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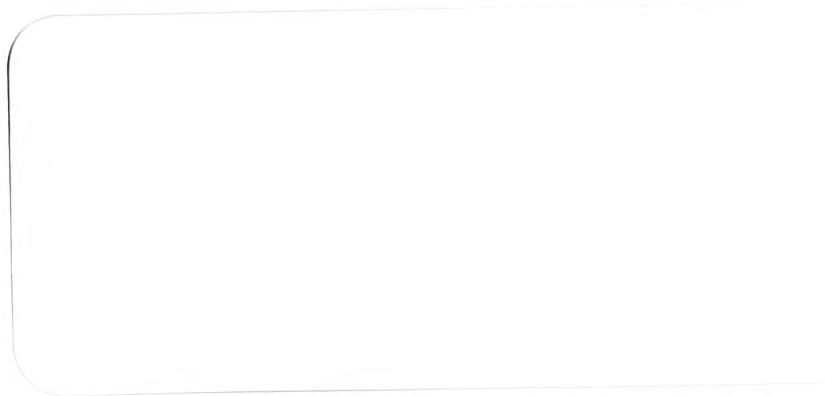
Faculty Working Papers

THEORY OF CROSS-CULTURAL BUYER-BEHAVIOR

Jagdish N. Sheth, Univ. of Illinois
and
S. Prakash Sethi, Univ. of California

#115

College of Commerce and Business Administration
University of Illinois at Urbana-Champaign



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THEORY OF CROSS-CULTURAL BUYER-BEHAVIOR

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Introduction

The past two decades have seen a phenomenal growth in the operations of multinational corporations (MNCs) in various parts of the world. This growth is not confined to capital investment or manufacturing operations, but has been extended increasingly to marketing activities. However, the expansion of marketing activities has not been accompanied by a systematic study of the differences in buyer behavior in various countries (socio-political and economic entities) and the causes that might account for such differences. This is particularly unfortunate because a lack of understanding in this area has led to innumerable economic inefficiencies in resource allocation, from the viewpoint of both the MNCs and the countries involved. It has also caused sociopolitical conflicts among various parties.

Multinational marketing involves introducing new products or ideas into different cultures. On one hand, it may be no more than shifting consumption from one brand of a product to another brand of the same product. On the other hand, it may lead to massive social changes in the manner of consumption, type of products consumed, and even in social organization. Therefore, a haphazard marketing effort, even though it may be successful in the short run, may lead to far-reaching and undesirable, though unintended, consequences.

Current Approaches to Multinational Marketing

Interpretations of facts abound, and there are as many successful

marketing strategies as there are practitioners. However, these strategies can be classified into two broad categories. One approach implies that industrialism has a culture all its own; that basic human needs and behavior are similar everywhere; and that, except for minor changes to adjust to peculiar local circumstances, essentially the same products can be sold with similar promotional appeals in all overseas markets (Kerr 1961; Buzzell 1968; Roostal 1965). The other approach contends that all countries are different, have their own cultures, and face a unique set of problems that keep changing over time. This group argues that there cannot be any single unified theory of international marketing that can be universally applicable and that all decisions in this area must be of an ad hoc nature, with the applicability of their findings confined only to a given region and/or point in time (Burson 1965).

Notwithstanding the validity of the two approaches, they do have some theoretical support that merits brief discussion. The first approach is based on the concept of "universal institutional types" or the "universality of cultural traits" first propounded by the anthropologist Malinowski (1944) and more recently revised and presented by Murdock (1951) and Nadel (1965). The emphasis here was on those categories of culture that were universal in being invariant points of reference for description and comparison. The other approach, also based in anthropology and, to some extent, in sociology, directed its attention overwhelmingly to the distinctiveness of each culture and to the differences in human customs as opposed to their similarities (Benedict 1934; Kluckhohn 1958).

Neither of these approaches, in itself, is suitable for a cross-cultural study of buyer behavior. The former is based on a superficial

understanding of the effect of learning on human behavior and does not take into account the effects of cultural factors that may inalterably change behavior patterns in different cultures. On the other hand, the latter seems to overemphasize the overt differences in the behavior of the consumer in different cultures while ignoring the underlying psychological processes that might provide us with a unifying theme.

Purpose and Scope of The Paper

Our objective is to present a comprehensive theory of cross-cultural buyer behavior. If it is agreed that buyer behavior within a country is exceedingly complex, we think cross-cultural buyer behavior is even a more complex phenomenon. It is, therefore, not sufficient to understand and theorize about it either in a very simplistic-holistic manner or in a piecemeal fashion. We must match the complexity of the phenomenon with equally realistic and comprehensive conceptual and analytical imagination. In fact, we should learn our lesson from the trial-and-error process with which within-country buyer behavior has been researched in the past so as to avoid committing the same errors of omission and commission (Sheth 1967, 1972).

Any theory must perform the following four functions (Rychlak 1968; Howard and Sheth 1969): (1) descriptive function by which the theory specifies in a parsimonious way the antecedent conditions which explain a phenomenon; (2) delimiting function by which the theory explicitly limits its scope by appropriately defining the phenomenon to be explained; (3) integrative function by which it must systematically relate all relevant research evidence and reconcile logically other explanations;

and (4) generative function by which it should provide deductive hypotheses for future testing and verification.

We don't believe our theory to be described in this paper is yet a fully developed to satisfy all the four functions. We hope to revise it in the due course to fully meet the delimiting and the generative functions. However, we do think the theory is at a level of development to satisfy, if not to optimize, the other two functions.

There are a number of distinctive characteristics to our theory of cross-cultural buyer behavior:

First, it is a comprehensive theory primarily based upon numerous theories and studies in the areas of diffusion, rural sociology and especially cultural anthropology.

Second, the theory takes the viewpoint that multinational marketing activities can be looked upon as processes of innovation and change since they consist of introducing familiar products or services of one country to other cultures where such products or services are perceived to be new and different. The magnitude of innovative activities will, of course, vary from simple introduction of a new brand to completely changing a culture's consumption pattern. Accordingly, the phenomenon the theory is concerned with is the process of adoption and diffusion of products and services marketed by MNCs.

Third, the theory is descriptive rather than normative. It simply describes and explains, with a minimum number of theoretical constructs, how consumers living in different cultures perceive, evaluate and adopt products and services marketed by MNCs. It has no value judgments woven around the illusive concept of economic rationality. In fact, we think

the question of rationality is irrelevant or at least less meaningful in the cross-cultural context of consumption due to enormous differences in values among cultures.

Fourth, the theory attempts to explain differences among cultures in their perceptions, evaluations and consumption behavior of a common product or service. It is not a theory of individual differences even though the units of measurement and analysis are households, industrial organizations or individual customers. Our interest is in cross-country differences and not within-country differences. To this extent, the theory sharply differs from several well-known theories of buyer behavior (Andreasen 1965; Nicosia 1966; Engel, Blackwell & Kollat 1968; Howard & Sheth 1969; Sheth 1971 & 1972a).

Fifth, the theory consists of four types of constructs and variables following the tradition of theory building often utilized by the first author in his earlier writings (Sheth 1967; Howard and Sheth 1969; Sheth 1971 & 1972a). These are called the exogenous, the endogeneous, the input and the output variables or constructs. The exogeneous variables are the "givens" or the "constraints" of the explanatory situation; they are not explained in terms of their structure or any changes in them over time. In short, the exogeneous variables delimit the theory. The endogeneous variables constitute the theory; the variables are properly defined, their network of relationship is fully detailed and often quantified, and any changes in them are explained and predicted by a set of determinants. The input variables constitute a set of complex stimuli which impinge upon the system of endogeneous variables and get mediated through that system. The output variables are a set of responses, behavioral and cognitive, which

the theory delimits itself to explain and predict.

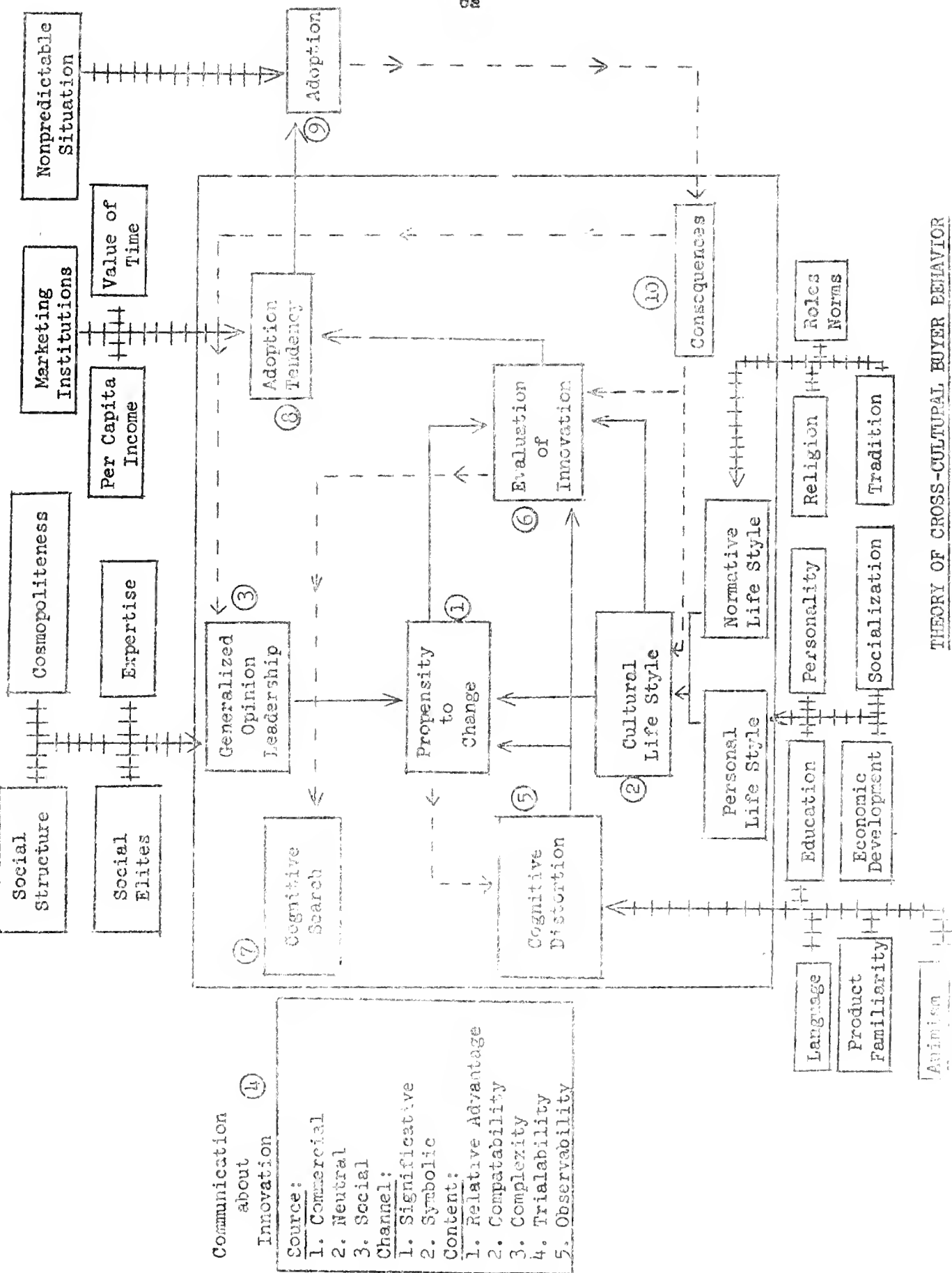
Sixth, the constructs of the theory are measurable at the individual level even though the theory is explicitly limited to explaining differences among aggregates. Furthermore, each construct is presumed to be multivariate and multidimensional making it necessary to provide for a number of indicators for the construct. On each indicator, we propose to estimate the level of a culture by its mean value and the scatter by its variance. This allows the theory to utilize numerous statistical procedures which are based on variance-covariances. The techniques explicitly relevant for comparative cross-cultural analyses are simple ANOVA, multivariate ANOVA, discriminant analysis and profiling-clustering methods.

Description of The Theory

It is difficult to fully describe the theory in a short paper. In order to present a succinct description, we will not elaborate in this paper how the exogeneous variables exert their influence on the system of endogeneous variables. Instead, we will provide a list of references whose thinking and research has been instrumental in our choice of those exogeneous variables. Secondly, we will first briefly summarize the process of adoption of new products and services as envisioned by the theory and then describe in detail each of the endogeneous constructs.

Brief Summary of The Adoption Process

As we mentioned earlier, it is easy to envision the multinational marketing activities as processes of innovations and change. The MNCs introduce new products and services with a specific marketing mix of the



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basic four Ps. This marketing effort is looked upon by the buyers as communications about the innovation with identifiable source, channel and message components. The source is often the commercial MNC but not always because other sources such as governmental agencies, news releases and documentaries as well as word-of-mouth, also provide communication about the innovation to customers in a culture. For example, the marketing of contraceptives or nutrition in many underdeveloped countries.

The communication about the innovation influences the country's propensity to change as well as evaluation of the innovation. Propensity to change is the degree of receptivity a country manifests for any innovation in a product class due to dissatisfaction with existing alternatives. Evaluation of innovation refers to the perceived instrumentality of the innovation to satisfy a set of choice criteria relevant for the product class. However, the influence of communication on either the propensity to change or the evaluation of the innovation is limited by two sets of factors. The first set of factors relate to the selectivity of human mind with which customers process information. Unless the culture is ready for the change, the customers will be insensitive to any communication on an innovation and, therefore, selectively pay less attention to it. For example, cigar smoking among the U. S. women has been a very slow process of change. Similarly, unless the new innovation is favorably perceived by a culture, the communication will be cognitively distorted so that its impact will be minimal. Instant coffee has been very rapidly adopted by most cultures due to its convenience.

The second set of factors relate to the compensatory manner with which generalized opinion leadership in a country as well as its cultural

life style, also exert influence on propensity to change and evaluation of innovation. Often it is probable that the marketing efforts of MNCs are incompatible with the cultural life style or the generalized opinion leadership and, therefore, have minimal impacts in the market place. The numerous examples of product failures in cross-cultural context are clearly due to this compensatory nature. For example, canned soups and cake mixes were favorably received in the U.S.A. but have met with considerable resistance in European countries. It is, therefore, extremely critical to assess the nature of the influence of cultural values and opinion leadership in a given product class prior to introducing new products in that country.

If a culture is high on propensity to change and the specific innovation is favorably evaluated, the customers will manifest a tendency to adopt the innovation. This seems to be the classic history of soft drinks such as Coca-Cola. However, a number of things may intervene between evaluation and adoption. First, the customers may manifest active search and support for their decision to adopt the innovation. This cognitive search may be with respect to both the generalized opinion leadership or the communication sources. Second, a number of factors also influence the tendency to adopt and, therefore, become compensatory to the evaluation process. We have identified per capita income, marketing institutions, and value of time as the three most critical factors. Per capita income of a country represents the economic resources available among customers. If it is too low, the innovation may be inhibited from being adopted and if it is high, many innovations which are trivial and not highly favorable in their evaluations will get adopted. For example, it has been difficult to market high protein foods in less developed

countries due to substantial high costs of processed foods and staples (Sheth & Sudman 1972). On the other hand, many rich nations adopt new products more to satisfy novelty-curiosity needs than to derive functional utilities. Similarly, marketing institutions of distribution may become bottlenecks for highly favorable innovations. Once again, this has been a serious problem in rural areas of less developed countries. Finally, value of time often becomes a facilitating factor especially when the innovations are time-saving conveniences. The enormous borrowing by the Japanese of Western conveniences is a classic example.

If the adoption tendency is strong, it will result in trial of the innovation. The consequences from the actual trial or watching someone else try it will be recorded by customers as tentative satisfaction. If the tentative satisfaction is positive, the innovation will be permanently adopted except for some nonpredictable situational factors. These factors include political instability, recessions, government controls and the like. On the other hand, if it is negative, the culture will reject the new product or service.

Finally, the permanent adoption of an innovation will produce some impact on both the propensity to change and evaluation of innovation. If the culture is satisfied with the outcomes from the permanent adoption, it will manifest greater receptivity to change and better predisposition toward the MNC which introduced the innovation.

Description of Constructs of The Theory

Now we describe each of the major constructs in theory represented in Figure 1. As mentioned before, we will minimize our discussion of the exogeneous variables in this paper.

1. Propensity to Change: A central construct in the theory is propensity to change. It is a product class specific construct and refers to the receptivity of a culture in seeking change from its present methods and alternatives of consumption. At a point in time we presume that countries vary in their propensity to change so that some countries are anxious for an immediate change and others are resistant to any change in the choice offerings of a given product class.

Propensity to change is a multivariate profile construct and not a univariate scale construct because we believe the receptivity to change in a country may be due to a number of factors and the same degree of receptivity across cultures may be for different reasons. For example, the less developed countries may be receptive to change from the bicycle era to automotive era due to industrial activity, urban development and mobility, but the advanced countries may seek change from the automotive era due to air pollution, urban crises and scarcity of time. We believe that propensity to change can be measured on a psychological profile which assesses the degree of dissatisfaction with existing alternatives in a product class and the aspirations of a culture to improve itself with respect to that product category.

In our theory, the level and variance of propensity to change of a culture is determined by three constructs. Perhaps the most important construct is the cultural life style of individuals in a society. It refers to a generalized inventory of activities, interests and opinions manifested by customers in a culture with

respect to those "cultural universals" which are salient to consumption behavior. We will describe Cultural Life Style later in more detail. It is sufficient to note here that as the Cultural Life Style of a country changes, it will impact upon propensity to change. However, there are two important considerations. First, we believe the change in Cultural Life Style of a country is a slow process and hence it is more evolutionary and natural. Second, change in Cultural Life Style has differential impact on propensity to change depending upon the specific product class. In other words, Cultural Life Style may, for example, closely control propensity to change in people's food habits than in their recreational habits.

The second factor is Generalized Opinion Leadership. It refers to the special role assigned to or achieved by a select group of individuals and institutions in any society to take the leadership of the country in the constant search for change and improvement. We will describe the construct in more detail later. However, Generalized Opinion Leadership is more likely to provide for rapid and planned changes in propensity to change especially in the newly independent nations or so-called the third world.

Neither of these two factors is directly within the managerial control of multinational corporations. However, MNCs can exert influence on a culture's propensity to change by the effective utilization of the marketing mix with which to communicate about the innovation. The third factor, therefore, is the input construct called Communication About Innovation. It refers to the process of communication from both commercial and other sources about various benefits existing in the innovations through a variety of channels of

communication. Once again, we will delay a detailed description of the input construct. Here we should discuss the role of Communication About Innovation in Influencing Propensity To Change. First, we believe that communication from a commercial source is likely to have limited impact on Propensity To Change unless Cultural Life Style and Generalized Opinion Leadership facilitate it. In fact, we believe that it will have no impact or even a negative impact if the other two factors are opposite in their influence on Propensity To Change. Second, communication from commercial MNC sources may also be compensated or facilitated by communication from other sources including neutral (public sources) and social (friends, relatives) sources. In other words, the word-of-mouth communication can effectively wipe out all commercial efforts especially in less developed countries. This has been notoriously witnessed in the cigarette industry where competitive companies unethically spread rumors about the brand.

In the above discussion, it is clear that the three factors are presumed to be compensatory in their relationship to Propensity To Change. This can be expressed mathematically as follows:

$$PTC = \beta_1 [CLS] + \beta_2 [GOL] + \beta_3 [CAI]$$

PTC = Propensity To Change to a product class
CLS = Cultural Life Style
GOL = Generalized Opinion Leadership
CAI = Communication about Innovation

2. Cultural Life Style is a generalized inventory of activities, interests and opinions on a set of cultural universals. Cultural universals are patterns of behavior related to innate, learned and social needs of people in a culture. Anthropologists have made

strong strides in defining and measuring cultural differences and similarities in their manifestations of cultural universals (Sumner and Keller 1927; Malinowski 1926; Kluckhohn 1958; Murdock 1965; Kluckhohn and Murray 1949). We, however, differ from the traditional anthropological thinking in our definition of cultural universals and its measurement. First, Cultural Life Style is not limited to overt behavior only but also extended to the cognitive areas of interests and opinions. This is because our theory is not extended to buyer behavior of primitive societies where language and linguistic communication is either not possible or very difficult. To this extent, we are following the recent development of life style scales in the understanding and segmentation of consumer behavior (e.g. Wells and Tigert 1971). However, at the same time we do not believe in the direct borrowing of any inventory scale such as the AIO scale for cross-cultural research. Considerable adaptation may be necessary before a standardized inventory can be developed for cross-cultural research.

Second, our construct Cultural Life Style, is operational at the individual level so that we expect a typical (mean) life style profile of a culture with individual variability about the mean value. The anthropological inventories of cultural universals have typically been at the institutional or aggregate level.

Third, the definitions of cultural universals is not the same as anthropological tradition. We limit our inventory only to those cultural universals which are salient to consumption aspects of a society. In other words, we are delimiting the definition of cultural universals to economic activities of individuals.

Finally, we distinguish between Personal Life Style and Normative

Life Style in order to keep distinct the psychological and sociological traditions of cross-cultural research,

Personal Life Style in our theory refers to personal beliefs about economic consumption activities of individuals in a culture. Thus, matters such as shopping behavior, price consciousness, home involvement, etc. become relevant areas on which to assess personal beliefs of customers.

In our theory, Personal Life Style is presumed to be determined by four exogeneous variables: personality development, socialization process, education and economic development of the country. The role of personality development in cross-cultural context is detailed in Kluckhohn and Murray (1949), in Hallowell (1963) and in Barnouw (1963). The interesting areas of research seem to be the psycho-analytic theories of clinical psychology and the cross-cultural research on achievement motivation (McClelland 1963). In addition, Sheth (1962) has liberalized Maslow's holistic theory of hierarchy of needs to cultural aggregates.

There is considerable literature in anthropology and sociology on the socialization process or child rearing practices and its influence on Personal Life Style (Mead 1928 and 1930; Benedict 1946; Le Vine 1961).

Surprisingly, the influence of education and economic development in shaping Personal Life Style in a cross-cultural context is not fully researched. A notable exception is Hagen's theory of social change (1962) as a function of economic development.

Normative Life Style refers to the normative beliefs individuals

possess as to how they are expected by the culture to behave with respect to economic activities. It refers to the economic and consumption value system of a culture and is directly relevant to the perennial question of economic and consumption rationality.

Normative Life Style is typically determined by tradition, religion and societal roles and norms. An excellent reference source on this is the review chapter by Blake and Davis (1964).

3. Generalized Opinion Leadership refers to the presence of a select, small group of individuals and institutions who are assigned or who have achieved the roles of gate keepers, change agents or opinion leaders. Contrary to the suggestion of Katz and Lazarsfeld (1954), we believe it is more fruitful to think of Generalized Opinion Leadership instead of specific opinion leadership in cross-cultural context.

Generalized Opinion Leadership will vary from culture to culture with respect to size, structure of interaction and active participation in planned change. After an exhaustive review of somewhat controversial research in rural sociology and marketing, we have isolated four exogeneous variables for which there is some conclusive evidence about their role in determining opinion leadership in a culture. These variables are social elite, social structure, cosmopolitaness and expertise (See Rogers 1962, Rogers and Shoemaker 1971). The greater the skewness of distribution of individuals with regard to these four variables the more will be the presence of Generalized Opinion Leadership and its influence on Propensity To Change.

4. Communication About Innovation consists of the input variables.

It refers to the various traditional elements of a communication mix-source, channel and content - except that it is adapted to the cross-cultural research on innovations.

The source variables are of three types: commercial sources such as MNCs, the neutral sources such as noncommercial broadcasts, press releases and governmental reports and the social sources including friends and relatives. This classification of source was first suggested by Cox (1967) and later adapted by Howard and Sheth (1969, Chapter 8). In general, the social sources are found to be most credible and the commercial sources least credible, although, this may be mediated by the culture's degree of saturation of commercial sources of communication. We do find that in many underdeveloped countries, advertising and promotion are considered highly entertaining and without bias.

The channel of communication is broadly dichotomized as significative and symbolic communication following Howard and Sheth (1969). We think the traditional channel classification - print, broadcast, outdoors - is less meaningful in cross-cultural context due to vast technological, legal, moral and economic differences among countries which limit the scope of various channels of communication. Significative communication refers to the communication about the innovation through the physical product itself. The channels for such a communication are free samples, store displays, exhibitions, trade fairs and the like. As Howard and Sheth (1969, Chapter 9) point out the advantage of the significative communication is that it enables the buyer to utilize all of his five senses in evaluating the product. Symbolic communication on the other hand, is limited to linguistic and pictorial representation. The typical channels are the mass media for symbolic communication

although more subtle forms include direct mail, leaflets and packaging information. The buyer can receive symbolic information only through a combination of the two senses of vision and hearing.

We believe that symbolic communication is further limited by the problems of linguistic representation in cross-cultural marketing because languages differ substantially in their encoding abilities. In short, we think significant communication, when possible, is likely to prove superior in the cross-cultural context of marketing.

The content of communication consists of a number of characteristics of an innovation which have been found to be critical in the success or failure of that innovation. Rural Sociology abounds with research evidence and is neatly summarized by Rogers and Shoemaker (1971). Based upon this research, we have included five characteristics as content variables: relative advantage, compatibility, complexity, trialability, and observability of innovation. Relative advantage is the degree to which an innovation is perceived as better than the product or service it supercedes in terms of economic, social or physical consequences arising from consumption. Compatibility is the degree to which an innovation is perceived as being consistent with the existing values, past experiences and needs of the customers. Complexity is the degree to which the innovation is perceived as difficult to understand and use. Trialability is the degree to which it may be experimented with on a limited basis. Finally, observability is the degree to which the consequences of the innovation are visible to others (Rogers and Shoemaker 1971, pp. 22-23).

As an input variable we are not in a position at this time to explain its structure and changes in a specific communication. To

that extent, it is also an exogeneous variable.

5. Cognitive Distortion refers to the process of decoding the communication about innovation and making sense of the information in such a way as to be consistent with other knowledge about the innovation and related alternatives.

It represents both quantitative and qualitative changes individuals make in order to comprehend and assimilate information. We include selective attention, exposure and retention as part of cognitive distortion. The outcome of this cognitive distortion can be visualized as stimulus-as-coded (s-a-c) which when compared to the actual stimulus represents the magnitude of distortion. Stimulus-as-coded may vary with respect to both the denotative and connotative meaning of information communicated about the innovation as part of cognitive distortion.

There are strong cross-cultural differences in the magnitude (level) and variability of cognitive distortion due to at least four exogeneous variables (DeVos and Hippler 1969; French 1963). The first exogeneous variable is language. It is argued that both vocabulary and syntactic structure of a language govern the process of thinking to a significant degree. Some have even suggested that the more readily codable a specific experience or behavior, the more readily it can be communicated and made available. Finally, there is recently considerable effort to understand the effect of language on thought processes by way of "emic" (content and meaning as experienced by the participants in a culture) and "etic" (outside normative impositions on cultural distinctions) approaches.

A second exogeneous variable is familiarity. The more familiar the product class to a culture, the less will be the cognitive distortion of communication about the innovation. A third exogeneous variable

is tentative and has a controversial history. It is the concept of animism proposed by Piaget (1952). Animism refers to concrete thinking or experiential thinking often found in children by which the individual tends to vitalize inanimate objects. A number of anthropologists have believed that animistic thinking is more prevalent in primitive societies whereas, abstract thinking is more prevalent in mature societies. The reader is also urged to carefully review Bruner, Olver, and Greenfield (1966) for a critical analysis of Piaget's theory in cross-cultural context.

The fourth exogeneous variable is education. Although, there is very little cross-cultural research on the influence of education in cognitive processes, we believe it is an important variable because of strong differences in literacy levels of countries. Presumably, the cognitive distortion is likely to be less in a more educated society than in a less educated society holding other factors constant.

In addition to the four exogeneous variables, there is a feedback effect on cognitive distortion from propensity to change. The greater the interest in a change, the less will be cognitive distortion.

6. Evaluation of Innovation is another central construct in our theory. It refers to the degree of perceived instrumentality the innovation offers to a culture in satisfaction of its wants, needs and desires in a specific product class. We presume that each innovation can be profiled from the point of view of consumers in a country with respect to the five basic characteristics of innovations, namely relative advantage, compatibility, complexity, trialability and observability.

A positive or negative evaluation of the innovation is directly related to three factors: Propensity To Change, Cultural Life Style and Communication About Innovation. The greater the Propensity To Change, the more positive will be the evaluation of the innovation. The more congruent the innovation to Cultural Life Style the more positively it will be evaluated by the culture. Finally, the communication efforts of the MNC or other sources can bias the positive evaluation of the innovation.

Once again, we believe that these three variables are compensatory in their relationship. However, the Propensity To Change and Cultural Life Style may be correlated predictors and hence entail the multi-collinearity problem.

7. Cognitive Search is the active seeking of information the customers manifest between the time they are aware of the existence of an innovation and the decision to adopt it. Cognitive Search is directly controlled by Evaluation of Innovation. The greater the ambiguity of evaluation, the more will be Cognitive Search. Second, the greater the mixture of positive and negative aspects of evaluation, the more will be the presence of conflict (approach-avoidance type) and greater will be the search effort to resolve the conflict. Finally, Cognitive Search will be activated by Adoption Tendency which will be explained later.

Cognitive Search may lead the customers to active seek further information either from the input variables or from opinion leaders in the country.

8. Adoption Tendency refers to the likelihood of the culture adopting

the innovation within a prespecified time. It reflects the psychological commitment on the part of the consumers to either accept or reject the innovation.

Adoption Tendency is primarily a function of the profile difference between evaluation of the innovation and the alternative it is likely to replace. This profile difference is with respect to the five characteristics of innovations we discussed above. The greater the difference favoring the innovation, the more likely will the culture commit itself to adopt it. If the positive difference is with respect to all the five characteristics, the diffusion time of the innovation will be very short. On the other hand, if the positive difference is only with respect to some of the characteristics, there will be an incubation period during which the country will manifest Cognitive Search from outside sources.

Positive difference alone, however, is not sufficient to generate psychological commitment toward the innovation. We have isolated three exogeneous variables which are likely to inhibit Adoption Tendency. The first is per capita income of the country. Even though the innovation may be highly favored and superior to existing alternatives, it may not be adopted at all or adopted very slowly if the economic resources of people are scarce. Similarly, a highly favored innovation may not diffuse as rapidly due to the lack of proper marketing institutions especially with respect to distribution and communication. We are all aware of the acute problems of distribution in the rural areas of less developed countries. Finally, the more value a culture places on time as the scarce resource, the more rapid a diffusion the innovation will experience. This is especially true of innovations which are based on technological breakthroughs.

9. Adoption is the actual assimilation of the innovation into a culture on a permanent basis. It can be gauged by the level of saturation of the innovation in the country.

Adoption is the consequence of Adoption Tendency. However, we presume that the consumers in a country try the new product or service on a limited basis especially those who are the innovators or the gate keepers and assess the impact of innovation on the culture. If this assessment is negative, the innovation will not be adopted. On the other hand, a positive assessment by a small number of people in the country will determine the possibility of permanent adoption by the culture. Murdock (1965) refers to this as process of social acceptance.

Even if the innovation is given a go ahead by the gate keepers of the society, it may not be fully adopted by the country due to a number of nonpredictable situational factors. These factors are too many and too random to systematically sort them out and typologize. However, we include a number of ad hoc events such as natural disasters, war, government turnover, and the like.

10. Consequences. Adoption of innovat ions entail Consequences for the culture. We have shown that the feedback effects on Cultural Life Style, Evaluation of Innovation and Generalized Opinion Leadership. The feedback effect on evaluation of innovation is more based on the tradition of cognitive dissonance. The feedback effect of adoption on Cultural Life Style and Generalized Opinion Leadership (and, therefore, on Propensity To Change) can best be characterized as process of cultural change. Murdock (1965) has provided an exhaustive classification of the process of cultural change which we believe is relevant to the research on cross-cultural buyer behavior. Murdock distinguishes

four different types of innovations:

- a. Variation when the innovation represents a slight modification of preexisting habits. This is exemplified by the introduction of a new brand or a new package. Howard and Sheth (1969) call this a minor innovation.
- b. Invention when the innovation involves transfer of elements of habitual behavior from one situational context to another, or their combination into new syntheses. Most of the technological breakthroughs which have created new types within a product class fall into this category. Howard and Sheth call these as normal innovations.
- c. Tentation are altogether new product classes and generate new habits. There is little or no continuity with the past in this type of innovation. Howard and Sheth call this as major innovations.
- d. Cultural Borrowing when existing habits of one culture are transferred to other cultures. Cultural borrowing is by far the most common practice among the MNCs. There is no comparable classification in Howard-Sheth Theory.
- e. Integration when related habits are also adopted as part of the derived demand resulting from some major innovation. For example, the introduction of television, automobile, computers and air travel in less developed countries have brought about demand for related goods and services.

Summary Statement

We have described in a very brief way a comprehensive theory of cross-cultural buyer behavior. The theory is our first serious attempt to integrate research from anthropology and diffusion theory and apply it to the area of cross-cultural buyer behavior. This is, therefore, not our final draft but only a preliminary draft. We hope it generates interest among our colleagues so that we may revise it and make it rigorous based on their comments and criticism.

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