

Full Length Research Paper

Consumer decision-making styles: A comparison of traditional and new-type 3C malls between China and Taiwan

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This paper aims to explore the differences between consumer decision-making styles (CDS) in the traditional and new-type 3C malls for cross regions (China, Taiwan) and consumers with different genders. The results indicated that the CDS of consumers purchasing 3C products varies between regions, types of malls and genders, and it shows both utilitarian and hedonic shopping styles. The practical management implications of our findings are important for the operation of 3C malls. The study not only combines theory and practice, but also feeds back findings to the management of the 3C malls in order to obtain management implications.

Key words: Consumer style inventory (CSI), decision-making styles, cross-regional, China, Taiwan.

INTRODUCTION

In 2007, Li-Fung Research Center (2007) reports that China's total volume of retail sales of consumer goods reaches 8948.2 billion RMB. The first three on the list of China's top ten chain enterprises in 2007 (Li-Fung Research Center, 2007) were GOME, Shanghai Brilliance and SUNING. As opposed to Shanghai Brilliance, which sells general merchandise, both GOME and SUNING sell 3C products. 3C malls are very important in people's lives. Past research on consumer behavior mostly focuses on channels such as chain stores or shopping centers (Wesley et al., 2006; Hart et al., 2007; Allard et al., 2009), while few studies of consumer behavior examine 3C malls. Therefore, this study describes consumers' decision-making behaviors in 3C malls.

In recent years a new-type 3C mall emerged and developed rapidly. This new-type 3C mall spread from Taiwan in China in 1996, and then flourished in Asia (Weng, 2006; Yang, 2002), examples include Buynow

and Cybermart in China, NOVA in Taiwan, and I'PARK MALL in Korea. In the new-type 3C mall, management and sales are separated, which made its operating mode different from the traditional mall. The operating modes of the new-type 3C mall can reduce operating costs by centralizing service, maintenance, and cleaning. Previous researches mainly focus on traditional malls (e.g., chain stores, shopping malls). Therefore, one of the purposes of this study is to explore consumers' consumption behaviors in the traditional and new-type 3C malls.

In the late 1950s, Peter Drucker, Theodore Levitt, and others pronounced, "the firm asserts that the satisfaction of consumer needs is the firm's primary purpose" (Wayland and Cole, 1997). Therefore, understanding consumers' characteristics in order to satisfy their demands is crucial in the 3C retail industry. Based on the Consumer Style Inventory (CSI) that Sproles and Kendall (1986) provide, this study divides consumers' decision-making into eight styles from the perspective of psychological characteristics. Contemporary consumers are demanding more pleasant shopping experiences (Kim and Shim, 2002), and their purchasing behaviors do not relate only to the practical values of the products. Many

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researchers suggest that consumption behaviors can be divided into utilitarian and hedonic shopping styles (Babin et al., 1994). Following these two shopping styles, this study classifies the eight CDS into two major types: the Utilitarian Shopping Style (USS) and the Hedonic Shopping Style (HSS). The customer purchase decision can be affected by various reasons. The second purpose of this study is using the CDS model to analyze consumer decisions-making when they purchase 3C products. The result explores the differences between the CDS and shopping styles of China and Taiwan customers. The results could allow the operator to realize the consumer's shopping preferences, and the position of the consumer. It will give operators some information for future management and service strategy.

Consumer behavior is deeply influenced by cultures, so consumers of different cultural backgrounds have various product preferences and different purchase decision behaviors. This study explores both Chinese and Taiwanese consumers, based on the different thinking modes and values that resulted from the cultural differences. When they go shopping, they have different shopping styles and purchasing decision-making behaviors. Since the new-type 3C mall spread from Taiwan to China, the third purpose of this study is to discuss the differences between the decision-making behaviors of Chinese and Taiwanese consumers in the traditional and new-type 3C malls.

CONSUMERS' CULTURAL DIFFERENCES

Lifestyle is a type of behavioral model, and is influenced by personality, society, and culture. Lazer (1963) suggested that lifestyle is a systematic idea, embodied in a dynamic lifestyle. Therefore, lifestyle results from cultures, values, resources, and law. From the perspective of marketing, consumers' purchasing and consumption behaviors reflect the lifestyle of a society. According to Engel et al. (1978), consumers with different lifestyles make different purchasing decisions. It regards a consumer as a whole to describe the consumer's nature and activity mode. Caillat and Mueller (1996) and Lin (2001) analyze the differences of cultural values between Taiwan and China. Because Taiwan and China have a similar language and cultural background, their cultures have some similarities, as well as some differences. From the microscopic angle, different and identical cultures may coexist simultaneously rather than being mutually exclusive. Therefore, in different cultures, people from different regions have different values and different lifestyles. Looking at the global market, it is obvious that the market characteristics of Asian countries differ from those of the U.S.A. and European countries. However, Asian countries have different cultural traits, though Chinese culture exists in many regions. Each country has its own traditions and history, thus not all Asian countries can be regarded as having the same culture. The results of some studies support, directly or indirectly, the view that

different Asian countries differ in their cultures (Massey and Chang, 2002).

To sum up, different cultural backgrounds will influence consumers' preferences for products and purchasing behaviors. Therefore, it is important to find out whether different cultural backgrounds and regions influence the preferences of consumers' purchase decision-making behaviors. Therefore, this study aims to explore whether Mainland Chinese and Taiwanese consumers have different purchasing behaviors related to cultural differences. We investigate whether Chinese and Taiwanese consumers have different CDS when buying 3C products based on the CSI of Sproles and Kendall. The following is the hypothesis in this study:

H₁: The CDS of Chinese and Taiwanese consumers has significant difference.

TYPES OF 3C MALLS

The advance of information technology and communication, or 3C (Computer, Consumer Electronics, Communication) products, play an important role in modern life, and competition in the 3C product market has become fierce. This study classifies 3C mall channels into two types: the traditional 3C mall and the new-type 3C mall.

Traditional 3C mall

The traditional 3C mall in this study refers to independent stores or chain stores, shopping centers (e.g., department stores, warehouses). This study classifies as traditional 3C malls all those that are not of the new type.

i) Independent store and chain store: independent stores are mostly operated by individual owners, with a small scale and limited area, and provide very few brands and varieties. Chain stores are operated by large enterprises, with a larger scale, usually in a shopping center. The purchasing, distribution, and management are undertaken by headquarters. It usually has a large area, and offers open shelf display, allowing consumers to test the products in-store. Service staffs provide information and consultation for consumers (ICSC, 2009).

ii) Shopping center: this includes department stores and warehouses, which are composed of several different types of store. It is usually operated in an open building, with multiple functions, including shopping, recreation, culture, and entertainment. It provides diversified goods, comfortable shopping space, and various services to attract consumers, so as to satisfy consumers' shopping and recreational demands (ICSC, 2009).

New-type 3C mall

The new-type 3C mall developed rapidly in recent years.

Table 1. The features of new-type 3C mall.

Function	Feature
Management	Management and sales are separated. The store's rental and management. Consumer complaint management: strengthen protection of consumers' interests. Collect and analyze consumer demands, change marketing direction accordingly.
Product factor	Fast product renewal. Sufficient product depth and breadth. Quick reaction to price changes, offer bargaining space.
Product management	Low inventory cost (stores serve as warehouses for each other and can provide inventory for each other, when the store is out of stock, shops can transfer goods to cut inventory. Consumers do not need to wait, and they can get what they want immediately).
Provide services	Provide training, cleaning, security, and marketing services for dealer. Provide educational entertainment, free consultation, update and maintenance service, after-sales service, and online service for consumers.
Environment equipment	The mall route is smooth. The mall space atmosphere (light, air condition, music) is comfortable. The mall recreational facilities (free on-line service, video games) is attractive. The mall facilities (sitting-out area, lavatory) is clean and convenient.
Marketing	Advertising planning and design. Diversification advertising is attractive. 3C original dealer activities – the presentation on the new product, promoting for original dealer's product. The mall activities by oneself - 90% off discount of the product, bids for product, interesting for prize drawings. Product planning activities.
Dealer relationship	Executing the spirit of ISO services, in order to satisfy dealer demand better. Provide services for dealer, and not compete for profit with dealer. The mediation of disputes for shopping between dealers and consumers.

It spread from Taiwan to China in 1996 and has become prevalent in Asian countries. The new-type 3C mall offers thousands of digital and peripheral products, including computers, digital cameras, mobile phones, etc. There could be over 100 types of products and over ten thousand product items (Qiu, 2003). The traditional 3C mall only sells popular products, so that consumers need to travel between several stores before they find all the products they want. There are a variety of 3C products, but the traditional 3C malls cannot satisfy consumer demand anymore. In the new-type 3C mall, consumers can compare the goods of different stores and have bargaining space. It comprises hundreds of stores (in Taiwan, Korea, and Japan) or thousands of stores (in China) in a mall, providing tens of thousands of products for consumers so as to satisfy their demand for one-stop shopping and a diversified shopping environment. As a result, the new-type 3C mall has created a popular trend in Asia. Based on interviews with senior managers of the new-type 3C mall, this study sees the features of the new-type 3C mall (Table 1).

The new-type 3C mall is similar to a department store; the difference is that the new-type 3C mall specializes in 3C products, and its management and sales are independent from each other. This management style can reduce operating costs. In the new-type 3C mall, consumers can communicate directly with store owners and bargain on price; whereas in a traditional 3C mall, the consumers can only communicate with sales representatives.

The products are mainly sold at reduced prices or promotional prices, the consumers have no bargaining space, which reduces the enjoyment of the purchasing process. Therefore, the new-type 3C mall provides consumers with a new shopping environment, allowing them to save time and offering convenience. Based on the interviews with senior managers of the new-type 3C malls, this study draws conclusions about the differences in the sales modes of the traditional and the new-type 3C malls (Figures 1 and 2), and compares the consumer services between the two (Table 2).

In sum, past research on consumer behavior has

Figure 1. Sales mode of traditional 3C mall.

Figure 2. Sales model of new-type 3C mall.

mainly focused on channels such as chain stores or shopping centers (Allard et al., 2009; Hart et al., 2007; Wesley et al., 2006). Although the channel of the traditional 3C mall has been extensively discussed, there are very few studies of the new-type 3C mall because the new-type 3C mall is currently only prevalent in Asia (including Taiwan, China, Korea, and Japan), but is not popular in the US and in European countries. Since the new-type 3C mall spread from Taiwan to China, whether Taiwanese and Chinese consumers have different consumption habits is still unknown. Therefore, this study aims to explore whether Chinese and Taiwanese consumers will make different consumption decisions in different types of 3C malls. This study hypothesizes:

H₂: The CDS of consumers between the traditional and the new-type 3C mall has significant difference.

H_{2a}: The CDS of Chinese consumers in the traditional and the new-type 3C mall has significant difference.

H_{2b}: The CDS of Taiwanese consumers in the traditional and the new-type 3C mall has significant difference.

CONSUMER DECISION-MAKING STYLES (CDS)

The CDS is an emotional and cognitive orientation during shopping, and it dominates consumers' choices. This characteristic is predictable. By its nature, it is a consumers' personality; also, it is similar to the concept of mental characteristics (Sproles, 1985). In addition to having different lifestyles, values and traits, people also have different CDS. Therefore, the CDS refers to purchase decision when consumers are shopping. Sproles and Kendall (1986) proposed the consumer style inventory (CSI), which includes eight kinds of CDS:

Perfectionism and high quality consciousness (PH):

These consumers look for the best goods and services carefully and systematically, they have a high standard and expectation for goods, and are not easily satisfied with the products.

Price or value consciousness (PV): These consumers prefer products at special or low prices, and they like to

ERROR: rangecheck
OFFENDING COMMAND: .buildcmap

STACK:

-dictionary-
/WinCharSetFFFF-V2TT9BF4ACCA
/CMap
-dictionary-
/WinCharSetFFFF-V2TT9BF4ACCA