

Furthermore, we identify possible strategies to which individuals resort when they cope with brand stress. The analysis of the coping strategies gives insight into potential negative outcomes of adults' perceived brand stress. Thus, our study investigates the potential harm brands can do to individuals.

The results of our study show that withdrawal, emotional support seeking, information seeking and purchase behavior represent the typical coping strategies of consumers when they experience brand stress. These findings show that brands can have a potential "dark side" for consumers and that it might be necessary to educate consumers in order to shield individuals from negative consequences of brands.

References available on request

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## **TWENTY YEARS AFTER REUNIFICATION: CONSUMER DECISION-MAKING PROCESS FOR ELECTRONIC PRODUCTS IN FORMER EAST AND WEST GERMANY**

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### **ABSTRACT**

The current study compared influences on young East and West German consumer purchasing decisions for electronic products. We found that the former West Germans are more likely to be influenced by opinions of others than East Germans. The influence of brand loyalty and negative attitudes toward advertising were the same for the two German groups.

### **INTRODUCTION**

During a specific historical time period, such as the fall of the Berlin Wall and subsequent transition to a market economy, generational cohorts act out the values of the society (Egri & Ralston 2004). These national events and other factors—economic growth and media effects—may affect the consumer decision making process, such as information sources to which consumers are exposed, their attitudes toward advertising, and brand loyalty.

### **RESEARCH OBJECTIVES**

Johnson & Johnson (1993) compared East and West German consumer decision influences such as information source, advertising attitude, etc., just after the reunification, during a ten-week period less than a year after the fall of the Berlin Wall. Differences found in attitudes toward brands and information existed because, prior to 1990 when it opened its market to the world, East Germans were not exposed to various international brand products or mass media (Johnson et al. 1993). However, twenty years later, there is a lack of empirical work about the purchasing behavior of the (East) German children. Now adults, they grew up during the economic transition; we do not know how former East German consumer behavior might be different from or similar to former West Germans. The current study fills this knowledge gap by surveying young German consumers from the former East and West Germany to examine whether consumer behavior is similar after 20 years in the unified environment.

### **Hypothesis Development**

Information-seeking minimizes perceived risk in a consumer's purchase decision-making process. Arndt (1967), and Lutz and Reilly (1973) found that word of mouth is the most important information source for reducing risk perception. Word-of-mouth (WOM) has a stronger effect on consumer decision-making than mass media, due to opportunities for feedback and explanation (Arndt 1967; Lutz & Reilly 1973). Thus, consumers tend to seek product information from other people (Midgley 1983). Cohort theory—the change of a society, its value structure, and the emergence of new generational cohorts as an outcome of significant national events—offers a framework to study changes in social and cultural traits of groups (Inglehart 1976). As Inglehart (2000) demonstrates, economic growth (i.e. the transition from demand economy to market economy in the former East Germany) facilitates the change of social and cultural traits. So consumer behavior of former East German consumers 20 years ago is likely to be different than that of former East German consumers today,

because they are in a different consumer cohort. Given that both cohorts have grown up in a market economy, we expect that influence factors on decision making would be similar. Therefore, these hypotheses are proposed

H1-1: Consumers in the former East Germany and the former West Germany are equally likely to be influenced by opinions of others in the purchasing decision process.

H1-2: Consumers in the former East Germany and the former West Germany are equally likely to be influenced by past experience in the purchasing decision process.

H1-3: Consumers in the former East Germany and the former West Germany are equally likely to be influenced by personal examination of products in the purchasing decision process.

H1-4: Consumers in the former East Germany and the former West Germany are equally likely to be influenced by sales people in the purchasing decision process.

Brand loyalty is defined as consumers' commitment, regardless of the situation and any marketing impact, to buy a certain product consistently (Oliver, 1999). Through building brand loyalty, consumers' perceived risk can be minimized in the process of purchasing products or services (Bauer 1967; Lutz & Reilly 1973) because, in order to minimize perceived risk, consumers may buy a brand that they are familiar with. Therefore, hypothesis 2 is proposed.

H2: Consumers in the former East Germany and the former West Germany are equally likely to be brand loyal when buying electronic products.

According to Johnson and Johnson (1993), former East Germans believed that television was trustworthy and that advertising could provide important information, as opposed to former West Germans, who were not as positive in their perception of television advertising's reliability. However, based on the aspects of cohort theory and economic growth, current young former East Germans' advertising attitude may be less positive than it was 20 years ago. Current former East Germans are more likely to be close to former West Germans' negative advertising attitude due to the exposure of both former East and West Germans to the same media after the transition to a market economy. During the planned economy, paid advertising by private firms was not allowed (Feick et al. 1996). Therefore, the hypothesis 3 is proposed that

H3: Consumers in the former East Germany and the former West Germany are equally likely to have negative attitudes toward advertising.

## RESEARCH METHOD

A survey, disseminated via the online software Zoomerang, was used to assess the decision process for purchasing two electronic products—cell phones and laptops—that are readily available in various brands for students to compare. University professors in the Hamburg and Rostock areas of Germany announced the web-site links to students from several classes and emailed the links to them. Students voluntarily completed the survey. Respondents were mainly undergraduate students with a small portion of graduate students. The data were collected in summer 2009. Among 214 respondents, 173 for cell phone products and 150 for lap-top products were used. To identify former East and West Germans, participants were asked “Where were you born (city and state)” and “Where did you live (most of your life) before attending university (city and state)?” Participants were excluded from the analysis if they were: 1) Germans who answered ‘born in Berlin and grown up in Berlin’ because we could not distinguish whether they were originally from the East or West areas, 2) answered ‘born in’ and ‘grown up’ in opposite areas, 3) did not own a cell phone or lap-top, 4) foreign students who are not Germans. To participate in the study, laptop and cell phone ownership were confirmed. A 7-point Likert scale (1=strongly disagree to 7=strongly agree) to measure information seeking, advertising attitude, and brand loyalty. Items on information seeking were adapted from Johnson et al. (1993). Brand loyalty was adapted from Wangenheim and Bayon (2004). Advertising attitude was adapted from Johnson et al. (1993).

## RESULT

### Reliability and Confirmatory Factor Analysis

To check internal consistency, reliabilities for brand loyalty (3 items) and advertising attitude (3 items) were assessed. For brand loyalty,  $\alpha = .69$  for cell phones and  $\alpha = .79$  for lap-tops. For advertising attitude,  $\alpha = .68$  for cell phones and  $.77$  for lap-tops. A CFA test was conducted to establish the equivalence of the measurement model across the groups. A measurement model for two multi-item scales was analyzed using AMOS 18 software. Three items measured brand loyalty and three items measured advertising attitude. The result of CFA indicated that the fit statistics for a best fit model are as

follows: for the former *East German group* in standardized estimation ( $p=.123$ , Chi-Square=12.683,  $df=8$ , GFI=.958, AGFI=.891, NNFI=.839, NFI=.817, CFI=.914, RMSEA=.082) and for the former *West German group* in standardized estimation (Chi-Square=10.696,  $df=8$ , GFI=.962, AGFI=.899, NNFI=.879, NFI=.931, CFI=.963, RMSEA=.063). Overall, the fit statistics from the CFA indicate that the proposed measurement model for the groups fits the data well and is acceptable.

### **Hypothesis Testing and Analysis: MANOVA**

One way MANOVAs for the cell phone products and the lap-top products were calculated to test for group difference on the use of information sources, brand loyalty, and advertising attitude. In testing H1-1 through H1-4 between former East and West Germans, the results indicate that the rating of opinions of friends and relatives as sources of information in the East German group was significantly less than in the West German group. Specifically, there were differences between the former East Germans and the former West Germans for cell phones (2.53 vs. 3.82,  $p<.001$ ) and laptops (3.68 vs. 4.51,  $p<.05$ ). Thus, hypothesis H1-1 was not supported. The rating of past personal experience in the East German group was not significantly different from the West German group for cell phones (4.35 vs. 4.19,  $p>.05$ ) or laptops (2.77 vs. 3.17,  $p>.05$ ). Thus, hypothesis H1-2 was supported. The rating of personal examination in the East German group was significantly less than in the West German group for cell phones (2.67 vs. 3.35,  $p<.05$ ) and laptops (2.36 vs. 3.39,  $p<.05$ ). Thus, hypothesis H1-3 was not supported. The rating of salespeople in the East German group was not significantly different from the West German group for cell phones (2.35 vs. 2.18,  $p>.05$ ) and laptops (3.16 vs. 2.96,  $p>.05$ ). Thus, hypothesis H1-4 was supported. The results for hypothesis H2 indicated that brand loyalty was not significantly different between the two groups for cell phones (5.33 vs. 5.33,  $p>.05$ ) or for laptops (5.28 vs. 5.49,  $p>.05$ ). Therefore, hypotheses H2 was supported. The result of H3 test demonstrated that advertising attitude was not significantly different between the two groups for either cell phones (2.97 vs. 3.09,  $p>.05$ ) or laptops (2.84 vs. 3.07,  $p>.05$ ). Thus, hypothesis H3 was supported.

### **CONCLUSION**

In this current study, we found that Inglerhart's cohort theory (2000) could be applied to the case of reunification in Germany. Twenty years ago, Johnson and Johnson (1993) measured East and West German consumer behavior. Their results indicated that for information sources consulted for purchasing decision, former East Germans rated personal examination, past experience, and opinions of friends and relatives as more important than did former West Germans, while former West Germans rated the salesperson's advice as more important than did former East Germans. We found different results from Johnson & Johnson (1993). We did not expect that West Germans would rate both opinions of others and personal examination higher than that of East Germans when faced with making decisions about cell phone or laptops purchases. It appears that young East German consumers have lost some of the former confidence in WOM as a source of information and have less confidence when they personally examine products than their West German counterparts. Both cohorts, as expected, were similar in their use of personal experience and use of salespeople in making decisions about electronic products.

As hypothesized, we found that the former East and West German groups had similar brand loyalty for both cell phone and laptop products. Thus, as a result of exposure to international brands since 1990, the cohort of former East Germans appear to be similar to their West German counterparts on brand loyalty influence. The current study also found no significant difference in advertising attitude between the two German groups, which differs from Johnson and Johnson's finding (1993) that East Germans had more positive attitudes toward advertising than West Germans. During the planned economy, paid advertising was not aired in East Germany (Feick et al. 1996), but now advertising attitude in the former East German group might have changed closer to the former West German group due to the exposure of both former East and West Germans to the same media after the transition to a market economy. Both groups were relatively neutral in their advertising attitudes, indicating that former East Germans might have become more skeptical about advertising claims than previous research indicated.

In conclusion, since the Johnson and Johnson (1993) study, the transition from a command economy to a market economy has resulted in some changes in the former East Germans' consumer behavior regarding information source, brand loyalty, and attitude toward advertising. Former East Germans and West Germans have become more similar in some aspects of consumer decision making over the past 20 years. Both groups rely heavily on brand and personal experience in making purchase decisions about electronic products. As an outcome of significant national events in Germany, results of this study show that the fall of the Berlin Wall in 1989 has led to the consumer behavior change of young former East Germans who have been exposed to a market economy media, various brands, and many benefits of economic growth at their early age in the united Germany compared to the former East German cohort 20 years ago based on the cohort theory.

### **LIMITATION AND FUTURE RESEARCH**

The use of a convenience sample of students and the use of recall, rather than actual purchase behavior can be considered limitations of our study. Exploring why former West Germans utilize others' opinions and personal examination to a greater extent than former East Germans in the selection of electronic products is a question for future research. Some cell phone and lap-top users might consider design as an important decision criterion, which might influence respondents' decision-making process. For future research, the relationship between hedonic factors such as design and its influence during the decision process could be useful information for manufacturers and retailers.

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## ENGAGEMENT WITH TRAVEL WEB SITES AND THE INFLUENCE OF ONLINE COMPARATIVE BEHAVIOUR

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### ABSTRACT

We propose a Web site engagement measurement, and study the influence of potential antecedents and consequences. Utilising partial least squares path modeling, we contrast a model with data obtained from respondents choosing a holiday in the Seychelles, on a Web site capable of tracing online within-page and within-site behaviour.

### INTRODUCTION

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