

THE IMPORTANCE OF RESEARCH ON CROSS-CULTURAL DIFFERENCES IN CONSUMER BEHAVIOR IN FOREIGN MARKETS

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Abstract: Culture affects both the choice of goods by an individual consumer and the consumption process of society as a whole. International companies face problems related to cultural differences in consumer behavior and their perception of foreign goods. Currently, the increase in flows of goods across the borders of countries and cultures, the reduction of technological barriers increases the relevance of cross-cultural research. Attention to theoretical and applied cross-cultural studies of consumer behavior is explained by both scientific interest and practical request of enterprises operating in foreign markets. When entering foreign markets, companies are faced with the need to adapt their marketing strategies to the requirements of a new culture and behavioral characteristics of consumers. National culture influences the supply of goods, their distribution and promotion, providing information to consumers and sellers, imposes restrictions or increases the degree of freedom of sellers and consumers, demonstrates the possibilities of consumption of new goods. Attracting and retaining consumers belonging to different cultures contributes to improving the effectiveness of international marketing. Cross-cultural analysis as a relatively new direction of research is at the intersection of marketing, management, sociology and cultural studies. Cultural differences and unique traditions of each nation influence the behavior of consumers and their reaction to marketing. Insufficient understanding by marketers of the cultural characteristics of consumers in different countries is one of the main problems of cross-cultural marketing. The purpose of this work is to study existing approaches to cross-cultural analysis through the prism of marketing concepts. Cross-cultural marketing as a strategy aimed at adapting products, advertising and communications to the cultural characteristics of different regions and countries allows you to attract a new audience, improve brand perception and establish positive relationships with consumers of different cultures. To develop an effective cross-cultural marketing strategy, it is important to explore and take into account the mentality, values, preferences and traditions of consumers of different cultures, as well as to use adequate linguistic and visual images.

Keywords: marketing, consumer behavior, cross-cultural analysis

JEL Classification: M31

1 Introduction

In the context of the globalization of the world economy, the effectiveness of international marketing is largely determined by the ability of market participants to overcome cultural barriers. Being one of the key strategies of modern business, cross-cultural marketing allows companies to achieve success in foreign markets, taking into account the cultural characteristics of different countries and regions. Cross-cultural competence is the ability to successfully communicate with representatives of another culture, to function in conditions of cross-cultural interactions. In the international scientific and business environment, studies of the impact of cross-cultural differences on consumer behavior are relevant and in demand. This is due to the need of international companies to adapt their marketing strategies to the characteristics and identity of different cultures. Such studies are interdisciplinary.

2 The text of the research

The future of business is determined by such global trends as digitalization, environmental responsibility, personalization and development of mobile technologies. Today, innovative development of the economy is chosen by many states as one of the main ways of economic growth and ensuring competitiveness. Considering open innovation, marketing and consumers as closely related concepts, Aleshina I. draws attention to the interpretation of culture from the point of view of marketing and problems of consumer behavior management (Aleshina, 2010). Cross-cultural aspects of working with consumers in global markets cover a wide range of issues - from philosophical to everyday reality.

Features of the cultures of nations associated with progress and innovative development were revealed and described, in particular, by the American researcher L. Harrison, a specialist in the field of culture as a factor of progress. He compiled a comparative description of the cultures of societies prone to progress and resisting progress, according to 25 criteria or parameters: Religion, Destiny, Time orientation, Wealth, Knowledge, Ethical code, The lesser virtues, Education, Work/Achievement, Frugality and Prosperity, Entrepreneurship, Risk propensity, Competition, Innovation, Advancement, Rule of Law/corruption, Radius of identification and trust, Family, Association, social capital, The individual/the group, Authority, Role of elites, Church-state relations, Gender relations, Fertility. The parameters are combined into 4 groups: "Worldview", "Values, Virtues", "Economic Behavior", "Social Behavior" (Harrison, 2006).

Social responsibility and respect for cultural diversity contribute to the sustainable development of companies both in the domestic and foreign markets. Culture is "...a complex that includes knowledge, faith, art, law, morality, customs and any other abilities and habits acquired by a person as a member of society. Culture is a set of values, ideas, objects of human labor and other significant symbols that help people, as members of society, to communicate, interpret and evaluate" (Aleshina, 2006). Cultural differences play a key role in the formation of marketing strategies that can both use the values of the consumer segment and change these values in order to expand the possibilities of consumption of the promoted product. The values of the nation's culture and the personal values of consumers are more resistant to changes compared to the processes of consumption of goods and services. At the same time, culture is dynamic, many cultural features, despite their historical roots, may lose their relevance. Understanding local values, traditions and preferences helps companies successfully adapt their products to the needs of target audiences in foreign markets.

The increase in the mass of goods with similar parameters leads to the fact that consumer loyalty can be achieved only on an emotional level. At the same time, it is necessary to take into account that in different countries emotions can be based on different value systems. In the process of cross-cultural research, scientists have developed cultural models and measurements based on a practical study of the values of a wide variety of cultures on fairly large samples, which allows to obtain qualitative results.

One of the most famous cultural models that can be actively applied in cross-cultural studies of consumer behavior is the Hofstede model. To make countries comparable in terms of measurable parameters, Dutch sociologist Geert Hofstede proposed a set of indicators that determine the cultural characteristics of different peoples based on studies conducted in the 1960s and 1970s. This theory became the basis for many cross-cultural studies in marketing. Before Hofstede, culture was understood as a single integral object, not amenable to meaningful analysis. He also proposed to divide this object into separate components - cultural dimensions. Initially, Hofstede (Hofstede, 1980)

proposed four dimensions: "Individualism - Collectivism", "Power Distance", "Uncertainty Avoidance", "Masculinity - Femininity". Subsequently, he added the fifth dimension - "Long Term Orientation", which reflects the opposition of the priority of investments in the future through savings and investments in modern education and increased attention to the present and the past, manifested in emphasizing the importance of traditions and resisting personal and social changes. In the 2000s, Hofstede supplemented his model with a sixth dimension proposed by his co-author Minkov M. - "Indulgence - Restraint". "Indulgent" societies allow their members to live as they want and see fit, especially in the field of leisure. At the same time, in "restrictive" cultures, individual freedom is suppressed (Hofstede, 2013, Hofstede *et al.*, 2010, VSM, 2013).

In international marketing, the correct assessment of the differences of national cultures is becoming increasingly important. National culture is a synthesis of cultures of different strata and groups of the respective society. The originality of the national culture, its well-known uniqueness and originality are manifested both in the spiritual and material spheres of life and activity.

As studies show, within one country, consumers belonging to different ethnic groups also have their own characteristics of perception and motivation, which must be taken into account when developing marketing programs to attract and retain them (Timokhina and Kulikova, 2015).

3 Conclusions

Studies of cross-cultural differences in consumer behavior are of interest not only for academic science, but also for business. A high level of business adaptation to global market requirements and cultural characteristics of various countries plays an important role in the development of international business and allows companies to successfully compete in global markets. Observing the basic principles of cross-cultural marketing and using appropriate models and methods, companies can attract and retain the attention of consumers. Being a fairly stable phenomenon, national culture is still gradually changing under the influence of various external and internal factors. In studies of the influence of cross-cultural characteristics on the behavior of consumers of different countries, the empirical approach prevails today. Theoretical conclusions are based mainly on field research materials. Existing measurement methods reflect the features of a particular culture, which causes the need for their adaptation in the context of other cultures.

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