The Influence of Culture on Consumer Decision-Making Styles of Namibian Millennials: An Application of Hofstede’s Cultural Dimensions

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ABSTRACT

This article investigated the influence of cultural values on Namibian Millennials’ consumer decision-making styles. Data was obtained by administering the consumer style inventory (CSI) and Hofstede Cultural Dimensions instruments to a random sample of 505 respondents from the three (3) major Universities in Namibia. Responses from the survey instruments were analyzed using SPSS version 22. Principal components analysis (PCA) was used to assess the underlying structure of the components and for assessing the reliability and validity through Cronbach’s Alpha coefficients. To explore the relationships between consumer decision-making styles and the independent variables of the study, Pearson correlation, multivariate analysis of variance (MANOVA), and the analysis of variance (ANOVA), were used. The study found a significant relationship between Namibia Millennials decision-making styles and their cultural values. The findings are deemed important for marketers, entrepreneurs and government in the formulation and the use of effective strategies when addressing the needs of this group.

KEYWORDS

Consumer Decision-Making Styles, Generation Y, Hofstede Cultural Dimensions, Millennials

1. INTRODUCTION

Generation theorists propose that as the macro-environment changes, there are concomitant and distinctive changes in patterns of consumer behaviour (Strauss and Howe, 1999; Bekewell and Mitchell, 2003). The macro-environment consists of Political/Legal, Socio-cultural, Ecological, Demographic, Economic, International and Technological factors (Kotler, 2009; Lamb et al., 2013). Given the influence of these forces on consumers, today’s consumers are more sophisticated, inquisitive and discriminating. They are no longer willing to tolerate substandard products and they insist on high-quality products that are healthy or save time and energy (Lamb et al., 2013). Generation Y, Millennial Generation or simply Millennials are defined as a group of people born roughly between 1982 and 2002.
(Strauss and Howe, 1999), and are considered to have developed authentic and therefore distinctive consciousness (Lukina, 2016). Generation Y consumers are digital natives, consequently they are likely to have developed a different shopping style compared to previous generations (Bakewell and Mitchell, 2003).

Sproles and Kendall (1986) have identified eight basic mental characteristics of consumer decision-making as follows: (1) Perfectionism or high-quality consciousness; (2) Brand Consciousness; (3) Novelty-fashion consciousness; (4) Recreational, hedonistic shopping consciousness; (5) Price Consciousness; (6) Impulsiveness; (7) Confusion from over choice; (8) Brand-loyalty orientation towards consumption. A Consumer Style Inventory (CSI) with 40 Likert-scaled items has also been developed to measure these cognitive and personality characteristics (Chase, 2004; Sproles & Kendall, 1986).

Culture has been regarded as one of the important elements in business ethical decision-making (Singhapakdi et al., 1994, Su, 2006, Kim & Kim, 2010). Culture is learned within a society, and it affects the basic values in people’s everyday lives (Kim & Kim 2010). Although culture is generally defined at a societal level, culture impacts on individual behaviour. Culture can be seen to mediate between societal culture and specific individual personality (Janseend, 2010 citing Hofstede, 1991).

“Culture consists of patterns, explicit and implicit of and for behaviour acquired and transmitted by symbols, constituting achievement of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (historically derived and selected) ideas and especially their attached values…shared by almost all members of some social group” (Podrug et al., 2006, p. 2). Management’s practices suited for one cultural environment may bring about undesirable consequences in another. To avoid such problems modern managers, must understand the core concept of the culture (Podrug et al., 2006).

Understanding culture can equip individuals and organisations for the challenges of contemporary international business even within the national context (Podrug et al., 2006). This study not only profiles the cultural dimensions of the Namibian Generation Y consumers using the methodology introduced by Hofstede (1980) that profiles cultural dimensions along power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity and long versus short-term orientation dimensions representing cultural differences but assesses the relationship between Namibian Millennials decision-making styles and their cultural dimensions or values; an assessment which is often neglected in the literature.

1.1. Statement of the Problem

The world has become as connected as a village and new technologies are becoming the norm of the day. Technological advancement, socio-cultural, demographic and other macro environmental factors have brought changes to how people consume around the world. Millennials are said to have developed a distinct buying behaviour; these changes severely affect how marketing is conducted today (Kotler, 2009, Semente & Whyte, 2018).

Despite these facts, there have been very few studies, which focus on consumer decision-making styles of Generation Y consumers and which offer guidelines to marketers and retailers on how these consumers make their choices. By exploring the relationships between consumer decision making styles and cultural values of the Namibian Generation Y consumers, this study not only adds value to the body of knowledge of consumer behaviour and consumer education, but offers guidance to researchers, marketing practitioners and policy makers for future research in formulating effective strategies.

1.2. Research Questions

Below is a set of research questions for this study:

Research Question 1: Is Hofstede Cultural Dimensions applicable to the Namibian Millennials?
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