THE INFLUENCE OF CULTURE ON THE ROLE OF SOCIAL MEDIA IN DECISION MAKING

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Abstract: Since the development of Web 2.0 (or social media) sites such as Facebook, Twitter, Blogger and so on, online users from all over the world have been exposed to a completely new means of sharing information: electronic word of mouth (e-WOM). This type of peer communication through social media websites has become an important marketing issue in regards to consumer decision-making. Culture is another element which is influential on how individuals use social media and the information available on these platforms. Therefore, it may be beneficial to take into consideration the role of culture when it comes to consumers’ decision-making process. For this article, the Hofstede model was used to explain cultural differences.

Data from more than 50 countries, 25,000 individuals and over 1,000 search queries was collected and analyzed. Results show that the use of information sources on social media strongly varies by culture and influences online purchase decisions. Limitations and future research are discussed.

Keywords: social media, decision-making process, cultural dimensions, Hofstede model, meta-analysis

1. INTRODUCTION

People are social beings and it’s in their instinct to participate in various activities to share information, experiences, and opinions. Currently, all of this can be done online, through social media platforms (Heinonen, 2011). These sites can be considered hybrid in the sense that they offer both electronic word of mouth (e-WOM) and opportunities for retailers to extend their marketing campaigns to a wider range of consumers (Chi, 2011). Word of mouth (WOM) or informal communication between peers focuses on product ownership or characteristics of other goods or services, is considered to be a practice that can direct or influence an individual to make a purchase (Goodrich & De Mooij, 2013). Although social media marketing is a well-researched topic, it has only been studied through experimental and theoretical research; very little is known of how exactly this new form of communication, e-WOM, influences the buying decision of online consumers. Facebook, Twitter, Youtube are perfect examples that increase the usage of social media by users. By June 2012, Facebook has reached almost one billion users worldwide. In 2013 this number has increased with 33% obtaining in total 1.31 billion users (Facebook Statistics, 2014). Facebook’s success was reflected on other social networking sites: micro-blogs, multimedia share, forums and so on. In 2011, Twitter recorded approximately 58 million tweets per day (Twitter Statistics, 2014). On average, Youtube had over one billion visitors per month and the number of video views has doubled in the last two years (Youtube, 2014).
However, there is little research available about the role of social media and their online marketing implications particularly at an international level. The use of information on social media sites varies from culture to culture and the impact of this data on the decision making process can also vary from one country to another. Social media has been developed within the last decade, thus previous research in this field largely focused on (1) definition of the concept that makeup its foundations and (2) exploring the impact that such sites have on online consumer behavior (Paquette, 2013). The rapid growth of social media may be attributed to social interaction. Peer communication resulted in e-WOM marketing, product advocacy for consumer and brand. The purpose of this paper is to obtain a general overview of the current research regarding the influence of culture on the role of social media in the decision-making process, through a meta-analysis of 10 relevant articles. This study contributes to the marketing literature by creating a general overview of the current situation and offering possibilities for future research.

2. LITERATURE REVIEW

2.1 What is social media, social networking and social commerce?

In order to define social media, first the concept of Web 2.0 must be pinned down: a term that describes a new approach to using the World Wide Web by offering the possibility of users to continuously alter content in a sharing and collaborative way (Kaplan & Haenlein 2010). Campbell et al. (2011) sees Web 2.0 sites as an evolution from simple information retrieval to interactivity, inter-operability and collaboration among peers. People are influencing the technology themselves; users are the creators and the consumers by adding content to websites. Hence, the term of user generated content (UGC). Social media can be defined as “a group of Internet based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of UGC” (Kaplan & Haenlein 2010, p.61). Another definition is “a broad term that describes software tools which help create user generated content that can be shared” (Sinclaire & Vogus 2011, p.294). A website is considered to be a place where social networking takes place only if it fulfills certain characteristics: allow users to create their own profiles, content, get in touch with other online contacts, post comments and other media files and join virtual groups that share common interest (Paquette 2013). Often the term social networking is interchanged with social media. However, social media means something slightly different: it offers the “tools” or “means of communication” that allows users both to create their own profiles and to invite other people to access them (Zeng & Gerritsen 2014). Thus, social media is the environment where social networking takes place and altered the way users can gather information and make buying decisions through electronic word of mouth (e-WOM). People can have accounts on social media sites, but that doesn’t necessarily mean they are involved in social networking activities. Social media includes sites that are associated with social networking, consumer reviews, content communities, forums and wikis.

Similar to e-commerce, social commerce sites consist of communities of customers that share the same interests, passions or goals. Not only that, but users can also view, compare products and add them to a shopping cart. The new element introduced by social commerce websites compared to traditional stores, is allowing user interactions, product feedbacks and providing information about other’s experiences which may influence consumers’ buying choices. This process creates e-WOM marketing effects and can lead to building an active and mutually beneficial consumer-to-consumer and consumer-to-marketing communication. (See Pui-Ng 2013). For example sites like Facebook, Google+ and Linkedin can be considered powerful social commerce platforms providing a marketplace, advertising means and a great deal of information regarding the demographics of their users which can be very handy for marketers. Information can be shared almost instantly through the entire community with the help of Social Plugins (e.g. ‘Like’, ‘Send’, ‘Comment’, ‘Share’ buttons).

2.2. Social interactions

Through socialization, consumers gain knowledge, skills and attitudes related to consumption behavior in the marketplace. This type of interaction delineates the consumer learning process and can help for understanding how information is transmitted from one person to another (Wang et al. 2012). Online social media sites (Facebook, Twitter, Youtube, Instagram and so on) allow users to exchange all sorts of data through posting, profile creation, commenting and joining groups with the same interest. In the end, these activities change the relationship between consumers and companies; nowadays the client is in the center of attention (Solomon 2010).
Social media sites have become more reliable and relevant sources of information than the advertising messages delivered by companies. This means that online consumers will look for products and the manufacturers through social networking. Most users value interacting and communicating with others, which means they will also value advice (negative or positive) on certain goods and services. Therefore, it is safe to assume that virtual communities will have an impact on the decision making process of online consumers (Evans et al. 2009).

Previous studies have shown that virtual communities benefit from social networking in many ways, such as increasing users’ interest in certain content, benefitting the whole community financially and improving the recommendation system (Zhang et al., 2012). Companies have started to take advantage of the opportunities offered by social media sites. According to Burson-Marsteller, 87% of these firms are using at least one social media platform which represents a 10% increase from last year (Gros, 2012). Social media marketing has become quite popular among network marketers that try to promote their business online by attracting customers’ attention and getting them to read more about their products with the end goal of a purchase (Low, 2012).

2.3. National culture and the Hofstede model

According to other studies applied to Chinese online consumers (Guo et al., 2011, Anderson et. al., 2011) social network users trust the people with whom they communicate or interact inside that community. This trust is also reflected in their buying decision. However, a report by Booz & Co in 2010 states that 73% of online shoppers would not purchase goods from sites such as Facebook or other social media sites. Another survey conducted with 1787 respondents on social media indicated that one in three shoppers would prefer to shop directly from Facebook or Twitter (See-Pui Ng, 2013 p.612). These discrepancies may occur due to the differences in cultural and national contexts. More specifically, the behavior of western consumers can not be considered equivalent to the one from other cultures. As countries have different values, beliefs and symbols, it can also be expected that the behavior of social media users and their intention to purchase goods will be different. More studies have emphasized the importance of cultural factors in influencing online shopping decision making (Pookulangara & Koesler, 2011, Goodrich & De Mooij, 2013). Culture has been shown to affect marketing regarding building strategies, advertising campaigns and influencing the buying habits of customers (Pookulangara & Koesler, 2011).

In studying the cultural factor references are made to the framework developed by Geert Hofstede which contains five cultural dimensions: power distance (PDI), individualism (IDV) / collectivism (COL), masculinity (MAS) / femininity (FEM), uncertainty avoidance (UAI) and long term orientation (LTO) / short term orientation (STO) (Hofstede, 2001). These indices are measured on a scale from 0 to 100 for 75 countries and each country has obtained a certain position and a score. Such data can be very handy for statistical analysis regarding consumer attitudes and behaviors.

A reason for the popularity of the Hofstede model lies in the fact that it covers a lot of countries in a fairly simple manner (just five dimensions), which is straightforward and appealing for many academic and business people (Goodrich & De Mooij, 2013).

**Power distance (PDI)** refers to inequality among peers and the degree of their acceptance. In high PDI cultures, everybody has their own pre-established role in the society, but in low PDI cultures independence and equality are promoted. A low score for PDI also reflects on the way people consciously gather information throughout the decision-making process. People from these cultures rely more on facts and data, opposite to individuals coming from high PDI countries, where recommendations and personal advice are the preferred sources (De Mooij 2011).

**Individualism / Collectivism (IDV/COL)** can be defined in terms of people looking after themselves and their immediate family compared to people that affiliate themselves to certain groups that look after each other in exchange for loyalty. In individualistic cultures, people search for information in order to maximize their personal utility whereas in collectivistic cultures it’s more important to share information with others than keeping data personal. In collectivistic cultures, people will meet more often and there is a lot of interpersonal communication that extends to WOM about products and brands. However, their behavior can be altered by other elements; for instance, COL and PDI cultures are more inclined to share ideas orally than individuals from IDV and low PDI cultures (Goodrich & De Mooij, 2013, p. 4). The IDV / COL dimension is particularly important for understanding online buying behavior, because it explains the type of communication existing among peers: either personal or non-personal which at the end influences the decision-making.

**Uncertainty avoidance (UAI)** explains the level of acceptance of insecurity from society members and how much they try to avoid or reduce uncertainty and ambiguity. Generally, people from high UAI have low trust in others and they search more heavily for information from impersonal sources. In low UAI cultures consumers
base their decision on more information that has been collected from various sources, whereas consumers from high UAI base their decision-making on feelings of trust (Goodrich & De Mooij, 2013, p.4). **Masculinity / Femininity (MAS / FEM)** reflects preferences of members in a society to see success related to competitively, heroism, financial gains or related to cooperation, modesty, improving quality of life. The basic idea behind this cultural dimension is connected to the differences between genders and their role in a community. Such differences will also be reflected on the decision making process at family level. In general, men are considered to be more dominant and competitive; women are the ones who are more caring and considerate towards others. **Long term orientation / Short term orientation (LTO / STO)** is related to the attitudes of individuals regarding the future: either they choose a future-orientated perspective or they choose to live in the present, a short-term point of view. This dimension is relatively new so it hasn’t been used much. However, combined with individualism / collectivism explains the communication behavior among peers. Collectivistic cultures with STO communicate much more elaborately then collectivistic cultures with LTO, where they prefer to be succinct and be more modest. Values included in short-term orientation are: national pride, low thrift, importance of service to others and self-enhancement. Values included in long-term orientation are: perseverance, thrift and pragmatism.

2.4. The influence of culture on the role of social media in the decision-making

Various theories and frameworks have been developed in order to explain consumers’ behavior in the decision making process. One of the most utilized models was conceptualized by Enegal in 1968: the EKB design. There are five essential steps: Need Recognition, Searching for information, Evaluating alternatives, Purchase and Result (Gros, 2012). Howard & Sheth (Sheth, 1973) have created a different decision-making design. According to them, the consumer has to go through three steps before taking a decision: Extensive problem solving (consumers have very little information on a brand and they haven’t determined the criteria which will help take a decision), Limited problem solving (consumers are not sure yet) and Routine behavior (consumers prefer a certain brand).

A psychographic / lifestyle approach has identified over 100 characteristics related to consumer buying behavior based upon personality, general needs and values associated with activities of interest to the consumer. The number and the type of variables which can influence behavior is very big and many times the connection between them is complex, context dependant and not so clearly visible for the consumer and observer. For a better understanding of consumer behavior the element of culture must be included as a moderating factor in the decision making process. The consumer style inventory (CSI) was developed by Sproles & Kendall in 1986 and contains eight indices that are relevant for determining individuals’ preferences: quality, brand, price, innovation, leisure time, impulsive buyers, consumer overwhelmed by too many options and brand loyalty (Leo et al., 2005). Product quality is a very important factor in the decision-making process. Power distance is the cultural dimension that best explains the consumers’ needs for refined goods. Individuals from these cultures define their hierarchy level through fortune, power and status. There are two indices in the Hofstede model that relate to brand: individualism / collectivism and uncertainty avoidance. People from cultures with high UAI will prefer to shop for a known brand that they trust.

Uncertainty avoidance is also responsible for the impulsive shopping behavior: individuals from countries with low scores on this index will be more cautious with their shopping spree. According to the research of Hofstede (Hofstede, 2001) consumers from high IDV and long term orientation cultures will buy innovative and diversified products.

The impact that culture has on members of a society is automated and close to invisible. Not only is the consumer behavior altered, but also the preferences shown for certain goods and services. Culture explains why people choose certain clothes, what to eat, how to live, education and so on. Last, but not least, culture can have a major influence on consumption and the buying decision.

3. METHODOLOGY

This in depth analysis of existing literature on electronic word of mouth, consists of articles that were collected from various journals: Science Direct, Scopus, Sage journals and Springer. Other databases were used in this purpose such as Google Scholar and the articles’ bibliography. The keywords used for searching were: social media and decision-making process, social media and culture cross-cultural online purchase decisions, influence of social media on buying decision and influence of culture on buying decisions. Because researchers often use social networking and social networks, instead of social media, other terms were added to the search.
query: social networking and decision making, influence of culture on social networks. Also, the term influence is interchangeable with the term impact, so more search has been done using the latter.

Initially 104 articles were collected on the topic of social media, decision making process and culture. However, not all of them analyzed social media and decision making within the same study and very few of these articles included culture in the mix. Only research that approached the role of social media in online decision making and used the Hofstede model were selected. Thus, at the end of the search query, 10 articles are considered to be relevant. Studies that were approaching social media and decision making from different perspectives (i.e. the impact of social media on youth, decision making process in management) were excluded.

For descriptive purposes the following elements have been considered in the articles’ analysis: (1) the year, (2) the source (i.e. journal article, unpublished dissertation or theses) of each document as well as (3) the sample composition (i.e. online consumers, searches), (4) the cultural dimension used according to the Hofstede framework and (5) the main results (see Table 1).

Studies that were included in this analysis gathered data from more than 50 countries surveying more than 25,000 individuals. Also, the online environment was tested by gathering more than 1000 search queries that were performed on social media sites, all with the purpose of determining the online consumer’s buying preferences. This analysis determined how culture impacts the role of social media in the decision-making process.
<table>
<thead>
<tr>
<th>Name of study</th>
<th>Author(s)</th>
<th>Year</th>
<th>Journal/Publication</th>
<th>Sample used/Methodology</th>
<th>Cultural Index</th>
<th>Results</th>
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<tr>
<td>What do we know about social media in tourism? A review</td>
<td>Benxiang Zeng, Rolf Gerritsen</td>
<td>2014</td>
<td>Tourism Management Perspectives</td>
<td>179 publications with primary focus on social media and tourism/bibliography</td>
<td>UAI, IDV / COL</td>
<td>Social media is influential on information search and share changing the way travelers search, find read and trust tourism suppliers and services. Different countries and businesses have different realities regarding the social media used for tourism management. Even if the marketing potential of social media has been widely studied, there is a lack of research looking at the effectiveness of this means. Social media should be implemented in a marketing strategy, since e-WOM contributes significantly to the reputation of tourist destinations and e-WOM will spread over the entire travel cycle (before-during-after travel). Social media offers a great opportunity to offer customized information to clients which can influence their buying decision. &quot;Travel opinion leaders&quot; or &quot;central travelers&quot; have a more significant impact on the decision making of a tourist since they are considered to be more trustworthy. The user generated content (UGC) on social media sites and search engines is changing the way</td>
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### Consumer Decision-Making Across Modern and Traditional Channels: E-Commerce, M-Commerce, In-Store

<table>
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<th>Authors</th>
<th>Year</th>
<th>Journal/Media</th>
<th>Study Details</th>
<th>Summary</th>
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<tbody>
<tr>
<td>Moutusy Maity, Mayukh Dass</td>
<td>2014</td>
<td>Decision Support Systems</td>
<td>178 participants/3 studies on how media richness influences decision making process</td>
<td>Consumers prefer channels with medium (e-commerce) and high (in-store) media richness for complex decision-making tasks. Consumers are likely to undertake simple decision-making tasks on channels that incorporate low levels of media-richness. E-commerce is preferred to m-commerce since it's more comfortable for consumers when making a purchase. Information presented through m-commerce is far more limited than on other channels.</td>
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### How ‘Social’ are Social Media? A Cross-Cultural Comparison

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<th>Authors</th>
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<th>Study Details</th>
<th>Summary</th>
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<tr>
<td>Kendall Goodrich &amp; Marieke De Mooij</td>
<td>2013</td>
<td>Journal of Marketing Communications</td>
<td>Nielsen Study, 50 countries -25000 participants in total</td>
<td>The use of information sources that influence online purchases decisions strongly varies by culture. In low PDI countries, people depend less on others in taking decisions and they gather information and data on their own. In collectivistic countries inter-personal communication is more important so WOM is still the main source of information. In high UAI countries decision making is done on feelings of trust. LTO and collectivistic cultures prefer a more succinct form of communication and a modest presentation.</td>
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<td>Intention to purchase on social commerce websites across cultures</td>
<td>Celeste See-Pui Ng</td>
<td>2013</td>
<td>Journal of Information &amp; Management</td>
<td>284 respondents on FaceBook from Latin America and E Asia / survey</td>
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A cultural Jie Zhang, 2013 RP / Conceptual model IDV / COL, Hofstede's Cultural Indices will influence the trust
<table>
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<tr>
<th>Study Title</th>
<th>Author</th>
<th>Institution</th>
<th>Year</th>
<th>Source</th>
<th>Key Findings</th>
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<tbody>
<tr>
<td>Study on Trust in Online Social Networks</td>
<td>Qinghua Zhu</td>
<td>University of Singapore</td>
<td>2013</td>
<td>Literature Review on how trust in social networks is influenced by culture</td>
<td>MAS / FEM, PDI, LTO / STO, UAI users have in social media sites. Online trust in social networks will be affected by cultural factors and so will the buying decision of consumers.</td>
</tr>
<tr>
<td>Social Media as a Marketing Tool: A literature Review</td>
<td>Holly Paquette</td>
<td>University of Rhode Island, USA</td>
<td>2013</td>
<td>Literature Review on the implications of social media in marketing</td>
<td>- Branding and product awareness can be increased through the use of social media sites.</td>
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<td>Social Media as a Marketing Tool: A literature Review</td>
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<td>Social Media Peer Communication and Impacts on Purchase Intentions:</td>
<td>Xia Wang, Chunling Yu, Yujie Wei</td>
<td>-</td>
<td>2012</td>
<td>Journal of Interactive Marketing</td>
<td>292 online Chinese consumers / survey</td>
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<td>Social Media Peer Communication and Impacts on Purchase Intentions:</td>
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Tie strength (WOM) with peers is positively associated with communication which helps individuals identify with the group. The impact of peer communication moderates the...
### Cultural influence on consumers’ usage of social networks and its’ impact on online purchase

| Cultural influence on consumers’ usage of social networks and its’ impact on online purchase | Sanjukta Pookulan gara, Kristian Koesler | 2011 | Journal of Retailing and Consumer Services | Conceptual model on explaining the moderating effect of culture on TAM which will influence the intention to use social networks and the purchase intention | IDV /COL, MAS /FEM, PDI, LTO /STO, UAI; TAM | Social media search for information will be influenced by members of IDV/COL cultures and low UAI. Perceived Ease Of Use (PEOU) of social networks will be moderated by IDV/COL, UAI and LTO. |

### Role of social media in online travel information search

| Role of social media in online travel information search | Zheng Xiang, Ulrike Gretzel | 2010 | Tourism Management | 1150 search results on preferred keywords for tourism destinations / exploratory study / data mining | - | Social media constitutes a substantial part of the search results which indicate consumers to social media sites. Social media plays a big role in the online travel information search; this information can be used for marketing purposes |

Legend:
IDV / COL = Individualism / Collectivism
MAS / FEM = Masculinity / Femininity
UAI = Uncertainty Avoidance
PDI = Power Distance
LTO / STO = Long term orientation / Short term orientation
TAM = Technology acceptance model
UGC = User generated content
WOM = Word of mouth
e-WOM = Electronic word of mouth
4. CONCLUSIONS

The use of Internet and other types of information communication technology leads to a new global economy. Social media takes part in these changes and continues to grow and influence online consumptions all over the world. Social media is also challenging existing customer services, marketing and promotional process. This meta-analysis provides an overall picture by analyzing the most relevant research on the use of information from social media sites in the decision making process. Hofstede’s cultural dimensions are believed to explain best cross-cultural differences in online purchase decisions.

One of the findings of this meta-analysis is that the most important cultural index which explains the usage of social media across cultures is Individualism / Collectivism. Thus, marketers should consider using social media in collectivistic cultures and search engine marketing in more individualistic cultures. Another finding is related to the role of information on social media sites: information influences branding and increases product awareness. It’s very valuable for marketers to have access to data that may predict the consumer’s online behavior (according to which social media sites they frequent, which group they belong to, interests and so on).

Results of all 10 articles analyzed were indexed in Table 1. According to the findings of these research, social media sites influences the decision making process through electronic word of mouth (e-WOM). However, the information available for consumers online is not the only factor influencing their buying decision. There are other elements that have a direct impact on consumers and culture is one of them. Goodrich & De Mooij (2013) conducted a valuable study on cross-cultural influences on purchase decisions and have concluded that the purchases made by consumers are reflected in their cultural background.

Limitations and future research

Most of the other studies considered in this paper, approached the role of social media in the decision making process through an exploratory analysis either by collecting search queries, literature reviews and bibliographies or creating a conceptual framework. It can be concluded that the aspect of social media and the correlation with culture when it comes to decision making is still in its infancy and requires more research for a deeper understanding of this phenomenon.

One of the limitations of this study is the small set of articles chosen from existing literature, which doesn’t give the possibility for generalization. Also, there is the risk that the conclusions of this meta-analysis were not critically reviewed and just accepted previous research’ findings without thorough examination.

Future research could focus on the role of e-WOM in online decision making by conducting more specific analysis in countries of interest, so that practitioners can better target online marketing. Research in this direction may also lead to better understanding cultural differences.

References