

1. Cultural differences and influences in consumer behavior

The impact of culture on consumer behavior was for a long time not well understood (De Mooij, 2011). The neglect of culture's influence on consumer behavior has led to enormous losses for many companies (Nayeem, 2012). This has forced both managers and researchers to improve international marketing efforts (McCort & Malhotra, 1993). Recent opinion is, that all of the behavior is influenced by the ever-present force culture, and in particular by cultural norms and expectations (Faber, et al., 1987; Briley, et al., 2000; Leo, et al., 2005; McCort & Malhotra, 1993).

The literature has shown that culture affects consumers' decision-making process in every step. Thus, a complete comprehension of consumption patterns requires the consideration of the cultural context (Solomon, et al., 2006). However, until now researchers have not managed to offer a framework, how specific cultural dimensions affect specific consumer behavior components. (McCort & Malhotra, 1993) Existing models are often too complicated to be correctly applied in practice. (Luna & Gupta, 2001)

The Fishbein model emphasizes the assignment of different levels of importance to various product attributes by consumers. However, values of people are not only based on their own desires and needs, but also reflect societal and cultural norms (Dembkowski & Hanmer-Lloyd, 1994). The value-attitude-system model can help to understand how individual preferences are built and how societal and cultural norms could influence them. Studies have shown that variation in value orientation led to different preferences for products and brands. According to the model, individuals acquire values at three mutually depended, interrelated and present different degrees of abstraction (Vinson, et al., 1977).

The levels are coexisting in an interconnected structure. Dembkowski & Hanmer-Lloyd (1994) extended this model by adding the variable purchase and consumption behavior as the result of the evaluation of product attributes. This model was proofed to be particularly valuable for the examination of purchase decision with extensive problem-solving, for example the purchase of an automobile. The influence of values on extensive purchase decisions was in many cases confirmed and seemed to be more important than in more mundane purchases. This model does not contradict the Fishbein model. It rather serves as an extension, showing how the evaluations of product attributes are formed. It demonstrates that deep grounded, centrally held values influence consumers' perception of individual automobile attributes.

Culture acts as a source of values. Culture is presumed as one of the primary inculcators of values, transmitting values and expected behaviors through socialization beginning from childhood age (McCort & Malhotra, 1993). Disparities in cultures' perceptions of desirable outcomes are decisive for differences in attribute preference throughout cultures. Thus, some aspects might be more important for one culture than for the other. In an extreme case, some values might even be inappropriate for another culture. Subsequently, these value differences are reflected in different product attribute preferences (Faber, et al., 1987; McCort & Malhotra, 1993). The automobile is an example for a product that often serves for a social purpose of self-projection and status communication. On the other hand, some consumers perceive automobiles only as a mean for transport (Zhang & Gelb, 1996). Therefore, products have a different status in different cultures and demand may vary (Usunier & Lee, 2013).

Automobiles are high involvement purchase decisions and are visible in consumers' daily lives and therefore, often express social meaning such as personality, status, and prestige (Nayeem, 2012). This makes automobiles an interesting product for this research.

2. Debate over European convergence/divergence

The main debate was whether and to what extent products and marketing programs can be standardized within European countries. The effectiveness of the pan-European standardized marketing approach is discussed in the literature (Halliburton & Hünerberg, 1993; De Mooij, 2000). Various international marketers assumed that differences between European value systems will decline and cause homogenization of needs, so that standardization will be feasible (De Mooij, 2000).

Buzzell (1968) considered Western Europe as one of the regions in the world, in which social and economic trends are working in favor for more standardization (Buzzell, 1968). Additionally, Roostal (1963) claimed that geographic, cultural and other distances are declining in Western Europe.

Socio-cultural convergence is also observable in Europe. Wolfe (1991) and Halliburton & Hünérberg (1993) point out overall similarities which are evident between European countries. Since the 1990's comparable demographic shifts happened in Europe. Important trends in age distribution, marriage patterns, decreasing size of households, salary rates and aging of the population can be observed in European countries. These factors have a major impact on consumption patterns and on product preferences. European countries also have similar social trends e.g. attitudes toward work, money, authority, individuality, materialism, the concern for environment and health etc. Furthermore, similar patterns in terms of automobile ownership and automobile type choice were found in Europe when compared to the United States (Solomon, et al., 2006).

On the other hand, some studies on European consumer convergence have shown contrasting results. Local or country preferences seem to be persisting in some product markets such as the food market and require a cross-border differentiation (Halliburton & Hünérberg, 2005). Furthermore, cultural and linguistic differences are still present. Language is one of the elements influencing culture. It shapes and structures the world view and the social behavior of a society. Also, it influences how issues are perceived and solved. Furthermore, differences in lifestyles and consumption patterns among European countries are still observable and will persist regarding to Wolfe (1991). Some researchers (de Mooij, 2000) pointed out that the single European market shall rather be seen as a mean to make European markets better accessible, but not identical. A full homogenization is either not yet achieved, because markets are still too culturally diverse (Jain, 1989). Significant differences in consumption patterns and spending were observed (Watt, 1993), from which no convergence in the near future could be concluded.

In conclusion, mixed results have been published since the start of the debate over pan-European marketing standardization. It is very important to highlight the fact that studies examining converging needs are conducted in a very early stage of the creation of the single European market. Very few recent studies can be discovered (Apfelthaler, 2015). Since cultural values do not change rapidly, the impact of the single European market may not yet have changed preferences for product attributes. An updated analysis is needed. Researchers (Halliburton & Hünérberg, 1993; Diamantopoulos, et al., 1995) came to the conclusion that this debate is too polarized and suggest that the decision should be made in the context of the type of product, market cluster and market segmentation. Before making a decision, they advise to analyze the market and the consumers in it, rather than inconsiderately apply a conventional method.

3. Choice of automobile industry for European consumer differences

The examination whether European consumers are different in terms of their preferences in automobile attributes is very relevant for companies. This is a decisive factor for the choice of product and marketing strategies. If European countries are similar in terms of their preferences for various automobile attributes, companies can follow the standardization approach. If, however, serious cultural differences between countries can be detected, this strategy can also be damaging.

This study compares Italian and German Millennial consumer with regard to their preference for automobile product attributes. Thereby, managers could reach larger cross-cultural European consumer groups compared to a one-country approach (Guido, 1992). His approach was to cluster countries with similar demographic and economic characteristics. These similarities can be broadly found in the comparison of Italy and Germany¹.

¹ Italy and Germany are one of the four countries with the highest GDP per capita and their values are approximately similar. Furthermore, Germany and Italy represent two of the largest markets in the European union with a population of 83 Mio. in Germany and 60 Mio in Italy. Together, they account for approximately 25% of the European population (Eurostat, 2019). Moreover, Italy and Germany are one of the most important markets for automobiles in Europe. They

Analyzing the cultural differences between Germany and Italy in the six dimensions of Hofstede, it can be deduced that the general orientation of Italy and Germany are alike and only minor differences are observable. In general, they are both masculine societies with a relatively high degree of individualism and a rather smaller power distance index. They are rather long-term orientated and tend to restraint. The two biggest differences between Italy and Germany are the power-distance index and the long-term orientation. Italy is on the threshold of being a rather power distant society, while Germany has a clear tendency to being a less power distant society. Furthermore, Germany is more long-term orientated than Italy. However, the cultural differences are rather minor.

The significant factors have been included in our (see exhibit 1) survey and are added by the potential factors from Kukova, et al. (2016). The questions are designed to be mutually exclusive and collectively important. This means they do not overlap with one another and provide all possible options that could comprise a response list.

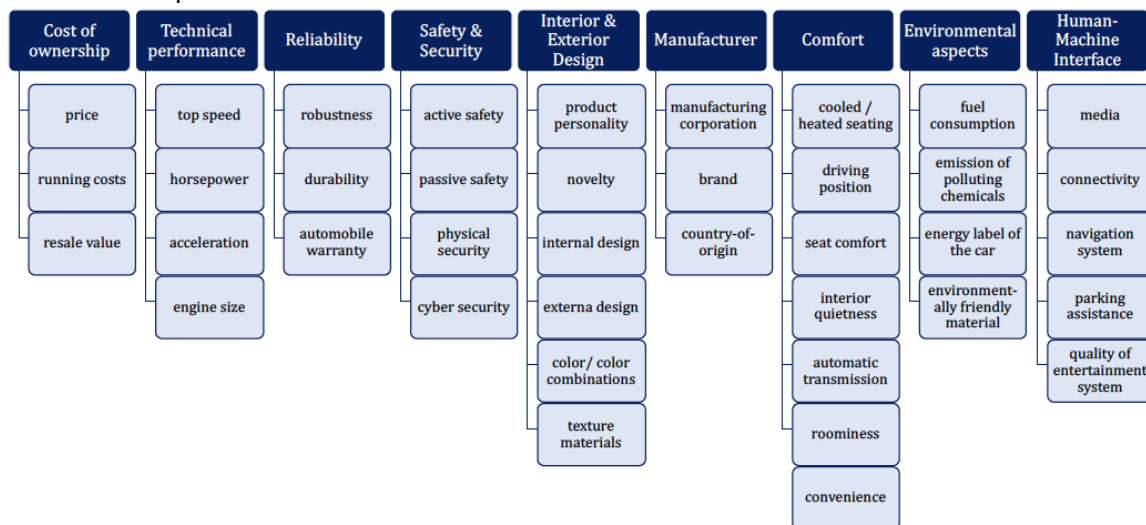
Cost of ownership: does not only include the actual price of the automobile but also running costs throughout the usage and the appreciation value at the end of the usage as fuel consumption.

Technical performance: it is measured by the preference towards elements of an automobile that enhance driving performance.

Reliability: it is the ability of a vehicle, which is regularly maintained, to perform according to required standards over a set period of time (Kukova, et al., 2016, p. 434).

Safety and Security: Safety describes the automobile's capability to prevent an accident and in case of an accident to protect its occupants from injury. Security, on the other hand, can be distinguished into physical security and currently increasingly important the cyber security.

Exhibit 1. Comprehensive model of automobile attributes. Main choice criteria and related sub criteria.



Interior and Exterior Design: they relate to aesthetic principles, which serves as differentiation among automobiles and creates appeal or desire (Kukova, et al., 2016). This should apply in particular to Millennials, who like to express their individuality and their character with their products.

Comfort: it describes the ability to have a pleasant, pain free driving position, an adequate reach and effortless operation of key controls for the driver and all passenger.

Manufacturer: it can be described as the preference for cars manufactured by a certain corporation, under a certain brand, or in a certain country and has been drawn from Yousefi & Hadi-Vencheh, 2010. Furthermore, the country of origin effect is very prominent in automobile choice decision.

are among the European countries that have the highest percentage of households owning two automobiles. (Solomon, et al., 2006).

Environmental Aspects: Europeans have a high awareness of negative environmental impacts of automobility and Millennials are especially environmental-conscious in comparison to older generations (van Rijnsoever, et al., 2009).

Human-Machine Interface: it contains an integrated operating system which provides build-in journey assistance and an entertainment package in an automobile (Kukova, et al., 2016).

The derived attributes that influence the decision of a purchase of an automobile can be seen in Exhibit 1. These attributes also cover the instrumental, affective and symbolic dimension of automobiles.

Focusing on the importance assigned to decisive automobile attributes between German and Italian Millennials, the following hypothesis was derived from the literature.

H1: Italian and German Millennials do not assign a different level of importance to the attributes of automobiles during the purchase.

H2: Italian and German Millennial men (/women) do not assign a different level of importance to the attributes of automobiles during the purchase.

H3: Italian and German Millennials living in a household with at least one child (/no child) do not assign a different level of importance to the attributes of automobiles during the purchase.

H4: Italian and German Millennials with the same relationship status (single/ in a relationship/ married) do not assign a different level of importance to the attributes of automobiles during the purchase.

4. The research method: Survey design and Data collection

Respondents must be Millennials. The interval used in this study is set to the years of birth from 1985 to 1995. Furthermore, the possession of a driver's license was used as the inclusion criteria of participants in this study equivalent to the study of Mairesse, et al. (2012). Since hypotheses H₂ – H₄ deal with differences between German and Italian Millennials in the context of the demographic factors gender, household with(out) children and relationship status, the demographic section of the survey encompasses all these factors.

The main attributes are valued in one sheet from 1 (= not important) to 9 (= extremely important), allowing the decision maker to compare the attributes with each other and therefrom indicate the importance of one criterion compared to the others. This procedure is suggested by Yousefi & Hadi-Vencheh (2010). Subsequently, the importance of each individual factor is examined in more detail. The main decision factors contain several sub criteria that are also evaluated on a 9 Point scale. The data was collected with an online questionnaire using the Google survey. Individuals were addressed via social media, email distribution and asked to participate voluntarily. The data collection for the empirical study was performed in summer 2019 and gathered a total of 311 respondents.

The sample consists of an approximately equal number of women and men as there are 164 men (52.7%) and 147 women (47.3%). Only 63 respondents or 20.3% of all respondents have at least one child. Most of the respondents, namely 136 respondents or 43.7% were in a relationship during the questionnaire. This is followed by 106 respondents (20.3%) who were single and 69 respondents who are married. The demographics are also compared between Italy and Germany. The sample consists of 167 Germans (53.7%) and 144 Italians (43.6 %).

The surveyed attributes, which may be relevant for the decision to purchase an automobile, are multidimensional concepts that need to be treated accordingly. In the first step, all the main attributes were queried in one task in order to present the attributes and give the respondent the opportunity to weight the values against each other. Then the value was assessed in detail using the corresponding sub-criteria. In order to work with this, it is necessary to compile the main attribute and the individual sub criteria into a composite indicator that measure the multidimensional concept.

Since all attributes are represented by more than two items (sub-criteria), the Cronbach's Alpha is used for the examination. Furthermore, a composite indicator for the size of the automobile has to be

formed giving numbers to the proposed description². The test for internal consistency yielded a Cronbach's Alpha value = 0.833 (n=311). Therefore, an overall indicator is transformed, which is used for all subsequent analyses. The H₀ hypothesis of the TTest states that the sample is normally distributed. The minimum of 30 respondents according to the central limit theorem is reached and normal distribution of the variables can be assumed (Bamberg & Baur, 2002)³.

5. Discussion

In general, it becomes evident that no variable was considered unimportant. In addition, there is no variable that stands out particularly and ranks first by a large margin. Therefore, no variable can be considered to be the dominant one and decisive for the purchase of an automobile. Further, the Italian and German sample concurred in the ranking of the first two factors and the last two factors. The two best ranked attributes were design and human machine interface. Design can occupy a symbolic and an affective nature. The generation of Millennials is reputed to select and consume product, which reflect some aspects of their own personality or image (Ordun, 2015). The high rating of human machine interface could be attributed to the importance it holds for Millennials. They are the first global generation connected to the Internet in everyday life which is considered to be the biggest distinction from other generations.

Environmental aspects were rated with 6.3784 in the German sample and with 5.2222 in the Italian sample. The German sample assigned a higher level of importance to environmental aspects and also to all corresponding individual items compared to the Italian. This is consistent with the empirical findings of Diamantopoulos, et al. (1995), who discovered a higher preference for ecological product attributes among German respondents compared to respondents from the UK. Halliburton & Hünenberg (1993) also claimed that Germans and Scandinavians attach greater importance to environmental issues than other Europeans. The German and Italian sample also differed in the evaluation of the variable reliability. The mean of the German sample was 6.3548 and the mean of the Italian sample was 5.8125. Moreover, no outstanding difference in the arrangement of an attribute on the given 9-point scale could be discovered. Although, H₁ cannot be confirmed, the present differences are not remarkable.

The second hypothesis (H₂) statistically examined the differences of the men and then of the women between the German and Italian sample. Women of both samples valued the attributes environmental aspects, safety and security and manufacturers higher than men of both samples, while men of both samples valued the attribute performance more highly and also both had a preference for bigger automobiles. Although, H₂ cannot be confirmed, the present differences are not remarkable in terms of their size.

The third hypothesis (H₃) statistically examined the differences of German and Italian respondents living in a household without children and then the differences of German and Italian respondents living in a household with children. Design is less important for Italian households with children. The reason might be that households with children up to 15 tend to prefer an affordable and family-oriented automobile according to Bhat, et al. (2009) leading to a declining relevance of design. Since this effect is not evident in the German sample, this led to a difference in the importance of design between German and Italian households with children.

Data show that reliability gains in importance for Italians as soon as they have children, so that no difference is observable in this attribute between the Italian and German sample. Although, H₃ cannot be confirmed, the present differences are also not very high.

The fourth hypothesis (H₄) statistically examined the differences of Italian and German respondents with the same relationship status. Single Italians and single Germans differed in environmental aspects, performance and size of automobile. The difference of environmental aspects

² For example, the item length of automobile and luggage space are converted into value 1 for the answer "low/small", value 2 for the answer "middle", value 3 for the answer "high/big" and value 0 for "not important".

³ All data and statistical elaborations are available, if requested.

and size of automobile corresponds to the results yielded in the comparison between the Italian and German whole sample (H_1). One difference that was detected in the comparison of the German and Italian singles but not appeared in the comparison of the whole German and whole Italian sample (H_1) is performance. The analysis of respondents with different relationship statuses in Germany showed that single Germans assign a highly significant greater importance to performance than married.

Although, significant differences were found, the magnitude of the differences was not great. The biggest difference between means was 0.8168 for the variable performance.

In summary, all four hypotheses were rejected. All statistical analyses resulted in significant differences. The most similar samples are the married respondents and respondents with children. The only attributes that were significant in each analysis and also almost always showed the greatest difference in mean values was the attribute environmental aspects. However, it should also be noted that while the mean differences of some attributes were statistically significant, they never differed widely or substantially. Therefore, the research question: "Do Italian and German Millennials consumer assign similar level of importance to certain decision factors when purchasing an automobile?" can still be affirmed.

6. Limitations

The empirical study and the collected data may be restricted by some limitations that have to be considered. There is a problem of a selectivity of the sample which is characterized by an overrepresentation of academics. Furthermore, the sample is possibly influenced by a voluntary response bias since the volunteers may not be representative of the German or Italian population.

In regard to the generalizability of the analysis results, it is important to consider that the survey was conducted with only two countries, Germany and Italy. The conclusion that all European countries only have slightly different preferences of attributes when purchasing an automobile, may not be true. Further, the examination was only carried out with one product. Therefore, the study approach can be a limitation for generalizing the results unless it can be proven in further investigations that this also applies to other European countries and other products.

In addition, it would help the company with a cost-benefit planning. Another limitation regarding the survey technique is the self-assessment of the criteria by the respondents.

The problem with self-assessment is that participants in research about behaviors tend to minimize their extent of negative behavior (Swann, et al., 2005).

7. Conclusions and Managerial Implications

The difference, which has always occurred and is also the biggest, was the assessment of environmental factors. German Millennials have always rated this attribute higher. Apart from these small differences, Italian and German Millennials rated the attributes similarly.

The similar preference of automobile attributes implies that German and Italian Millennials have similar value profiles, especially when they are married and when they have a child. Therefore, a standardization of marketing program, which optimally enhance the important values, is adequate. This contributes to cost reduction through capturing economies of scale (Faber, et al., 1987).

Further, careful assessment of value orientation and analysis of value trends can help to identify new product opportunities to match consumers' needs. Two trends – the importance of human machine interface and the relevance of environmental aspects - were already identified in theory and could also be confirmed by the empirical study.

A further trend, particularly in the German Millennials, is the consideration of environmental aspects. The importance of this factor was the biggest difference between Germans and Italians. However, as the movement has only recently become prominent, the trend could also increase in Italy in the future. This should be further monitored.

The third area of application in which the knowledge about product attribute preferences is essential, is the creation of a promotional strategy. According to the empirical findings, there is not

one decisive attribute that is responsible for the decision to purchase an automobile. This also corresponds with the outcomes from the literature. Many attributes were rated as very important and the differences were in some cases rather small. Therefore, advertising should not emphasize only one attribute. Design and human-machine interface were in both samples the best ranked attributes. Advertising must both highlight the design of the presented automobile and demonstrate the possibility of differentiation through the automobile. In addition, both samples are interested in safety and security factors. So, this could also be integrated in the content of an advertisement. Slight adjustments to the specific market could be the inclusion of ecological product attributes and reliability in German advertisements, whereas Italian advertisements may inform about comfort features instead.

This paper addressed the issue of whether European consumer preferences are similar with regards to product choice. Overall, German and Italian respondents assigned a relatively similar level of importance to the relevant attributes. Design and human machine interface represented the best evaluated attributes in both samples. Statistically significant, but small differences in mean values were observed for the attribute's environmental aspects, reliability, size of automobiles and cost of ownership. German Millennials single are more interested in performance and design than Italian ones. This is unexpected considering the European drivers' stereotypes. Comparing the same gender between the two countries yielded almost the same significant structure.

Italian and German respondents who lived in a household with children, however, had more similarities. Significant mean differences were only found in the environmental aspects and design.

Although, differences were found in every comparison, they were rather small and not substantial. No outstanding difference in opinions about importance or unimportance of an attribute could be detected. Therefore, similar preferences in automobile attributes can be affirmed. Therefore, in the automobile industry a European consumer is emerging.

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