



**Hanze Hogeschool  
Groningen**  
University of Applied Sciences

Marketing

# The influence of cross-cultural differences on consumer values: a case study



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# The influence of cross-cultural differences on consumer values: a case study

# Markling

## The influence of cross-cultural differences on consumer values: a case study

Authors:

Erik Kostelijk  
Karel Jan Alsem  
Semra Anli

A co-production of:

- Markling, Hanze University of Applied Sciences, Groningen (Netherlands)
- Amsterdam School of International Business, Amsterdam University of Applied Sciences (Netherlands)
- Universidad Finis Terrae, Santiago de Chile (Chile)

November 2017

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# Preface



# Preface

## **Preface of Hanze UAS**

Brands are increasingly operating in an international context. Internet is borderless. Consumers travel all around the world. Brands encounter many new opportunities to international marketing, thus increasing their market potential. At the same time there seems to be a tendency to focus more on local identities, a seemingly opposite development! This is reflected in differences in what consumers value in different countries. Sometimes, even very close countries such as The Netherlands and Germany show important differences in cultural dimensions. For marketers, it is essential to know the local values of consumers, so they can tailor their branding and communication. Erik Kostelijk developed a new model marketers can use to analyze brand values. In this report, we show how his Value Compass can serve as a valuable tool in understanding Dutch and Chilean consumers. We are very glad that this project was possible due to the cooperation with our international partner Finis Terrae in Chile. I gratefully acknowledge Marklinq researcher and lecturer Frits van Leer, for his help in this project during his visit at Finis Terrae in 2016.

*Karel Jan Alsem, Ph.D.*

*Hanze University of Applied Sciences*

## **Preface of Finis Terrae University**

It was an honor for Finis Terrae University to be invited to participate in this research. It was the first time that our Business School has worked with a foreign professor group of study.

We were very interested and motivated in both main topics of study, Cultural Differences and Consumers Values, since they are fascinating aspects to be investigated. This research will allow our students to be enlightened about young people's

insights from Netherlands and Chile, providing useful information to marketing managers.

We not only learned useful technical tools as the Value Compass and the Hofstede's Cultural Dimensions, but also we were able to observe its practicality showing their ability to "read" society, in order to get a better understanding of consumer behavior. On the other hand, this research surprised us showing that despite cultural differences and the remoteness of our country, it seems that youth is stronger, and young people are much more similar than we would imagine. Maybe "MILLENNIALS" are the new world wide culture....

I believe this research provides enough data to strengthen the fact that culture influences values and values motivates behaviour. I expect we may see further research in order to amplify the sample of population in both countries.

Finally we would like to thank Hanze University and Erik Kosteljik for all the support, the effort and valuable work.

*Sammy Liberman, Ph.D.*  
*Business School*  
*Finis Terrae University*

# Summary

Values motivate consumer behaviour. The objective of this research was to show the impact of cultural differences on the consumer value system. The Netherlands and Chile were compared to identify to what extent differences between both cultures have an effect on what consumers value, and how this influences their preferences. The research aimed to answer the following questions:

1. What are the differences in consumer values between Dutch and Chilean consumers?
2. To what extent are differences in consumer values related to existing cultural typologies?

In the research, a cross-cultural comparison was used to answer these questions. In both countries, a student sample evaluated the importance of values in a consumer choice context. The comparison was executed by means of an online survey; the Value Compass was used as analytical tool.

## ***What are the differences in consumer values between Dutch and Chilean consumers?***

Chile and The Netherlands have a different cultural background. Consequently, we would expect differences in consumer motivations as well. In our study, however, we found both similarities and differences, both in a relative comparison of values ranked in order of importance, and a comparison from a more absolute perspective in which value ratings were compared.

There is a difference in importance rankings and importance ratings. Rankings compare the extent to which certain values are more or less important than other values. Looking at rankings is important in choice situations. For instance, a

consumer decorating his living room will come up with a completely different design if power and being successful are his leading motivations, as compared to when caring for someone is his overriding concern. In the comparison of rankings, we found that in both countries, *honesty*, *safety*, and *enjoying life* ranked among the most important values, whereas *beauty*, *prestige*, and *stimulation* ranked among the least important values. Some differences were detected as well. Values with a relatively higher importance in The Netherlands included: *functionality*, *expertise*, *fun*, *friendliness*, *caring for someone*, and *expertise*. For a Chilean consumer, values with a relatively higher impact on consumer behaviour included: *being successful*, *power*, *providing for a better world*, *being environmental-friendly*, and *smart solutions*. Returning to the consumer decorating his living room, we can expect that the design of the average Chilean living room has a somewhat different purpose than the design of a typical Dutch living room: less fun and function, but more a showroom reflecting the success and power of the owner.

In a comparison of ratings, we look at the extent to which a certain value is a more or less important motivation in Chile than in The Netherlands. For instance, when defining a positioning statement, or more operationally, when creating a tv commercial or a facebook environment, to what extent should a brand use power, or honesty, or other values as core content to get in touch with the target group. In the comparison of ratings, many similarities were observed. With respect to the value types *safety*, *functionality*, *enjoying life*, *affection*, and *beauty*, no significant differences between the two countries were found.

In the comparison of ratings, *honesty* appeared to be significantly more important for Dutch consumers (even though it is one of the most important values in both countries). In other words, adding a touch of honesty to the brand image is important in both countries, but is even more advisable in The Netherlands than in Chile. *Prestige*, *social responsibility*, and *stimulation* were found to be more important in Chile than in



The Netherlands. If a Dutch brand desires to export to Chile, it could consider to profile the brand as a bit more stimulating or prestigious in Chile, or to emphasize its social responsibility a bit more.

***To what extent are differences in value priorities related to existing cultural typologies?***

We related the outcomes of the comparison of Chile and The Netherlands by using the Value Compass with the outcomes of a cross-cultural comparison based on Hofstede's cultural dimensions. Both The Value Compass and Hofstede's cultural dimensions can be used as tool in a cross-cultural comparison. The cultural dimensions describe cultural preferences in general, without looking at specific behaviour of individuals in a predefined context. The Value Compass, on the other hand, compares motivations of individuals in a specific context, namely, a consumer behaviour context. These differences in assumptions potentially lead to differences in outcomes of a cross-cultural comparison.

Our study concluded that the two models (Hofstede's cultural dimensions and The Value Compass) only in part lead to the same outcomes. As the Value Compass was developed with actual consumer behaviour in mind, we recommend to use the Value Compass whenever the cross-cultural comparison relates to international marketing decisions.



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# Introduction

# 1

## Introduction

*Guinness' 'Empty Chair' commercial tells a story of a pint of Guinness left behind on an empty table by a bartender. The pint will stay on the table every night and also when the bar is crowded during celebrations and sporting events. No one is sitting at the table, but as soon as someone makes the attempt to sit down and drink the pint, the bartender gives a look of disapproval which make the men go away. The pint stands there every night and gives hope to the bartender that one day a man worthy of sitting at that table will come by. The exact person she is waiting for does not show up until the end of the commercial, until a soldier comes home for Christmas and claims his Guinness. Finally, the tagline appears stating: "The choices we make reveal the true nature of our character" (Guinness, 2014).*

We might add: *"Then what makes the true nature of our character?"* If our choices indeed are a product of our true nature, then in-depth knowledge of this true nature becomes an important marketing issue. We believe that an important part of our true nature is reflected in our values: the beliefs we hold about what we would like to achieve in our life, thereby driving and motivating our behaviour. For instance, if one values success, he or she would do many things to become successful, including choosing the suit, the shoes, or even the holiday destination that profiles success.

Values have an individual component, but also a cultural component. In this study, we investigate the impact that culture has on consumer behaviour, by looking at the extent that culture influences our values and thus our motivations as a consumer. We do this by means of a case study: a comparison of consumer values of two different countries, Chile and The Netherlands. Chapter 2 gives a brief overview of relevant literature, and Chapter 3 describes the methodology used in our study. Chapter 4 presents the findings of our study, and the final chapter highlights conclusions and managerial implications.



# Literature

# 2

## Literature

Values can be defined as “*enduring beliefs that a specific mode of conduct or end-state of existence is personally or socially desirable to an opposite or converse mode of conduct or end-state of existence.*” (Rokeach, 1973, p. 5). Psychological research identified six features that are central to conceptualizing values (Schwartz, 1992, 2006):

1. Values are beliefs. When values become activated, they create feelings. For instance, if *independence* is an important value to someone, he or she will become aroused if his or her independence is threatened.
2. A value is a guiding principle, referring to a desirable (end) goal. Values motivate action to pursue these goals.
3. Values transcend specific actions and situations. *Independence* as value would be relevant at work, but also with family, in sports, or in political opinions. This feature distinguishes values from narrower concepts like norms and attitudes that usually refer to specific actions, objects, or situations.
4. Values serve as standards or criteria; they enable the selection or evaluation of actions, policies, people, and events. People decide what is good or bad, or worth doing or avoiding, based on possible consequences for their cherished values. This often is an unconscious process.
5. Values are ordered by importance relative to one another. This hierarchical feature also distinguishes values from norms and attitudes.
6. The relative importance of multiple values guides action. The trade-off among relevant, compatible and conflicting values is what guides attitudes and behaviour.

Both Rokeach (1973) and Schwartz (1992) developed value systems that attempt to gain insight in the motivations that guide human behaviour. In his model, Schwartz emphasized the interrelations between values: a key aspect of his value

theory is the assumption that some values reinforce each other, while other values have a conflicting impact. For example, an individual who values *power* likely also favors compatible values such as *leadership*, or other values emphasizing the possibility to have influence over other people. *Equality*, on the other hand, emphasizes harmonious mutual relations and does not agree with having power: it is likely to be a conflicting value. Individual behaviour is a trade-off of the interplay of compatible and conflicting values. Schwartz hypothesized that the conflicts and compatibilities among value types constitute universal interrelations. He demonstrated that these relations can be represented as a circular structure. The closer values are located in this circular structure, the more similar their underlying motivations. The more distant they are positioned, the more conflicting their underlying motivations.

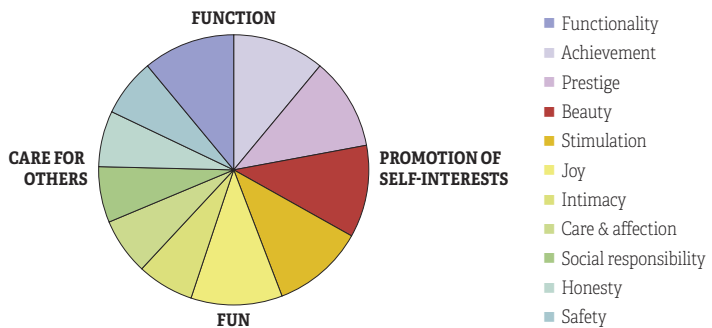
The value systems of Schwartz and Rokeach aim at an understanding of human values in general. However, a number of studies suggest that values affect behaviour only when they are activated (Seligman & Katz, 1996; Verplanken & Holland, 2002). As a consequence, for understanding the influence of values on behaviour it makes more sense to look at the activated set of values than to human values in general. Activation is context-specific, depending on the situation or the information a person is confronted with. Hence, the context should be taken into consideration when looking at the impact of values on behaviour.

This is true for the impact of values on consumption as well. Due to the emphasis on general human psychology, Schwartz's value model, as well as the Rokeach format, are not 1-on-1 applicable to the marketer. It is quite possible that some values in these models are not really important for consumer behaviour. On the other hand, consumer behaviour may also result from a number of specific values not mentioned in the psychological models. With this consideration in mind, Kosteljik (2016) designed a value system aimed specifically at the influence of values on consumer choice. Kosteljik's value system, the so-called Value Compass, is a representation of all values that play a role in consumer behaviour.



This value system was found to have a circular structure similar to the structure found by Schwartz, showing the interrelations between consumer motivations. It consists of eleven value types, each representing a specific consumer motivation (see Figure 2.1). Each value type then consists of a group of related values that can be described jointly under this denominator. For example, the value type *stimulation* includes values such as *adventure*, *being active*, and *being sportive*.

**Figure 2.1** The Value Compass.



Some values in the Value Compass reinforce each other while other values represent opposing motivations. This can be seen in the figure by looking at the mutual distance between values. Values with a more similar meaning, such as *care & affection* and *intimacy* are displayed as close to each other or as adjacent 'pie points'. Values that have less in common with each other are placed at a greater distance from each other, and values representing conflicting motivations, such as *stimulation* and *safety*, are opposite to each other in the figure.

The circular structure of the Value Compass is organized along two central dimensions:

- **Fun versus Function.** This dimension represents values motivating people to improve their quality of life by making hedonic choices, as opposed to values motivating people to improve their quality of life by making utilitarian (functional) choices.

- **Promotion of Self-Interests versus Care for Others.** This dimension represents values motivating people to promote their own personal interests, to make a difference with others, as opposed to values motivating choices aimed at living in harmony with others, caring for others, and taking care of others. Among the care-oriented values, a distinction can be made between, on the one hand, caring for and taking care of close others, and on the other hand, sustainability-oriented values, promoting a sense of responsibility for the future.

The structure of the value system structure is the same for every consumer: for everyone *intimacy* and *care & affection* are related values, and *stimulation* and *safety* opposite values. However, the degree to which values are important differs from consumer to consumer: for some people, *stimulation* can be an important value, while for others *safety* is a core value. These differences make it possible to segment consumers based on dominant value patterns.

Consumers will not always be immediately aware of their values. But consciously or unconsciously, they do affect behaviour. Consider two consumers, John and Isabel. Suppose Isabel's core values are *safety* and family-oriented values like *caring for each other*, while John's consumption is often motivated by more hedonic values like *stimulation*. They are both potential visitors to Disneyland, but the underlying considerations are very different. Isabel will go to Disneyland to have quality time with her family; she will probably be wondering in advance how to drive, what attractions are suitable for the whole family and how to get to the parking lot. After all, safety means avoiding risks. However, John will especially be aware of the latest attractions, and he would like to try these. If John and Isabel have a family together, you can imagine that visiting Disneyland can be a disappointing experience for both, as they have completely different motivations, of which they are probably not always consciously aware. Because of the important influence that values have on behaviour, insight is crucial for the marketer.

Value activation depends on the context, and consumption represents a specific context that activates values. As the importance of values differs from person to persons, we can expect that individuals in the same context exhibit a different behaviour. This emphasizes the importance of an individualized analysis of behavioural patterns and their motives. But the analysis of values includes more than just an individual component. Also the cultural context has an influence on our behaviour. Culture has been defined as the “*collective programming of the mind that distinguishes the members of one group or category of people from others*” (Hofstede, 2011). This definition emphasizes the existence of cultural differences between societies. Hofstede puts values at the core of culture: he categorizes societies based on five value orientations, to which he refers as dimensions of culture (Hofstede, 2011):

- *Power distance*, the extent to which the less powerful members of institutions and organizations within a society expect and accept that power is distributed unequally.
- *Individualism versus collectivism*, the extent to which a concern for oneself (everybody is expected to look after him- or herself) is valued in society, as opposed to a concern for the collectivity to which one belongs.
- *Masculinity versus femininity*, the extent to which masculine roles (e.g., performance, material success) or feminine roles (e.g., modesty, nurturance) are prevalent in a society.
- *Uncertainty avoidance*, the extent to which the members of a culture feel threatened by ambiguous or unknown situations.
- *Long-term versus short-term orientation*<sup>1</sup>, the extent to which a society values investing in the future versus values emphasizing the here and now.

1 In his original work, Hofstede identified only the first four dimensions (Hofstede, 1980). The fifth and sixth dimension were added later (Hofstede, 2011; Hofstede & Hofstede, 2005).

- *Indulgence versus restraint*, related to the gratification versus control of basic human desires related to enjoying life.

This paper takes a closer look at the impact of culture, by examining the impact that culture has on the choices we make as consumers. For the analysis of differences in consumer preferences, the Value Compass is used as analytical instrument. Two countries are compared: The Netherlands and Chile.



RON (vzm)

ok-Slut

A photograph of a university campus scene. In the foreground, an older man in a dark suit sits on a green ornate bench, looking down at a book or folder. Behind him, a group of younger people are gathered around another bench, some sitting and some standing, engaged in conversation. The scene is set outdoors with large trees providing shade. The ground is paved with cobblestones. The word "Method" is overlaid in white, stylized text in the lower-left quadrant.

# Method

# 3

## Method

The objective of this research is to demonstrate the impact of cultural differences on the consumer value system and thus, on drivers and motivations of consumer behaviour. The Netherlands and Chile were compared to identify the extent to which differences between both cultures have an effect on consumers values, in other words, how they influence the drivers and motivations of consumer behaviour in both countries:

### **Main question**

To what extent do cross-cultural differences between the Netherlands and Chile result in differences in consumer motivations?

### **Research questions**

1. What are the differences in consumer values between Dutch and Chilean consumers?
2. To what extent are differences in consumer values related to existing cultural typologies?

The aim of the first research question is to identify value priorities in the Netherlands and Chile. These are then compared with each other in order to identify differences and similarities in consumer motivations.

The aim of the second research question is to relate the Value Compass to already existing models for cross-cultural comparisons. Both The Value Compass and Hofstede's cultural

dimensions<sup>2</sup> can be used as tool in a cross-cultural comparison. The cultural dimensions describe cultural preferences in general, without looking at specific behaviour of individuals in a predefined context. The Value Compass, on the other hand, compares motivations of individuals in a specific context, namely, a consumer behaviour context. These differences in assumptions potentially lead to differences in outcomes of a cross-cultural comparison. To analyse the extent of these differences, we compared the cross-cultural analysis of Chile and The Netherlands based on the cultural dimensions with the outcomes of the cross-cultural analysis based on the Value Compass.

## Sample

In this study, Chilean consumer values have been compared to Dutch consumer values. In order to do so, data from both Chilean and Dutch respondents were collected.

The results for The Netherlands were based on a questionnaire that was distributed among students of the Hanze University of Applied Sciences Groningen between September 12<sup>th</sup>, 2010 and September 30<sup>th</sup>, 2010. These students were randomly drawn from the student database of the university. Selected respondents received an email on September 12<sup>th</sup>, 2010, with a request to fill out the survey. This email was followed by two reminders (respectively one week and two weeks after they received the first mail). The survey was available online, respondents could access the survey by clicking on the link they could find in the email. SurveyMonkey was used to publish the survey online, and to collect the responses. To ensure a culturally homogeneous sample, only questionnaires filled out by Dutch respondents were used. To avoid that gender differences influence the outcomes, the sample was weighted by gender as to represent a sample consisting of 50% males and 50% females.

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2 We acknowledge the existence of other frameworks for cross-cultural comparison. We use Hofstede's framework as a benchmark here because, besides its shortcomings, it remains one of the most cited methods in the field.



For Chile, primary data were collected through surveys with students from the Universidad Finis Terrae in Santiago. Sampling procedures were similar to the procedures followed in The Netherlands. The survey was distributed to 700 Chilean students via a link to SurveyMonkey in an e-mail. The students received an email on April 25<sup>th</sup>, 2016, with a request to fill in the survey. The email was followed by a reminder a week later.

In both countries, the survey was distributed among students randomly drawn from the total student population, representing the different educational profiles within the university. Both universities offer a full range of educational programs; consequently, the sample frame is not biased towards a certain educational background or profile.

## Design

The Value Compass was used to measure value priorities in both samples. In the Dutch sample, the values were presented in English (Table 3.1)<sup>3</sup>.

**Table 3.1** Value Compass: value types and their marker values.

<b>Care &amp; affection</b>	<b>Honesty</b>	<b>Safety</b>	<b>Social responsibility</b>	
caring for someone family life friendliness	honesty	safety	being environment-friendly providing for a better world recycling	
<b>Enjoying Life</b>	<b>Stimulation</b>	<b>Prestige</b>	<b>Beauty</b>	<b>Functionality</b>
enjoying life excitement fun	Adventure being active being sportive	power status being successful	beauty elegance style	expertise functionality smart solutions

- 3 In the cross-cultural comparison, a shortened version of the Value Compass was used. The value types achievement and functionality were combined, as well as the value types care & affection and intimacy. Kosteljik (2016) showed that the shortened version results in a higher response, due to the shorter survey that is needed, without significantly impacting the reliability of outcomes.

For the Chilean survey, values were presented in both English and Spanish (see Table 3.2 for the translation). All instruction in the Chilean survey were given in Spanish.

**Table 3.2.** Value Compass: Spanish translations of value types and marker values.

Care & affection	Honesty	Safety	Social responsibility	
preocuparse con alguien Vida familiar amistad	sinceridad	seguridad	Respetar el medio ambiente Proveer por un mundo mejor reciclaje	
Enjoying Life	Stimulation	Prestige	Beauty	Functionality
Disfrutar la vida emoción diversión	Aventura estar active deportividad	fortaleza estatus tener éxito	belleza elegancia estilo	Experiencia, pericia funcionalidad soluciones inteligentes

In the surveys, respondents were asked to rate their own value priorities: they had to rate the relevance of each value item in a consumer choice context, by answering the question “*How important is this value for you when you have to make a choice between products or services?*”. Ratings were provided on a 5-point scale ranging from *very unimportant* to *very important*.

The ratings on the value items were used to construct value types. The respondent’s score for each value type was derived from the weighted average score of the value items representing this value type. For instance, the rating for the value type *prestige* is the weighted average of the respondent’s score on the values *status*, *being successful*, and *power*. Weights had been added since not all value markers are equally important in constructing the value type. Weights were derived from the factor loadings of marker values; Confirmatory Factor Analysis (CFA) had been used to estimate these factor loadings (Kostelijnk, 2017).

Rankings and ratings of value items and value types were compared between Chile and The Netherlands, showing similarities and differences between both countries. In this comparison, a correction was made to accommodate for culture-related differences in communication styles.

Communication styles show consistent differences between cultures. This influences the way respondents fill out surveys. Two types of culture-dependent communication styles are relevant here: extreme response bias and acquiescence bias (Cheung & Rensvold, 2000). Extreme response bias is the extent of moderate responding versus extreme responding. Extremity is reflected by a relatively higher standard deviation. Acquiescence is the tendency of respondents to give more positive answers regardless of the content of the questions (Smith, 2004). Acquiescence is reflected in a relatively higher country average rating on, for instance, Likert-scaled questions. Acquiescence was shown to be related to individualism-collectivism and to power distance: more positive answers in response to personally relevant items are found in nations that are high on Hofstede's dimensions of collectivism or power distance (Smith, 2011).

Extreme response bias and acquiescence bias complicate cross-cultural comparison (Hofstede & Hofstede, 2005; Leung & Bond, 1989). Averaging or standardization procedures can be used to reduce or eliminate the effects of these types of bias (Fischer, 2004; Leung & Bond, 1989; Van de Vijver & Leung, 1997). In our study, within-culture standardization was applied to the data<sup>4</sup>.

**Standardization does not influence the value priority ranking, and it enables comparison of the similarities and differences**

- 4 The country scores for each value type were adjusted by using within-culture standardization (Fischer, 2004). With this adjustment procedure, the value types are standardized within each country, by setting the mean response of the country at zero and the standard deviation at one, as done in z-transformation. The standardized value type scores for each country were obtained with the following calculation:

$$\text{Standardized score for value type } i (V_i) = \frac{V_i - \text{mean country score}}{\text{standard deviation country score}}$$

With this standardization procedure, differences between countries in mean value type scores (due to acquiescence bias) and differences in standard deviations between countries (due to extreme response bias) are eliminated.

of value ratings between countries (Fischer, 2004). The standardized score for each value type reflects the relative importance of the value type in a country, as compared with its importance in other countries. In our comparison, these standardized scores were used.

## **Response**

The survey in The Netherlands resulted in 850 respondents. For Chile, 139 completed surveys were collected. Respondents represented a cross-section of the student population of the two universities where the data were collected. To avoid different proportions of men and women influencing the outcomes, both samples were weighted by gender as to represent a sample consisting of 50% males and 50% females.





# Analysis and findings

# 4

## Analysis and findings

### 4.1 Introduction

This chapter presents the findings of our study. Sections 4.2 and 4.3 answer our first research question: *What are the differences in consumer values between Dutch and Chilean consumers?* Section 4.2 compares the ranking of value priorities of the two countries. In Section 4.3, we examined whether differences in rankings and ratings between both countries are relevant enough to result in differences in preferences. In Section 4.4, we explored to what extent differences in consumer values can be related to existing cultural dimensions. This section answers our second research question.

The aim of this study is to identify similarities and differences in value priorities between Chile and The Netherlands. However, we have to keep in mind that, essentially, we measured the similarities and differences of the Dutch and Chilean respondents that participated in the survey. Even though the responding students cannot be seen as being representative for the average consumer in their country, the direct comparison of two demographically similar segments gives a good indication of potential similarities and differences in comparable population groups.

### 4.2 Comparison of value priorities of Dutch and Chilean consumers

Based on the survey results, the (unstandardized) value ratings were used to create an overview of the value priorities of The Netherlands and Chile. As mentioned before, we cannot make a direct comparison of unstandardized ratings. In other words, it is not possible to make a statement such as "*Honesty is more*

important in Chile than in The Netherlands, because honesty rates higher in Chile (4.26) than in The Netherlands (4.11).” But it is possible to compare the rankings of values e.g.: “Providing for a better world is relatively more important in Chile than In The Netherlands, as it ranks higher in Chile”.

Values ranking higher in The Netherlands are printed in bold in the Dutch list; when a value ranks higher in Chile it is printed in bold in the Chilean list. Three values (enjoying life, elegance, status) rank equally high in both countries.

**Table 4.1** Comparison of value priorities, The Netherlands versus Chile.

Consumer values, The Netherlands		Consumer values, Chile	
value item	rating	value item	rating
enjoying life	4.11	enjoying life	4.32
<b>honesty</b>	<b>4.11</b>	<b>smart solutions</b>	<b>4.28</b>
<b>functionality</b>	<b>4.01</b>	honesty	4.26
<b>fun</b>	<b>4.00</b>	<b>safety</b>	<b>4.19</b>
safety	3.88	<b>being successful</b>	<b>4.14</b>
<b>friendliness</b>	<b>3.80</b>	<b>power</b>	<b>4.12</b>
<b>caring for someone</b>	<b>3.72</b>	<b>providing for a better world</b>	<b>4.11</b>
<b>expertise</b>	<b>3.71</b>	<b>being environmental-friendly</b>	<b>4.10</b>
smart solutions	3.68	<b>family life</b>	<b>4.06</b>
<b>excitement</b>	<b>3.57</b>	fun	4.04
<b>style</b>	<b>3.51</b>	friendliness	4.04
family life	3.51	<b>being active</b>	<b>4.02</b>
being successful	3.45	caring for someone	3.96
being environmental-friendly	3.43	excitement	3.95
providing for a better world	3.41	functionality	3.95
<b>adventure</b>	<b>3.40</b>	expertise	3.95
being active	3.36	adventure	3.83
<b>beauty</b>	<b>3.29</b>	<b>recycling</b>	<b>3.81</b>
elegance	3.25	elegance	3.68
power	3.18	<b>being sportive</b>	<b>3.51</b>
recycling	3.16	style	3.46
being sportive	3.13	beauty	3.32
status	2.91	status	3.12



The Dutch and the Chileans prioritise *enjoying life* over any other value, demonstrating that they value quality of life. But the perception of what exactly defines a good quality of life differs slightly between the two countries. Ranked 4<sup>th</sup> place for the Netherlands is *fun*. Also the value *excitement* receives a higher ranking in The Netherlands. In other words, a higher quality of life for a Dutch person includes more fun, and excitement than it would do for a Chilean person. Furthermore, the 2<sup>nd</sup> place for the Netherlands is *honesty*, and the 6<sup>th</sup> place for the Netherlands is owned by *friendliness*, followed by *caring for someone*, showing that the Dutch culture emphasizes harmonious caring relationships.

In Chile, human relationships seems to have a stronger element of impressing each other, perhaps even a stronger sense of hierarchy, as expressed by the higher relevance of *smart solutions*, *being successful* and *power*. Finally, the results also point out that CSR-related activities have a higher impact in Chile than in The Netherlands: *providing for a better world*, *being environmental-friendly*, and *recycling* are valued higher in Chile than in The Netherlands.

### 4.3 Testing the significance of differences in consumer values

So far, we compared value items. The next step is to look at value types, to find out whether the observed tendencies also hold on a more aggregate level. In order to do so, the value items of Table 4.1 were combined in their respective value types, by following the procedure explained in the methodology section. For example, a respondent's rating for the value type *affection* was calculated by taking the weighted average of his scores on the marker values *caring for someone*, *family life*, and *friendliness*. After calculating the ratings for each individual respondent, the country ratings for each value type were determined by taking the average over all respondents of that country.

Repeating this procedure for all value types in both Chile and The Netherlands resulted in the outcomes presented in Table 4.2.

**Table 4.2** Value type ratings of The Netherlands and Chile.

the Netherlands			Chile		
Value type	Mean	Std. Deviation	Value type	Mean	Std. Deviation
1. Honesty	4.109	1.020	1. Honesty	4.259	1.206
2. Safety	3.880	1.051	2. Safety	4.194	1.141
3. Enjoying life	3.875	0.853	3. Enjoying life	4.105	0.955
4. Functionality	3.771	0.726	4. Functionality	4.055	0.974
5. Affection	3.670	0.879	5. Affection	4.016	1.057
6. Social responsibility	3.325	0.925	6. Social responsibility	4.001	1.111
7. Beauty	3.303	0.878	7. Beauty	3.805	0.905
8. Stimulation	3.271	0.818	8. Stimulation	3.772	0.879
9. Prestige	3.134	0.878	9. Prestige	3.479	1.024
<b>TOTAL AVERAGE</b>	<b>3.593</b>	<b>1.036</b>	<b>TOTAL AVERAGE</b>	<b>3.965</b>	<b>1.108</b>

When comparing the means of Chile and The Netherlands, we can see that the Chilean respondents gave, on average, significantly higher ratings: The overall average for Chile is 3.965, as opposed to 3.593 for The Netherlands. For instance, only the highest ranked value in the Dutch value system, *honesty*, has an average ranking of higher than 4, implying that this is the only value rated between 'important' and 'very important'. On the other hand, the first six values in the Chilean value system have an average rating higher than 4.

In the methodology section we already referred to culture-related differences in response style. The way people respond to surveys is dependent on culture and this can result into two biases: extreme response bias and acquiescence bias. Acquiescence bias is the tendency to give more positive answers despite the content of question (Smith, 2004). Consequently, the acquiescence bias results in higher average scores in a Likert scale. This bias is expected to be higher in more collectivistic countries, or in countries with a higher power distance (Smith, 2011). As Chile is both more collectivistic and has a higher power distance than The Netherlands (<https://geert-hofstede.com>), the higher average scores of the Chilean respondents are in line with theory.

Extreme response bias is the result of differences between moderate responses and extreme responses. Respondents from cultures with a higher extreme response bias will, on average,

more frequently choose the ends of a scale (e.g., low scores of 1 and high scores of 5 in a Likert scale), whereas a lower extreme response bias results in a higher proportion of answers around the middle point of the scale. Consequently, a higher extreme response bias results in a higher standard deviation. From Table 4.2, we can see that Chilean respondents on average have a somewhat higher extreme response bias than Dutch respondents, reflected in the somewhat higher standard deviation.

As explained in the methodology section, within-culture standardization was used to eliminate differences in mean value type scores (due to acquiescence bias) and differences in standard deviations (due to extreme response bias). After executing the standardization procedure, we are allowed to interpret the absolute differences between values. Table 4.3 illustrates the standardized ratings.

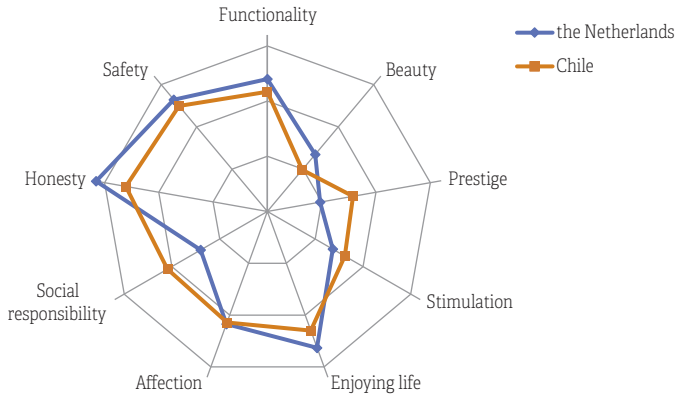
**Table 4.3** The Netherlands versus Chile: comparison of value ratings (standardized scores).

Value type	Netherlands	Chile	Effect size, Cohen's d (NS = not significant)	
1. Honesty	0.578 (1)	0.285 (1)	0.293	Small
2. Safety	0.322 (2)	0.222 (2)	0.100	NS
3. Enjoying life	0.316 (3)	0.135 (3)	0.181	NS
4. Functionality	0.200 (4)	0.087 (4)	0.113	NS
5. Affection	0.086 (5)	0.049 (5)	0.037	NS
6. Social responsibility	-0.300 (6)	0.042 (6)	-0.342	Small
7. Beauty	-0.325 (7)	-0.474 (9)	0.149	NS
8. Stimulation	-0.361 (8)	-0.157 (7)	-0.204	Small
9. Prestige	-0.515 (9)	-0.189 (8)	-0.326	Small

The effect size for each value type was calculated as  $\frac{(\text{rating for men}) - (\text{rating for women})}{(\text{standard deviation of the value type})}$ <sup>5</sup>. Based on Cohen's rule of thumb, the effect size of a standardized difference between two items (here, between the Chilean score and the Dutch score) is small if this difference is at least 0.20, medium if at least 0.50, and large if at least 0.80 (Cohen, 1992). Cohen's d lower than 0.2 implies that there is no noticeable difference between the two scores.

<sup>5</sup> For each value type, we used the standard deviation as displayed in Table 4.2.

**Figure 4.1** Value system: the Netherlands versus Chile (standardized scores).



The first observation from Table 4.3 is that, despite a couple of differences, the overall picture is one of quite similar consumer values in both countries. Honesty is in both countries the most important value, followed by safety and enjoying life. The only differences in ranking can be found at the bottom of the list: in The Netherlands, beauty is a more important consumption motive than prestige, whereas prestige is more important than beauty in Chile. In other words, when marketing a product in The Netherlands, relative more attention should be given to how it looks or how it is presented, whereas the status of the product is relatively more important in Chile. The relatively limited cross-cultural differences in value ratings were also found in a comparison of value priorities across a number of European countries (Kosteljik, 2017).

When looking at the absolute numbers, a couple of small differences were found with respect to *honesty*, *social responsibility*, *stimulation*, and *prestige*. *Honesty* is more important in The Netherlands. Apparently, the Dutch consumer puts more emphasis on trusting the brands he buys, or the message delivered by the brand. In Chile, there seems to be a higher tendency to conspicuous consumption. Conspicuous consumption is the desire to signal wealth or respect by buying brands that express prestige or status (Bagwell &

Bentheim, 1996). This is reflected in a preference for brands or products that profile more status or prestige. On the other hand, social responsibility is also somewhat more important in Chile. Figure 4.1 visualizes the differences in consumer values between Chile and The Netherlands.

#### 4.4 Consumer values related to cultural dimensions

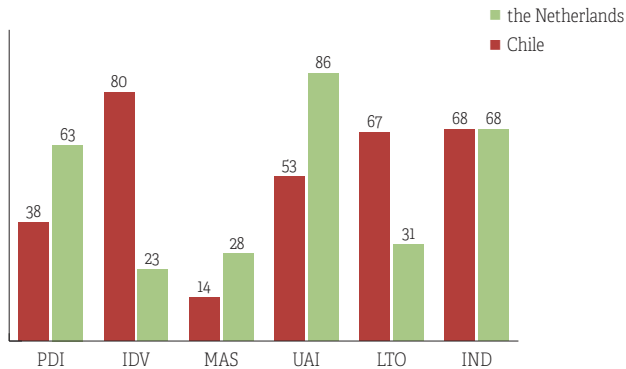
As indicated in Chapter 2, a number of cultural typologies have been developed to describe cultural differences. Despite existing criticisms, Hofstede's cultural dimensions have remained a frequently used standard when it comes to evaluations of cross-cultural differences. Therefore, we used the dimensions in this model as a reference in our analysis.

The outcomes with respect to the consumer values of The Netherlands and Chile were compared with the cultural differences between both countries according to the cultural dimensions. The comparison is explorative: it gives an indication of the extent to which cultural dimensions can be used to describe consumer value preferences, without pretending to be a statistical quantitative analysis. We also need to point out that the cultural dimensions are an outcome of a culture-level analysis: they describe a culture, not the behaviour of individuals within that culture. Obviously, the two are linked, but they are not the same. An example is formed by the values humble and social power (Fontaine & Fischer, 2011; Schwartz, 1994). At the individual level these two items are generally negatively correlated. Individuals who strive for social power typically do not value humility, and vice versa. At the cultural level, however, the average scores on social power and humble are positively correlated: in cultures where hierarchy is important, both the importance of an unequal hierarchical power distribution, and the importance of respecting this power distribution (i.e., being humble) are instilled into their members.

Figure 4.2 compares The Netherlands and Chile according to Hofstede's cultural dimensions. Below, the match between

cultural dimensions and consumer values is examined for each dimension separately. Each dimension was analysed based on its description given by Hofstede (2011).

**Figure 4.2** Cultural dimensions: the Netherlands versus Chile (<https://geert-hofstede.com>; PDI = power distance, IDV = individualism, MAS = masculinity, UAI = uncertainty avoidance, LTO = long term orientation, IND = indulgence)



### Power distance

Power distance is defined as the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally (Hofstede, 2011). With respect to power distance, we observe a low power distance in The Netherlands, as opposed to a high power distance in Chile (all citations in italics in this section were taken from <https://geert-hofstede.com>):

*“Though Chile scores lower on Power Distance than most other Latin American countries, at 63 it still occupies an intermediate to high position on this dimension. Remnants of Chile’s authoritarian past linger on in diverse fields. Organisational arrangements show taller pyramids and low degrees of delegation. Status symbols are used to underline power differences. A hierarchical social structure and rather rigid social classes are present; common cafeterias are rare, privileges for the power holders common”.*

*“The Netherlands scores low on this dimension (score of 38) which means that the following characterises the Dutch style: Being independent, hierarchy for convenience only, equal rights, superiors accessible, coaching leader, management facilitates and empowers. Power is decentralized and managers count on the experience of their team members. Employees expect to be consulted. Control is disliked and attitude towards managers are informal and on first name basis. Communication is direct and participative.”*

In the Value Compass, the value type *prestige* (particularly *power* and *status*) seem to be most strongly related to power distance. We can expect that *prestige*-related values are more important in societies with a higher power distance. The results confirm this. In our study, *power* and *status* are among the lowest ranked values for the Netherlands, and the value type *prestige* scores significantly lower in The Netherlands. For Chile, *power* is in the top 10, revealing the relative importance of this value. Concluding, the difference in attitude towards power distance is reflected in the consumer values in the two countries.

### **Masculinity versus Femininity**

A high score (Masculine) on this dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner/best in field – a value system that starts in school and continues throughout organisational life.

A low score (Feminine) on the dimension means that the dominant values in society are caring for others and quality of life. A Feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine). Both The Netherlands and Chile can be characterized as feminine countries, with The Netherlands having the strongest feminine tendencies.

*“Though difficult to detect, evidence reveals the feminine character of Chilean society with its score of 28 on this dimension. Far from being arrogant, both Chilean men and women show a modest behaviour or attitude. In Feminine*

*countries the focus is on “working in order to live”. People need to feel a sense of “belonging” within a social group; they place value on warm interpersonal links and tacitly search for the approval of their group. Consequently, they tend to be supportive team members and managers strive for consensus. People value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation. Incentives such as free time and flexibility are favoured. Focus is on well-being and status is not shown or emphasised”*

*“The Netherlands scores 14 on this dimension and is therefore a Feminine society. In Feminine countries it is important to keep the life/work balance and you make sure that all are included. [...] Managers strive for consensus and people value equality, solidarity and quality in their working lives. Conflicts are resolved by compromise and negotiation and Dutch are known for their long discussions until consensus has been reached.”*

Relevant values follow from the above description. In the Value Compass, the consumer value *being successful* is an indicator of a masculine society, whereas *caring for someone* indicates femininity. The rankings of these two values in our study match expectations. Chile, being somewhat less feminine, scores higher on being successful, and lower on caring for someone.

### **Individualism versus Collectivism**

Individualism on the one side versus its opposite, Collectivism is the degree to which people in a society are integrated into groups. On the individualist side we find cultures in which the ties between individuals are loose: everyone is expected to look after him-/herself and his/her immediate family. On the collectivist side we find cultures in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) that continue protecting them in exchange for unquestioning loyalty, and oppose other in-groups. The Netherlands is an individualistic country, whereas Chile is a collectivistic country:

*“At 23 Chile scores low on this dimension, in line with most other Latin American countries. ... [But shifts to a more individualistic attitude are possible] ... given the remarkable increase of Chile’s GDP and the fact that economic*



*development fosters individualism. However, some paternalistic practices still remain in place, particularly outside Santiago”*

*“The Netherlands, with the very high score of 80 is an Individualist society. This means there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only. In Individualist societies [...], the employer/employee relationship is a contract based on mutual advantage, hiring and promotion decisions are supposed to be based on merit only, management is the management of individuals.”*

A key aspect of the comparison is that in an individualistic society, task prevails over relationship, whereas this is the other way around in a collectivistic society (Hofstede, 2011). In terms of values, this implies that relation-oriented values are more important in a collectivistic society, whereas task-oriented values are more important in an individualistic society. Hence, *social responsibility* (taking care of the group as a whole) and *affection* are expected to be more typical for Chile, whereas Dutch consumption is expected to be more characterized by *functionality*.

This is partly supported by our study. The consumer value *Functionality* ranks third in Table 4.1 for The Netherlands, whereas it holds a 15<sup>th</sup> position in the Chilean ranking. With respect to the value items *caring for someone* and *family life*, the picture is less evident: these items score higher for The Netherlands than for Chile. However, interference with the cultural dimension *Femininity* is possible, as these items are also typical for a feminine society like The Netherlands. Also, particularly *family life* is relevant in individualistic societies as well, considering the importance of the immediate family, and this will influence consumption. With respect to *social responsibility*, we do see that these values are more important for Chilean consumers. However, interpretation of this value type needs to be careful, as it is also typical for a long-term orientation, which complicates the interpretation.

## Uncertainty avoidance

The dimension uncertainty avoidance has to do with the way a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Uncertainty avoidance is higher in Chile than in The Netherlands.

*“At 86 Chile scores high on Uncertainty Avoidance – and so do the majority of Latin American countries that belonged to the Spanish kingdom. These societies show a strong need for rules and elaborate legal systems in order to structure life [...]. In line with its high Uncertainty Avoidance score and to some extent also fostered by its authoritarian past, you’ll find great dependence on experts, the authorities, particularly among non-managerial employees”*

*“The Netherlands scores 53 on this dimension and thus exhibits a slight preference for avoiding uncertainty. Countries exhibiting high Uncertainty Avoidance maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. In these cultures there is an emotional need for rules (even if the rules never seem to work) time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation.”*

We expect that *safety* is an important value for consumption related to uncertainty avoidance. We also expect that cultures low in uncertainty avoidance have higher scores on *adventure* and *excitement*. Also, *expertise* might be more relevant in a uncertainty avoidance culture: an expert helps to reduce uncertainty. However, these expectations are only partly reflected in our results, with differences being small: *safety* is somewhat more important in Chile, whereas *adventure* and *excitement* score somewhat higher in The Netherlands. *Expertise*, however, was found to be more important in The Netherlands.

### **Long term orientation versus Short Term Orientation**

A long term orientation implies valuing the future. It is characterized by values such as perseverance, thrift, ordering relationships by status, and having a sense of shame. A culture with a short term orientation has more attention for past and present; characteristics of a short term orientation is reciprocating social obligations, respect for tradition, protecting one's 'face', and personal steadiness and stability. The Netherlands has a stronger long term orientation than Chile.

*"With a low score of 31, Chile is said to have a normative culture. People in such societies have a strong concern with establishing the absolute truth; they are normative in their thinking. They exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results."*

*"The Netherlands receives a high score of 67 in this dimension, which means that it has a pragmatic nature. In societies with a pragmatic orientation, people believe that truth depends very much on the situation, context and time. They show an ability to easily adapt traditions to changed conditions, a strong propensity to save and invest, thriftiness and perseverance in achieving results."*

*Social responsibility* values seem to have an appropriate relation with this dimension, but the relation is complex, as CSR both implies preserving the past (e.g., environmental conservation) and providing for the future. This complexity is reflected in the findings. We would expect that *providing for a better world* would be more relevant in The Netherlands (being more long-term oriented), but actually is it more relevant in Chile. An alternative is to look at the extent of conspicuous consumption, which is expected to be lower in a long term orientation (spending a lot of money now is opposite to thrift). This could imply that *prestige*-related consumer values are less important in a society with long-term orientation.

Indeed, in our study, these values appear to be more important in short-term oriented Chile, but this can also be related to the higher power distance in Chile. Values related to tradition or social obligations would have been good indicators for this cultural dimension, but these are not included in the Value Compass. Concluding, our results do not give conclusive evidence for the relation between this cultural dimension and the consumer values of the Value Compass.

### **Indulgence versus Restraint**

Indulgence stands for a society that allows relatively free gratification of basic and natural human desires related to enjoying life and having fun. Restraint is typical for a society that controls gratification of needs and regulates it by means of strict social norms. The Netherlands and Chile have both scored the same for this dimension.

*“A high score of 68 in this dimension ... [for both countries]... means that ... [they have]... a relatively Indulgent orientation. People in societies classified by a high score in Indulgence generally exhibit a willingness to realise their impulses and desires with regard to enjoying life and having fun. They possess a positive attitude and have a tendency towards optimism. In addition, they place a higher degree of importance on leisure time, act as they please and spend money as they wish”*

Hofstede's scores can be compared with *enjoying life*. According to the outcomes of our study, *enjoying life* is an important value in both countries: it is the most important value item in Chile and The Netherlands, and the value type *enjoying life* ranks third in both countries. Thus, the relative indulgent orientation in both The Netherlands and Chile is reflected in the high scores of *enjoying life* for both countries in the Value Compass.



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# Conclusions and implications

# 5

## Conclusions and implications

### 5.1 Conclusion

The objective of this research is to show the impact of cultural differences on the consumer value system. The Netherlands and Chile were compared to identify to what extent differences between both cultures have an effect on what consumers value, and how this influences their preferences. The research aimed to answer the following questions:

1. What are the differences in consumer values between Dutch and Chilean consumers?
2. To what extent are differences in consumer values related to existing cultural typologies?

#### ***What are the differences in consumer values between Dutch and Chilean consumers?***

Values motivate behaviour. This makes an analysis of values relevant for a better understanding of consumer behaviour: we can expect that consumers with differences in the values they consider central in life also exhibit differences in consumer behaviour. Culture influences the ranking of value priorities because each culture has different beliefs about how people are expected to behave, their roles, values, traditions and customs. Consequently, values play a mediating role in the impact of culture on consumer behaviour: culture influences value priorities which, in turn, influences our motivations to exhibit a certain type of (consumer) behaviour.

As Chile and The Netherlands have a different cultural background, we would expect differences in value priorities

as well. When looking at the data, however, we found both similarities and differences in consumer values between both countries. From an aggregate perspective, there is a striking similarity of value priorities: *honesty, safety, and enjoying life* are the three most important value types in both countries, and *beauty, prestige, and stimulation* the least important:

**Table 5.1.** Consumer values in order of importance, the Netherlands versus Chile.

Value type	Rank order, The Netherlands	Rank order, Chile
1. Honesty	1	1
2. Safety	2	2
3. Enjoying life	3	3
4. Functionality	4	4
5. Affection	5	5
6. Social responsibility	6	6
7. Beauty	7	9
8. Stimulation	8	7
9. Prestige	9	8

When taking a less aggregate perspective, by looking at the individual value items, a couple of differences could be detected. Consumer motivations that are relatively more important in The Netherlands include:

- *functionality,*
- *expertise,*
- *fun,*
- *friendliness,*
- *caring for someone,*
- *expertise.*

For a Chilean consumer, values with a relatively higher impact on consumer behaviour include:

- *smart solutions,*
- *being successful,*
- *power,*
- *providing for a better world,*
- *being environmental-friendly.*



There is a difference in importance rankings and importance ratings. So far, we looked at rankings: the extent to which certain values are more or less important than other values in a consumer choice context. Looking at rankings is important in choice situations. For instance, a consumer decorating his living room will come up with a completely different design if power and being successful are his leading motivations, as compared to when caring for someone is his overriding concern. Taking this perspective, we can expect that the design of the average Chilean living room has a somewhat different purpose than the design of a typical Dutch living room: less fun and function, but more a showroom reflecting the success and power of the owner.

Values can also be evaluated from an absolute perspective. Then we compare ratings: the extent to which a certain value is a more or less important motivation in Chile than in The Netherlands. For instance, when defining a positioning statement, or more operationally, when creating a tv commercial or a facebook environment, to what extent should a brand use power, or honesty, or other values as core content to get in touch with the target group. Again, a high degree of similarities was observed. With respect to the value types *safety, functionality, enjoying life, affection, and beauty*, no significant differences between the two countries were found. For Dutch consumers, *honesty* is significantly more important (even though it is one of the most important values in both countries). In other words, adding a touch of honesty to the brand image is important in both countries, but is even more advisable in The Netherlands than in Chile.

*Prestige, social responsibility, and stimulation* are more important in Chile than in The Netherlands. If a Dutch brand desires to export to Chile, it could consider to profile the brand as a bit more stimulating or prestigious in Chile, or to emphasize its social responsibility a bit more.

***To what extent are differences in value priorities related to existing cultural typologies?***

In our study, the similarities and differences in importance of consumer values were evaluated against Hofstede's cultural dimensions. There are differences in five out of the six cultural dimensions. On the 6<sup>th</sup> dimension, indulgence versus constraint, the countries have the same score: in both countries, having fun and enjoying life is an important aspect of culture. This can be traced back to The Value Compass: the value enjoying life is the most important consumer motivation in both countries.

With respect to the other cultural dimensions, there is a large agreement between the cultural classification and the consumer motivations according to the Value Compass on the following dimensions:

- Chile is characterized by a higher power distance than The Netherlands. This is reflected in consumer preferences. The value type *prestige*, and specifically the values *power* and *status*, are among the lowest ranked values for the Netherlands, whereas in Chile, power is in the top 10 of consumer motivations.
- Although both Chile and The Netherlands are feminine cultures, the degree of masculinity is higher in Chile. This is reflected in the consumer values: The consumer value being successful is an indicator of a masculine society, whereas caring for someone represents femininity. The rankings of these two values match expectations. Chile, being somewhat more masculine, scores higher on the masculine value *being successful*, whereas The Netherlands scores higher on the more feminine value *caring for someone*.

Results were more mixed with respect to the other dimensions:

- With respect to uncertainty avoidance, the picture is less clear. In terms of cultural dimensions, Chile is characterized by strong uncertainty avoidance, whereas The Netherlands is a culture where taking risk is more accepted (even though taking risk is not an important feature of the Dutch culture, unlike for instance the United States). To a limited extent, the difference in uncertainty

avoidance can be traced back in consumer values. *Safety* is an important value in both countries, although somewhat more important in Chile, whereas *adventure* and *excitement* were found to be somewhat, but not a lot, more important in The Netherlands.

- Chile is a predominantly collectivistic society, whereas The Netherlands is a strongly individualistic country. Values related to affection (e.g., *caring for someone*) and *social responsibility* match better with a collectivistic culture, whereas individualistic values relate to *achievement*, *prestige*, or *functionality*. We did not find conclusive evidence in our findings. We do find social responsibility more relevant in Chile, but caring for someone is more important in the Netherlands. With respect to functionality, indeed, this is more important in The Netherlands. But prestige and achievement (being successful) are more important values in Chile. We concluded that interference with other cultural dimensions, particularly power distance and masculinity/femininity, is a potential cause of these mixed results.
- Chilean culture has a short term orientation, whereas the Dutch culture is characterized by a stronger long term orientation. The results did not give conclusive evidence for the relation between this cultural dimension and the consumer values of the Value Compass.

In general, we conclude that the two models (Hofstede's cultural dimensions and The Value Compass) only in part lead to the same outcomes. This raises the question which of these models should be used in cross-cultural comparisons. As the Value Compass was developed with actual consumer behaviour in mind, we recommend to use the Value Compass whenever the cross-cultural comparison is used to decide on an appropriate international marketing strategy.

## 5.2 Managerial implications

People generally take themselves as a reference when judging others. They often implicitly assume that what they consider important, is also important to others. Consciously, but

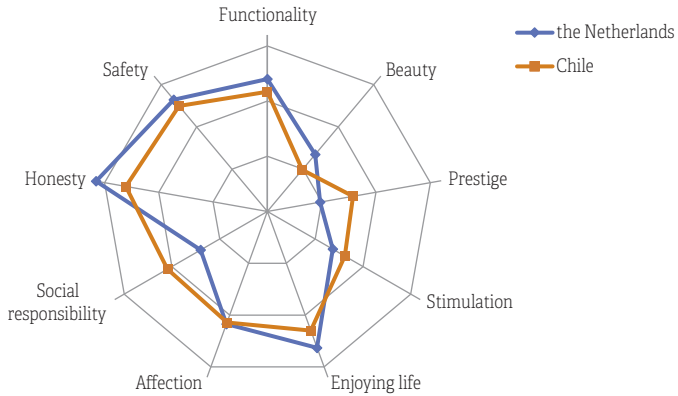
perhaps even more strongly unconsciously, simply because we are not aware of our unconscious drivers. When dealing with other cultures, this becomes even more important: if we mirror ourselves with other people, it will be with the people around us, who to a certain extent share the same cultural values. This makes us even more unaware of the culturally-induced preferences of people in other countries. In social interactions with them, but also in a commercial context. Cultural comparisons should make managers aware of what they would otherwise have remained unaware of.

In this section, we mainly discuss the implications of our study for marketing or marketing communications. We also need to point out that our data are based on a student sample. In a relative sense, we can expect that the differences between both cultures also hold for other segments in the population: if *prestige* is more important for Chilean students than for Dutch students, we expect that *prestige* is also more important for other population groups in Chile. But it is important to keep in mind that shifts in value priorities might occur in different life phases. *Enjoying life*, for instance, might be considered a typical value for students, and could become less relevant in later phases of life.

A first conclusion of our analysis was that humans appear to be human everywhere: there is a high level of agreement in consumption motives of both Chilean and Dutch respondents. This is not a unique outcome. Earlier research (Kostelijk, 2016) showed that this pattern was found across a number of (other) European countries as well. In other words, a good understanding of the individual (or the customer in the target group) is at least as important as generalizing his behaviour towards his cultural background.

But still, there are a couple of differences worth mentioning. In order to do so, we repeat the value system as shown in the previous chapter to highlight these differences, and their implications (Figure 5.1).

**Figure 5.1** Value system: the Netherlands versus Chile.



In Chile, consumption has a stronger prestige-oriented component. This implies that consumption plays a stronger role in the attainment of social status or prestige, or to impress or influence others. In other words, conspicuous consumption seems more relevant in Chile: consumption is used more to show that you are successful in life. This can relate to the sales of extravagant cars, but might also reflect in other consumption situations. Going camping in a tent in a basic campground, for instance, is not the typical “prestigious” holiday, and the typical Chilean consumer will less easily indulge in such a holiday than the typical Dutch consumer.

Another aspect of conspicuous consumption is beauty: the extent to which consumption supports the buyer to look good, elegant, or attractive, or to be surrounded by good-looking, elegant, or visually attractive objects (or people). This seems to be more relevant for Dutch consumers; the difference, however, is not significant.

Chilean consumers also seem to have a higher need for stimulation. Sensation seeking has been defined as “*The seeking of varied, novel, complex, and intense sensations and experiences, and the willingness to take physical, social, legal, and financial risks for the sake of such experience*”

(Zuckerman, 1994, p.27) This does not imply that every Chilean consumer can be attracted by bungee jumping or other thrills, but it does make a difference when positioning an attraction park or an insurance company.

For both Dutch and Chilean consumers, *enjoying life* is important: people like to have fun and indulge in what they do. Kostelijk (2016) showed that this is significantly more important for Dutch consumers than for consumers in a number of other European countries. The importance of enjoyment in Dutch culture might be reflected, for instance, in the image of Amsterdam as party capital of Europe, or the strong position of Dutch DJ's and dance music. Apparently, Chilean consumers share this attitude towards the enjoyment of life.

There is a significant difference, however, with respect to *honesty*: this is more important in The Netherlands. A proposition like the one of the Dutch insurance brand Klaverblad Verzekeringen ("*Als je maar lang genoeg gewoon blijft, word je vanzelf bijzonder*"), profiling the company as a plain honest company that can be trusted as they do what they are supposed to be doing, will be more typical for The Netherlands than for Chile. The value *honesty* represents a feeling of confidence, being able to trust the other's intentions, and includes related values such as *keeping a promise*, *loyalty*, and *trust*. This, apparently, is more valued by Dutch than by Chilean consumers.

Finally, *social responsibility* is more essential for Chilean consumers. Even though The Netherlands seems to do a lot with respect to protecting the environment, recycling, environmentally-friendly applications, it seems that this is more valued by Chilean consumers. Here, the income difference can play a role: in The Netherlands, having a higher per capita income, there is more money to be spent on responsible solutions. The collectivist aspect of Chilean society might cause the observed difference in importance of *social responsibility*: it is more important to take care of or to protect a wider group of people in a collectivist society, and this might lead to a higher appreciation of socially responsible behaviour.

### 5.3 Suggestions for further research

The outcomes of this study were based on an extensive study of the influence of values on consumer behaviour, with data collected in two different countries: Chile and The Netherlands. Although the research provides us with interesting outcomes, there are a number of limitations that provide opportunities for further research.

A first limitation relates to the nature of the sample used for this research. Although we refer to the outcomes as being 'results from the Dutch sample', or 'results obtained from Chile', all data in this study were obtained from student samples. Since we took student samples in both countries, we ensured cross-cultural comparability of the outcomes. However, since the focus was on only one segment of the population, we cannot ensure generalizability to the whole population. To be able to truly generalize the outcomes of the Value Compass, we suggest to replicate this study in a more representative subset of the population.

A second limitation involves the sampled countries. We used a case study in which we focused on two countries, Chile and The Netherlands. Extending the comparison to other countries would provide additional evidence for the generalizability of the Value Compass.

Finally, the rationale behind the Value Compass is that values activated toward a specific setting (e.g., consumer behaviour) are different from values related to life in general. With that in mind, we argued that the Value Compass is a more appropriate analytical method for a cross-cultural comparison of consumer behaviour than Hofstede's cultural dimensions. Within the context of consumer choice, however, several choice settings can be identified. Hypothetically, each product category defines its own choice context. As an example, the decision to buy a car is a different choice context, with a different level of involvement, than the decision to buy a bottle of beer. It is possible that the impact of values on behaviour is not the

same across consumer choice settings. In order to validate the generalizability of our outcomes, we advise to investigate the relation between values and behaviour across specific product categories or choice situations.





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# Appendices

## Appendix 1: Survey Value Compass

### Questionnaire

I am

- male
- female

My age is .....

What is your nationality?

- Dutch
- other, namely: ...

My study program is: .....

A value is 'a relatively enduring characteristic of individuals that reflects what is important to them and that guides them in their behaviors and their decisions.' People live according to certain norms and values; people cherish these values because they think they are important in their life. When choosing for products or services (and brands) these values are relevant as well. In this survey we consider brand values. Brand values are important when making a choice between products. Some values are more important, others less important when you make decisions like purchasing a product or service. We would like to know which brand values are important for you. So, for instance: "I drive an Audi A4 because of the status this brand represents", or "Benetton stands for sustainability."

The following list is a list of values. Some of these values can be applied to brands, as in the 2 examples mentioned above. Other brand values will not be important for you. Consider a broad range of product categories, for instance:

- cars
- insurance companies
- office supplies
- supermarket chains
- fashion
- food
- etcetera etcetera

Try to think in general: “Which brand values are important for you when you consider to buy a product or service?”. Of course not all values are relevant. When buying an insurance product other issues are relevant than, for instance, buying perfume. A value does not have to be an appropriate brand value in every product category.

Below you will find a list of brand values. Please indicate the importance of each of these values: 1 implies very unimportant, 5 means very important. Mark NA (not applicable) if you don't know, or if you don't understand the meaning of the value.

This survey is about your first impression. Don't think too long about your answers.

Value	very unimportant		...			very important
Trust	1	2	3	4	5	NA
Reliability	1	2	3	4	5	NA
Being sportive	1	2	3	4	5	NA
Improving society	1	2	3	4	5	NA
Caring for someone	1	2	3	4	5	NA
Power	1	2	3	4	5	NA
Optimism	1	2	3	4	5	NA
Style	1	2	3	4	5	NA
Romance	1	2	3	4	5	NA
Being environment-friendly	1	2	3	4	5	NA
Craftsmanship	1	2	3	4	5	NA
Being active	1	2	3	4	5	NA
Common sense	1	2	3	4	5	NA

Value	very unimportant		...		5	very important
Safety	1	2	3	4	5	NA
Passion	1	2	3	4	5	NA
Expertise	1	2	3	4	5	NA
A comfortable life	1	2	3	4	5	NA
Functionality	1	2	3	4	5	NA
Courage	1	2	3	4	5	NA
Smart solutions	1	2	3	4	5	NA
Independence	1	2	3	4	5	NA
Providing for a better world	1	2	3	4	5	NA
Beauty	1	2	3	4	5	NA
Guts	1	2	3	4	5	NA
Enjoying life	1	2	3	4	5	NA
Status	1	2	3	4	5	NA
Family life	1	2	3	4	5	NA
Adventure	1	2	3	4	5	NA
Well-being	1	2	3	4	5	NA
Fun	1	2	3	4	5	NA
Recycling	1	2	3	4	5	NA
Elegance	1	2	3	4	5	NA
Being succesful	1	2	3	4	5	NA
Friendliness	1	2	3	4	5	NA
Quality of life	1	2	3	4	5	NA
Excitement	1	2	3	4	5	NA
Cosiness	1	2	3	4	5	NA
Honesty	1	2	3	4	5	NA

## Appendix 2: Survey Chilean Values

### Sexo:

- masculino
- femenino

Edad .....

Nacionalidad .....

### Estoy estudiando:

- Facultad de Arquitectura y Diseño
- Facultad de Arte
- Facultad de Medicina
- Facultad Odontología
- Facultad de Economía y Negocios
- Facultad de Ingeniería Civil
- Facultad de Educación y Ciencias de la Familia
- Facultad de Derecho
- Facultad Comunicaciones y Humanidades

Gente viven conform algunas valores, la gente aprecian esos valores porque piensan que son muy importantes en su vida. Esos valores también son importantes durante la elección de productos servicios (y marcas).

Us presentamos con una lista de valores. Es ruego indicar la importancia de cada valor de marca. Intenta a pensar en general: “¿Quiénes valores de marcas son importantes por usted cuando están considerando de comprar un producto o un servicio?”. Toma en la consideración una amplia gama de categorías de productos, por ejemplo: “coches, seguros, material de oficina, supermercados, fashion, comida, etcétera.”

Este cuestionaría se interesa en su primera impresión. Por favor, no pensar demasiado por las respuestas.

**Por favor, indice la importancia de los siguientes valores para tí. Circula el numero que esta mas conforma su opinión personal, 1 es poco importante, 5 es muy importante.**

*Please indicate how important the following values are for you. Circle the number which fits most to your personal opinion, with 1 being strongly disagree, and 5 being strongly agree.*

Value Valores	very unimportant		...		very important	
Adventure <i>Aventura</i>	1	2	3	4	5	NA
Beauty <i>Belleza</i>	1	2	3	4	5	NA
Being active <i>Estar activo</i>	1	2	3	4	5	NA
Being environment-friendly <i>Respetar el medio ambiente</i>	1	2	3	4	5	NA
Being sportive <i>Deportividad</i>	1	2	3	4	5	NA
Caring for someone <i>Preocuparse por alguien</i>	1	2	3	4	5	NA
Cosiness <i>Sociabilidad</i>	1	2	3	4	5	NA
Courage <i>Coraje, Valentía</i>	1	2	3	4	5	NA
Craftsmanship <i>Artesanía</i>	1	2	3	4	5	NA
Elegance <i>Elegancia</i>	1	2	3	4	5	NA
Enjoying life <i>Disfrutar la vida</i>	1	2	3	4	5	NA
Excitement <i>Emoción</i>	1	2	3	4	5	NA
Expertise <i>Experiencia, Pericia</i>	1	2	3	4	5	NA
Family life <i>Vida familiar</i>	1	2	3	4	5	NA



Value Valores	very unimportant		...		5	very important
Friendliness <i>Amistad</i>	1	2	3	4	5	NA
Fun <i>Diversión</i>	1	2	3	4	5	NA
Functionality <i>Funcionalidad</i>	1	2	3	4	5	NA
Honesty <i>Sinceridad</i>	1	2	3	4	5	NA
Improving society <i>Mejorar la sociedad</i>	1	2	3	4	5	NA
Passion <i>Pasión</i>	1	2	3	4	5	NA
Power <i>Fortaleza</i>	1	2	3	4	5	NA
Providing for a better world <i>Proveer por un mundo mejor</i>	1	2	3	4	5	NA
Quality of life <i>Calidad de vida</i>	1	2	3	4	5	NA
Recycling <i>Reciclaje</i>	1	2	3	4	5	NA
Reliability <i>Viabilidad</i>	1	2	3	4	5	NA
Romance <i>Romanticismo</i>	1	2	3	4	5	NA
Safety <i>Seguridad</i>	1	2	3	4	5	NA
Smart solutions <i>Soluciones inteligentes</i>	1	2	3	4	5	NA
Status <i>Estatus</i>	1	2	3	4	5	NA
Style <i>Estilo</i>	1	2	3	4	5	NA
Being successful <i>Tener éxito</i>	1	2	3	4	5	NA
Harmony <i>Armonía</i>	1	2	3	4	5	NA

Value Valores	very unimportant		...		5	very important
Sensuality <i>Sensualidad</i>	1	2	3	4	5	NA
Keeping a promise <i>Mantener una promesa</i>	1	2	3	4	5	NA
Loyalty <i>Fidelidad</i>	1	2	3	4	5	NA
Feeling of security <i>Sensación de seguridad</i>	1	2	3	4	5	NA
Protection <i>Protección</i>	1	2	3	4	5	NA
Pleasure <i>Placer</i>	1	2	3	4	5	NA
Leadership <i>Liderazgo</i>	1	2	3	4	5	NA
Good-looking <i>A ser guapo</i>	1	2	3	4	5	NA
Sense of beauty <i>Sentido de belleza</i>	1	2	3	4	5	NA
Efficiency <i>Eficiencia</i>	1	2	3	4	5	NA
Precision <i>Precisión</i>	1	2	3	4	5	NA
Innovation <i>Innovación</i>	1	2	3	4	5	NA
Intellect <i>Intelecto</i>	1	2	3	4	5	NA
Progress <i>Progreso</i>	1	2	3	4	5	NA

# About the authors

**Erik Kostelijk** is researcher at the Hanze University of Applied Sciences in Groningen and is also researcher at the Amsterdam University of Applied Sciences

**Karel Jan Alsem** is Professor in Marketing at the Hanze University of Applied Sciences in Groningen, the Netherlands. As such he is director of the Hanze research institute Marklinq. He is also lecturer in Marketing at the University of Groningen.

**Semra Anli** was during the project bachelor student at the Amsterdam University of Applied Sciences

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# Colophon

## **Publication**

Marklinq Publication 12

© Marklinq, Hanze University of Applied Sciences, Groningen,  
Professorship Marketing.

November 2017

Series Marklinq publications ISSN 2214-9597

## **Research and text**

Erik Kostelijk, Karel Jan Alsem, Semra Anli

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