Cultural Dimensions of Switching Behavior in Importer-Exporter Relationships

INTRODUCTION

The "Relationship Marketing" Paradigm

The "relationship marketing" paradigm conceptualizes marketing as an exchange relationship marked by interaction between marketers and customers. According to this approach, marketing is not a discrete, transaction-oriented function, but a continuous, long-term oriented relationship-building process (Gronroos 1994). Marketing is often intrinsically based on repeat purchasing behavior rather than on discrete transactions (Dwyer, Schurr and Oh 1987). Relationship marketing stresses the importance inherent in the building of lasting trust-based relationships with the customer. Dwyer, Schurr and Oh (1987) distinguished between discrete transactions and long-term relationships by bringing in the analogy of a "one-night stand relationship" versus "a long lasting marriage."

The relationship-marketing paradigm is particularly relevant to industrial and services marketing (Gronroos 1994) where relationship factors have a particularly strong influence on buying behavior (Bonoma and Johnston 1978). A key strategic concern is to build dependable, on-going "buyer-supplier" partnerships. Relationship building is an investment that will yield dividends in the long run. In the individualistic capitalist mode of thinking, cooperative behavior can be rationalized as the long-term synergistic maximization of mutual self-interest (Gerlach 1992), since both cooperating parties seek to strategically gain from their relationship vis-a-vis their competitors.

However somewhat anathetic to the relationship concept itself is the fact that institutional relationships can crumble due to a lack of inertia (Dwyer, Schurr and Oh 1987). Extending Dwyer et al.’s analogy, either partnering firms can go out of business (death), or they can switch to new partners (divorce and remarriage). Even as dissolution rates for cooperative inter-organizational relationships such as joint ventures are around 70% (Harrigan 1988) and increasing, most of the contemporary research in relationship marketing focuses on the relationship-building process without providing insights into the potential for the dissolution of such relationships. The literature emphasizes that if partners are carefully chosen on the basis of their capabilities and motivation (e.g. Ford 1984, Stump and Heide 1996), the costs of opportunistic behavior can be reduced, and lasting relationships can be built. However, these evaluations, or the context in which the evaluations were made in the first place, may change over time (Low 1996), thus establishing the potential for opportunistic behavior. Studying how and why relationships end will in turn help to maintain and enhance existing relationships.

This paper seeks to provide a contingency framework to analyze the dissolution of long-held buyer-supplier relationships in an international context. In the arena of international relationship marketing, the terms buyers and suppliers can be used interchangeably with the terms importers and exporters respectively. The focus of the paper is on exploring the moderating effect of national culture on the decision of importers and exporters to end existing relationships. The primary motivation for termination of relationship itself can be due to endogenous (to the organizations involved) and/or exogenous (environmental) factors.

The paper is organized as follows. First, the stages of relationship building and international relationship marketing literature pertaining to the importer-exporter dyad are reviewed. Second, four streams of literature surrounding the dissolution of relationships are reviewed from which two major economic factors driving the termination of relationships are derived. Third, the moderating role of national culture in the termination of importer-exporter relationships is analyzed using Hofstede’s (1980) dimensions and propositions are posited. Finally, the implications of the framework are discussed.

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LITERATURE REVIEW

Stages of Relationship Building

Dwyer, Schurr and Oh (1987) presented a four-stage process of relationship building between buyers and suppliers. The first is the exploration or evaluation stage when buyers evaluate the competencies and motivations of potential suppliers. Suppliers are evaluated not only on their technical and marketing capabilities (Wilson and Moller 1988), but also on their willingness or motivation as well as adaptability to the buyer’s demands (Ford 1984, Stump and Heide 1996). By carefully assessing potential partners, buyers can reduce transaction costs such as the costs of uncertainty of potential partners’ efficiency in the future and the costs of opportunistic behavior (Wilson and Moller 1988).

The second stage of relationship building is the expansion stage when a buyer, after evaluating potential suppliers, actually chooses one and presents a purchase order. This stage is the beginning of an interaction process that should result in long-term bonding. This interaction consists of the following components: exchange both formal and informal, adaptation to the buyer’s needs and attitudes, and coordination to ensure smoother operations, to respond in an ‘ad hoc’ manner to environmental changes, and to handle conflict situations (Wilson and Moller 1988).

The third stage is the commitment stage when the intensity of cooperative interaction increases (Ford 1980). This stage is reflected by the reduction of socio-cultural distance, increased quality of communication, and trust building, thus creating a social bond (Ford 1980). Also, buyers and suppliers create structural bonds and make offsetting investments to create high switching costs (Wilson and Moller 1988).

The fourth stage is the institutionalization stage when norms, process routines, and governance structures are created to guide the relationship (Wilson and Moller 1988, Ford 1980, Hakansson 1980). The cooperative interaction between buyers and sellers can sometimes evolve into a “command interaction” (Campbell 1985) marked by high switching costs due to the buyer’s domination of the suppliers’ costs and technology (Ford 1980). Borrowing the marriage analogy used by Dwyer, Schurr and Oh (1987), we can compare the four stages of buyer-supplier relationship building (i.e., exploration, expansion, commitment, and marriage) to the stages of marital relationship building (i.e., acquaintance, courtship, commitment, and marriage).

A fifth stage of relationship building, namely that of dissolution, is hereby proposed to be an integral part of the relationship process and serves as the primary focus for this paper. To put this in perspective from a cross-cultural perspective, the literature on international relationship marketing must come into play.

International Relationship Marketing

The need for international relationship marketing arises as companies, trying to break into certain foreign markets, need to take a long-term view and build personal contacts with local nationals (Ford 1984). Building cooperative relationships between buyers and suppliers in the international context is even more challenging than in a domestic setting. In the international relationship building process, cultural differences of various types must be addressed (Hakansson and Wootz 1979).

There are several studies that deal with importers’ perceptions of exporters’ capabilities based on the country of origin (e.g., Ghymn and Jacobs 1993, Deng and Wertzel 1995, Seshadri, Rao, Jou and Erramilli 1996), and the multi-attribute perceptual gap between importers and exporters (Katsikeas and Al-Khalifa 1993). These studies can be thought of as mostly focusing on the exploratory stage of the relationship building process. In the later stages of expansion and commitment, international interaction is heavily influenced by cultural exchange (Wilson and Moller 1988). Adaptations need to be made not only to product capabilities or organizational practices, but also to attitudes and values (e.g. Wilson and Moller 1988, Ford 1984). Karunanarathne, Johnston and Rao (1996)
Agency-client relations, consumer behavior and inter-organizational relations, designed process. Relationship building.

The literature on the dissolution of relationships can be found in four different disciplines (romantic relationships, agency-client relations, consumer behavior and inter-organizational relations, e.g., joint ventures). To consider the ending of relationships as the obverse or flip side of building relationships would be overly simplistic (Dwyer, Schurr and Oh 1987, Baxter 1983). In the context of romantic relationships, Baxter (1983) observed that the ending of relationships have a steeper slope in the sense that they occur more quickly than the process of relationship building. She also noted that endings are usually unilaterally initiated as opposed to the bilateral initiation indicative of the relationship formation process.

In the study of client-agent relationships, various reasons for switching have been identified. Doyle, Corstjens and Michell (1980) identified dissatisfaction with agency performance and changes in the client and agency’s marketing policies and management as some of the major factors in the decision to switch. Buchanan and Michell (1991) found that account variables (such as client size, age of the account and previous account switch), organizational variables (such as account size and agency size), and industry variables (such as industry risk) were some of the structural factors underlying switching decisions. Changes in top management, organizational structure, and environmental uncertainty have been mentioned as some of the other important variables in predicting failure in agency-client relations (e.g. Michell 1987, Michell and Sanders 1995).

In the consumer behavior literature, switching of products and brands by consumers is addressed as “variety seeking behavior” (Van Trijp, Hoyer and Inman 1996). These authors classified variety-seeking behavior as “true variety seeking behavior resulting from intrinsic motivation” and “derived variety seeking behavior resulting from extrinsic motivation.” “Intrinsically motivated switches” (Van Trijp et al. 1996) are those sought for the purposes of bringing variety and stimulation (McAlister and Pessennier 1982). “Extrinsically motivated switches” (Van Trijp et al. 1996) may be externally imposed (e.g., a stock-out) or freely selected due to “situation-specific preferences” (p. 282). On the basis of an empirical study involving Dutch consumers, Van Trijp et al. concluded that variety seeking behavior is more likely to occur: (1) for products that evoke lower rather than higher levels of involvement, (2) when the perceived differences between brands are small, and (3) when customers do not have a strong preference for a brand. Thus, level of involvement, availability of alternatives and the absence of a strong preference emerge as important predictors of brand switching behavior.

Economic reasons appear to have the greatest impact on the termination of joint ventures. Joint ventures will be unstable if the contributions of the partners are asymmetric over time (Porter and Fuller 1985). Park and Ungson (1997) empirically identified the following economic reasons for joint venture termination: direct competition between partners, overlap in product-market scope, and issues in technology transfer.

On the basis of an empirical study of joint ventures having at least one U.S. partner, Geringer and Hebert (1991) concluded that dissolution is highly correlated with the perceptions of the parent firms as to how the ventures performed relative to their initial objectives. Blodgett (1992) cited unequal ownership shares (inter-organizational factors) and host country policies (external factors) as some of the major reasons for renegotiating joint ventures. In the context of marketing channel relationships, Robicheaux and Coleman (1994) posited that the internal (organizational factors) and external political economies (environmental factors) form the antecedents of channel relationship structure.

Ring and Van de Ven (1994) explained that cooperative inter-organizational relationships can terminate as a result of either endogenous or exogenous factors. According to the authors,

Cooperative inter-organizational relationships may terminate for exogenous reasons (e.g., a natural disaster, a shift in a political regime, the death or sickness of a party) or for reasons endogenous to the organizational parties (e.g., a shift in organizational commitments, structural

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Ring and Van de ven (1994) also proposed that the imbalances between formal and informal mechanisms used to govern inter-organizational relationships would increase the likelihood of dissolution. Another major reason for switching mentioned in the literature (e.g. Low 1996) is that the transaction cost equation can change overtime. As mentioned earlier, firms enter into partnering relationships in order to minimize transaction costs in the first place. Over time, it is possible that, for either of the firms, the costs of partnership can exceed the benefits derived from being in the relationship, thus forcing them to explore other alternatives (including the search for a new partner). Such switching behavior is not easy, and it entails switching costs or relationship termination costs which would include, among others, the relationship dissolution expenses, the relationship-specific assets, any collateral damage, the partner’s residual punitive capability, and the perceived replacement costs (Scheer and Smith 1996).

Switching Behavior

On the basis of a review of the extant literature, there appear to be two major components of switching behavior, namely, the internally-triggered switch and the externally-triggered switch. The internally-triggered switch captures both the intra-organizational factors of the involved parties and the inter-organizational dynamics of their relationship. In other words, this relationship termination is caused by “endogenous” factors (Ring and Van de ven 1994). On the other hand, the externally-triggered switch represents relationship termination brought on by “exogenous factors” (Ring and Van de ven 1994) or external environmental variables. These two switches are explained below with examples.

In the internally-triggered switch, importers (or exporters) end or scale back relationships due to the perceived inability of their partners to meet their expectations with respect to such variables as price, delivery, or quality. Rigidity of expectations along channels tends to increase with time (Ford 1980). Moreover, the age of the relationship does not reduce opportunistic behavior (Johnson, Cullen and Sakano 1996). The potential for suppliers to default on their promises (Gronroos 1994) increases in the international context as they operate in a different organizational context than the importers. A relationship can be broken off because of a single failure in delivery (Ford 1984). Unforseen events may take place in the context of the partner's organizational environment that were not anticipated during the evaluation stage which can make joint problem solving or conflict resolution techniques inadequate. Although comprehensive relationship marketing involves employee empowerment (Laskin and Evans 1994), problems can arise from employee unrest or managerial defection. The judgment call for the partnering firms in such situations is whether to increase their offsetting investments and structural bonding with the failing partner or to act opportunistically and switch to another firm (thus breaking a promise in turn for a one already broken). Although termination of relationships for varying from the contract can be considered 'normal' behavior, firms in long-term relationships can make informal adjustments that allow flexibility for some deviations from the contract requirements. Joshi and Stump (1996) provided the example of a retailer unwilling to impose contractual penalties on a manufacturer for late deliveries since “they know the manufacturer will be accommodative when the retailer impinges on the contract at some later time period” (p. 130).

The externally-triggered switch is driven by changes in the global environment or the operating national environment of the partnering firms. In this case, sweeping changes in the economic, social, technological, or legal environments can take place making the exporter’s or importer’s cost structure noncompetitive, thus pressurizing either of the parties to switch in order to remain profitable. Inclusion of a low cost neighboring country into a free trade area can leave low cost suppliers in countries outside the free trade area in a disadvantaged position. An international norm or regulation recommending the strict enforcement of physical environment standards can automatically make some firms unprofitable. Thus, the externally-triggered switch can be looked at from an organizational ecological perspective where certain suppliers will be “selected out” (Bruderer and Singh, 1996) by a changing environment. However, Darwinian theories do provide for species variation that implies that strong willed importers and exporters can still pull together for the purpose of influencing the

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environment. Firms can actively lobby their governments by forming political groupings to exclude them from changes or to give them time to make adjustments. The judgment call for the importing firm in this switch situation is whether to maintain the relationship in a dramatically altered cost scenario by trying to restore the supplier's competitive position, or to act opportunistically and switch in order to avoid the huge investments of time and money that will be needed to influence and offset the environmental changes.

**THE MODERATING ROLE OF CULTURE**

Studying the termination of long-term relationships requires a balanced approach that considers not only economic factors but also the relevant socio-cultural factors. This is due to the fact that alliance behavior has both economic and social dimensions (Saxton 1997). In previous studies (e.g., Parkhe 1991, Child, Markoczy and Cheung 1992), national culture has been shown to moderate the relationship between structural variables and the performance of joint ventures (Park and Ungson 1997). Park and Ungson (1997) contended that informal institutions such as norms and values of a society play an important role in the durability of joint ventures. Norms form an essential part of the cultures of groups and organizations and typically reflect the central cultural values in which they are embedded (Mannix, Neale and Northcraft 1995). Park and Ungson (1997) urged the study of the role of the nationalities of the involved parties in the following manner:

An evaluation of any cross-border joint venture should consider the nationalities of each partner and specifically how the values and institutions embedded within these nationalities lead to potential cooperation in the presence of potential competition between two partners (p. 284).

Moreover, switching for new economic opportunities can entail high "emotional" or "psychological costs," especially after several years of interaction thus requiring the study of the influence of cultural norms on switching behavior. Ring and Van de Ven (1994) suggested that:

The level of motivation and commitment to a relationship is an inverse function of the anxiety associated with needs to (a) feel included, (b) sense predictability in the responses of others, and (c) feel secure in that things are as they appear. Termination of a relationship implies that some or all of these needs have gone unfulfilled. Therefore, it is not only in the economic but also in the psychological best interests of the organizational parties to find ways to preserve their socially embedded relationship. (p. 107).

Switching conditions entail judgment calls that have "human factor" implications (Zahra 1987) such as restructuring and job termination. Judgment calls in these situations are made not only on the basis of economic criteria, but also on personal values and individual aspirations (Zahra 1987, Andrews 1980). Emotional costs also include the loss of reputation, as the parties involved in dissolution might not be looked upon as attractive partners by others (Park and Ungson 1997). The tendency to maintain or switch relationships in the face of such emotional costs would most likely depend on the cultural norms of the interacting firms.

The use of culture as a moderating variable in turn brings the question of the appropriate level of analysis. Culture of the exporting and importing firms can be thought of at four different levels of analysis: the individual, the buying group, the organization, or the society at large. Arguments abound in the literature as to the relevance of each of these levels. In some cases, certain individuals on both sides would be singularly responsible for building and maintaining long-term exporter-importer relationships. Such relationships may wither when key individuals move to other organizations. Sometimes, individual inter-personal affinities might be strong enough for individual agents to change sides and act on behalf of the other company (Ford 1980). The top management or other individuals of the decision making group then must step in to restrain the individual agent and force adherence to those actions considered to be in the firm's best interests.
Buying and selling decisions are usually made in groups, therefore, the buying center or the buying group should be the focus of attention as opposed to the individual (Woodside, Taylor, Pritchett and Morgenroth 1977). Exporting and importing firms attempt to reduce cultural distance by setting up local offices and employing local nationals in their selling and buying groups as their businesses grow (Ford 1980). Thus, there are two different frames here. One is the general frame of the organization, and the other is the local frame of the buying group (Wilson and Moller 1988). The more heterogeneous or multi-cultural the organization, the more independent the buying group will be, with a lot of learning potential (Wilson and Moller 1988).

Relationship analysis should occur at the organizational level (Spekman and Johnston 1986). The composition of the buying group and the group's "independent" local cultural frame only seek to serve the ultimate interests of the organization, and hence its global frame. Organizations can have their own cosmopolitan cultures distinct from those of the society or of the individuals and groups within the organization (Dawar, Parker and Price 1996). National or societal culture can have a significant effect on the culture of organizations. Indeed, nations create competitive advantages by means of their own unique organization of their economic activities (Porter 1990). Each organization's culture will have a dominant imprinting from its national environment. Thus, a managerial frame, in turn, would include the generalized and internalized variables of the society in question (Wilson and Moller 1988).

The focus of this paper is on the effect of national or societal culture on switching behavior. National culture is the set of collective beliefs that distinguish people of one nationality from those of another (Hofstede 1980). It is a central organizing principle of employees' understanding of work, their approach to it, and the way in which they expect to be treated" (Newman and Nollen 1996). Hofstede's (1980) indices capture societal cultures in a robust manner. The four main indices are that of individualism-collectivism, power distance, masculinity-femininity, and uncertainty avoidance. Although Hofstede's indices are not a dichotomy in the sense that the value of these indices can range from low to high across a continuum, the paper considers societies and their respective organizations to possess high or low levels of each of the four cultural indices. For example, the U.S. is generally regarded as a society with 'high' levels of individualism. Likewise, Japan is regarded as a highly collectivistic society. Hofstede's dimensions are a means to identify the commonalities that make specific groups of nationals relatively homogenous within and heterogeneous without (Ralston, Gustafson, Cheung and Terpstra 1993). His indices are widely used in various cross-cultural studies at different levels of analysis. Rao and Rallapalli (1996) used these indices in a study of inter-cultural sales teams. The level of analysis for which the indices were used is that of the group or the sales team. Karunaratne, Johnston and Rao (1996) employed the indices to study cultural interactions between the exporting firm and the importing agent. In this case, the pertinent levels of analysis were the firm and the individual. Dawar, Parker and Price (1996), Chow, Shields and Chan (1991) and Shackleton and Ali (1990) utilized Hofstede's indices at the level of the society. Thus, Hofstede's indices are widely used at all levels of analyses in cross-cultural research. Kale (1995) contended that national culture will shape organizational culture along with the culture of a firm's employees. He pointed to the evidence in the literature (e.g. Lessem 1990) to suggest that "established firms depict organizational cultures which in turn reflects the values, beliefs, and goals of the national culture of the country" (p.446). Thus, national culture leaves its imprint on individuals, groups and organizations.

**HOFSTEDER'S NATIONAL CULTURAL INDICES**

**Individualism and Collectivism**

Individualism (Hofstede 1980), as a cultural construct, measures the importance placed on the welfare of the individual as opposed to the group. The importance of the group is reflected in collectivism. In individualistic cultures, "people look after themselves and their immediate family members only," whereas in collectivistic cultures, "people look after the interests of larger groups and collectivities in exchange for loyalty" (Hofstede 1980, p.390). In individualistic societies, individuals "can pursue private interests irrespective of their bearing on the interests of others, whereas in collective societies, obligations toward collective well being supersed the..."
pursuit of personal gains" (Parsons and Shils 1951). Wagner (1995) equated collectivism with “cohesiveness, commitment, or conformity” and where person-group relations are perceived as enduring and important (p. 154).

On the other hand, individualism is based on the assumption that person-group relationships are fleeting in nature (Wagner 1995, p. 154). “Selfishness” for individualists means attending to personal objectives and ignoring group interests, whereas “selfishness” for collectivists implies catering to group interests even at the expense of personal desires (Wagner 1995). Individualists will value cooperation only when it leads to the attainment of personal benefits that cannot be achieved by working alone (Wagner 1995).

The thesis that individualism does not bode well for relationship formation or maintenance is not new. Horney (1937) held that individualism carried the seeds of potential hostility that pervade all human relationships. The advantages of collectivism, in creating stable long-term relationships, has been studied in detail in the Japanese context by various authors (e.g., Gerlach 1992). The norms of reciprocity are more prevalent in collectivistic Japan than in the individualistic U.S. (Johnson, Cullen, Sakano and Takenouchi 1996). The ‘Guanxi’ or ‘special relationship’ in the context of China, another collectivistic country, always involves a reciprocal obligation (Leung, Wong and Wong 1996). On the basis of an empirical study of college students, Wagner (1995) concluded that collectivists cooperate more than individualists. Kale (1995) stated that during the review process of transnational strategic alliances, collectivistic societies will tolerate the pitfalls of their partners with the focus of the review process being the long-term survival of the relationship. On the other hand, “cultures with high individualism are more prone to opt out of unsatisfactory relationships than low individualistic cultures, and one would expect more frequent dissolution of transnational strategic alliances than low individualistic cultures compared with those from low individualistic cultures” (Kale 1995, p.447).

When both the importers and exporters hail from individualistic cultures, although there is cultural congruency which bodes well for relationship formation (Karunaratne, Johnston and Rao 1996), the chances for cultural adaptation of the respective buying and selling teams of importers and exporters (Rao and Rallapalli 1996) are limited. When adversity arrives in the form of an internally-triggered switching condition, individualistic importers will not hesitate to switch, and would in fact expect their individualistic exporters to appreciate their stance as internalized values of individualistic cultures do not support norms of reciprocal obligation when there is no mutual benefit. Thus, the psychic costs of switching are low in this scenario.

When importers hail from individualistic cultures, and exporters hail from collectivistic cultures, the cultural incongruency provides more opportunities for cultural adaptation. Adaptation can range along a continuum from a complete adaptation to the other party’s values and beliefs or a complete insistence on one’s own cultural standards (Kohls and Buller 1994). The interaction of importers and exporters having different cultural values can give rise to interesting learning opportunities, but only to a limited extent. This is because complete adaptation is not possible when importers and exporters hail from their own firmly entrenched disparate cultures. Hill and Levenhagen (1995) contended that when a formalized mental frame such as a cultural mind-set is already existent, learning becomes mostly ‘single loop’ or of the first-order. In first-order learning, the focus is on convergence and adaptation. Any major overhaul of values and beliefs requires ‘double-loop’ or ‘second-order’ learning which requires explicit top management initiation and guidance (Hill and Levenhagen 1995). Some of these linear first-order adaptations might find their way into the organization at large, but the dominant frame of the organization is not expected to change. As interactions between importers and exporters that vary widely on the levels of individualism and collectivism expose each other to the differences in cultural norms, the norms of collectivistic obligation will no longer be alien to the individualistic partner. Even though the individualistic temptation to switch during an internally-triggered switching condition is a factor, the norms of collectivist obligation filtered into the importers’ (or exporters’) organization will potentially cause them to ‘flirt’ with the idea of tolerating slack because of unpredictable circumstances. Thereby, this would strongly suggest against switching from their collectivistic partners during an internally-triggered switch. On the other hand, the collectivistic partner would be exposed to the individualistic demands on ‘mutual gain’ and hence most likely collaborate to remove inefficiency conditions and other inter-organizational aspects underlying this type of switch. When both importers and exporters hail from collectivistic cultures, their collectivistic mental frames would be reinforced in their relationship thereby placing pressure on importers not to switch.

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To sum up, individualism and collectivism as cultural constructs are construed to be negative and positive factors respectively in maintaining relationships. It is expected to be sufficient if one of the interacting parties has a collectivistic orientation. Park and Ungson (1997) contend that to the extent one or both partners in a joint venture are strongly concerned with norms of reciprocity, informal institutions such as values, beliefs and norms will resolve disputes, reduce opportunism and facilitate cooperation (p. 285). They also empirically established that U.S.-Japanese joint ventures are less likely to dissolve than U.S.-U.S. joint ventures.

Of course, the extent to which any relationship breaks up would depend to a certain extent upon the nature of the perceived dependency between the parties to the relationship. In this case, one would certainly expect that the more perceived dependency between the parties, the less likely that the level of national individualism of the home countries would have an effect upon the potential for an internally triggered switch. It is therefore likely that perceived dependency will have an effect upon switching behavior.

Maintaining a relationship during an externally-triggered switching condition involves more risk than an internally-triggered change as this type of change directly involves the operating environment of the partners. In the externally-triggered switching condition, it is a question of “bottom-line” conditions (Kale 1995) that one would expect from a relationship. Individualism, and even ‘strains’ of individualism filtered into the collectivistic organization (as a result of mutual interaction and adaptation) will dominate the decision making process to switch. Partnering firms (importers or exporters) from highly individualistic societies will switch to prevent the chances of being selected out by the environment no matter whether the partnering firms come from collectivistic societies or not. A limited understanding of the collectivistic obligation as a result of first-order learning is insufficient to maintain the relationship under this condition of extreme adversity. Moreover, collectivistic firms (importers or exporters) will also switch when their partners come from individualistic societies. It is only when both interacting parties are collectivistic that attempts will be made to influence the environment such as involving respective governments in negotiations thereby facilitating the evolution of a new ‘organizational species,’ (borrowing the terminology from organizational ecology) to withstand the environmental adversity underlying an externally-triggered switching condition. In other words, even if one of the interacting parties is individualistic, an externally triggered switch will take place. In this case, since the externally-triggered switch is brought about by national or global environmental changes, the likelihood of perceived dependency to affect the process will be lessened.

Power Distance

Power distance (Hofstede 1980), as a cultural variable, captures the acceptance of hierarchies of power in a society. Hofstede defined power distance in the following way: “Power distance can be defined as the extent to which less powerful members of organizations within a country accept the unequal distribution of power” (p. 390). People in high power distant societies follow the organizational hierarchy in a rigid manner, tend to centralize decision making, and do not believe in participative management (e.g. Wong 1985, Tayeb 1988, Newman and Nollen 1996). Newman and Nollen (1996) contended that the efficacy of participation is dubious in high power distance cultures as participative management will be viewed with fear, distrust and disrespect (p. 756). High power distance does not facilitate either dialogue or dissent (Gottlieb and Sanzgiri 1996), and the emphasis on harmony is basically against dissent or conflict, which as a matter of fact can result in creativity and change (Overvold 1987). While workers in Japan, a country with high power distance, are allowed to express their opinions on improving efficiency conditions though a process known as kaizen, they are not encouraged to propose ideas that contradict the basic practices or disturb harmony (Taka and Foglia 1994). At the organizational level, high power distance would pose a barrier to effective communication, thus underutilizing the potential for interaction. This would occur because power distance has an inverse relationship to a society’s openness to objective sources of new information (Dawar, Parker and Price 1996). Except for close associates, high power distance implies a general distrust of others (Dawar, Parker and Price 1996). Firms belonging to cultures with low power distance will focus more on equity and fairness, whereas firms belonging to cultures with high power distance will resort to the use of coercion to influence their partners (Kale 1995). Low power distance is also associated with decentralization that gives everyone a say in decision making (Nakata and Sivakumar 1996).
sum up, low power-distance will facilitate effective and fair interaction, whereas high power-distance will foster an environment of distrust and coercion. Thus, low power-distance is conducive to the maintenance of relationships.

In an internally-triggered switching condition, if both the interacting parties have low power distance, then there will exist tremendous opportunities for enhanced communication in order to inquire into the causes underlying the switching condition and devise steps to rectify both intra-organizational and inter-organizational causes. Again, borrowing from cultural adaptation theory (e.g. Kohls and Buller 1994), if at least one of the parties has a low power-distance, then there is the opportunity for the other party to understand the need for a "barrier free communication." Such a communication can facilitate a meaningful enquiry into the causes of the internally-triggered switching condition and allow for remedial action to prevent or minimize the chances of a recurrence of such an adverse situation. Finally, when both parties come from societies with high power distance, the ineffective communication, distrust, and lack of willingness to share information will make it difficult to indulge in productive conflict resolution techniques. Again, the propensity to switch will be affected by the perceived dependency between the partners to the relationship.

On the other hand, for an externally-triggered switch, both parties will have to come from societies with low power distance to embark on detailed negotiations involving strong information sharing and the generation of new ideas to muster the economic and political resources that are necessary to coax the environment. Even if one of the interacting parties (importers or exporters) belongs to a society with high power distance, the mutual forthcoming required will be absent thus preventing detailed discussions on how to overcome adversity. The partnering firm coming from a society with high power distance will either attempt to 'coerce' (Kale 1995) the other party to get the maximum out of the changed situation (if it has higher power) or simply accept the changed situation (if it has lower power) without attempting to find solutions to preserve relationships. In other words, even if one of the interacting parties has a high level of power distance, switching will take place. The effect of mutual dependency would again be lessened in an externally-triggered switch.

**Masculinity and Femininity**

Masculinity (Hofstede 1980, p. 390), as a cultural construct, measures "the value placed on material things, power, and assertive behavior as opposed to the value placed on people, and nurturance" which is captured by femininity. Masculine cultures "value achievement and abhor failure, whereas feminine cultures value affiliation and view failure as much less important" (Newman and Nollen 1996). Examples of masculine countries include Japan and the United States. Feminine countries are exemplified by Scandinavian countries such as Norway and Sweden. Societies with high masculinity display a pattern of assertiveness and aggressiveness (Kale 1995). Aggressive bargaining has been found to contribute negatively to building cooperative relationships (Perdue and Summers 1991). Firms belonging to countries with high masculinity will precipitate conflicts whereas firms in low masculinity countries will prefer harmonious reconciliation (Kale 1995). Kale (1995) stated that "while the bottom line would be important for both masculine and feminine societies, firms in feminine societies will place greater emphasis on non-monetary factors like bonds of interpersonal friendship and the psychic aspects of relationship" (p. 448).

In an internally-triggered switching condition, if at least one of the parties is feminine, the psychic costs of switching (e.g., the emotional costs of potential unemployment and loss of security and association) will be high for the other interacting party due to first order learning and the resultant linear adaptation and understanding of the other party's concerns. If both parties belong to societies with high masculinity, then the emotional costs of switching will be low due to mutual lack of attention to relationship aspects. In this case, the effect of perceived dependency may be lessened by the nature of the societal characteristics inherent in masculinity/femininity.

During an externally-triggered switching condition, partnering firms (importers or exporters) from societies with high masculinity will switch no matter whether the exporters are feminine or not. This is because of the relatively high value that masculine societies place on monetary achievements that are threatened severely due to the changed competitive scenario as a result of environmental changes underlying the externally triggered condition.

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Also, as discussed earlier, the chances of 'second order' learning to take place are low. Moreover, even feminine importers will switch when their exporters are masculine. Only when both parties are feminine, efforts will be made to stick to the relationship due to the reinforcement of mutual beliefs in maintaining the relationship. One would again expect that the effect of mutual dependency would be lessened in the externally-triggered switch.

Uncertainty Avoidance
Uncertainty avoidance (Hofstede 1980), as a cultural construct, measures the extent to which people in certain societies try to avoid uncertain, and risk taking situations by adopting strict codes of behavior. Hofstede (1980) defined uncertainty avoidance as “the extent to which the members of a culture feel threatened by uncertain or unknown situations (p. 390).” Societies with low uncertainty avoidance are more risk taking (Nakata and Sivakumar 1996) and exhibit greater acceptance of dissident behavior. Cultures with high uncertainty avoidance tend to be distrustful of new ideas or behaviors because of their low tolerance for ambiguity (Dawar, Parker and Price 1996). Societies with high uncertainty avoidance will design elaborate control systems to account for losses and gains (Kale 1995). On the other hand, societies with low uncertainty avoidance will show greater tolerance in accounting for rewards and losses and will tend to attribute poor performance to environmental factors that are uncontrollable (Kale 1995, p.446). Thus, low levels of uncertainty avoidance are conducive to the maintenance of relationships.

Importers and exporters get into long-term relationships to avoid uncertainty in the first place. However, the relatively unpredictable nature of internally-triggered and externally-triggered switching conditions forces importers to re-evaluate their relationships. When both the interacting firms are from societies that are low in uncertainty avoidance, then the relationship will be maintained during an internally-triggered switch due to their mutual tolerance in “accounting for rewards and losses” (Kale 1995). When either of the two parties belong to societies that are low in uncertainty avoidance, they will not switch during an internally-triggered switching condition no matter whether the partnering firms are low or high in uncertainty avoidance. This is because of the first order learning effects as explicated earlier in regards to other cultural indices. Only when both the importers and exporters are high in uncertainty avoidance, will an internally-triggered switching take place. Perceived mutual dependency will again have an important effect on the likelihood of this type of switch.

In summary, the internally-triggered switch can either be driven by the internal economy and polity of either of the partnering firms. The externally-triggered switch is driven by the external polity and economy of either of the partnering firms. However, during an externally-triggered switching condition, both the interacting parties will have to be highly risk-taking in order to maneuver their way out of sweeping environmental changes. In other words, both parties will have to possess low levels of uncertainty avoidance. Even if one of the parties belongs to a society with a high level of uncertainty avoidance, its basic requirement of accountability for losses and gains will foster an externally-triggered switch. In other words, even if one of the interacting parties is high in uncertainty avoidance, switching will occur.

As a result of the preceding argumentation, the hypothesized relationships can be seen in Figure 1.
The following propositions are therefore posited:

P1: If switching conditions are internally triggered, the tendency for one of the parties in an exporter-importer relationship to switch out of the relationship will depend upon the levels of individualism, power distance, masculinity, and uncertainty avoidance exhibited by the parties to the relationship.

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More specifically:

P1a: There will be a high likelihood of internally-triggered switching if the dyadic partners both exhibit high levels of individualism, power distance, masculinity, and/or uncertainty avoidance.

P1b: There will be a moderate likelihood of internally-triggered switching if one dyadic partner is high and the other dyadic partner is low in individualism, power distance, masculinity, and/or uncertainty avoidance.

P1c: There will be a low likelihood of internally-triggered switching if both dyadic partners exhibit low levels of individualism, power distance, masculinity, and/or uncertainty avoidance.

P2: If switching conditions are externally triggered, the tendency for one of the parties in an exporter-importer relationship to switch out of the relationship will depend upon the levels of individualism, power distance, masculinity, and uncertainty avoidance exhibited by the parties to the relationship.

More specifically:

P2a: There will be a high likelihood of externally-triggered switching if at least one of the dyadic partners exhibits high levels of individualism, power distance, masculinity, and/or uncertainty avoidance.

P2b: There will be a low to moderate likelihood of externally-triggered switching if both of the dyadic partners exhibit low levels of individualism, power distance, masculinity, and/or uncertainty avoidance.

**IMPLICATIONS AND CONCLUSIONS**

Empirical validation of the framework presented in Figure 1 should proceed first with examining specific pieces, as the testing of the whole framework at once would require a huge effort considering the different combinations of countries involved. In order to test the framework, definitions for operationalization of the key study constructs, internally-triggered and externally-triggered switching, are provided by Ring and Van de Ven (1991, p. 107). It should be recalled again that this paper assumes that organizations, although not necessarily monolithic, have a dominant frame of cultural thinking derived from their respective societies of origin. Certainly the indices developed by Hofstede (1980, 2001) can be used for measurement of national cultural dimensions. With the increasing attention paid to transnational companies, it is possible that organizations can have multiple frames derived from multiple cultures with no particular one being dominant. Studying the switching behavior of these transnational firms would also be worthwhile.

One important underlying characteristic of the discussion in this paper is that the maintenance of relationships is analyzed post hoc. That is, long-term relationships are already assumed to exist between the interacting parties, and what is examined is the potential for serious strain. Thus, the collectivistic “in-group” notion is also extended to include the other party, regardless of whether it is collectivistic or not. This may not always happen in practice. Certain cultures, although collectivistic, will not extend the “in-group” attitude outside their own cultures. For instance, Johnson, Cullen and Sakano (1996) reported that Japanese firms (in spite of their collectivistic orientation) in fact act more opportunistically in international joint ventures than their individualistic American counterparts. Therefore, certain cultures, even when characterized by positive attitudes for maintaining relationships like low power distance or low uncertainty avoidance, might not have the same attitudes for an “out-group” relationship. This behavior calls for more investigation.

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Another area for further examination is that of the fifth dimension of national culture that was added by Michael Bond to the other four identified by Hofstede, Confucian Dynamism. This long-term versus short-term focus may also have a bearing on the parties to a relationship. While this dimension was not addressed in the present paper, it merits additional consideration in future empirical research. One last consideration, given the previous discussion, involves the nature of the possible importers involved in these relationships. Merchant importers may be less inclined to focus on long-term relationships than non-merchants. Future research could examine differences in the types of partners to the relationships under investigation.

The major implication of this paper is that relationships once formed should not be taken for granted. Both partners should constantly monitor both their internal organizational and operating external environments, and make timely adaptations and adjustments to contextual changes. Also, firms interested in maintaining relationships should develop a strong and independent organizational culture characterized by low levels of individualism, power distance, masculinity, and uncertainty avoidance. This independent culture should be fostered the strongest at the interface level of the interacting organizations, namely, the international purchasing and sales departments. Special efforts are necessary in developing an independent organizational or sub-unit culture if the national culture is contradictory. Training seminars for employees working at the interface, formal and informal interactions with employees from the other culture and organized exchange programs are some of the steps that can be taken toward this effort. Apart from relationship maintenance, this paper also has implications for relationship termination especially triggered by changes in the external environment. Only when there is a congruency in the four national cultural dimensions (collectivism, low power distance, femininity and low uncertainty avoidance) that enhance relationship maintenance, will it even be worthwhile for importers and exporters to conceive of ways to save the relationship. Otherwise, during an externally triggered switch due to environmental factors, interacting international firms are better off by terminating their relationship.

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Exploring the Impact of Culture and Acculturation on Consumer Purchase Decisions: Toward a Microcultural Perspective

INTRODUCTION

Over the last ten years, the body of literature that explores the complex relationship between culture and consumption has grown exponentially. One of the lessons learned from studying social psychology is that cultural affiliations have significant impact on the way people view the world and that these views ultimately affect behavior (Manstead 1997). Seemingly, there is agreement in the marketing literature that culture greatly influences the way consumers perceive and behave (Hall 1977; McCracken 1988; Clark 1990). The dramatic demographic shifts that are occurring in the United States serve as a catalyst to the study of how intra-country cultural differences affect consumption behavior (Wellner 2002). Although studies dealing with aggregate national cultures help to gain an understanding of subcultures (Clark 1990) or microcultures, the focus of this research is not international; rather the intent is to understand the impact of subcultures, often referred to as ethnicities, within a national boundary. This paper seeks to explicate the impact of intra-national cultural differences within the specific context of the United States on consumption-oriented behavior. From a managerial perspective, many companies are discovering that success depends on utilizing opportunities to meet the needs of previously ignored microcultural groups. Marketers, in order to more effectively reach their target markets, must have an understanding of how intra-national cultures impact product-specific purchases by consumers. The terms subculture will be used to indicate the ethnic subgroup within the United States. The term microculture will be used to indicate smaller segments within subcultural groups. Both terms imply a theoretical relationship to a broader culture (Thompson and Troester 2002).

RESEARCH ON SUBCULTURES WITHIN THE UNITED STATES

The international marketing literature contains numerous studies concerning behavioral differences in consumers across nations (e.g. Brass 1991; McCarty and Hattwick 1991; Hafstrom, Chae et al. 1992; Lynn, Zinkhan et al. 1993; Nakata and Sivakumar 1996: Chu, Spires et al. 1999; Steenkamp, Hofstede et al. 1999; Husted 2000). Although this research has made significant contributions toward understanding differences between nations, there appears to be a gap in the literature about subcultural differences within national boundaries, or intra-national differences (Andreasen 1990; Heslop, Papadopoulos et al. 1998). For example, in a review of consumer behavior-related articles in five top academic research journals from 1993 – 1996, Jacoby et al. (1998) found that research on minority groups was scarce. This dearth of activity may be attributed to what Valencia (1989) calls "ethnic marketing myopia from ... academia" (p.23). Concurrently, marketing practitioners have stressed that understanding culture is very important when attempting to market to ethnic groups (Gore 1998). Despite the increased importance of cultural-related research in marketing, only a limited amount of attention has been given to ethnic subcultures and consumer acculturation (O’Guinn and Faber 1985; O’Guinn, Lee et al. 1986; Kara and Kara 1996). This research gap handicaps marketers when making tactical decisions related to ethnic, or subcultural, marketing. An understanding of subcultural differences is essential for greater success in comprehending and capitalizing on differences that exist within a nation.
Holland and Gentry (1999) used three eras to describe the research on ethnicity and marketing. The first era is pre-1960 when ethnic groups were largely ignored. The second era began about mid-1960s and continued until about 1980. During this period, research focused almost exclusively on intra-national subcultural differences between African-American and White consumers. The third era, which began in the early 1980s and continues today, is depicted by studies on a wide variety of ethnic groups, chiefly defined by country-of-origin that examine differences in culture that drive consumption. We propose the next era will be a focus on microcultures.

Demographic Shifts
An understanding of the demographic shifts within the United States underscores the need for intra-national cultural research. As subcultures, also referred to as microcultures, increase in size, marketers must develop knowledge of consumer characteristics and group-level preferences to more effectively deploy resources (both human and capital) to meet and exceed the growing needs of these markets. The United States Census Bureau reports that African-Americans, Hispanics and Asians make up the fastest growing groups in the United States. In 2003 Hispanics became the largest minority community in the United States. In some major cities, such as Los Angeles and New York City, the “minority” population outnumbers the “non-minority” population. The growth of ethnic subcultures in the United States is expected to continue. It is estimated that by 2010, one in three American children will be African American, Hispanic or Asian (Schwartz and Exter 1989). Thus a full one-third of the U.S. market will be made up of ethnic subcultures. It is essential to know if these subcultures have the same consumption needs as the dominant culture and respond to the same to marketing tactics. Different consumer needs and responses require different marketing tactics and in some circumstances, different marketing strategies altogether.

A HISTORICAL PERSPECTIVE ON ORIGINS OF ACCULTURATION RESEARCH
Although acculturation can affect one or both cultures, most researchers working with ethnic groups in the United States have assumed that change primarily affects the minority ethnic group, which is expected to become more like the dominant group (Keefe 1980). Historical United States attempts to “Americanize” immigrants provide some insight into to this paradigm. In the early 1900s, fervent nationalists saw new immigrants as a threat to American culture. The U.S. Immigration Commission declared that assimilation was essential. Those who would not assimilate were not welcome. With the coming of World War I, the Americanization movement gathered momentum as ads depicting the “path to heaven” were displayed. The ads suggested that in order to reach heaven, one had to achieve economic and social success, and become American (Herrmann 1997).

Because of the Americanization efforts, in the early 1900s many of the European immigrants quickly assimilated. These early immigrants viewed the adoption of the prevailing culture as necessary for success. In contrast, recent trends indicate that the new immigrants no longer desire to be fully assimilated. Instead, many want to maintain their cultural identities (Miller 1993; Rossman 1994; Alba and Nee 1997; Dittgen 1997). These changes have prompted researchers to drop the analogy of the United States as a melting pot in which all ethnic groups eventually mix their characteristics and traits into one pattern (Hirschman 1983). Analogies such as a salad bowl, in which each group maintains significant aspects of identity (Romano 1995) and a mosaic (Rossman 1994), in which different cultures combine to form a diverse country, have been used to describe the changing attitudes toward assimilation. In addition, changes in immigration policy during the 1980s and 1990s have altered the makeup of immigrants. During this period, Europeans accounted for only ten percent of legal immigrants; Asians made up about one-third and Hispanics nearly one-half of legal immigrants (Dittgen 1997).
Acculturation and Assimilation Research

The concept of acculturation originated in the field of anthropology and has been studied extensively in anthropology as well as sociology and psychology. Redfield, Linton and Herskovits (1936) define acculturation as "...those phenomena which result when groups of individuals having different cultures come into continuous first-hand contact, with subsequent changes in the original cultural patterns of either or both groups" (p.149). In 1954, the Social Science Research Council defined acculturation as, ...culture change that is initiated by the conjunction of two or more autonomous cultural systems. Acculturative change may be the consequence of direct cultural transmission; it may be derived from non-cultural causes, such as ecological or demographic modifications, induced by an impinging culture; it may be delayed, as with internal adjustment following upon the acceptance of alien traits or patterns; or it may be a reactive adaptation of traditional modes of life. Its dynamics can be seen as the selective adaptation of value systems, the processes of integration and differentiation, the generation of developmental sequences, and the operation of role determinants and personality factors (Barnett, Siegel et al. 1954, p. 974).

While changes may occur in the dominant culture, the subculture or both groups, according to Berry (1977), in practice acculturation tends to produce more substantial change in one of the groups. Although both the immigrant and the host culture undergo changes, the impact of immigrant cultures on the mainstream host culture is relatively insignificant compared to the influence of the host culture on the individual (Kim 1985). The immigrants' need to adapt to the host culture is greater than the host cultures' need to include aspects of the immigrant culture due to the larger number of people in the host culture compared to the number of immigrants and to the dominant resources of the host society that inhibit the immigrant culture from having the greater influence.

According to Yinger (1985), assimilation within new immigrant groups includes changes in four dimensions: structural, cultural, psychological, and biological. Structural change refers to the degree to which the immigrant has integrated the associations and institutions of the host culture. Cultural change refers to the degree to which values and norms of the immigrant group come to match those of the host. Psychological change is a change in an individual's self-identification with one's ethnic group. The fourth change, biological change, involves the genetic mutation of an immigrant group so that the physical differences between the immigrant and host group are diminished.

Many researchers have used the term acculturation and assimilation interchangeably, or in some cases, the meanings have overlapped (Gordon 1964). To add to the confusion, different disciplines use the terms to mean different concepts (Berry and Annis 1974; Padilla 1980). For example, sociologists like Gordon (1964), typically use the term "assimilation" to describe encounters between ethnic groups and the cultural negotiation process to find common ground. In contrast, anthropologists prefer the term "acculturation" to describe the same cultural negotiation process (Gordon 1964). A review of the consumer acculturation literature reveals a similar inconsistency. Therefore, it is important to relay the predominant difference between assimilation and acculturation in terms of their usage in the consumer acculturation context and the net outcome of the cultural negotiations. While assimilation occurs when an immigrant fully adopts mainstream values and gives up his/her cultural heritage, acculturation can occur when some elements of the mainstream culture are added without abandoning the native culture (Berry 1980; Padilla 1980; Wallendorf and Reilly 1983; Jun, Ball et al. 1993; Rossman 1994).
Thus, the traditional view is that acculturation is more of a continuum, where there are varying levels of acculturation in each subculture. At one end of the continuum is the unacculturated extreme where the consumer’s heritage is the strongest influencing behavior. At the other end is the acculturated extreme, where the consumer is fully assimilated to the host culture and has adopted the prevailing consumer behavior of the host population (Hair and Anderson 1972). Although Hair and Anderson (1972) use the term “acculturated extreme” in their continuum to refer to a fully assimilated consumer, we feel the term “assimilated extreme” should be used. By using assimilated extreme, there is less confusion in the understanding of assimilation versus acculturation.

Acculturation simultaneously occurs at both group and individual levels (Berry 1980). Literature in anthropology and sociology focuses on the group factors of acculturation, such as relationship to socialization, social interaction, and mobility (Olmedo 1979). The psychology literature emphasizes individual characteristics such as change in perception, attitudes, values and personality (Berry 1980; Peñaloza 1989).

Consumer Acculturation
Consumer acculturation is a subset of acculturation and socialization. While acculturation is more general, consumer acculturation is specific to the consumption process. Consumer acculturation can be seen as a socialization process in which an immigrant consumer learns the behaviors, attitudes and values of a culture that are different from their culture of origin (Lee 1988).

The study of ethnicity in consumption is relatively new in marketing literature, and there is debate on whether the constructs of ethnic identity and acculturation are identical because they both rely on similar measures such as language, reference group influence, adherence to cultural customs, and food preferences to operationalize them (Hui, Joy et al. 1992; Webster 1994). Although some researchers support the idea that these constructs are independent, the prevailing practice in consumer research has been to use the same set of indicators to operationalize both the ethnicity and acculturation constructs (Hui, Joy et al. 1992). Peñaloza (1994, 1995) suggests that ethnic affiliation is negatively related to consumer acculturation such that the more a person affiliates with his or her ethnic community, the less are his or her chances to adapt to and adopt mainstream values and behaviors. Hui et al. (1992) disagree that ethnicity is opposite to acculturation, arguing that ethnicity and acculturation may be related phenomena, but can evolve separately. They contend that some immigrants can be somewhat acculturated to the dominant culture but still maintain strong ethnic identification. In a study of Korean sojourners in the United States, Jun et al. (1993) found support that acculturation is different from cultural identification and that both dimensions are influenced by different factors. Although exploratory in nature, their research found that cultural identification is influenced by preferences for permanent or temporary residency. Those who want to remain in the host society tend to identify more with the host culture. Those who viewed their stay as temporary identified more with their culture of origin. Acculturation level was affected by the place (urban/rural) in which a person was raised and the amount of direct contact with the new culture. People from rural areas were more hesitant to abandon their traditional culture. Those from urban areas had more direct contact with the host culture and more readily adopted the host culture. Webster (1994) views ethnic identity as a subset of acculturation and assimilation as a mode of acculturation. In Webster’s study, ethnic identification is operationalized by determining which language is used in the home (Spanish/English/Both Equally). Webster believes the combination of ethnic identification and self-identification captures assimilation dimensions. Laroche, Kim and Tomicuk (1998) state that the primary difference between the two constructs is that ethnic identity measures focus on maintenance/retention of the culture of origin and acculturation measures focus on acquisition of the host culture.
Figure 1: Microcultural Purchase Outcome Model

Our review of the literature related to ethnicity and acculturation in consumer behavior research revealed several gaps:

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<th>GAP #</th>
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<td>1</td>
<td>Need for more intra-microcultural research</td>
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<td>2</td>
<td>A lack of integrative research in relation to consumer acculturation studies</td>
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<td>3</td>
<td>Additional research is needed on acculturation measurement scales</td>
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<tr>
<td>4</td>
<td>More research is needed on product category breadth in current academic research in microcultural, or ethnic, consumption</td>
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Following is a summary of the literature review and the gaps we identified.

One of the first studies in marketing that combined ethnicity and consumer behavior was carried out by Hirschman (1981). This research identified relationships between Jewish ethnicity and levels of consumer innovativeness. Hirschman concluded that ethnicity may be a useful determinant of consumption patterns. Her research suggests that ethnic norms may influence competency in making purchase decisions. Based on this study, researchers extended Hirschman’s work and began to concentrate more on specific microcultural groups.

Research that focused on ethnicity was undertaken, especially for the Hispanic and Asian U.S. cultures. Hispanics—Webster (1990-91) found differences in attitudes toward marketing practices between Anglos and Hispanics who possessed varying degrees of subcultural identification. These differences were present even after social class and income effects were removed from the analysis. In another study, Webster (1992) found significant differences between Hispanics who strongly identified with their subculture versus those who did not in terms of information search patterns associated with reference groups, advertising, in-store search and miscellaneous readership. The research concludes that different strategies are required to reach language-based segments within the Hispanic subculture.

Kara and Kara (1996) found that Hispanics high in acculturation were more similar to Anglos in terms of the utilities placed on product attributes of selected products. In addition, differences in advertising effectiveness and media preferences between Hispanics low in acculturation and Hispanics high in acculturation have been found. For example, Ueltschy (1997), when researching preference for language and ethnicity of the models in advertisements, found that Hispanics low in acculturation preferred advertisements in Spanish compared to high-acculturated Hispanics who preferred English language advertisements. A surprising finding in this research was that Hispanics low in acculturation preferred advertising personalities that were Anglo instead of Hispanic, despite their preference for advertising messages in Spanish.

O’Guinn and Faber (1986) conducted a study to determine if Hispanics and Anglos differed in their importance ratings of different product attributes. When the product was a nondurable (detergent), few significant differences were found between the groups. In contrast, when the product was a consumer durable (television sets),
significant differences were found between Anglos and Hispanics in their ratings of attribute importance. Additionally, there were also differences between low and high-aculturated Hispanics.

Asians - Research on the acculturation in the Asian ethnic group provides similar findings. Tan and McCullough (1985) found that a high level of acculturation to Chinese values was associated with a high reliance on price and quality, whereas a low orientation was associated with a high preference for image. McCullough, Tan and Wong (1986) found that Chinese values were slowly disappearing because of Western influences. Lee and Um (1992) found that mixed acculturation patterns contributed to differences between Korean immigrants and Anglo-Americans in consumer product evaluations. Specifically, highly acculturated Koreans, as compared to less acculturated Koreans and Americans, were more likely to adopt American cultural styles by observing what their friends buy, taking friends' advice on purchase recommendations and listening to advertising.

The preponderance of research on ethnicity has focused on broad ethnic categorizations. These categorizations lump people across nationalities and regions into one group such as “Hispanics” or “Asians” based on similarities in language, region of origin, or visual phenotypical distinctions (skin color, hair color and consistency, etc.). Previous research ignores the fact that many national/regional origins make up a particular ethnic category. For example, in the 2002 Census, there were over 38 million Hispanics in the United States, however, the percentages breakdown of Hispanics showed approximately 66% are of Mexican decent, 14% of Central or South American origin, 9% of Cuban origin and 6.4 percent of other nationalities. Individuals from these various countries of origin, under the category of Hispanics, are assumed to be similar, e.g., behave in the same manner, despite significantly different cultural referents and experiences. Demographic, psychographic, behavioral and/or geographic differences are likely to exist within broad categories, such as Hispanic, as they do in the Anglo-American microculture. Attempts to generalize findings to all “Hispanics” or all “Asians” may be made in error as acculturative processes may impact members differently. As an example, Kang and Kim (1998) found significant differences between three Asian-American groups further supporting the argument that the acculturative processes impact people differently. In essence, there are likely to be significant intra-microcultural differences. As such, the authors contend that there is a gap in consumer acculturation studies:

Gap 1: Lack of intra-microcultural research

We propose that there are intracultural differences which directly effect purchase decisions. To effectively understand and sell to microcultures marketers must know who those consumers are.

We propose that there are differences in the consumer behavior of microcultures:

P1: There is a difference in consumer purchase behaviors based on the consumer’s microculture.

Anthropological Studies in Consumer Research

Studies in the area of consumer research that employ anthropological techniques are rare, although more recent research exhibits an increase in such interest (e.g. Arnould and Wallendorf 1994; Belk Wallendorf, and Sherry 1989; Hill 1991; Maso-Fleischmen 1996; Mehta and Belk 1991; Peñaloza 2000; Schouten and McAlexander 1995; Sherry 1990). The time-consuming nature and high costs associated with this type of research may explain the reluctance to conduct anthropological studies (Arnould and Wallendorf 1994).

In the area of consumer acculturation, Reilly and Wallendorf (1984) unobtrusively sampled collections of garbage from Mexican-American and Anglo households in a U.S. Southwestern urban area to determine whether a
pattern of acculturation emerged. Seven years of garbage from various census tracts were analyzed. They found that the subjects in their sample were not following the traditional assimilation paradigm and that food consumption patterns of Mexican Americans differed behind those of Anglos. More recently, Peñaloza (1994) and Peñaloza and Gilly (1999) have employed anthropological methodologies in several studies. In one study, Peñaloza (1994) took the role of participant-observer to study Mexican immigrants' consumer acculturation in the United States. In another study, Peñaloza and Gilly (1999) used ethnographic methods to examine market- ers' processes of multicultural learning and adaptation to immigrants. We believe these anthropological inquiries offer deep insights into not only what these acculturating consumers do, but also why.

Sociological Studies in Consumer Research

The sociological perspective favors theories of linear assimilation first outlined by Park (1950), who posits a process that is "progressive and irreversible" (p.150) based on stages of contact and culminates in the complete adjustment of the new entrant to the dominant culture. This theoretical strand is now most closely associated with the work of Gordon (1964). Based on his seminal studies of immigration to America, Gordon argues that all of the categories of identity create, through historical circumstances, a sense of group identity--of people- hood. He believed the dominant culture in the U.S. was of Anglo-Saxon origin. This cultural standard, "...the middle-class cultural patterns of, largely, white Protestant, Anglo-Saxon origins..." (Gordon 1964, p. 72) represented the direction and eventual outcome of immigrant entry to the United States. All immigrant populations regardless of their origins and initial differences melt toward this U.S. cultural standard (Jribu 1988).

Several researchers have adopted a sociological perspective in consumer acculturation literature. Jun, Ball and Gentry, (1993) in a study of Korean acculturation, developed a model of acculturation based upon the delineation of cultural identification from the level of acculturation. They found that there are various types of adaptation processes, and they also found these two constructs (cultural identification and level of acculturation) are distinct, which contrasts with the view that considers cultural identification is subordinate to acculturation. Kang and Kim (1998) found that the level of acculturation experienced by three Asian-American consumer groups (Chinese, Japanese and Korean) had an effect on purchase decisions for social clothes (i.e. clothes worn in public places). Specifically, the three groups displayed differences in reference group influence, media influence and store attribute importance and the patterns depended on the level of acculturation.

In a more recent study related to assimilation, and applying Gordon's (1964) framework, D'Rozario and Douglas (1999) found that Asians used different sources of information depending on the type of assimilation (cultural, identificational or structural). The product under consideration was formal clothing. According to the findings, cultural assimilation related positively to the individual searching a wide variety of sources for product information; identification assimilation related positively to one's tendency to look to advertisements for information and structural assimilation related negatively to the individual's tendency to use friends and family as product information sources. We believe these sociological inquiries help to identify broad patterns of behavior and cultural adaptation across members of microcultures.

Psychological Studies in Consumer Research

The psychological view of acculturation gained prominence in the social sciences in the mid-to-late 1960s (Olmedo 1979). Foremost theorist Berry (1997 p. 8), defines acculturation as "the general process and outcomes (both cultural and psychological) of intercultural contact." Berry (1980) suggests that there are three-phases to acculturation: contact, conflict and adaptation.

Berry (1990: 1997) views the process of acculturation within a coping framework. He emphasizes the negative psychological consequences brought on by cross-cultural contact, which may cause personal problems when
adapting to the new environment. As a result, personality and cognitive factors such as self-esteem and attitudes toward acculturation are seen as predictors of acculturative stress. Berry and colleagues found that marginalization and separation are associated with high levels of acculturative stress. Berry suggests that marginalization occurs when there is neither interest in maintaining one's cultural identity nor maintaining relationships with others in the larger society. Thus marginalization often occurs under forced cultural loss or when discrimination is present. Separation occurs when it is of value to maintain cultural identity and of no value to participate in the larger society (1997). In contrast, when it is not considered of value to maintain one's cultural characteristics and is desirable to move into the larger society, assimilation results. Integration involves both the maintenance of cultural identity and the maintenance of relationships in the larger society (Berry 1980). Integration is associated with a low level of stress, while assimilation is connected with an intermediate stress level (Berry, Kim et al. 1987).

An approach that combines sociology and psychology is Kim's communication theory of cross-cultural adaptation (1998, 2001). Through a process of progressive learning called "communicative interaction" between an immigrant and the host society, individual cultural adaptation takes place (1998, 2001). It is through communicative interaction that individuals experience a transformation in their psyche and cultural identity. In this theory people experience a continuous cycle of adaptation from a monocultural to an intercultural identity. The more acculturated an individual becomes; the more similar are his/her attitudes and values to the host society.

In the area of Psychology, many consumer behavior researchers have examined the ethnicity construct as opposed to the acculturation construct. For example, Ellis, McCullough, Wallendorf and Tan (1985) found that Chinese ethnic values were exhibited by an American (Anglo) sample, suggesting that a reciprocal relationship exists, that is that both the host and immigrant group can affect the other's ethnicity. Shim and Eastlick (1998) found that ethnic identification can serve as an important factor that influences personal values as well as attitudes and patronage behavior for shopping at malls.

Concerning ethnicity and psychographics, Eckman, Kotsiopulos and Bickle (1997) found differences between higher income Hispanic and non-Hispanic consumers in terms of demographics, psychographics and perceived importance of store attributes, use of information sources and store choice. Findings suggest that Hispanic consumers were less likely to participate in cultural activities and to seek advice but were more likely to be "experimentalists" and "proeducators". Items such as services, language, resource management, pricing and comfort were more important to Hispanics. This suggests that there are real, discernable differences within microcultures, based on social class.

In a study that investigated shopping orientations of adult Chinese and Filipino-American consumers, Ownbey and Horridge (1997) found differences in orientations depending on acculturation level. Fan (1998) investigated household expenditure patterns for three ethnic subgroups: Asian-Americans, Black Americans and Hispanic-Americans. Using data from the Consumer Expenditure Survey, the Consumer Price Index, and the Commerce Cost of Living Index, five household expenditure patterns were identified: shelter-dominated, food-and-utilities-dominated, health-care-dominated, transportation-dominated, and service-dominated. Fan found that all three ethnic groups were significantly different from non-Hispanic white households in terms of these household expenditure patterns.

TRENDS IN CONSUMER ACCULTURATION STUDIES

Three trends have appeared in consumer acculturation studies: (1) the concepts of ethnic identity, (2) strength of ethnic affiliation and (3) situational ethnicity. The first trend is the increasing use of ethnic identity to classify...
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The objective perspective in defining ethnic identity uses sociocultural categories, while the subjective perspective derives ethnicity from the labels that people give to identify their own ethnic background (Deshpande, Hoyer et al. 1986). The self-identification of ethnicity evolved from the problems that researchers faced when attempting to classify people into various ethnic groups. Frequently, assignment to an ethnic group is based on indicators such as surname (Hoyer and Deshpande 1982; Zmud and Arce 1992), area of residence (Wallendorf and Reilly 1983) or city (Saegert, Hoover et al. 1985). This can lead to misclassifications: 1) objective interpretation errors where indicators are misread and 2) inaccurate weighting of indicators (e.g., assuming that surname is less relevant than language). Because of the potential for misclassifications, many researchers have adopted the self-identification method to measure ethnicity or ethnic identification (Cohen 1978; Hirschman 1981; Valencia 1982; Minor 1992). The assumption of this latter method is that ethnic self-identification reflects the internal beliefs of individuals about their perceptions of cultural reality. Combinations of subjective and objective measures have also been used to study Hispanic consumption (Deshpande, Hoyer et al. 1986).

The second trend has been an increasing reliance on the degree of ethnic affiliation, often called strength of ethnic identification (Webster 1994), to operationalize, or in some instances, substitute acculturation measures. This concept was inspired by Padilla’s (1980) “ethnic loyalty” which is defined as “...the individual’s preference of one cultural orientation over the other” (underline in original, p.48). The degree of ethnic identification has been used in lieu of traditional acculturation scales as an indicator of the degree of acculturation (Kim, LaRoche et al. 1990). Using this approach, Hirschman (1981) found that the strength of Jewish ethnicity was positively related to, among other things, consumption innovativeness, and transfer of consumption innovation to others. Deshpande, Hoyer and Donthu (1986) found differences in Spanish media use, attitudes toward advertising and brand purchasing behavior within the Hispanic subculture, all based on the intensity of ethnic affiliation. Donthu and Cherian (1992) found that strong Hispanic identifiers had a higher degree of ethnic pride and were less responsive to coupons than low Hispanic identifiers. Some researchers have used multidimensional measures of the strength of ethnic identification (Padilla 1980) and others have relied on one measure, such as language usage (e.g. Webster 1992) to operationalize the construct. In addition, some researchers prefer to use a dichotomous measure of ethnicity (i.e., high vs. low ethnic identifiers), while others have utilized multichotomous or continuous measures (Hui, Joy et al. 1992).

The third development in consumer acculturation research has been called situational ethnicity or felt ethnicity (Stayman and Deshpande 1989). Situational ethnicity is based on the notion that the acculturation process may vary depending on the context in which behavior occurs. The underlying premise is that people take different roles in their daily lives and these roles may bring into play different levels of acculturation or ethnicity (O’Guinn and Faber 1985). Consequently, a consumer’s consumption behavior can exhibit a considerable degree of situational variability depending on which personal meanings are salient in a given consumption context (Stayman and Deshpande 1989; Zmud and Arce 1992).

The dominant approaches to studying consumer acculturation need to be synthesized in order to arrive at research that is emically valid. The current trends in consumer acculturation studies lack integrative theories where, for example, the strength of ethnicity is examined as both objectively and subjectively defined categories that are contextually salient. Thus we contend that additional research is needed to create a seamless integration of approaches.

Gap 2: Lack of integrative research in relation to consumer acculturation studies.
Based on the model, the degree of consumer acculturation will moderate the relationship between microcultures and purchase decisions, we propose:

P2: The degree of acculturation moderates the purchase outcome: the higher the degree of acculturation the less similar the purchase result with other members of the microculture.

P3: The extent to which a microculture reacts to marketing is moderated by the degree of acculturation: the higher the degree of acculturation, the less likely the reliance on marketing tactics for product information.

MEASUREMENT OF ACCULTURATION CONSTRUCTS

Measures of acculturation typically attempt to determine the extent to which a person has adapted to a new culture (Magaña et al. 1996) and the resulting behavioral changes that occur as a result of the contact (Ward and Arzu 1999). There has been a great deal of variation in the measurement of acculturation and ethnicity in both the social sciences and the consumer behavior literature. Some factors, either individually or in combination, that have been considered in the measurement are language, reference groups, intermarriage, identity, culture (Laroche, Kim and Tomiuk 1998; Lee and Um 1992; Peñaloza 1989; Suinn, Rickard-Figueroa, Lew and Vigil 1987; Valencia 1985), and religion (Hirschman 1981). Communication based measures, such as media usage, have also been used (O'Guinn and Faber 1985; Kim, Laroche et al. 1990). Because language is the primary medium for the flow of cultural elements (Barnett, Siegel et al. 1954), it is viewed as one of the most important indicators of acculturation, and has been the most widely used factor in measuring acculturation (Olmedo 1979). Language-based scales contain questions about to what extent, and where (social and physical contexts), one's native language versus English is spoken.

In Padilla's (1980) study of 381 respondents, two factors were found to measure the degree of acculturation. The first factor, cultural awareness, consisted of the respondent's cultural heritage, the cultural heritage of the respondent’s spouse and parents, language preference and use, cultural identification and preference and social behavior orientation. The second factor, ethnic loyalty, consisted of cultural pride and affiliation, perceived discrimination, and social behavior orientation.

Olmedo (1980) suggests a multivariate approach when measuring acculturation. Berry (1980) advocates independent measurement at the group level in terms of history and purpose of contact and at the individual level in terms of the interpersonal and intrapersonal experiences. Although researchers agree that multidimensional measures are necessary, several researchers have circumvented the use of these scales and opted for a self-judgement with regard to strong or weak identification to the original culture (Dana 1996). This trend also has appeared in the consumer acculturation research. Dana (1996) argues that self-judgments are too simplistic and are insufficient for the accurate measure of acculturation. The majority of acculturation scales used in consumer acculturation studies have focused on behavioral indicators. There are indications that psychological scales are being developed in the social sciences (Tropp, Erkut et al. 1999), which may lend themselves to consumer studies exploring the psychological aspects of consumption and acculturation.

Empirical research is needed to identify the “best” indicators of consumer acculturation. Thus gap 3 is the lack of research testing the validity of specific self-judgment measures, behavioral indicators and psychological scales.

Gap 3: Lack of research on consumer acculturation measurement scales.
As identified, there needs to be more empirical research on acculturation measurement scales that are specific to the consumer acculturation process. Thus after the identification of the consumer microculture, researchers need to utilize a measurement tool that determines the degree of consumer acculturation of each individual in the microculture(s) under study. We believe there needs to be more research that related to the measurement of consumer acculturation. An integrative measure of consumer acculturation will provide more accurate and realistic measures. As integrated acculturation measurement scales are developed and tested, the accuracy of the data on the degree of consumer acculturation will increase and the importance and value of acculturation as a moderating variable will become increasingly apparent. The research indicates that the degree of acculturation impact subcultural purchase decisions. We believe this premise can be extended to the microcultural level. Future tools that measure acculturation level should take into account microcultural factors. Although there are many suggested determinants of consumer acculturation level (i.e. language, length of time in the host country, miscegenation, religion, media sources, etc), there needs to be more agreement in variables that should be used in measurement.

P4: Integrative, microcultural consumer acculturation tools (scales) will produce more reliable and valid results for predicting microcultural purchase decisions or outcomes.

A Proposed Approach to Assessing and Studying Consumer Acculturation

Based on the model depicted in figure 1, we propose the following steps in research involving microcultures:

<table>
<thead>
<tr>
<th>Step</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Identify microculture(s)</td>
</tr>
<tr>
<td>2</td>
<td>Determine measurement of the degree of acculturation</td>
</tr>
<tr>
<td>3</td>
<td>Determine product type</td>
</tr>
<tr>
<td>4</td>
<td>Determine whether differences exist in purchase outcomes</td>
</tr>
</tbody>
</table>

In the first step, it is necessary to not only define the microculture, but also the subgroups within the microculture, that is the more specific breakdowns of ethnic groups within the bigger microcultural group. This will allow the market researcher to understand nuances between the microcultures that impact the purchase preferences and decisions. This will also add to the knowledge about the consumer acculturation process. This can be accomplished using many of the same techniques used in market segmentation studies. Segments that are homogenous within but heterogeneous between groups should be identified.

In step two, the level of acculturation, depicted as a moderator in the model, is determined. As mentioned earlier, several different methods may be utilized. These authors advocate the multidimensional approach to the measurement of acculturation as suggested by Olmedo (1980) and others (O’Guinn and Faber, 1985; Valencia, 1985). After the variables to measure the level of acculturation are selected, categories into which individual respondents will be placed must be chosen. The most used categories in the consumer acculturation literature are high versus low levels of acculturation. Although over simplistic, these categories provide a convenient
method of comparison. Some researchers have added a middle category to capture some of the depth missing in this dichotomous variable. More effective methods of categorization should be explored.

Step three is to identify the product type. The product type, also depicted as a moderator, has an affect on how the consumer responds. In the preponderance of research on acculturation, product types have been value expressive products. Value expressive products carry highly symbolic attributes. These products are subject to the social and psychological interpretation of the buyer or user of the product. In contrast, a utilitarian product is purchased for the functional aspects of the product (Midgley 1983). The concept of value expressive versus utilitarian products has been used extensively in advertising research. We contend that these concepts should be applied to acculturation research as well. There is currently an over-reliance on value expressive products (i.e. clothing and food) in acculturation research which may seriously skew our understanding of consumer acculturation, perhaps indicating that members of microcultures are more generally ego invested in consumption decisions than the dominant culture where a multitude of product categories and consumption behaviors and patterns have been studied. We feel that product type will play a large role in affecting and affecting the behaviors of microcultures. Exploring product type as a moderator allows researchers to address gap 4.

Gap 4: Lack of product category breadth in current academic research in microcultural, or ethnic, consumption.

Although there is a preponderance of research on product type, very few studies explore product type, consumer acculturation and microcultural consumption behavior. As stated earlier, the majority of product research on subcultures use value-expressive products. We believe the type of product is a moderator in the relationship between microcultures and purchase decisions. Thus we suggest the following:

P5: Purchase decisions made by microcultural consumers will differ based upon the product type (i.e. value-expressive vs. utilitarian).

P6: Purchase decisions for microcultures will be different than those of the host culture based upon the product type (value expressive versus utilitarian).

Purchase outcomes, whether the consumer purchases or doesn’t purchase, will provide a wealth of information in regard to specific consumer behaviors. The outcomes can assessed in order to grasp the effectiveness of the proposed model. Additionally, we support more studies that drill down into motivational factors behind the raw purchase data (e.g., post-purchase surveys, in situ observation, and in-depth interviews).

In the proposed model, the outcome sought is the purchase of a product. As researchers we are also interested in the decision-processes consumers went through to arrive at the purchase decision. It is not within the scope of this paper to present empirical research that provides an answer to this question. Rather we propose a model that is a step toward understanding microcultural consumption behavior and the impact of culture and acculturation upon this behavior. The validity and reliability of the model must be tested with many research undertakings. Purchase outcomes must be studied in order to place weights on the moderating variables. We suggest the following:

P7: Purchase outcomes of microcultural consumers will vary significantly depending on the consumer’s level of acculturation and on the product type.

Our research propositions are further explored in the next section.
FUTURE RESEARCH AND RECOMMENDATIONS

Because the current research base on microcultural consumer behavior is sparse and because an understanding of microcultures is increasingly important to marketers, we offer the following research propositions that will address the gaps in the consumer acculturation and microcultural research.

P1: There is a difference in consumer purchase behaviors based on the consumer’s microculture.

In order to test this proposition, national research studies should be undertaken utilizing identified microcultures. Each large ethnic group (i.e. Hispanic, Asian) should be subdivided into identifiable microcultures. Data would then be gathered and each microcultural subset would be statistically tested to show the relationship between the groups and strength of these relationships. Additional post hoc tests could be utilized to assess differences in these consumers’ behavior. These data would be used to help fill gap 1 (lack of intra-microcultural research). Further these data would strengthen the proposed model.

P2: The degree of acculturation moderates the purchase outcome: the higher the degree of acculturation the less similar the purchase result with other members of the microculture.

This proposition is related to gap 2 which is a lack of integrative research in relation to consumer acculturation studies. This proposition is predicated on the development of an integrative research instrument. Additionally this research stream would utilize the output data from P1 for microcultural identification. Data from these studies would support the model which depicts the “degree of acculturation” as a moderating variable (figure 1).

P3: The extent to which a microculture reacts to marketing is moderated by the degree of acculturation: the higher the degree of acculturation, the less likely the reliance on marketing tactics for product information.

This proposition allows the integration of microculturalism into consumer acculturation studies. By subdividing ethnic groups, the true decision processes of intra-ethnic groups or microcultures can be better assessed. We feel that the best testable marketing tactics would be those variables associated with integrated marketing communication (IMC) (i.e. advertising, sales promotion, public relations/publicity, personal selling, direct marketing, cybermarketing). Differences in the utilization of product information would help guide the marketers as to where they should invest marketing funds. Additional data should be generated that identify product type, giving the proposed model additional strength.

P4: Integrative, microcultural consumer acculturation tools (scales) will produce more reliable and valid results for predicting microcultural purchase decisions or outcomes.

The fourth research proposition (P4) addresses gap 3 (lack of research on consumer acculturation measurement scales). The current scales and instruments should go through additional tests and replication in order to confirm the effectiveness, reliability and validity of the scales. Ideally a consensus would be developed on the best methods of measuring consumer acculturation.

P5: Purchase decisions made by microcultural consumers will differ based upon the product type (i.e. value-expressive vs. utilitarian).
We posit that product type is a moderator of microcultural purchase outcomes. Since there is a preponderance of studies involving value-expressive products in relation to consumer behavior, we suggest studies that focus on utilitarian products and/or both types of products. These studies would address gap 4 (lack of product category breadth in current academic studies on ethnic/microcultural consumption). The data would help verify that product type moderates the relationship between microcultures and purchase outcomes as shown in the model (figure 1).

**P6: A** Purchase decisions for microcultures will be different than those of the host culture based upon the product type (value expressive versus utilitarian).

Proposal six provides an integration of the model. It allows for the assessment of purchase decision outcomes comparison of the host culture and the ethnic group as a whole. This type of research will help fill gap four and will add to research on microcultural consumption.

**P7: A** Purchase outcomes of microcultural consumers will vary significantly depending on the consumer's level of acculturation and on the product type.

Proposition seven can be utilized to test the effectiveness of the proposed model as a whole. Additionally it helps to fill the void of research identified by gap 4.

In is our contention that there are differences in purchase decisions of microcultures. We feel that the division of subcultures will provide academicians and practitioners with better, more accurate data from which to understand acculturating consumers. Research in this area will allow greater and more accurate intracultural comparisons.

Because culture is an adaptive process, people undergoing acculturation are in a constant state of flux. The behaviors exhibited by people adapting to a consumer environment are not always easy to explain. It is for this reason that consumer acculturation processes must be more clearly understood.

While cross-cultural research, including country-of-origin studies, has provided many valuable insights into consumer behavior, we find the existing cultural comparison studies and paradigms of cultural contact are limiting and leave serious gaps in our understanding of group preferences and patterned behavior.

We also posit that the currently identified social categories are far too broad (international vs. intranational, language family vs. regional dialect) to evidence meaningful consumption patterns or be predictive of future consumption behavior. With the changing ethnic demographic in the United States, it becomes increasingly important to understand the differences and similarities between and within subcultures and the acculturation processes that contribute to those differences. Through a review of related literature, we hope this paper demonstrates the importance of a stronger theoretical framework, develops a more inclusive and realistic model for understanding intra-national, microcultural consumption patterns, and highlights the managerial relevance of understanding microcultural consumer behavior.

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