

Research Article

# Sins of omission versus commission: Cross-cultural differences in brand-switching due to dissatisfaction induced by individual versus group action and inaction☆

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## Abstract

We examine how brand-switching varies across cultures, depending on the drivers of a prior unsatisfactory consumption experience. We draw from the literature on regret, norm theory and cross-cultural psychology to predict that Westerners are more likely to switch brands when the unsatisfactory consumption experience is a consequence of their inaction relative to the inaction of a group to which they belong. In contrast, it is predicted that Easterners are more likely to switch brands when the unsatisfactory consumption experience is a consequence of inaction on the part of the group to which they belong relative to their own inaction. We discuss the relevance of our research for marketing theory, the need to account for cultural differences in consumer segments, and the implications for organizations targeting culturally distinct market segments, both domestically and internationally.

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## Introduction

Firms contemplating entering international markets, or those faced with a culturally diverse set of consumers, both domestically and internationally, often encounter vexing marketing

questions. One topic of acute theoretical and practical significance is how firms choose to communicate with culturally diverse segments. On the one hand, a firm may employ largely similar persuasive messages that convey an identical appeal to all segments, regardless of cultural differences. An alternative approach would be to customize the persuasive message to each market segment.

Emerging research in cross-cultural psychology and consumer behavior reveals important differences in how Easterners and Westerners view themselves and their social environment. These differences imply that nuanced approaches to persuasion, when leveraged correctly, can often influence consumers' cognitive, emotional, and behavioral responses to marketing stimuli (Chen, Ng, & Rao, 2005). Building on the literature suggesting that it is frequently beneficial for a firm to account for cultural differences among its various consumer segments,

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we focus on how a firm may limit or enhance brand-switching among culturally diverse consumers, depending on the firm's strategic objectives. We demonstrate that cultural differences can yield substantial variation in consumers' responses to a firm's attempts to enhance or limit brand-switching following an unsatisfactory consumption experience. Indeed, a firm that is unaware of these subtleties might engage in inadvisable or inappropriate corrective action following consumer dissatisfaction.

Our inquiry draws from research that documents the existence of cross-cultural differences in people's lay theories of "agency." In particular, "conceptions of [the] kinds of actors, [and] notions of what kinds of entities act intentionally and autonomously" (Morris, Menon, & Ames, 2001, p. 169) differ among cultures. Research shows that Westerners tend to view the individual as a more important decision-making entity than a group and are likely to ascribe agency to individuals, while Easterners tend to view groups as the more important decision-making entity and are likely to ascribe agency to the collective (Chiu, Morris, Hong, & Menon, 2000; Markus & Kitayama, 1991; Spencer-Rodgers, Williams, Hamilton, Peng, & Wang, 2007). However, it remains unclear as to how these differences in the ascription of agency might influence consumer brand choices. It is this lacuna that we seek to address in this research.

We examine cultural differences in the ascriptions of agency within a consumption context and posit that, following an unsatisfactory consumption experience generating regret, Westerners will emphasize the role of the individual in the original decision that yielded the regret-inducing experience, whereas Easterners will emphasize the role of the group in the original decision that resulted in the regret-inducing experience. We further argue that Westerners who have an unsatisfactory experience *because the individual decision-maker failed to act* will experience greater regret and will display higher brand-switching intentions, because individuals (more so than groups) are viewed as a decision-making entity and are expected to act. Conversely, Easterners who have an unsatisfactory experience *because the group failed to act* will experience greater regret and will display higher brand-switching intentions, because the group (more so than an individual) is viewed as a decision-making entity and is expected to act. Thus, we propose that the degree of brand-switching intention that one displays is determined by one's cultural orientation, the decision-making entity (i.e., whether an individual or a group made the decision), and whether the decision-making entity (the agent) acted or failed to act.

We offer two principal contributions. Theoretically, to the best of our knowledge, this research is among the first to consider the impact of individual versus group agency on brand-switching. We demonstrate the role of an individual's action and inaction on brand-switching behavior, and a reversal of the effect when the group is the agent. This research also contributes to the literature on implicit theories of agency and attribution by examining the psychological processes that underlie the differential regret that is experienced when either an individual or a group acts or fails to act. Managerially, the

insights gleaned from this research can be applied to several contexts, from traditional management-related issues (such as groupthink and team performance) to recently burgeoning ones (such as collective buying or social commerce). In general, the demonstration that cultural differences can yield substantial variation in consumers' responses to a firm's attempts to enhance or limit brand-switching following an unsatisfactory consumption experience ought to be of considerable interest to firms addressing culturally diverse markets. We now turn to the development of our theoretical framework.

## Theoretical framework

### *Implicit theories of agency*

Implicit theories of agency refer to individuals' conceptions of which social actors possess the dispositions and autonomy to act (Menon, Morris, Chiu, & Hong, 1999). Conceptions of agency allow individuals to make sense of the world because they allow people to infer the source of planned action (Bratman, 1991; Morris et al., 2001; Taylor, 1985). When a particular outcome or event is attributable to the action of an agent, the agent is assumed to have acted in the hope of achieving a goal. Thus, when an individual is perceived to be the agent, observers are likely to infer that any outcome due to the individual's action is a result of that individual's disposition.

It has been argued that people's theories of agency are heavily influenced by their cultural experiences and social contexts (Morris et al., 2001). Since the manner in which autonomy manifests itself in societies can be traced to historic beliefs about individuals versus groups, the degree to which individuals ascribe autonomy to either an individual or a group differs across cultures. Specifically, Western societies have traditionally believed in the individual as an independent, self-interested person with autonomy over his or her own behavior and tend to subscribe to the perspective that individuals are the agents of action (Chiu et al., 2000; Menon et al., 1999). Several research findings have supported this view. For instance, Kashima, Siegal, Tanaka, and Kashima (1992) found that, compared to the Japanese, Australians are more likely to believe that there exists a causal link between an individual's attitude and behavior, suggesting that Westerners tend to think more about individual-level factors, while attending less to situational or group-level factors.

For members of Eastern societies, on the other hand, the tendency is to assume that individuals' dispositions are fluid (Chiu, Hong, & Dweck, 1997; Kashima et al., 2004). Easterners tend to have a lower sense of individual control over their destiny and place greater emphasis on group control (Fiske, Kitayama, Markus, & Nisbett, 1998). This is partially a function of Confucian conceptions of society. Confucian thought conceives of an individual as one who derives both "role and awareness from the social collective to which he or she belongs" (Menon et al., 1999, p. 703). In such societies, individuals tend to behave as a "community man," in tandem with social expectations and consensus. Thus, groups in Eastern cultures tend to be powerful enough to influence the individual's behavior and

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