



Shifting value perceptions among young urban Indian consumers: The role of need for distinctiveness and western acculturation

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ARTICLE INFO

Keywords:

Need for distinctiveness
Acculturation
Perceived value
India
Western brand
Western retail formats

ABSTRACT

Very limited research addresses cultural change and consumer decisions in key emerging markets experiencing proliferation of Western brands and retail formats. This study fills the gap in the literature by investigating the role of need for distinctiveness and Western acculturation in shifting value perceptions of Western brands and Western retail formats among young urban Indian consumers, an emerging market with growing spending power. Mall/market-intercept surveys in four Indian cities revealed that young urban Indian consumers' need for distinctiveness accelerated Western acculturation, thereby enhancing perceived values of Western brands and Western retail formats. Such value perceptions significantly increased intention to buy Western brands at Western retail formats. Theoretical and managerial implications are discussed for retailers seeking to enter or expand in India, especially those targeting young urban consumers.

1. Introduction

India's economy is developing rapidly, with an annual growth rate reaching nearly 10% in the past decade (The World Bank, 2017a). Exposure to Western culture has surged, generating a mixture of traditional and Western values reflected in evolving consumption patterns and changing retail landscapes (Mann and Byun, 2011; Ozer et al., 2017). With rising disposable incomes and a high propensity for Western products, young urban Indian consumers are emerging as a key market segment (Kartik et al., 2016), negotiating the growing presence of Western ideals that often diverge from traditional values. Increasing consuming class in India is projected to triple to 89 million households by 2025, and the organized retail sector is expected to double in size by 2020 (Kaka and Madgavkar, 2016; Ben-Shabat et al., 2017). Due to growing diversity in retail formats including traditional mom-and-pop stores and modernized Western formats (e.g., specialty stores, shopping malls), Indian consumers are evaluating where to buy Western products (Tripathi and Dave, 2013; Basu et al., 2014). Accordingly, companies courting the Indian market are navigating a complex retail environment wherein they must choose appropriate distribution channels for their products. Although there is a growing interest in the evolving consumption patterns among Indian consumers, only a handful of studies have delved into it (e.g., Basu et al., 2014; Kumar et al., 2010; Gupta, 2012; Kumar et al., 2009; Shukla et al., 2015; Sadarangani et al., 2017).

While previous researchers have studied value perceptions of foreign products in emerging countries, our understanding of consumption decisions about “where to buy” in Indian's unique retail environments where traditional and modern retail formats co-exist is limited. Furthermore, little is known about how underlying cultural changes are reflected by young urban Indian consumers' consumption of Western brands at Western retail formats.

Previous studies have shown that consumers in developing countries aspire to purchase Western brands and/or luxury to assert status (Gupta, 2012; Shukla et al., 2015). An individual's need for status may simultaneously promote social conformity with an ideal group and separation from less ideal groups (Brewer, 1991). Therefore, need for status may manifest itself in dual desires for differentiation and affiliation, a concept which we refer to as *need for distinctiveness*. With increasing materialism and need for distinctiveness, more Indian consumers are assimilating Western culture to associate themselves with its unconventional and prosperous image, leading them to emulate Western consumption ideals as portrayed by media (Gupta, 2012). This study examines how need for distinctiveness and Western acculturation influence young urban Indian consumers' value perceptions of Western brands and retail formats and their intention to purchase Western brands at Western retail formats. In doing so, this study extends optimal distinctiveness theory to explain acculturation occurring through second-hand contact with a Western culture and its consequences.

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Acculturation has been primarily examined when an acculturating group has first-hand contact with a foreign cultural group. This study contributes to acculturation research by establishing the relevance of second-hand contact in acculturation. This study attempts to establish the role of Western brands and retail formats as vehicles for cultural change, shifting consumer consumption preference and choice behavior among young urban Indian consumers - who represent one of the most important market segments in India. Accounting for 422 million young individuals, India has the highest number of 10–24 year olds in the world (Ministry of Statistics and Programme Implementation, 2017). Additionally, it is projected that by 2025 about 40% of the Indian population will be living in urban areas and will account for over 60% of consumption as rising incomes in urban areas is leading to increasing consumer expenditures by nearly 14% annually (Singhi et al., 2017). Furthermore, store choice behavior has been examined extensively in developed markets where retail environment is primarily organized and/or modern. However, research corresponding to store choice behavior in developing markets is scant. Therefore, an important contribution of this study is regarding “where to buy” decisions, which is an under-researched topic and has increasing relevance in developing markets such as India where traditional and modern retail formats are aggressively competing for market share. We focus on apparel because it is one of the fastest growing categories in India, with increasing investment by Western retailers (Basu et al., 2014; Mukherjee et al., 2014), and because it has strong cultural implications and is highly identity-signaling (Berger and Heath, 2007).

2. Conceptual framework and hypotheses

2.1. Western acculturation: The definition and scope of this study

Acculturation occurs when two cultures come in close contact (Berry, 1997). Because acculturation is facilitated by immigration, previous studies have focused on acculturation among immigrants (e.g., Chai and Dibb, 2014; Dey et al., 2017; Jamal and Chapman, 2000). However, globalization and advancements in technology and media have made *indirect* contact almost as real as direct contact (Berry, 1997; Cleveland et al., 2016b). Global transport, communications, and advertising are dissolving boundaries across cultures (Ger, 1999), leading to mass-mediated, indirect paths of acculturation which are shaping materialistic tendencies of consumers around the world (Cleveland et al., 2016a, 2016b). Therefore, as suggested by Cleveland et al. (2016a), we define acculturation as a phenomenon involving cultural shifts in a group of individuals due to continuous direct and/or indirect contact with another culture.

Acculturation is a gradual process in which both national and foreign cultures exert varying degrees of pull (Cleveland and Laroche, 2007). Rather than replacing national culture, global acculturation promotes amalgamation of cultural values and multiculturalism (Cleveland et al., 2016b). Some researchers have referred to acculturation occurring due to economic development and globalization as “Westernization” or “modernization,” which can lead to changes in various aspects of national cultures including clothing, food, and language (Venkatesh, 1994). Within India, technology-driven cultural changes are leading to mass exposure to Western culture, which in turn results in Indian consumers’ developing a hybrid of Western and traditional Indian values (Bijapurkar, 2008). Prevalence of Western media has idealized consumerism and individualization (Venkatesh, 1994). Consumers utilize the underlying themes of consumerism such as materialism to reinforce social identity and status (Cleveland et al., 2016a). Indian consumers tend to display material wealth and social identity by mixing traditional styles with Western styles or brands (Eng and Bogaert, 2010; Ozer et al., 2017). Some consumers may be more inclined than others to shed the traditional value system and embrace Western culture (Cleveland et al., 2016a, 2016b; Venkatesh, 1994). Thus, this study examines the underlying role of need for

distinctiveness in Western acculturation which occurs via Western mass media and Western companies’ marketing.

2.2. Need for distinctiveness and Western acculturation

Optimal distinctiveness theory (ODT) suggests that social identity is driven by dual desires: (1) the need for group inclusion and (2) the need for differentiation from others (Brewer, 1991). When individuals feel very different from other members of a group, they seek to reassert their identification with the group; but when they feel very similar to the group members, they seek to achieve a sense of differentiation from others (Brewer, 1991). Need for distinctiveness is often achieved by identifying with a group that clearly differentiates from the mainstream (Hornsey and Jetten, 2004). An individual's self-esteem may increase as the status of the in-group is greater than that of out-groups (Brewer, 1991). Therefore, individuals’ status-seeking behaviors may promote social belonging through simultaneously conforming to the ideal group and differentiating themselves from less ideal groups.

Need for distinctiveness can explain consumption of scarce products or luxury brands that signal status because consumption of status products corresponds with consumers’ dual desires of conforming and differentiating (Han et al., 2010). This explanation is particularly relevant in collectivist cultures such as India and China, where a sense of specialness conveyed by scarce products may originate from affiliating scarce products with a certain social status or lifestyle (Ajitha and Sivakumar, 2017). For example, Chan and Wang (2015) examined the phenomena of brand-name-fanaticism and purchase of global name brands among Gen-Y consumers in China. They found that need for uniqueness and peer influence encouraged these phenomena as tools to project status and self. Need for uniqueness is similar to differentiation, whereas peer influence indicates conformity with a social group. Together, these two variables support the relevance of the concept of need for distinctiveness to explain status-based consumption within a collectivist culture.

While modernization or westernization leads non-Western societies to adopt some modern values, traditional values continue to influence cultural change (Inglehart and Baker, 2000). Thus, global and native cultural forces often complement each other to shape consumer behavior (Cleveland et al., 2016b). Considering that emerging countries have a lower economic status and standard of living, consumers from these countries are likely to adopt Western lifestyles and consumption culture to signal their status and success (Batra et al., 2000; Varman and Belk, 2012; Verma, 2015). Consumers fulfill their need for distinctiveness by aspiring to create an in-group and achieve greater congruity between the Western culture and self-identify (Sirgy et al., 2000). According to social identity theory, groups consistently distinguish between the in-group and out-group to achieve positive social identity (Zarate and Garza, 2002). Therefore, young urban Indian consumers’ greater acculturation to Western culture may result from their dual desire to be different from the general population and to affiliate with a group that represents a mixture of Western and traditional cultural values. Thus, we hypothesize:

H1. Among young urban Indian consumers, the greater the need for distinctiveness, the greater the acculturation to Western culture.

2.3. Western acculturation and perceived values of Western brands and retail formats

Global technological, economic, and social processes create opportunities and threats for domestic and Western brands and retailers (Carpenter et al., 2013). As Indian consumers are acculturating to Western culture, they are adopting a hybrid of traditional shopping values and Western consumerism (Bijapurkar, 2008). The Indian consumers are increasingly seeking brand names, prompting the entry and expansion of prominent Western brands such as Armani Exchange, Cole

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