

The Comparative Influences of Relationship Marketing, National Cultural values, and Consumer values on Consumer Satisfaction between Local and Global Coffee Shop Brands

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Abstract

This study mainly examines the influence of relationship marketing, national cultural values, and consumer values on customer satisfaction and whether there is a difference in customer satisfaction towards global and local coffee shop brands. Research results show that while trust and commitment of relationship marketing, power distance and uncertainty avoidance of national cultural values, and materialism, consumer innovativeness, and environmentalism of consumer values demonstrate a significantly positive influence, there is a difference in customer satisfaction in regard to relationship marketing (trust, commitment, communication), national cultural values (power distance, uncertainty avoidance, individualism, masculinity), and consumer values (materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism) towards local and global coffee shop brands.

Keyword: *relationship marketing, national cultural values, consumer values, consumer satisfaction*

1. Introduction

Coffee shops are everywhere in our globalized society and consumers favor both global and local coffee shops. Various factors influence consumer's purchase and coffee consumers cover various age groups. Coffee is in huge demand. Many people rely heavily on coffee and some even drink several cups a day. As a result, coffee purchases have been increasing with annual rising growth rates as shown in Figure 1.

Consumer attitude is quite influential for product selection, a key element to determine product purchases. Homer & Kahle (1988) pointed out that consumer attitude is based on values and beliefs that are more powerful than decisions made to solve conflict in certain situations. Fornell (1992) believed satisfaction presents an overall evaluation after purchase; Garbarino & Johnson (1999) also suggested that satisfaction is an overall evaluation based on total purchase and consumer experience towards products or services in a period of time.

For consumers, relationship marketing directly influences the perception, impression, and evaluation of consumers. Grönroos (1994) argued that the purpose of relationship marketing is to establish, maintain, and improve customer relationships and the profit making of partners in order to satisfy major participants.

Different countries have different cultures and in terms of consumers, they have different values and consumption habits. Leung & colleagues (2005) defined national cultures with values, beliefs, norms, and behavioral models.

Consumer values are very influential on product purchases and a consumer values standard is used to evaluate behaviors and people (Schwartz, 1992).

2. Research Method

2.1 Research Structure

This research consists of three parts: the coffee retail industry, global coffee shop brand, and local coffee shop brands. Among them, there are three dimensions including trust, commitment, communication of relationship marketing; power distance, uncertainty avoidance, individualism, and masculinity of national cultural values; and materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism of consumer values that help us to examine whether the coffee retail industry influences consumer satisfaction and if there is a difference level towards global and local coffee shop brands.

Under the model of the coffee retail industry, the positive influence of trust, commitment, and relationship marketing communication are assumed as H_{1-1a} , H_{1-2a} , and H_{1-3a} ; that of power distance, uncertainty avoidance, individualism, and masculinity of national cultural values are H_{2-1a} , H_{2-2a} , H_{2-3a} , and H_{2-4a} ; and that of materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism of consumer values are H_{3-1a} , H_{3-2a} , H_{3-3a} , H_{3-4a} , and H_{3-5a} .

Under the global coffee shop brand model, the influential coefficient of trust, commitment, and communication of relationship marketing are respectively γ_{11a} , γ_{11b} , and γ_{11c} ; those of power distance, uncertainty avoidance, individualism, and masculinity of national cultural values are γ_{21a} , γ_{21b} , γ_{21c} , and γ_{21d} ; and those of materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism of consumer values are γ_{31a} , γ_{31b} , γ_{31c} , γ_{31d} , and γ_{31e} .

Under the local coffee shop brand model, influential coefficient of trust, commitment, and communication in satisfaction are respectively assumed as γ_{12a} , γ_{12b} , and γ_{12c} ; those of power distance, uncertainty avoidance, individualism, and masculinity of national cultural values are γ_{22a} , γ_{22b} , γ_{22c} , and γ_{22d} ; and those of materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism of consumer values are γ_{32a} , γ_{32b} , γ_{32c} , γ_{32d} , and γ_{32e} . The research structure is shown in Figure 2.

2.2 Questionnaire Design

The questionnaire for this study is composed of five parts: Part 1 relationship marketing: trust, commitment, and communication; Part 2: national cultural values: power distance, uncertainty avoidance, individualism, and masculinity; Part 3: consumer values: materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism; Part 4: consumer satisfaction; and Part 5: basic information.

The questionnaire design of this study adopts Likert's five-point scale with 1= very much agree to 5= very much disagree. Parts 1, 2, and 3 of this study are composed of respectively several small items while Part 4 uses Likert's scale to fill in the scale.

This study investigates consumers who love coffee. It utilizes an online questionnaire, my Survey, to conduct the survey and the questionnaire was distributed via Facebook to the subjects. Additionally, this study also used a hard copy of the questionnaire that was distributed to students at the Department of Business Administration, National Formosa University.

3. Empirical Results and Analyses

3.1 Sample structural Analysis

This study distributed 476 copies of the questionnaire and there were 453 valid copies that were returned. In terms of gender, 70.64% are female and 29.36% are male; they were mostly in the age group between 20-29 years old at 71.52% followed by the age group of 19 years old or below, 20.53%, 30-39 years old, 6.18%, 40-49 years old, 1.33% and over 50 years old, 0.44%. The majority of the subjects are Taiwanese, accounting for 80.35% followed by Vietnamese, 19.65%; for coffee shops they often frequented, 57.40% chose local coffee shops and 42.60% went to global coffee shops. Results are shown in Table 1.

3.2 Covariance Matrix Analyses

3.2.1 Confirmatory factor analyses

Trust, commitment, communication, power distance, uncertainty avoidance, individualism, masculinity, materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism all have a significantly positive influence on consumer satisfaction ($P < 0.05$) and among them, power distance influenced consumer satisfaction the most with the highest γ_{2a} reaching 0.785 followed by uncertainty avoidance with γ_{2b} of 0.229, but communication, individualism, masculinity, nostalgia, and consumer ethnocentrism have negative γ values.

Trust has γ_{1a} of 0.002, indicating shops let consumers feel very trustful and it was easy for them to identify with. Consumers were more willing to return to the shops and consume coffee. Commitment has γ_{1b} of 0.003, indicating that consumers were impressed and felt good and they would always shop there. Communication has γ_{1c} of -0.009. The negative γ_{1c} is probably due to the fact that most subjects did not perceive significant communication services provided by shops such as the news, activity information, and product information for the reference of consumers and responses to questions raised by consumers. Power distance has γ_{2a} of 0.785 and most subjects were very much concerned about the power distance and whether the product prices offered by the shops fit their social statuses. Uncertainty avoidance has γ_{2b} of 0.229; most subjects cared very much if there were clear menu options that were

offered for consumers. Individualism has γ_{2c} of -0.004; this negative γ_{2c} is probably because most subjects were inclined to collectivism. Masculinity has γ_{2d} of -0.002, probably because the majority of subjects are female. Materialism has γ_{3a} of 0.008, indicating that most subjects were concerned with material enjoyment and they believed materialism makes them live better. Consumer innovativeness has γ_{3b} of 0.000; most subjects were willing to try and become aware of news concerning new products. Nostalgia has γ_{3c} of -0.004 since the majority of subjects showed no nostalgia towards the past. Consumer ethnocentrism has γ_{3d} of -0.029. The negative value was found because most subjects showed no strong patriotic consciousness, and environmentalism has γ_{3e} of 0.031 because most subjects cared about environmental issues as well as the impact on their friends. The above results are compiled in Table 2.

3.2.2 Confirmatory factor analyses of global and local coffee shop brands

According to consumer satisfaction towards trust, commitment, and communication, power distance, uncertainty avoidance, individualism, and masculinity, materialism, consumer innovativeness, nostalgia, consumer ethnocentrism, and environmentalism, γ values between global and local coffee shops were found to have significant differences.

Trust has γ_{12a} of 0.324 shown in local coffee shop brands, which is higher than γ_{11a} of 0.087 in global coffee shop brand because consumers were more familiar with the local companies. Commitment has γ_{12b} of 0.282 higher than γ_{11b} of 0.248, indicating the availability and convenience of local coffee shop brands as well as desirable flavors. Communication has γ_{11c} of 0.389 higher than γ_{12c} of 0.221 because the global coffee shop brand is considered to be an outsider that cares more about service quality; it has better interaction and communication with consumers. For power distance, both global and local coffee shop brands have negative γ values and the global coffee shop brand has a higher γ_{21a} of -0.007 than that of local coffee shop brands with -0.047. The global coffee shop brand has a higher price and more consumers with strong consumption capacities, but consumers for these two types of coffee shop brands were not concerned much with power distance. Uncertainty avoidance has γ_{21b} of 0.150 higher than γ_{22b} of 0.054. In addition to the drinks on the menu, global coffee shop brands, from time to time, launch new products, but local coffee shop brands do not change their menus. Individualism has γ_{22c} of 0.033 higher than γ_{21c} of -0.032. The consumers of local coffee shop brands mostly dined in alone, but those of global coffee shop brand belong to a group consumption model. Masculinity has γ_{22d} of 0.037 higher than γ_{21d} of 0.035, indicating there are more male consumers of local coffee shop brands due to the consideration of time saving and convenience, and there are fewer male consumers of global coffee shop brand because they need to spend time waiting. Materialism has both negative γ values in terms of the influence of both global and local coffee brands and γ_{31a} of global coffee shop brand, -0.001, is higher than that of γ_{32a} of local coffee shop brands, -0.008. The global coffee shop brand uses materials with higher quality and in comparison, local coffee shop brands use ordinary materials, but consumers for these two types of coffee shop brands were not much concerned with materials. Consumer innovativeness has γ_{31b} of 0.098 higher than γ_{32b} of 0.074 because global coffee shop brand launches new products from time to time, but local coffee shop brands do not. Nostalgia has γ_{31c} of 0.118 higher than γ_{32c} of 0.042 because the music style of global coffee shop brand gives consumers a retro feeling and that of

local coffee shop brands does not. Consumer ethnocentrism has γ_{32d} of 0.094 higher than γ_{31d} of -0.015, showing that it is easier for consumers to identify with local coffee shop brands than global coffee shop brand. Consumers did not have ethnocentrism towards global coffee shop brand. For the influence of environmentalism on consumer satisfaction, both global and local coffee shop brands have negative γ values with γ_{32e} of local coffee shop brands, -0.055, being higher than that of global coffee shop brand, -0.116. Local coffee shop brands are community based, and therefore, they promote and realize environmental protection concepts more actively while the global coffee shop brand is an outsider business that is not as active in environmental protection. Consumers of these two types of coffee shops were found to be less concerned with environmentalism. The above results are compiled in Table 3.

4. Conclusion

4.1 The Positive Influence of Relationship Marketing on Consumer Purchase Decisions

The research results of this study find that trust and commitment in relationship marketing influence consumer purchase decisions. Shops need to let consumers feel reliable and safe before earning their commitment and trust, making them loyal customers. Hence, good interactions between shops and consumers help to stabilize customer bases and attract more new customers.

4.2 The Positive Influence of National Cultural Values on Consumer Purchase Decisions

The research results of this study find that power distance and uncertainty avoidance in national cultural values influence consumer purchase decisions. The perception of consumers towards power distance and uncertainty avoidance reflects that of consumers towards the shops. The association enables consumers to feel being identified with. Thus, in addition to the perception of consumers, if the shops can provide the association, consumers will become loyal to them.

4.3 The Positive Influence of Consumer Values on Consumer Purchase Decisions

The research results of this study find that materialism, consumer innovativeness, and environmentalism in consumer values very much influence consumer purchase decisions. Consumers tried to find the similarities of shops with their behaviors and habits and they felt that their expectations were satisfied. Thus, factors that can be easily identified with by customers including behaviors and habits help to retain customers.

4.4 Research Limitations

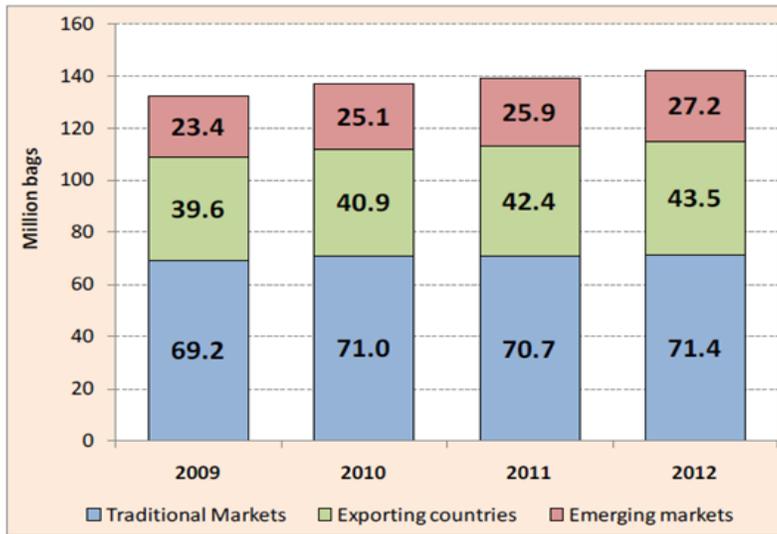
4.4.1 Due to venue, time, and human resources limitation and inconvenient traffic, this study only investigates students of National Formosa University and some Facebook users.

4.4.2 The majority of the subjects of this study are students at the Department of Business Administration of National Formosa University and classes were selected to receive the questionnaires. Therefore, there is an unbalanced gender distribution and most subjects are female.

4.4.3 In this study, there is an unbalanced shop type distribution for frequent coffee shop consumers; there are more local coffee shop brands than global coffee shop brand.

5. References

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Source : International Coffee Organization, Annual Review, 2012/13

Figure 1 World Consumption Calendar 2009 to 2012

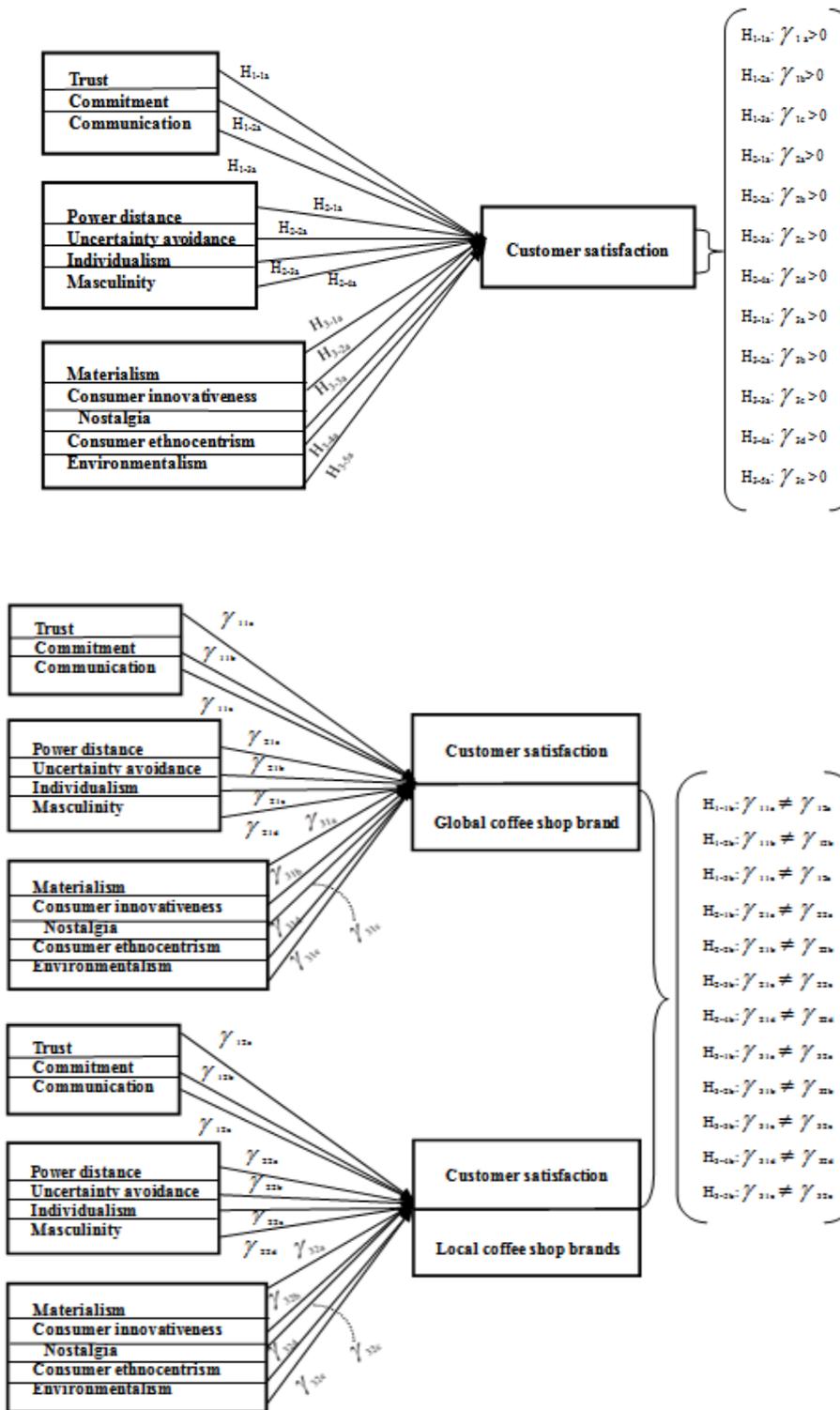


Figure 2 The research structure

		Samples	%
Sex	Male	133	29.36
	Female	320	70.64
Age	≥ 19	93	20.53
	20-29	324	71.52
	30-39	28	6.18
	40-49	6	1.33
	≤ 50	2	0.44
Country	Taiwan	364	80.35
	Vietnam	89	19.65
Normally get used to consumption's store	Global coffee shop	193	42.60
	Local coffee shop	260	57.40

Table 1 Sample structural analysis

	γ	P
Trust	0.002 < γ_{1a} >	0.014
Commitment	0.003 < γ_{1b} >	0.012
Communication	-0.009 < γ_{1c} >	0.014
Power distance	0.785 < γ_{2a} >	0.011
Uncertainty avoidance	0.229 < γ_{2b} >	0.014
Individualism	-0.004 < γ_{2c} >	0.011
Masculinity	-0.002 < γ_{2d} >	0.009
Materialism	0.008 < γ_{3a} >	0.012
Consumer innovativeness	0.000 < γ_{3b} >	0.012
Nostalgia	-0.004 < γ_{3c} >	0.013
Consumer ethnocentrism Environmentalism	-0.029 < γ_{3d} >	0.012

Table 2 Confirmatory Factor Analyses

	Global coffee shop brand of γ	Local coffee shop brands of γ
Trust	0.087 $\langle \gamma_{11a} \rangle$	0.324 $\langle \gamma_{12a} \rangle$
Commitment	0.248 $\langle \gamma_{11b} \rangle$	0.282 $\langle \gamma_{12b} \rangle$
Communication	0.389 $\langle \gamma_{11c} \rangle$	0.221 $\langle \gamma_{12c} \rangle$
Power distance	-0.007 $\langle \gamma_{21a} \rangle$	-0.047 $\langle \gamma_{22a} \rangle$
Uncertainty avoidance	0.150 $\langle \gamma_{21b} \rangle$	0.054 $\langle \gamma_{22b} \rangle$
Individualism	-0.032 $\langle \gamma_{21c} \rangle$	0.033 $\langle \gamma_{22c} \rangle$
Masculinity	0.035 $\langle \gamma_{21d} \rangle$	0.037 $\langle \gamma_{22d} \rangle$
Materialism	-0.001 $\langle \gamma_{31a} \rangle$	-0.008 $\langle \gamma_{32a} \rangle$
Consumer innovativeness	0.098 $\langle \gamma_{31b} \rangle$	0.074 $\langle \gamma_{32b} \rangle$
Nostalgia	0.118 $\langle \gamma_{31c} \rangle$	0.042 $\langle \gamma_{32c} \rangle$
Consumer ethnocentrism	-0.015 $\langle \gamma_{31d} \rangle$	0.094 $\langle \gamma_{32d} \rangle$
Environmentalism	-0.116 $\langle \gamma_{31e} \rangle$	-0.055 $\langle \gamma_{32e} \rangle$

Table 3 Confirmatory Factor Analyses of Global and Local Coffee Shop Brands