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Intercultural Communication Competence as a Key Activator of Purchase Intention

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Abstract

The study presents an inclusive framework on key intercultural communication competence factors influencing personal interaction, customer satisfaction and purchase intention in grocery retail industry. The present study explored four major constructs specifically intercultural communication competence, customer satisfaction personal interaction and purchase intention. The measurement of the constructs and their interrelationships were examined based on structural equation modelling. Based on the proposed framework, a number of propositions were developed to facilitate empirical investigation on intercultural communication competence of the selected grocery retail outlets. This contributes to the development of a theory based path model that links the intercultural communication competence to service quality, purchase intention and customer satisfaction. While numerous scholars have considered the extensive subject of perceived service quality, purchase intention and customer satisfaction, however, none of those studies investigated on the critical role of intercultural communication competence and integrated the construct in their perceived service quality, customer satisfaction and purchase intention model.

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Keywords: Intercultural communication competence; customer satisfaction; purchase intention

1. Introduction

Globalisation, incorporation in developing economies, elimination of business barriers and innovations in technology has facilitated companies to internationalise many value chain activities (Earley et al., 2007). Nevertheless, despite suggestions of enlarged cultural homogeneousness (Keillor et al., 2001), companies continue to struggle in overseas markets due to their incapability to understand cultural dissimilarities (Hopkins et al., 2009). Culture influences customer's perceptions and expectations during the evaluation of service experiences (Sharma et al 2012). Studies on culture-based challenges in the past decades have focused on how cultural aspects influence customer choices (Huang et al., 2013), employee

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performance (Kong and Jogaratnam, 2007), personal orientation (Sharma et al., 2012), service evaluation (Sharma et al., 2012), customer satisfaction (Hopkins et al., 2009), and purchase intention (Teng and Laroche, 2007). The number of individual studies investigative these relationships is insufficiently. The aim of the present study is to examine and clarify the role of intercultural communication competence (IC) on customers' perceptions in terms of personal interaction (P) that is one of the important dimension of perceived service quality (PSQ), purchase intention (PI) and customer satisfaction (CS) in the grocery retail industry of Malaysia.

This study focuses on grocery retailing because the potential contribution of service quality (SQ) is vital for these settings. In an increasingly greater complexity of the retail atmosphere the capability of the retailers to offer a satisfactory service could be the crucial strategy to differentiate, actively satisfy customers (Martinelli and Balboni, 2012). In fact, the tools usually used by the retailers for competition, such as low price and combined merchandise offers, are influencing effectiveness in competition negatively since the offers perceived as homogeneous by customers (Martinelli and Balboni, 2012). In other words, by improving the level of their service performance as well as the customers' perception of it; the retailers may take the chance to better satisfy customers.

When managing cultural issues in the multicultural environment, IC that deals with having the right mind set, ability and sensitivity is rising as a crucial aspect for service encounters (SE) and it also has become a new research topic amongst scholars and practitioners in ensuring CS (Sharma et al 2012; Ladhari, 2009). CS with highly satisfied SQ has positive impact on improved CS, loyalty, long-term business success, positive word of mouth, increased cost-effectiveness and sustainable competitiveness (Martinelli and Balboni, 2012; Ladhari, 2009). Nevertheless, the general acceptance on the significant of IC particularly for practitioners operating in various cultural settings, most of the existing discussions are conceptual and qualitative based. Although, many authors (Sharma et al 2012; Friedman and Antal, 2005) suggest that measurement of SQ for service settings in multicultural societies shall include cultural dimension for satisfied outcomes; however, the existed models do not included culture as a dimension. Therefore, the gap exists in providing empirical evidence on the relationships between IC, P, CS and PI particularly in a specific industry type that operates in the cross-cultural environment. In order to meet the research goals, the present study improves and empirically investigates a theoretical model of the relationships among these four constructs. This study particularly will investigate IC in terms of inter-role congruence (IC4) and interaction comfort (IC1, IC2 and IC3). It will examine the P items of PSQ, which is developed by Dabholkar et al. (1996). Furthermore, the dimension of CS is based on product quality (CS1 and CS2), product assortment (CS3) and price (CS4). According to the proposed framework, P mediates the impact of IC on CS and CS is playing a mediator role among those variables for PI. The reliability and validity of the constructs were assessed using confirmatory factor analysis. Structural equation modelling (SEM) was employed to estimate the interrelationships among constructs and to compare proposed model.

The remainder of the study is organized as pursues. Following the introduction, this study indicates a literature review and improves the hypothesised interrelationships including the dimensions of the proposed model. The methodology and an empirical part of the model are then represented. Finally, presentations of the research findings as well as their implications are represented respectively.

2. Literature Review

2.1. Intercultural Communication Competence

Intercultural communication competence (IC) is described as the ability to think, discriminate the differences, manage the experiences suitably and establish an effective communication in the most proper ways with individuals from different cultures in the multicultural atmosphere by Friedman and Antal (2005). Despite this extensively explanation, there is a consensus about its impact on intercultural

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