis. This problem needs to be considered for the future studies. Although the influence of power distance on class-based consumption was proved to be positive for the Iranian respondents, this was not the case for the German sample. Finally, the correlation between age or sex, and power distance level were not significant.
- **Masculinity** was confirmed to have significant effects on variety seeking, though due to the problems in reliability analysis, as explained, we were forced to use one single item (MAS1) for the analysis. Furthermore, the effect of this dimension on enjoyment of bargain hunting was positive, but not significant. The correlation test showed that there is significant relation between the two dimensions of masculinity and uncertainty avoidance. Tests proved the effect of nationality on this cultural value; also a hardly significant correlation between sex and power distance was the result. The Iranian sample was confirmed to be higher in masculinity and the male sex is verified to be more masculine; this finding is also in accordance with *Hofstede* rankings of 2001, and 1980.
- **Class based consumption** was verified to be rather significantly ($p=.06$) influenced by nationality. This finding is in addition to the significant negative effect of individualism and the positive, though insignificant, effect of power distance. Thus

⁷⁹ One reason for this phenomenon in Iran is that in many social, political and financial domains those in power are not selected based on their abilities; competencies are seldom the basis of elections.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

the class-based consumption is lower in German sample, compared to the results from Iran. Also both age and sex seem to have poor effects on this consumer behavior. Based on the intra country analysis, in German sample the relation between power distance and class-based consumption is negligible, whereas for the Iranian respondents this relation is quite significant; the contrast might be explained by the cultural differences among the two countries.

- **Reference-group influence** was proved to be significantly different between the two countries and the effects of nationality were significant. Iranian sample has demonstrated higher level of the behavior and the negative influence of individualism could be declared as one of the main reasons. Also since power distance has a positive effect on this variable it is perceivable to assume Iranians more under utilitarian influences of reference group. According to the intra country analysis, the positive impact of uncertainty avoidance on reference group influence was supported for the Iran sample, but it was not significant for the German sample; thus in pan country analysis, the effect was not proved. The two factors of age and sex were not confirmed to be correlated to this aspect of consumer behavior.

The adjusted R-square value appears to be medium (0.35), which indicates that the cultural values could explain 35% of the variance in reference-group influence; there are definitely many other personal or situational influencers which were not examined in this study.

- **Enjoyment of bargain hunting** was verified to be influenced by power distance; these great negative impacts on the behavior were rather equal for both samples and the univariate test results were significant. Individualism had a negative, but insignificant, influence on this behavior and masculinity, as explained, showed positive insignificant effects.

According to the tests, nationality has impacts: the German sample has a higher level of enjoyment of bargain hunting; probably because the fear of “losing face” (under the influence of power-distance) and the interest in “show off” (under the influence of masculinity) would be lower among German individuals.

- **Effort minimization** does not differ significantly between the two samples of Iran and Germany and nationality has very limited negative impacts (more among Iranians) on this behavior. Also the two dimensions of individualism and uncertainty avoidance showed limited negative impacts on respondents’ interest for effort minimization in shopping. Thus our hypothesis about the positive influence of individualism on this variable was rejected. Referring to table17 (intra country results) could help in explaining the contrast: as obvious in this table, the German sample supports our hypothesis and proves a positive relation between effort minimization and individualism. But the Iran sample shows a significant, negative relation between the two variables. This could be partly explained by the life style of respondents selected from Tehran (capital of Iran); with more than 10 million citizens, known as the second populated and polluted city of the world, Tehran is famous for its traffic

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

problems. Also convenience options for shopping (e.g. internet shopping) is very limited compared to Germany. Furthermore people have very few entertainment options, to spend their times and money; thus shopping, alone or with friends, could be one of these few legal selections. Thus the purchase scenario among Iranians could sound like this: although those with collectivistic tendencies would prefer to be with their beloved persons and save the remained time and energy for them (i.e. minimize their effort in shopping), those with individualistic attitudes may save time for themselves and entertaining themselves with shopping practices (as one of the few legal entertainments).

This explanation needs further studies to be verified⁸⁰; when proved by additional researches, the finding could be interesting for western shopping complexes and malls, when they know that visiting their branches would be regarded as a popular pastime or hobby for many in Iran. The correlation between sex/age and this variable were not significant.

- ***Purchase risk reduction*** was confirmed to be significantly influenced by nationality and thus different between the two countries. Both, the positive influence of Uncertainty avoidance and the negative influence of individualism were proved; though insignificant.

The Iran sample was presented to have higher purchase risk reduction interest, and thus the information search in pre-purchase phase is more among Iranian respondents. Regarding the lower income level in Iran, compared to Germany, this could be logical for the Iranian sample to avoid and reduce any uncertainty and risks when shopping. Also the intra country analysis showed the significance of negative relation between the two variables of uncertainty avoidance and purchase risk reduction among the Iranian respondents; thus we may conclude this behavior has its roots in person's effort to escape from uncertainty and ambiguity. In other words, they would not spend the limited accessible income to buy products, before they ask others about it or before they read the packages. But in our survey we made no questions about the income level, so the influence of income on this variable remains as a hypothesis.

For the German sample, the negative influence of individualism on this consumer behavior was confirmed to be significant; though this was not the case for the Iranian respondents. The two demographic variables of sex and age were not proved to be correlated with this behavioral aspect. Finally the adjusted R-square (0.22) confirmed the role culture could play in prediction of this consumer behavior.

- ***Variety seeking*** was proved to be significantly different between the two samples; the Iran sample reported lower variety seeking behavior compared to the German sample. However, this variable, with only one item, could not be verified as under the strong

⁸⁰ This explanation was proved in practice by the great success of Carrefour (French shopping center) in Tehran, which is now known as an interesting pastime location for many citizens.

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

effects of cultural dimensions; only the positive effects of masculinity was proved at the end. Also the correlation between age and variety seeking was confirmed; the higher the respondent's age, the lower was his variety seeking. Since the average age differences for the two samples were only 4 years, it could be negligible and the two countries were comparable.

A critical subject regarding this variable in the present study is the absence of some influential socioeconomic factors; personal (e.g. consumer income level), or situational (e.g. product variety in shops) differences could play important roles in variety seeking tendency and, especially, behavior. Thus, lower variety seeking among Iranian respondents might be originated from lower rate of product supply, compared to most German supermarkets, or even their "empty pockets" (see table 7, the comparison of macro and micro economic indexes between Iran and Germany).

Variety seeking was the only explicit behavior studied in this survey. It needs to be studied from both attitudinal and behavioral viewpoints; adding the main socio-economical factors would better clarify details about this consumer-behavioral variable.

6. Limitations and directions for future research

There are a number of inherent limitations involved with a study of this nature. First, in consumer studies, the use of self-reported data is often confounded with a number of biases, such as social-desirability bias (*Alreck and Settle, 1995*). Second, the use of only one question to measure variety seeking limits research reliability; the Cronbach's alpha reliability coefficients obtained were just moderately satisfactory. Also the survey suggests some provocative differences in the two countries and this bears further investigation. Example could be the effect of individualism on consumer effort minimization which was proved to be significant in two opposite directions in Iran and Germany and considering additional cultural dimensions in future studies could be illustrative.

Besides, the literature background of the study demands further investigations; an example is the individualism-collectivism, which could be regarded as two separate constructs, to prove their relations and influences of each on purchase behavior in individualistic and collectivistic cultures.

However this study provided useful information about the role of culture in consumer purchase behavior, especially in a rather unknown Eastern market. The study aimed to (1) test the main cultural dimensions at the individual level of analysis and (2) analyze the relationship between *Hofstede's* (1980) main dimensions and purchase related factors. According to *Triandis* (1972) the importance of cross-cultural research lies in defining relationships between variables that are sensitive to cultural influences. The results of this study revealed some interesting patterns that may exist among influential consumer purchase behavior and their relationships to individual perceptions of cultural phenomena

Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran

(such as power, uncertainty, and individuality). Moreover, they have indicated a number of interesting areas for future researchers; separation of individualism and collectivism, or even masculinity and femininity, considering newly defined dimensions (e.g. time orientation, indulgence-restraint), studying the role of culture in formation of other explicit aspects of consumer-behavior, and performing a discriminant analysis to predict a consumer purchase behavior based on his cultural orientation could be named among compelling subjects for future studies. This type of study could be even performed in one multicultural country, such as Germany, to predict or analyze the reactions and behaviors of different nations (e.g. purchase influencers for Turkish Germans).

For an unknown, interesting national market (Iran) with great consumption potentials, such a study could be only the first step; for an export oriented country like Germany, similar studies could be remarkable. Consumer behavior and cultural values are both complicated constructs which require further researches to find their relationships. Overall, it is hoped that this research endeavor has advanced the development of understanding cultural values at the individual level of analysis.

*Culture affects consumer behavior-
Theoretical reflections and an illustrative example with Germany and Iran*

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Theoretical reflections and an illustrative example with Germany and Iran

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Theoretical reflections and an illustrative example with Germany and Iran*

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Theoretical reflections and an illustrative example with Germany and Iran

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Theoretical reflections and an illustrative example with Germany and Iran

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