

Is quality or cost more essential? The international cellphone market

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As businesses move into international markets, they often do so with a "one size fits all" customer satisfaction strategy. But factors as basic as how consumers prioritize pricing and quality can differ sharply across cultures and economic systems, according to a new study in the *Journal of International Marketing*. Success will depend in part on understanding these perceptions across cultures.

"A company's success abroad will depend in part on understanding how people of different cultures sometimes perceive value very differently," write authors Forrest V. Morgeson III (American Customer Satisfaction Index), Pratyush Nidhi Sharma (University of Delaware) and G. Tomas M. Hult (Michigan State University). "The current study provides new insights into important ways in which customer perceptions vary from nation to nation."

The authors studied cellphone customer attitudes across the very different cultures and markets of Barbados, Singapore, Turkey, the UK, and the US. This industry was chosen because cellphones are used by the richest and poorest consumers, making it ideal for comparing national experiences. Participants were given surveys and interviews about their cellphone service provider, answering such questions as "How high were your expectations when signing up for your service? How would you rate the overall [quality](#) of the service? Have you ever complained to your provider?"

The differences between cultures were often striking. In less-developed

markets such as Barbados, the product needed to be affordable above all else. In more developed countries such as Singapore, quality was essential, even at a higher cost. Satisfaction with quality fostered customer loyalty in developed nations, while customers in less-developed nations were likely to remain loyal even if the quality was less than stellar.

"The findings provide a wealth of insight across [cultures](#) and economies. The implications are vital, in what promises to be an important and colorful field of study into how [customer satisfaction](#) varies worldwide, and the need for modern companies to swiftly understand these make-or-break differences," the authors conclude."

More information: Forrest V. Morgeson III, Pratyush Nidhi Sharma, and G. Tomas M. Hult. "Cross-National Differences in Consumer Satisfaction: Mobile Services in Emerging and Developed Markets." Forthcoming in the *Journal of International Marketing*.

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