How Acculturation Influences Chinese Consumers’ Relational Behavior in Banking Relationships

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This study examines the influence of acculturation on ethnic consumers’ personal and business relationships with their banking service provider. The study is set in the financial services sector and focuses on Chinese consumers living in New Zealand. In the collectivist Chinese culture, building personal relationships based on guanxi is of primary importance. Therefore, understanding the interplay between relational behavior and guanxi in this group’s relationship commitment is fundamental. The study examines the drivers of relationships in the Chinese banking relationship in the host culture and applies Western and Chinese relationship concepts to capture the influence of acculturation on Chinese consumers’ behavior. Structural equation modeling and multiple-group analysis reveal that Chinese consumers’ acculturation levels positively influence structural and social bonding with the banking service provider (or target of commitment). The impact of structural and social bonding on the target of commitment varies under different consumer acculturation levels.

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EXTENDED ABSTRACT

Relationship building is a complex phenomenon that should be addressed within its specific context because exchange relationships vary in the interface, motivation, and context in which they are established. As interest grows in marketing practices targeting ethnic communities, there is a need to expand what is known about the impact of acculturation on consumer relational behavior. This study contributes to this debate by considering how the degree of consumer acculturation influences relationships between relational bonding and banking service providers.

Contemporary literature posits that consumer acculturation affects ethnic consumers’ buying behavior and decision-making (Lerman, Maldonado, & Luna, 2009; Perry, 2008; Podoshen, 2006; Sekhon & Szemigin, 2009). Several researchers suggest that the degree of acculturation may more strongly influence consumer behavior than the country in which a consumer was born (Ogden, Ogden, & Schau, 2004; Palumbo & Teich, 2004; Seitz, 1998).

In the financial services industry, forging strong customer relationships is important because of the interpersonal nature of the service delivery process. However, the successful implementation of long-term relationships requires a clear understanding of the underlying factors that encourage customer commitment and loyalty. Therefore, a better understanding of the impact of acculturation on consumer relational commitment and loyalty is needed. This study investigates the impact of acculturation on Chinese consumers’ relational bonding and loyalty behaviors in banking relationships.

This study employs the concept of targets of commitment in the relationships between acculturated Chinese consumers and their banking service provider (bank or banking consultant). Targets of commitment (or commitment foci) are the entities an individual is psychologically committed to in a relationship. These multiple targets of commitment are the service company, a regular service employee, or a friend who is an employee at the service company (Jones, Taylor, & Bansal, 2008). Although previous studies have documented the components of services and relationship marketing, such as structural bonding, social bonding, service company commitment, interpersonal commitment, advocacy, and long-term behavioral intention (Baumann et al., 2007; Dash, Bruning, & Guin, 2009; Jones et al., 2008), investigations of the interrelationship of these variables in relational exchange studies have not been undertaken. This study fills that gap, argues that these relational variables are interrelated and significantly influence each other, and examines the impacts of each target of commitment in a bi-dimensional model of acculturation. The investigation of these relationships can be used to predict ethnic consumer loyalty toward the banking service provider (or target of commitment).

The study is set in the financial services sector and focuses on Chinese consumers living in New Zealand. In the collectivist Chinese culture, building personal relationships based on guanxi is of primary importance (Ambler, 1994; Ariza, 1998; Lee, Pae, & Wong, 2001; Leung, Lai, Chan, & Wong, 2005; Wang, 2007). Therefore, understanding the interplay between relational behavior and guanxi in this group’s relationship commitment is fundamental. The study examines the drivers of relationships in the Chinese banking relationship in the host culture and applies Western and Chinese relationship concepts to capture the influence of acculturation on Chinese consumers’ relational bonding and loyalty-related behavioral intentions.

This study examines Chinese bank customers’ relationships with two distinct role-based targets of commitment: (1) a bank, where the role is economic exchange and provision of service (service company commitment), and (2) a banking consultant acting as a friend, where the role is social exchange and provision of friendship (interpersonal commitment). A consumer’s commitment toward the bank or banking consultant centers on the exchange-based role, the decision logic underlying that role, the relational orientation, and the exchange benefits.

Mail surveys were distributed to 2,000 Chinese residents in New Zealand, yielding a final valid sample of 368. The study employed a seven-point Likert Scale and measurement items adapted from previously tested scales including structural and social bonding, targets of commitment, advocacy and long-term behavioral intentions, and acculturation level consisting of language preference and cultural involvement. Structural equation modeling and multiple-group analysis were employed to assess the interrelationships among model constructs. A chi-square difference test was used to compare an unconstrained model (original model) and a constrained model (nested model) to corroborate acculturation’s moderating effect on the relationships between bonding and target of commitment.

The results indicate that level of acculturation positively moderates the relational bonding on targets of commitment. Structural bonding between customers and the bank and social bonding between customers and the banking consultant are significantly correlated with consumer commitment to the banking service provider. The findings show that acculturated Chinese consumers, when committed to their banking consultant, are more likely to provide positive word-of-mouth and encourage friends and relatives to do business with their banking consultant. On the other hand, acculturated Chinese consumers, when committed to their bank, are more likely to remain in long-term relationships with their bank.

The study suggests the importance of measuring the influence of consumer acculturation on the distinct targets of commitment and loyalty outcomes. Acculturation levels significantly influence the Chinese consumers’ relational behavior to their banking service provider. Personal relationship or friendship plays an important role in forming consumer interpersonal commitment to the banking service provider and reinforcing consumer loyalty. This study concludes that personal relationship or commercial friendship is desirable in relationship building with Chinese bank customers. Insights are provided for practitioners seeking to design effective segmentation strategies for ethnic groups. An understanding of the influence of consumer acculturation on ethnic consumer
behavior can help to shape ethnic marketing strategies in relation to positioning, segmentation, and the design of marketing communications. The present research contributes theoretical and managerial knowledge to the literature on relationship marketing, services marketing, and ethnic marketing.

REFERENCES