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Preface

This thesis is to examine how cultural factors influence customer relationship management in Belgium, the United States, and China. It has been written to fulfill the graduation requirement of Master of Management with a specialization in International Marketing Strategy at Hasselt University. I was engaged in researching and writing this thesis from December 2016 to May 2017.

The thesis was initiated by an idea that the effect of CRM may vary from country to country. My supervisor, Prof. Dr. Piet Pauwels, offered me crucial supports and guidance from macro to micro during the research process. I would like to thank him for his expert advices, encouragement, and excellent feedbacks on my progress.

The research was difficult, but it helps me gain a plenty of insights and knowledge into this field. I would like to thank everyone who participated in this research, without whom I would not have been able to conduct this analysis. My partner and my parents deserve a particular note of my gratitude, as their encouragement and support motivated me to finish this study.

I hope you enjoy your reading.

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Summary

Customer relationship management (CRM) is a strategic approach aiming to create and improve shareholder value by creating and managing suitable relationships with their corresponding customer segments. As national culture is one of the fundamental factors that distinguishes customers from one country to another, the objective of this study is to explore how cultural factors influence CRM. Empirically, this study tests how different cultural dimensions from Belgium, the United States, and China could influence CRM of a global company, Starbucks. By doing so, the study borrows the CRM framework from De Wulf et al. (2001) as the main theory framework, and uses the cultural dimensions proposed by Hofstede (2011) to test the former. To be specific, this study tests if masculinity, indulgence, power distance, collectivism, uncertainty avoidance, and long-term orientation would affect the six relationships among tangible rewards, direct messages, preferential treatment, interpersonal communication, perceived relationship investment, relationship quality, and customer behavioral loyalty, respectively.

After collecting and analyzing data from 284 respondents, this study mostly supports the framework proposed by De Wulf et al. (2001), except that tangible rewards and direct messages are not likely to increase perceived relationship investment in the three countries. Moreover, the result does not support the idea that cultural dimensions among these three countries would influence this model, except that a high level of indulgence is likely to strengthen the relationship between direct messages and perceived relationship investment. In conclusion, the study finds that the majority of the model proposed by De Wulf et al. (2001) is likely to be universally applied within Belgium, the United States, and China, and cultural differences among these countries are not likely to affect this model.

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1 Introduction

Customer relationship management (CRM) is a strategic and holistic approach to manage customer relationships and eventually to create shareholder value (Payne & Frow, 2005). It has attracted attentions from many executives in the past few years. Companies invest heavily on CRM since it allows them to better understand their customers, to increase customer retention and loyalty, and to build a long-term relationship with customers (Leverin & Liljander, 2006). Via this way, companies are able to optimize the operations and forecasting demand (Siddiqi, 2011), and to gain a competitive advantage over other competitors (Ngai, 2005). Ultimately, it helps the company to increase business profitability (Siddiqi, 2011) and leads to positive financial outcomes (Mende, Bolton, & Bitner, 2013).

Existing researches were also interested in CRM. Many marketing scholars have developed corresponding theories as well as empirical validation over the effect or CRM (Mithas, Krishnan, & Fornell, 2005), and gradually recognized the importance of such practices (Berry, 1995), as marketing has moved its focus from brand-centricity to customer-centricity (Mithas et al., 2005). One of the theories was proposed by De Wulf, Odekerken-Schröder, & Iacobucci (2001), in which they argued that CRM tactics would positively affect customer relationship quality, and would eventually lead to a higher behavioral loyalty. CRM has built a strong theoretical base in industrial and channel marketing (Doney & Cannon, 1997), and it is therefore considered to be an important research avenue (Gwinner, Gremler, & Bitner, 1998).

Previous studies have found that CRM can be influenced by various factors. De Wulf et al. (2001) stated that customers who are highly involved with a certain product

category are more likely to be more loyal. They also found that when customers are willing to be engaged in a relationship with sellers, it is more likely to result in a higher customer satisfaction and customer loyalty. Mende et al. (2013) proposed two factors that could influence CRM: attachment anxiety and attachment avoidance. These two factors indicate how customers expect, feel, and behave during the decision-making process. Mithas et al. (2005) suggested that it is likely to enhance customer knowledge and customer satisfaction if a company chooses to share its customer-related information with other supply chain partners.

In the meanwhile, many other scholars have put their research efforts of CRM on a macro aspect. Ali, Brooks, & Alshawi (2006) proposed a cultural-concerns framework for the management of CRM systems implementation in different cultural environment, and they tested this framework by a qualitative research study in the United Kingdom and Egypt. Chai and Pavlou (2002) developed a cross-cultural model to test the customer adoption of e-commerce in the United States and China. Both of them used the following standard (although it is not the only standard) to choose their research target countries: these countries have different cultural dimensions. And such standard is founded on a precondition that cultural dimensions might influence CRM and the implementation of CRM systems.

In the era when global markets are increasingly integrated, many companies, from the born-globals to the multinationals, have to find their appropriate market positions that allow them to survive in this fierce business environment. Globalization has become a variety of cultural, economic, political, ideological, and environmental processes that influence every aspect of the business life (Haivas, 2003). Consequently, companies have to choose different kinds of marketing strategies, from home replication strategy, multinational strategy, global strategy, to

transnational strategy, to cope with different kinds of environments, and to find a balance between local customers' preferences and company resources (Goddard, Raab, Ajami, & Gargeya, 2012).

Particularly global strategy attracts the attention for this study. According to Goddard et al. (2012), companies that choose the global strategy view the world as a single marketplace. Therefore, they would use unified marketing goals and strategies, as well as standardized products and services, for all customers worldwide. Some famous examples would be McDonalds hamburgers and Toyota cars, which have been homogenized globally in the aspects of product and marketing strategies (Levitt, 1993). The following text will name this type of company "the global companies".

The special nature of global companies demands new thoughts on existing CRM. As it mentioned above, the ultimate goals for a company to adopt CRM is to build a long-term customer relationship and thus to increase business profitability. Although global companies use standardized marketing strategies and aim for a universal goal, they are facing various of demands from worldwide customers, due to different cultural, economic, political, ideological, and environmental factors.

Previous evidences suggested that around 30% to 75% of CRM strategy implementations were unsuccessful, as the companies failed to realize the cultural readiness under different environments (Simpson, 2002). According to Dwyer, Mesak, & Hsu (2005), national culture is one of the fundamental factors that distinguishes customers from one country to another. Previous researches, including Roth (1995), Sommers and Kernan (1967), and Kemper, Engelen, & Brettel (2011), found that a country's value can influence their people, their thoughts, and their

customer behavior. For instance, cultural norms that serve as general guidelines are likely to affect expected behaviors, values, and consumption patterns (Briley, Morris, & Simonson, 2000). Many existing researches have proposed theory models on CRM: De Wulf et al. (2001) demonstrated how different relationship marketing tactics affect customer perceptions of a retailer's relationship investment; Payne and Frow (2005) developed a framework based on five key cross-functional CRM processes (strategy development process, value creation process, multichannel integration process, information management process, and performance assessment process); and Steinhoff and Palmatier (2016) built a framework that takes both target and bystander customers into account, and found out why and when loyalty programs fail. However, none of these researches indicated how culture as a moderator would influence their corresponding models. Besides, studies investigating the moderating effects of cultural difference on CRM are observably limited (Allen Broyles, Leingpibul, Ross, & Foster, 2010). Taking into account the significance of CRM as one of the core competitive advantages for global companies (Keller, 1998), an examine on CRM under such condition is needed.

With that in mind, the objective of this study is to explore how cultural factors influence CRM. Empirically, this study tests how different cultural dimensions from Belgium, the United States, and China could influence CRM of a global company. The reason why these three countries were chosen is because they represent different positions on many cultural dimensions. The reason of choosing global companies is because of their unique characteristics of implementing similar or even identical marketing strategies across the borders, which helps this study to control the effect of different marketing strategies and omit such interferences. The study borrows the CRM framework from De Wulf et al. (2001) as the main theory framework, since it is a comprehensive framework for relationship marketing, and it is empirically feasible.

This study also uses the cultural dimensions (i.e., masculinity, power distance, individualism, long-term orientation, uncertainty avoidance, and indulgence) proposed by Hofstede (2011) to test the framework proposed by De Wulf et al. (2001).

The paper is therefore constructed in the following segments: the first chapter introduces the topic and the goal of this study; the second chapter gives theoretical background about CRM, Hofstede's cultural dimensions, and the conceptual model for this study; the third chapter states how the empirical process has performed, and what is the final result; the last chapter analysis the final results and gives conclusions.

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2 Theoretical background and hypotheses

2.1 Customer relationship management (CRM)

2.1.1 The CRM Continuum

The emergence of CRM came from the increasing business challenges, which involves many companies in various fields and sizes (Goddard et al., 2012). These challenges include an increasingly saturated market, shorter product cycles, stronger competitors, changing customer expectations on product quality, design, price, services, and so on. According to Goddard et al. (2012), in order to survive under such environment, companies would focus more on customer expectations, as having a stable relationship with a certain amount of customers is one of the most important factors of success in businesses.

CRM creates value for companies, as previous researchers found that CRM positively influences corporate revenue and profitability. According to a study conducted among 342 firms in the United States, one of the most important elements to achieve strong business performance was an organizational culture towards developing and sustaining customer relationships (Day, 2003). Another study conducted by Reinartz, Krafft, & Hoyer (2004) also found out that an effective CRM process would positively influence company performance by developing and maintaining customer relationships. These results indicate that CRM is likely to create value for companies, and suggest that companies should gain an understanding of what CRM can bring for them.

CRM is also likely to create value for customers. According to a case study conducted by Anderson and Narus (1998), Applied Industrial Technologies (AIT), a distributor company located in North America, implemented a successful customer relationship strategy that customized its customer's cost-savings, and eventually helped its customers save their costs for more than $100 million. Another study conducted by Alerić (2007) in Croatia found that companies who practiced CRM provides a more competitive service with a more recognizable brand image for customers. These results indicate that CRM helps companies to add value of relationship for their customers.

In spite of the increasing interest in CRM, there are still some ambiguities on what it is and how such strategy should be implemented. As stated by Payne and Frow (2005), there are three kinds of perspectives on CRM, and they form a CRM continuum as shown in Figure 1:

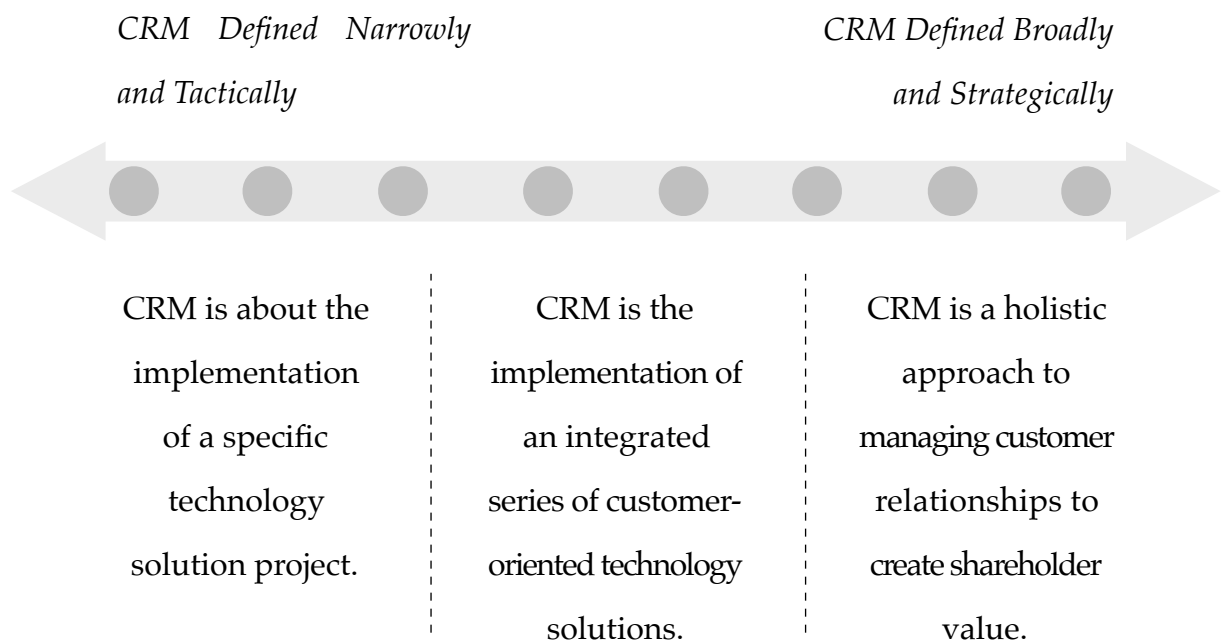| *CRM Defined Narrowly and Tactically*		*CRM Defined Broadly and Strategically*
CRM is about the implementation of a specific technology solution project.	CRM is the implementation of an integrated series of customer-oriented technology solutions.	CRM is a holistic approach to managing customer relationships to create shareholder value.

Figure 1: The CRM continuum (Payne & Frow, 2005)

As shown above, the different perspectives define how a company accept and practice CRM, ranging from just being a technical tool, to a thoughtful combination of strategic vision. This study adopts the broadly and strategically view of CRM, and defines CRM as a strategic approach aiming to create and improve shareholder value by creating and managing suitable relationships with their corresponding customer segments. This definition unites the strategies of relationship marketing as well as the information management processes, and thus asks for a cross-functional integration among the company.

2.1.2 The CRM model from De Wulf et al. (2001)

As mentioned in Chapter 1, there are many existing researches that have proposed theory frameworks on CRM, including De Wulf et al. (2001), Payne and Frow (2005), Steinhoff and Palmatier (2016), and so on. This study adopts the model from De Wulf et al. (2001) for the following reasons. Firstly, their research proposed a comprehensive framework for retailer-customer relationships, which emphasizes how relationship marketing tactics could eventually affect relationship quality and behavior loyalty. Such framework provides a clear guideline for this study. Secondly, De Wulf et al. (2001) provided an empirically feasible methodology to re-investigate their framework, which increases the reliability of this study. Lastly, when it comes to an international context, the model from De Wulf et al. (2001) has a relatively higher compatibility to be expanded with Hofstede's framework (2011), which is better served for the purpose of this study: how cultural factors influence CRM.

One of the fundamental principles for relationship marketing is reciprocity (Huppertz, Arenson, & Evans, 1978). According to Gouldner (1960, p. 489),

reciprocity defines as the practice of exchanging things with others for mutual benefits; it "evokes obligations toward others on the basis of their past behavior". In other words, one should return good for good (Bagozzi, 1995). Based on this ideology, De Wulf et al. (2001) believed that a CRM is built based on customers' action of reciprocation, in response to a company's investment of time, effort, and other resources in the psychological tie that connects both parties. That is to say, a customer is likely to be willing to maintain the relationship with a company and to feel obligated to pay back the company's kindness, when a company invests time, effort, and other resources to that customer (Kang & Ridgway, 1996). Therefore, De Wulf et al. (2001) believed that CRM works in the following way (see Figure 2):
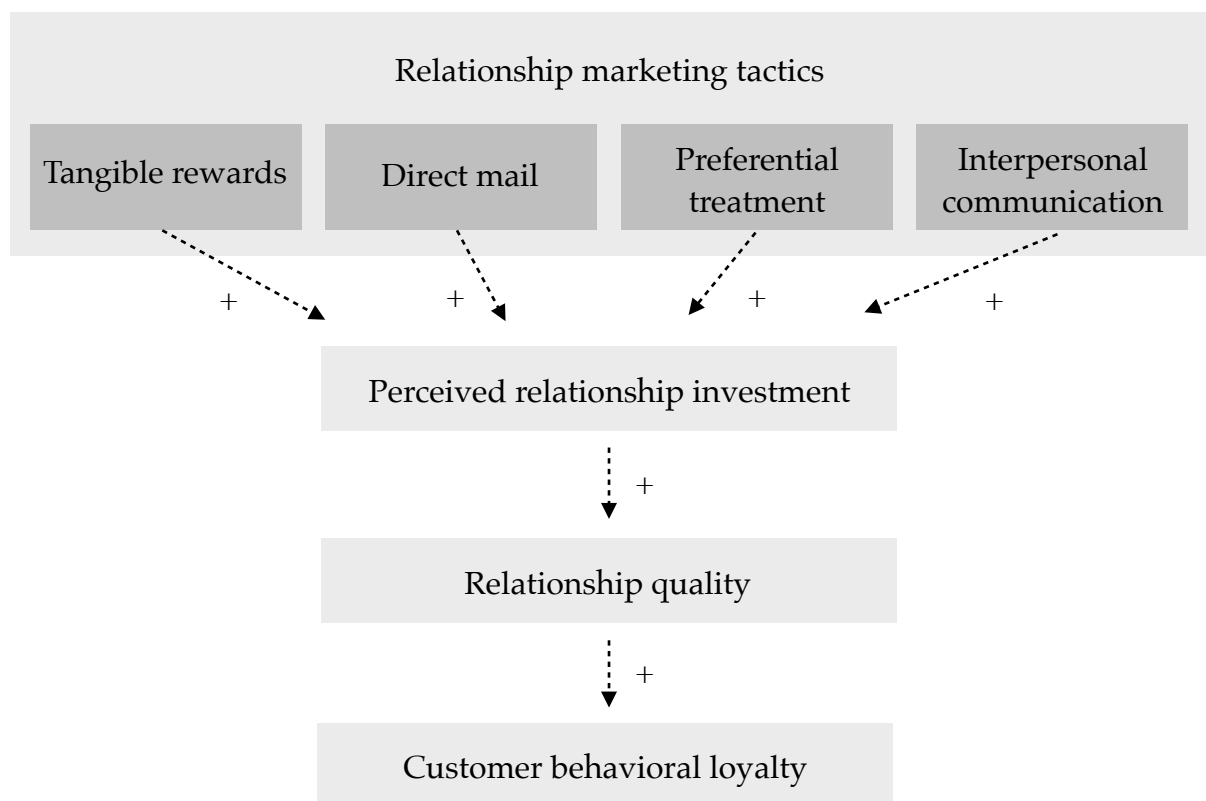

Figure 2: The CRM model (excerpted) from De Wulf et al. (2001)

In the model, De Wulf et al. (2001) firstly stated that relationship marketing tactics positively influence perceived relationship investment. According to the model, relationship marketing tactics contain tangible rewards, direct mail, preferential treatment, and interpersonal communication, which are the activities or programs initiated by companies in order to build a better relationship with customers. The perceived relationship investment is an indicator of how much does a customer feel from the company's devoted time, effort, and other resources. All these tactics tend to establish a connection between the customers and the company in a positive way.

The model then stated that perceived relationship investment positively influences relationship quality. According to De Wulf et al. (2001), relationship quality is an overall evaluation of the relationship, which can be operationalized into relationship satisfaction, trust, and relationship commitment. Customers tend to give a high-quality evaluation for companies who make deliberate efforts towards them.

Lastly, the model stated that relationship quality positively influences customer behavioral loyalty. In the context of De Wulf et al. (2001), behavioral loyalty was operationalized in terms of transaction behavior. If a customer is satisfied with the relationship from a company, he or she is more likely to repeat the purchase behavior.

Note that the actual model of De Wulf et al. (2001) contains two extra moderating variables: product category involvement and customer relationship proneness. These two moderating variables positively influence the relationship between perceived relationship investment and relationship quality. This paper chooses not to focus on the moderating variables due to limited research time and scope.

2.2 Hofstede's cultural dimensions

2.2.1 Conceptualization of culture

According to Hall (1976), culture is conceptualized as an unidimensional construct in which countries are grouped into categories of high-context and low-context cultures. In his theory, high-context cultures are those that communicate in implicit ways and rely heavily on context, while low-context cultures do the other way around. However, Kluckhohn, Murray, & Schneider (1953) believed that such classification is too broad for culture, as culture is a complex concept. For instance, while the United States is generally recognized as a low-context culture, family gatherings in America are seen as high-context activities (Matthews & Brueggemann, 2015). Therefore, this study prefers to choose a multidimensional approach to conceptualize culture, as different aspects of a culture would affect differently on how customers are satisfied by acquiring and using goods and services (Roth, 1995).

Hofstede's cultural dimension (2001) is one of ideal choices for a multidimensional theory framework. He defines culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another" (Hofstede, 2001, p. 5). His framework was initially based on an empirical study conducted within IBM employees among more than 50 countries, in which national culture was categorized into four dimensions: power distance, individualism, uncertainty avoidance, and masculinity (Hofstede & Bond, 1988). Later on, the framework was expanded, and two more extra dimensions were added: long-term orientation and indulgence (Hofstede, 2011). Although the framework was questioned by many existing articles, such as McSweeney (2002) and Witte (2012), it

is generally recognized as a sound framework for operationalizing culture and adopted by many marketing disciplines (Nakata & Sivakumar, 2001), since the cultural dimensions in the framework are quantified into an index of scores that can be used to compare among different countries (Hofstede, 2001). It is worth noticeable that these dimensions cannot be applied to individuals, but can only be applied at a national level (de Mooij, 2013).

2.2.2 The six dimensions

A detailed description of Hofstede's cultural dimensions is listed below in Figure 3:

Definition

Masculinity / Femininity	The extent of a preference in society for achievement, heroism, assertiveness and material rewards for success.
Indulgence / Restraint	The extent to which a society allows relatively free gratification of basic and natural human desires related to enjoying life and having fun.
Power Distance	The extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally.

Definition

Individualism / Collectivism	The extent to which people in a society are integrated into groups.
Uncertainty Avoidance	The extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations, which are novel, unknown, surprising, and different from usual.
Long Term Orientation / Short Term Orientation	The extent to which a society exhibits a pragmatic, future-oriented perspective rather than a conventional historic or short-term perspective.

Figure 3: Hofstede's culture dimensions (Hofstede, 2011)

2.3 Conceptual framework

2.3.1 Framework overview

This study takes the CRM model from De Wulf et al. (2001) as a foundation, and intends to examine how cultural dimensions from Hofstede's (2011) framework would influence the model. Three countries are chosen for this study: Belgium, the United States, and China, as they differ politically, economically, and culturally

(Fornerino, Jolibert, Sánchez, & Zhang, 2011). Besides, according to Fornerino et al. (2011) and Laroche, Saad, Kim, & Browne (2000), these countries vary in their cultural and behavioral characteristics, which partly indicate different customer behavior. Hofstede's study (2011) also supports this point (see Figure 4). Furthermore, it is out of convenience to choose them due to limited research time and scope.

	Belgium	United States	China
Masculinity	54	62	66
Indulgence	57	68	24
Power Distance	65	40	80
Individualism	75	91	20
Uncertainty Avoidance	94	46	30
Long Term Orientation	82	26	87

Figure 4: Cultural dimensions of Belgium, the United States, and China

Given the above reasoning, this study builds the following conceptual model (see Figure 5). Note that "BE" stands for Belgium, "US" stands for the United States, and "CN" stands for China.
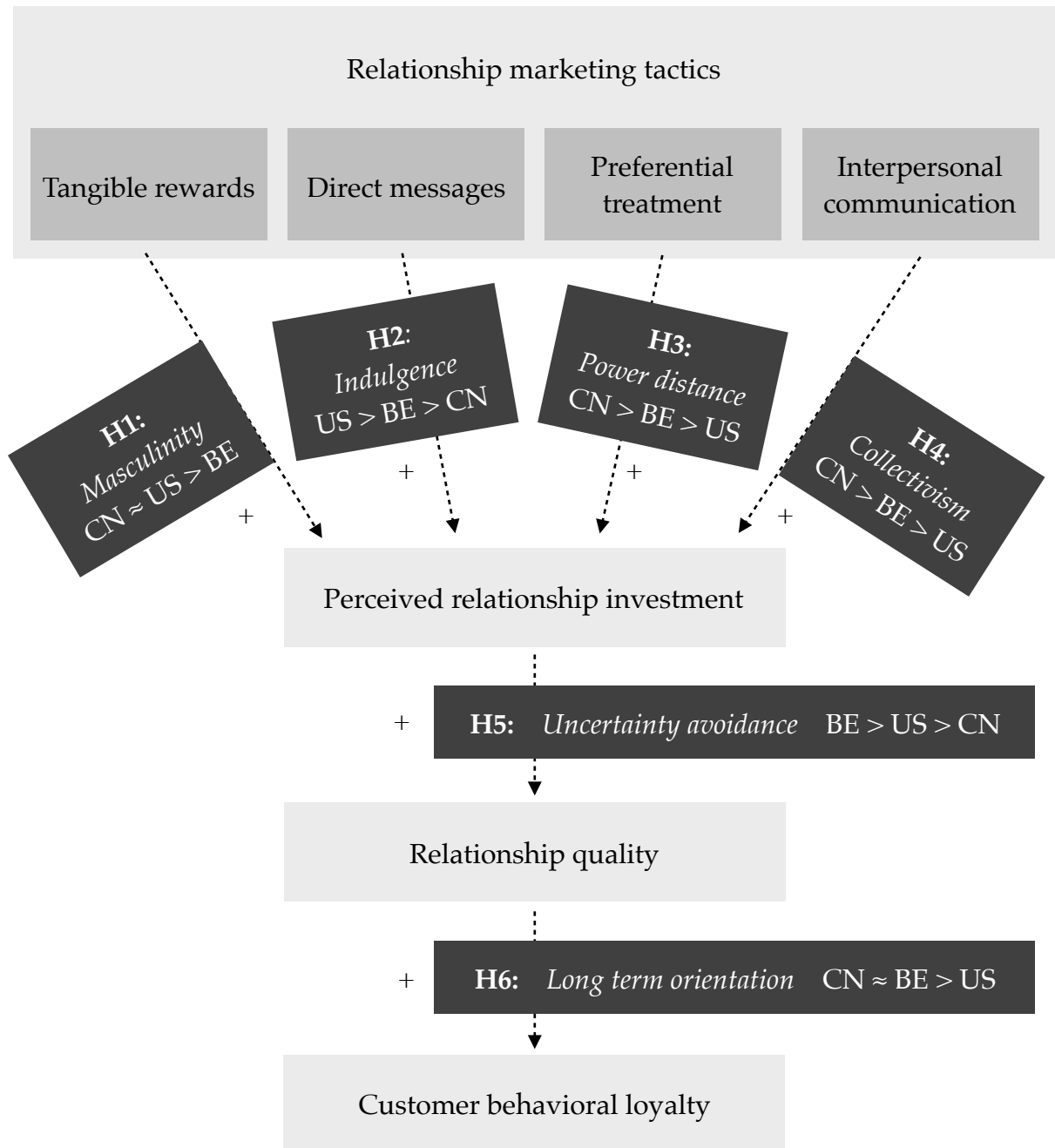

Figure 5: Conceptual model

2.3.2 Masculinity

Perceived relationship investment refers to a customer's perception of the effort made by companies who contribute time, effort, and other resources, and therefore intend to build, maintain, and enhance relationship with regular or frequent customers (B. Smith, 1998). When a company invests in a relationship with a customer with time, effort, and other resources, the customer is likely to be impressed (Hart & Johnson, 1999), since it creates a psychological bonds that make customers willing to stay in that relationship and to contribute extra for this relationship (J. B. Smith & Barclay, 1997).

Relationship marketing tactics, as defined by De Wulf et al. (2001), are actions or strategies that a company makes to establish a successful customer relationship. In De Wulf et al.'s (2001) model, relationship marketing tactics are operationalized as tangible rewards, direct messages, preferential treatment, and interpersonal communication. As all tactics can be subjectively evaluated differently by different customers, this study adopts the idea of using the "perceived" result of relationship marketing tactics on a customer's point of view.

In this study, tangible rewards are defined as a customer's perception of the extent to which a company offers monetary or material incentives (or non-monetary incentives that can be easily transferred into monetary value) to its regular customers in return of their loyalty (De Wulf et al., 2001). According to Berry (1995), there are three levels of relationship marketing, and tangible rewards are on the first level, in which relies on pricing incentives to reach the goal of customer loyalty. Common examples of tangible rewards can be free gifts, customer loyalty bonuses, personalized coupons,

and so on (Peterson, 1995). Besides, a point system is also used by many industries, including hotels, airlines, supermarkets, and so on, to retain customers (Peiguss, 2015).

This study suggests that a high level of masculinity exerts a stronger influence on the positive relationship between perceived tangible rewards and perceived relationship investment. Masculinity, as defined by Hofstede (2011), refers to the degree to which a society is characterized by either assertiveness or nurturance. In a masculine culture, the societal roles of males and females are clearly defined and distinguished, and these societies focus more on material objects and achievement, while a feminine culture encourages equivalent qualities of roles between males and females, and cares more about the value of people and environment (Hofstede, 2001).

As quoted by Hofstede (1991), money and things are important in masculine cultures. The materialistic nature of masculine cultures makes them more likely to be attracted by tangible rewards provided by companies. Customers in masculine cultures also tend to assess their relationship with the companies based on "whether the purchase itself accomplishes their utilitarian value" (Hur, Kang, & Kim, 2015, p. 491). Although tangible rewards is generally recognized as the weakest level of relationship marketing due to its low barrier to be conducted and be imitated by competitors (Berry, 1995), it has been approved to be effective in relationship marketing by many empirical studies, including De Wulf et al. (2001) and Stone, Woodcock, & Machtynger (2000). Rewards that rely predominantly on pricing incentives are more likely to enhance the perceived relationship investment made by companies, and therefore to secure customer's loyalty (Berry, 1995), especially in masculine cultures (Hur et al., 2015). On the basis of these discussions, the study hypothesizes the following:

H1. Masculinity strengthens the positive relationship between perceived tangible rewards and perceived relationship investment.

2.3.3 Indulgence

Direct messages, as one of the relationship marketing tactics mentioned above, are defined in this study as a customer's perception of the extent to which a company keeps its regular customers updated by sending direct messages, including mails, emails, text messages, mobile application notifications, and so on (Anderson & Narus, 1998). According to Berry (1995), direct messages are one of the second-level relationship marketing tactics, which are socially inspired and communicational related. Noted that in this study, direct messages only cover for direct communication, and mass media communication is not included, as most of the time it does not target on specific regular customers.

This study suggests that a high level of indulgence exerts a stronger influence on the positive relationship between perceived direct messages and perceived relationship investment. Indulgence, together with restraint, are one of the latest dimensions added by Hofstede (2011) in his framework. They focus on how a culture view happiness and gratification. An indulgent society is more likely to allow "relatively free gratification of basic and natural human desires related to enjoying life and having fun", while a restrainable society "controls gratification of needs and regulates it by means of strict social norms" (Hofstede, 2011, pp. 281-288).

In indulgent cultures, people care about the feeling that their life is under control, and they are more positive towards the freedom of having different choices. Customers in this culture are therefore more likely to hold a positive attitude to

discover and to participant societal activities (Enkh-Amgalan, 2016). Direct messages convey multiple functionalities, including discovering customer behaviors that generate rewards (Doney & Cannon, 1997), and encouraging feelings of trust, special status, and closeness (Anderson & Narus, 1998), in the relationship marketing process. As the nature of indulgent cultures encourages freedom, and focuses on the importance of having friends and societal relationships (Hofstede, 2011), it is likely that customers from indulgent cultures are more interested in direct messages than those from restrainable cultures, who tend to not care about the society and having friends, while being cynic. Based on the reasoning above, the study hypothesizes the following:

H2. Indulgence strengthens the positive relationship between perceived direct messages and perceived relationship investment.

2.3.4 Power distance

Preferential treatment, as one of the relationship marketing tactics mentioned above, in this study refers to a customer's perception of the extent to which a company serves more and better for its regular customers than other customers (De Wulf et al., 2001). Examples of preferential treatment include VIP rooms, fast services, high-priority services, and so on (Edvardsson et al., 2014).

This study suggests that a high level of power distance exerts a stronger influence on the positive relationship between perceived preferential treatment and perceived relationship investment. Power distance, according to Hofstede's (2001) definition, is the extent of the perception, from less powerful members in a society, of how the power is equally or unequally distributed. In cultures that have a high power

distance, the powerful are authorized to privileges and aim to increase their power, while the less-powerful are taught to be obedient and tend to depend on the powerful. In contrast, low-power-distance cultures attempt to minimize social inequality, and power with their symbols are frowned upon in these cultures (Hofstede, 2001).

Although many studies held the view that customers should not be served in the same way in the idea of relationship marketing (Sheth & Parvatlyar, 1995), it is likely that this concept is less accepted in low-power-distance cultures, as inequality is considered an undesirable condition (Hofstede, 2001), and those who are not treated preferentially may feel being neglect (Varela-Neira, Vázquez-Casielles, & Iglesias, 2010). In contrast, in cultures high in power distance, the powerful enjoy a feeling of being treated in a privileged manner (Hofstede, 2011). Previous researches believed that preferential treatment enables a company to address a customer's basic human need to feel important (Peterson, 1995). If the powerful are given preferential treatments in a relationship marketing under a high power-distance environment, they are more likely to be satisfied, as they have shown their social status to others through this manner. Besides, as the powerful are more likely to act as option leaders based on personal charisma and identification (Dwyer et al., 2005), it is likely that the less powerful would therefore respect, and even be motivated to imitate, the powerful and their purchase decisions. Based on the above reasons, the study hypothesizes the following:

H3. Power distance strengthens the positive relationship between perceived preferential treatment and perceived relationship investment.

2.3.5 Individualism

Interpersonal communication, as one of the relationship marketing tactics mentioned above, is defined in this study as a consumer's perception of the extent to which a company exchange information, express feelings, and building connections through a verbal, personal, and interactive way (Metcalf, Frear, & Krishnan, 1992). It focuses on how a company conducts a personal touch in communication with its customers, such as spending time and effort to make conversation with customers, get to know them, and care about them in their personal welfare (De Wulf et al., 2001).

This study suggests that a high level of collectivism (or a low level of individualism) exerts a stronger influence on the positive relationship between perceived interpersonal communication and perceived relationship investment. Individualism, together with collectivism, is the extent to which "the interests of the group prevail over those of the individual" (Hofstede, 1991, p. 50). In individualist cultures, people tend to focus on themselves as well as their self-interests. Together they form into a "me" society. Collectivist cultures, however, encourage people to integrate into collaborative groups that are driven by loyalty and trust, and promote the value of groups. Together they form into a "we" society (Hofstede, 2011).

The collaborative nature of cultures with a high level of collectivism indicates more opportunities for interpersonal communication among their members (Takada & Jain, 1991). As people in such cultures prefer to communicate with each other, they are more likely to build a feeling of familiarity, friendship, and social support (Berry, 1995). In a business context, companies in collectivist cultures are also more likely to recognize a customer with his or her name (Howard, Gengler, & Jain, 1995), initiate a

friendly and warmly conversation with their customers, and show their personal care (Crosby, Evans, & Cowles, 1990). Since relationships are inherently social processes, interpersonal communication between customers and companies in collectivist cultures are more likely to generate a positive relationship outcome (Beatty, Mayer, Coleman, Reynolds, & Lee, 1996), which corresponds with what Evans, Christiansen, & Gill (1996, p. 208) found that "social interaction … is the prime motivator for some consumers to visit retail establishments". In individualist cultures, however, the flow of information in the communication channels are reduced, as the tie between people are relatively loose (Hofstede, 2001). People in individualist cultures tend to separate themselves from others, and respect (yet not necessarily agree with) other people's opinion (Escalas & Bettman, 2005). As a result, they are less likely to initiate a personal conversation to influence the others, and also less likely to be influenced. On the basis of these discussions, the study hypothesizes the following:

H4. Collectivism strengthens the positive relationship between perceived interpersonal communication and perceived relationship investment.

2.3.6 Uncertainty avoidance

Relationship quality is defined as the overall evaluation of the strength of a relationship. Many previous researches, including Crosby et al. (1990), Leuthesser (1997), Dorsch (1998), Garbarino and Johnson (1999), and De Wulf et al. (2001), operationalized relationship quality as a combination of relationship satisfaction, trust, and relationship commitment. This study also adopts this conceptualization, and assumes that a high relationship quality is composed of a high level of relationship satisfaction, trust, and relationship affective commitment.

Relationship satisfaction, in this study, refers to a customer's emotional scale resulting from an overall evaluation of the relationship with a company (Anderson & Narus, 1998). It is worth being noted that this study adopts a emotional and subjective scale of how a customer feels, instead of a objective and rational scale. Besides, this study operationalizes satisfaction based on an overall and cumulative experience with that relationship, instead of a singular and specific one.

Trust is defined in this study as a customer's confidence in a company's reliability, confidence, integrity and credibility (De Wulf et al., 2001). Under the definition of trust, this study also encompasses the concept of trustworthiness, which is a characteristic of the trustee (Kharouf, 2010). In other words, this study adopts the measurement of both a customer's psychological state of trust, and the customer's perceptions of the extent to which a company provides a trustworthy impression.

Relationship affective commitment is defined in this study as a customer's long-term desire and willingness to continue and maintain a relationship with a company (Morgan & Hunt, 1994). Note that it is necessary to stress the desire and willingness of a customer's relationship affective commitment, since the behaviors of re-visiting a store or re-purchasing a product from a company might be caused by marketplace constraints, rather than an affective commitment (De Wulf et al., 2001).

This study suggests that a high level of uncertainty avoidance exerts a stronger influence on the positive relationship between perceived relationship investment and perceived relationship quality. Uncertainty avoidance is defined as the extent to which people feel threatened by ambiguous situations and create beliefs or perform actions in an attempt to avoid them (Hofstede, 2001). This cultural dimensions captures the cultural characteristics of looking for stability, predictability, and risk-

free, rather than different and unknown experiences (Rao, 2009). People who live in high uncertainty-avoidance cultures tend not to tolerate ambiguities and uncertainties. As a result, they try to set rules and structures in their society in order to ensure a relatively higher level of certainty and predictability. On the contrary, those who live in low uncertainty-avoidance cultures accept uncertainties and varieties. They are prepared in nature to embrace the unknowns (Hofstede, 1991).

As it mentioned above, relationship quality is conceptualized into perspectives of relationship satisfaction, trust, and relationship affective commitment, the following reasons will focus on each individual perspective. About satisfaction, customers tend to have a higher satisfaction with a company if the company provides deliberate efforts towards them (Baker, Simpson, & Siguaw, 1999), especially under a high-uncertainty-avoidance environment, in which customer's behavior are more predictable and thus relatively easier to conduct a targeted relationship marketing (Zhu & Chen, 2010). With respect to trust, Ganesan (1994) found that customers are more willing to trust a company if the company makes specific investments on customers, and Robinson (1996) found that customers in a society with higher uncertainty avoidance tend to choose a company who provides a trustworthy image and services, since they tend to be more risk-averse and thus depend heavily on their previous experiences with this company. In regard to affective commitment, existing researches found that there is a positive relationship between customers' affective commitment and their perceptions of a company's efforts (Bennett, 1996). Due to the nature of high uncertainty-avoidance societies, customers in these societies tend to minimize the possibility of being in an unusual situations, and they would prefer to stay in a familiar environment (Hofstede, 2011). As a result, customers in high uncertainty-avoidance societies are more likely to keep and maintain the relationship

with a company. Based on the above discussions, the study hypothesizes the following:

> *H5.* Uncertainty avoidance strengthens the positive relationship between perceived relationship investment and relationship quality.

2.3.7 Long term orientation

Customer behavioral loyalty refers to the extent of a customer's purchasing frequency and expenditure on a company. Followed by previous researches, such as Sirohi, McLaughlin, & Wittink (1998) and De Wulf et al. (2001), customer behavioral loyalty is measured, in this study, as a combination of behavioral indicators, including how often does a customer use a product or service from a company, and how much money does a customer spend on it.

This study suggests that a high level of long term orientation exerts a stronger influence on the positive relationship between relationship quality and customer behavioral loyalty. Long term orientation is related to a culture's orientation to the future (Hofstede, 2001). Long-term-oriented cultures tend to exhibit a pragmatic and future-oriented perspectives. They value "persistence, thrift, and perseverance towards slow results", and prefer not to have sudden changes (Dwyer et al., 2005, p. 11). In contrast, short-term-oriented cultures tend to have a conventional historic perspective, and they expect quick results (Hofstede, 1991).

Based on the conceptualization of relationship quality mentioned above, the following reasons will focus on how each relationship quality perspective may influence behavioral loyalty. Regarding satisfaction, existing studies, including Oliver

(1997), Martins Gonçalves and Sampaio (2012), supported that there is a strong relationship between customer satisfaction and loyalty, especially under a long-term-oriented environment, since they tend to keep a stable and long-lasting relationship due to social and economic benefits of it (Abubakar & Mokhtar, 2015). About trust, Morgan and Hunt (1994) argued that trust is a key factor in long-term relationships. For long-term-oriented customers, if they trust a company, their nature of pragmatism, unfamiliarity-avoidance, and sudden-change-avoidance makes them more likely to be loyal to that company (Hur et al., 2015). Concerning affective commitment, existing researches have found empirical supports that a customer's commitment can positively influence some behavioral outcomes, including acquiescence, propensity to leave, and cooperation (Morgan & Hunt, 1994). Since affective commitment is defined, as mentioned above, as a customer's long-term desire and willingness to continue and maintain a relationship, combining the characteristics of future-orientation from long-term-oriented cultures, it is expected that customers from these cultures tend to contribute more loyalty behaviors based on their commitments (Ruiz-Molina & Gil-Saura, 2012). Due to the discussion above, the study hypothesizes the following:

H6. Long term orientation strengthens the positive relationship between relationship quality and customer behavioral loyalty.

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3 Empirical Study

3.1 Data collection

The goal of this research is to investigate how Hofstede's (2011) culture dimensions could influence the model of CRM proposed by De Wulf et al. (2001). As discussed in Chapter 2.3.1, this study chooses three culturally distinct countries, Belgium, the United States, and China, that have significant different cultural dimensions on Hofstede's (2011) framework.

In order to eliminate irrelevant variables as much as possible, this study chooses one global company who exerts similar or even identical marketing strategies across the borders. This is to avoid the possible interferences from different marketing strategies conducted by different companies, or company branches in different countries. Starbucks is an ideal choice for this study. They currently provide different types of relationship marketing strategies, including customized promotion, personalize mobile application, membership cards, personal communication with customers, and so on (Starbucks, 2017). Besides, it is recognized as a global company, as Starbucks has a high degree of standardization on its product and marketing level (Kiley, 2007). Moreover, Starbucks stores are widely available in Belgium, the United States, and China. Based on these reasons, this study chooses Starbucks as the object of research.

This study was conducted by distributing online questionnaires to collect the corresponding data. The online survey was mostly sent via e-mail and online messengers to eligible respondents in Belgium, the United States, and China. This method provides several advantages. Firstly, it allows the researcher to reach a large

range of people without geographic limitations and to obtain the required information at a relatively low cost (Bachmann, Elfrink, & Vazzana, 1996). Secondly, it allows respondents to conveniently choose when and where to fill the questionnaire in (Ilieva, Baron, & Healey, 2002). In the meanwhile, it is worth noted that online survey requires respondents to have a computing device with internet access, which raises the barrier of being a respondent of this method. As a result, it could lead to a biased outcome, as those who are not capable of accessing online survey methods are ignored. Besides, there is a possibility of obtaining an uncompleted questionnaire if the respondent ends the questionnaire before it is finished, which results to an invalid outcome (Wright, 2005).

To avoid the drawbacks mentioned above, this study also used the method of face-to-face survey. The researcher of this study used a mobile computing device (with internet connection) and invited eligible respondents to fill in the digital questionnaire, which is identical to the online questionnaire mentioned above, on that device. Compared to method of online questionnaires, this method is almost identical as the former, except for the following two points: first, the respondents used the computing device provided from the researcher of this study, instead of their own computing devices; second, the respondents answered the questionnaire under the supervision of the researcher (although with minimum interference), instead of the time and place of their own choices. Through this way, the researcher could reach to respondents who do not have a computing device, or an access to the internet. Besides, the researcher could control the whole survey process to improve data quality with minimum interference. This method was only partly conducted in Ghent (Belgium), due to geographical constraints.

In order to get separated data from Belgium, the United States, and China, three independent copies of online questionnaires were made for the corresponding countries. Sample equivalence was sought by adopting similar sample frames in three countries. Respondents from Belgium are mostly university students from Ghent University (*Universiteit Gent*, located in Ghent) and University College Odisee (located in Brussels), who are either Belgian citizens, or have a cultural identity of Belgium. They are mostly 15 to 26 years old. Respondents from the United States are mostly university students from Holy Family University (located in Philadelphia, Pennsylvania) and Hofstra University (located in Hempstead, New York), who are either American citizens, or have a cultural identity of the United States. They are mostly 18 to 28 years old. Respondents from China are mostly employees from Bosch China (博世中国, located in Shanghai), who are either Chinese citizens, or have a cultural identity of China. They are mostly 22 to 30 years old. Note that these data have a strong internal validity within their corresponding groups, because the following analyses and results would apply within similar categories. In the meanwhile, they have a relatively week external validity, since anyone that is beyond these groups would probably not fit for the results (Cooper, Schindler, & Sun, 2003).

The data was collected during January 2017 to April 2017. In total, the survey produced 88 useable responses from Belgian respondents, 98 from American respondents, and 98 from Chinese respondents. The total amount of respondents is 284. Note that among 88 Belgian responses, 72 were collected via online survey, while 16 were collected via face-to-face survey.

3.2 Measures

The measures for the conceptual model are mainly adopted from the measures proposed by De Wulf et al. (2001), and they are adapted with careful consideration to suit the context of Starbucks (See Appendix 1). In order to ensure the validity of the data, all respondents should be Starbucks customers. Therefore, the questionnaire first checks if the respondent is a customer of Starbucks or not. If yes, the questionnaire continues; if not, it stops and jumps to the end. Geographic information is also collected in this questionnaire as a double check if the respondent falls within the correct group of the three countries. Variables including tangible rewards, direct messages, preferential treatment, interpersonal communication, perceived relationship investment, and relationship quality are all measured in seven-point Likert scales, requiring respondents to indicate the extent to which they agreed or disagreed with the items. Customer behavior loyalty is measured in a percentage scale, and then converted into a ten-point scale. The survey was conducted anonymously without price incentives due to a limited budget.

The questionnaire was originally developed in English, and was translated to Dutch and Chinese by local speakers of these languages. For Belgium respondents, the questionnaire was conducted in both English and Dutch (in which the respondent may choose his or her language preference), in order to eliminate the language barrier and thus to reach a broader number of respondents. For American and Chinese respondents, the questionnaire was conducted in English and Chinese, correspondingly. Before the massive distribution, the questionnaire was tested in a small group of 6 people, 2 from each country, to check the if the questionnaire was clearly written in a logical, structural, and semantic appropriate way.

3.3 Operational hypotheses

Based on the theoretical hypotheses mentioned in Chapter 2.3, as well as the cultural dimensions of Belgium, the United States, and China shown in Figure 4 (see page 14), this study builds the following operational hypotheses (see Figure 6):

H1	The positive influence of perceived tangible rewards on perceived relationship investment will be greater in the Chinese and American market than in the Belgian market.
H2	The positive influence of perceived direct messages on perceived relationship investment will be greater in the American market than in the Belgian market and the Chinese market.
H3	The positive influence of perceived preferential treatment on perceived relationship investment will be greater in the Chinese market than in the Belgian market and the American market.
H4	The positive influence of perceived interpersonal communication on perceived relationship investment will be greater in the Chinese market than in the Belgian market and the American market.
H5	The positive influence of perceived relationship investment on relationship quality will be greater in the Belgian market than in the American market and the Chinese market.
H6	The positive influence of relationship quality on customer behavioral loyalty will be greater in the Chinese market and the Belgian market than in the American market.

Figure 6: Operational hypotheses

3.4 Hypotheses testing and results

To test the operational hypotheses (Figure 6, see page 31), this study compares the variables to examine if there are any differences exist among Belgian, American, and Chinese customers. This study uses SPSS Statistics Version 24 for macOS to analysis the data gathered by the method mentioned in Chapter 3.1. Figure 7 provides an overview of construct means, standard deviations (SD), and correlations.

Variables	Mean	SD	Correlation Matrix						
			1	2	3	4	5	6	7
Belgium Sample									
1. Tangible Rewards	4.947	1.208	1.000	.231*	.093	-.208	.131	.127	.368**
2. Direct Messages	3.360	1.170	.231*	1.000	-.038	-.102	-.157	-.191	.058
3. Preferential Treatment	4.072	1.225	.093	-.038	1.000	.125	.272*	.250*	.225*
4. Interpersonal Communication	3.349	1.313	-.208	-.102	.125	1.000	.128	-.111	-.031
5. Perceived Relationship Investment	4.258	1.017	.131	-.157	.272*	.128	1.000	.418**	.328**
6. Relationship Quality	4.349	.763	.127	-.191	.250*	-.111	.418**	1.000	.408**
7. Behavior Loyalty	3.438	1.670	.368**	.058	.225*	-.031	.328**	.408**	1.000
United States Sample									
1. Tangible Rewards	3.320	1.089	1.000	-.119	.361**	-.009	.104	.270**	.197
2. Direct Messages	5.157	1.047	-.119	1.000	.008	.494**	.123	.385**	.057

Variables	Mean	SD	Correlation Matrix						
			1	**2**	**3**	**4**	**5**	**6**	**7**
3. Preferential Treatment	2.908	1.265	.361**	.008	1.000	-.004	.185	.184	.214*
4. Interpersonal Communication	5.395	1.101	-.009	.494**	-.004	1.000	.239*	.400**	.274**
5. Perceived Relationship Investment	4.449	1.051	.104	.123	.185	.239*	1.000	.244*	.176
6. Relationship Quality	4.562	.816	.270**	.385**	.184	.400**	.244*	1.000	.465**
7. Behavior Loyalty	4.127	2.082	.197	.057	.214*	.274**	.176	.465**	1.000
			China Sample						
1. Tangible Rewards	3.439	1.610	1.000	-.238*	.369**	-.062	.163	-.080	-.120
2. Direct Messages	3.044	1.276	-.238*	1.000	-.179	.102	-.217*	-.063	.024
3. Preferential Treatment	4.837	1.387	.369**	-.179	1.000	.053	.332**	.188	-.084
4. Interpersonal Communication	3.674	1.367	-.062	.102	.053	1.000	.409**	.315**	.120
5. Perceived Relationship Investment	4.731	1.171	.163	-.217*	.332**	.409**	1.000	.469**	.253*
6. Relationship Quality	4.794	.866	-.080	-.063	.188	.315**	.469**	1.000	.532**
7. Behavior Loyalty	4.342	2.176	-.120	.024	-.084	.120	.253*	.532**	1.000

Notes:

*Correlation is significant at the 95% level (2-tailed).**

*Correlation is significant at the 99% level (2-tailed).***

Figure 7: Descriptive statistics and correlations

To further test the structural differences among Belgian, American, and Chinese customer groups, this study tests and compares the coefficient values of each hypothesis under the three-country samples. A conclusion can then be reached based on the comparison of coefficients as well as each country's cultural dimensions.

The study first tests *H1* to *H4*. Perceived relationship investment is influenced by four relationship marketing tactics simultaneously, therefore it is necessary to run a multivariate regression to test if the combination of tangible rewards, direct messages, preferential treatment, and interpersonal communication has a positive influence on perceived relationship investments. The regression is:

[a] $PerceivedRelationshipInvestment = \beta_0 + \beta_1 \times TangibleRewards$

$+ \beta_2 \times DirectMessages$

$+ \beta_3 \times PreferentialTreatment$

$+ \beta_4 \times InterpersonalCommunication$

Figure 8 (see page 35) provides the result of unstandardized coefficients (β), standard errors (SE), *p*-value (*p*), adjusted R^2, and *F*-statistic of the multivariate regression on relationship marketing tactics from the three-country samples. Note that the comparison adopts a confidence level of 90% in order to seek for more possibilities of the result.

	Belgium			United States			China		
	β	SE	p	β	SE	p	β	SE	p
H1 *Independent variable:* **Tangible rewards**	.147	.091	.111	.045	.103	.662	.033	.069	.631
H2 *Independent variable:* **Direct messages**	**-.153^**	.092	.098	.011	.115	.923	**-.187***	.082	.026
H3 *Independent variable:* **Preferential treatment**	**.195***	.086	.027	.140	.088	.115	**.217****	.079	.007
H4 *Independent variable:* **Interpersonal communication**	.091	.082	.272	**.224***	.109	.042	**.359****	.075	.000
	Adjusted R^2 = .087			Adjusted R^2 = .055			Adjusted R^2 = .279		
	F = 3.084* (*p*-value = .020)			*F* = 2.401^ (*p*-value = .055)			*F* = 10.364** (*p*-value = .000)		

Notes:
Dependent variable: Perceived relationship investments
*Coefficient is significant at the 90% level (2-tailed).^*
*Coefficient is significant at the 95% level (2-tailed).**
*Coefficient is significant at the 99% level (2-tailed).***

Figure 8: Multivariate regression on relationship marketing tactics (H1 to H4)

The results from Figure 8 show that all values of adjusted R^2 from the three-country samples are significantly different from 0, which indicates that the relationship marketing tactic variables (the independent variables) do exert influence on perceived relationship investment (the dependent variable). Note that the values of

adjusted R² for Belgian (0.087) and American (0.055) samples are relatively low, which indicates that there are other contributors that influence perceived relationship investment. As this study only focus on the model proposed by De Wulf et al. (2001), it is beyond the scope of this study to seek for other contributors.

In order to compare and rank the three coefficients from the same variable under different samples, this study first conducts comparisons between two-country samples, and then rank them based on the comparison result. To be specific, this study conducts the following processes:

1) Test if the coefficients of *TangibleRewards* (*H1*), *DirectMessages* (*H2*) *PreferentialTreatment* (*H3*), and *InterpersonalCommunication* (*H4*) between Belgian and American samples are significantly different. To do so, this study forms four interactions between the independent variables *TangibleRewards* with *BELGIUM*, *DirectMessages* with *BELGIUM*, *PreferentialTreatment* with *BELGIUM*, and *InterpersonalCommunication* with *BELGIUM*. Therefore, the following regression is run on SPSS:

[**b**] $PerceivedRelationshipInvestment = \beta_0 + \beta_1 \times TangibleRewards$

$+ \beta_2 \times DirectMessages$

$+ \beta_3 \times PreferentialTreatment$

$+ \beta_4 \times InterpersonalCommunication$

$+ \beta_5 \times BELGIUM$

$+ \beta_6 \times BELGIUM\_TangibleRewards$

$+ \beta_7 \times BELGIUM\_DirectMessages$

$+ \beta_8 \times BELGIUM\_PreferentialTreatment$

$+ \beta_9 \times BELGIUM\_InterpersonalCommunication$

where

- variable *BELGIUM* is a dummy variable that is coded 1 if the respondent is a Belgian, 0 an American;

- variable *BELGIUM_TangibleRewards* is the product of variables *BELGIUM* and *TangibleRewards*;

- variable *BELGIUM_DirectMessages* is the product of variables *BELGIUM* and *DirectMessages*;

- variable *BELGIUM_PreferentialTreatment* is the product of variables *BELGIUM* and *PreferentialTreatment*; and

- variable *BELGIUM_InterpersonalCommunication* is the product of variables *BELGIUM* and *InterpersonalCommunication*.

This regression [**b**] uses data only from Belgian and American respondents. If the respondent is a Belgian, then the regression becomes:

[**c**] $PerceivedRelationshipInvestment = (\beta_0 + \beta_5) + (\beta_1 + \beta_6) \times TangibleRewards$
$+ (\beta_2 + \beta_7) \times DirectMessages$
$+ (\beta_3 + \beta_8) \times PreferentialTreatment$
$+ (\beta_4 + \beta_9) \times InterpersonalCommunication$

If the respondent is an American, then the regression becomes:

[**d**] $PerceivedRelationshipInvestment = \beta_0 + \beta_1 \times TangibleRewards$
$+ \beta_2 \times DirectMessages$
$+ \beta_3 \times PreferentialTreatment$
$+ \beta_4 \times InterpersonalCommunication$

Based on regression [**c**] and [**d**], it is clear that β_6 from regression [**b**] is interpreted as the coefficient difference between Belgian and American samples on variable *TangibleRewards* (*H1*). In other words, if β_6 is significantly different from 0, then it means that the coefficient of *TangibleRewards* from Belgian sample is statistically different from the coefficient of *TangibleRewards* from American sample. The same reasoning applies on β_7, β_8, and β_9, which indicate if the coefficients of *DirectMessages* (*H2*), *PreferentialTreatment* (*H3*), and *InterpersonalCommunication* (*H4*) between the two-country samples are statistically different or not.

2) Test if the coefficients of *TangibleRewards* (*H1*), *DirectMessages* (*H2*) *PreferentialTreatment* (*H3*), and *InterpersonalCommunication* (*H4*) between American and Chinese samples are significantly different. The process is similar with the one mentioned in section 1).

3) Test if the coefficients of *TangibleRewards* (*H1*), *DirectMessages* (*H2*) *PreferentialTreatment* (*H3*), and *InterpersonalCommunication* (*H4*) between Belgian and Chinese samples are significantly different. The process is similar with the one mentioned in section 1).

4) Rank the three coefficients based on the results above.

Figure 9 (see page 39) provides the result of coefficient differences (δ) and standard errors (SE) of the multivariate regression (*H1* to *H4*) mentioned above. Note that the comparison adopts a confidence level of 90% in order to seek for more possibilities of the result.

	BE ↔ US			BE ↔ CN			US ↔ CN		
	δ	SE	Result	δ	SE	Result	δ	SE	Result
H1	.101	.138	BE = US	.114	.115	BE = CN	.012	.124	US = CN
H2	-.279^	.147	BE ≤ US	.033	.124	BE = CN	.330*	.141	US > CN
H3	.055	.124	BE = US	-.022	.117	BE = CN	-.077	.118	US = CN
H4	-.133	.136	BE = US	-.268*	.111	BE < CN	-.135	.131	US = CN

Notes:
*Coefficient is significant at the 90% level (2-tailed).^*
*Coefficient is significant at the 95% level (2-tailed).**
*Coefficient is significant at the 99% level (2-tailed).***
"BE" stands for Belgium, "US" stands for the United States, and "CN" stands for China.

Figure 9: Comparison between each coefficient from two-country samples (H1 to H4)

H1 proposes that perceived tangible rewards would have a stronger positive influence on perceived relationship investment in the more masculine cultures (China and the United States) than in the less masculine culture (Belgium). However, this study finds that perceived tangible rewards have no effect on perceived relationship investment in Belgium ($\beta = 0.147$, $p > 0.10$), the United States ($\beta = 0.045$, $p > 0.10$), and China ($\beta = 0.033$, $p > 0.10$). Besides, there are no differences among the coefficients ($\delta_{BE\_US} = 0.101$, $p > 0.10$; $\delta_{BE\_CN} = 0.114$, $p > 0.10$; $\delta_{US\_CN} = 0.012$, $p > 0.10$). Therefore, the results do not support *H1*.

For *H2*, this study predicts that perceived direct messages would have a stronger positive influence on perceived relationship investment in cultures with a high level

of indulgence (the United States) than in those with a lower level (Belgium and China). Surprisingly, this study finds that perceived direct messages would have a slightly negative influence on perceived relationship investment in Belgium (β = -0.153, $p < 0.10$) and China (β = -0.187, $p < 0.05$), and such influences do not exist in the United States (β = 0.011, $p > 0.05$). When it comes to the two-way comparison between each coefficient, this study finds that there is no difference between coefficients in Belgium and China (δ_{BE_CN} = 0.033, $p > 0.10$), but significant difference between the United States and China (δ_{US_CN} = 0.330, $p < 0.05$), as well as a minor difference between Belgium and the United States (δ_{BE_US} = -0.279, $p < 0.10$). To take all these differences into account, this study can reach to a conclusion that the influence is stronger in the United States than in Belgium and China. However, since it is a negative influence in China (rather than a positive one proposed in *H2*), *H2* is half supported with more discussions needed in Chapter 4.1.

Regarding *H3*, it is previously suggested that perceived preferential treatment would have a stronger positive influence on perceived relationship investment in high-power-distance culture (China) than in low-power-distance cultures (Belgium and the United States). This study finds that such positive influences do exist in China (β = 0.217, $p < 0.01$) and Belgium (β = 0.195, $p < 0.05$), but do not exist in the United States (β = 0.140, $p > 0.05$). In spite of that, this study finds no significant differences among the coefficients (δ_{BE_US} = 0.055, $p > 0.10$; δ_{BE_CN} = -0.022, $p > 0.10$; δ_{US_CN} = -0.077, $p > 0.10$). As a result, *H3* is not supported.

H4 proposed that perceived interpersonal communication would have a stronger positive influence on perceived relationship investment in collectivist culture (China) than in individualist cultures (Belgium and the United States). Based on the result, this study finds that perceived interpersonal communication has a positive influence

on perceived relationship investment in China ($\beta = 0.359$, $p < 0.01$) as well as in the United States ($\beta = 0.224$, $p < 0.05$), but in Belgium ($\beta = 0.091$, $p > 0.05$) there is no such effect. This study also finds no significant coefficient differences between Belgium and the United States ($\delta_{BE\_US} = -0.133$, $p > 0.10$), and between the United States and China ($\delta_{US\_CN} = -0.135$, $p > 0.10$). However, when comparing the samples from Belgium and China, this study finds that the influence is stronger in China than in Belgium ($\delta_{BE\_CN} = -0.268$, $p < 0.05$). Taken all these into account, *H4* is not supported.

The study then tests *H5* and *H6*. Since relationship quality is influenced by perceived relationship investment, and behavioral loyalty is influenced by relationship quality, the following bivariate regressions are tested:

[**e**] *RelationshipQuality* = β_0 + β_1 × *PerceivedRelationshipInvestment*
[**f**] *BehavioralLoyalty* = β_0 + β_1 × *RelationshipQuality*

Figure 10 provides the result of unstandardized coefficients (β), standard errors (SE), p-value (p), adjusted R^2, and *F*-statistic of the bivariate regressions [**e**] and [**f**]. Note that the comparison adopts a confidence level of 90% in order to seek for more possibilities of the result.

	Belgium			United States			China		
	β	SE	p	β	SE	p	β	SE	p
H5 Regression [e}	.314**	.074	.000	.189*	.077	.016	.347**	.067	.000
H6 Regression [f}	.892**	.216	.000	1.187**	.230	.000	1.338**	.217	.000

Notes: *Coefficient is significant at the 95% level (2-tailed).**
Coefficient is significant at the 99% level (2-tailed).**

Figure 10: Bivariate regressions (H5 and H6)

For *H5*, this study aims to test if coefficient β_1 in regression **[e]** under three-country samples are significantly different or not; and if they are different, how to rank them. For *H6*, the same test applies on the coefficient β_1 in regression **[f]**. In order to do so, the study uses a similar process conducted for *H1* to *H4*.

Figure 11 provides the result of coefficient differences (δ) and standard errors (SE) of the bivariate regressions (*H5* and *H6*). Note that the comparison adopts a confidence level of 90% in order to seek for more possibilities of the result.

	BE ↔ US			BE ↔ CN			US ↔ CN		
	δ	SE	Result	δ	SE	Result	δ	SE	Result
H5	.124	.107	BE = US	-.033	.100	BE = CN	-.157	.102	US = CN
H6	-.295	.321	BE = US	-.445	.313	BE = CN	-.151	.316	US = CN

Notes:
*Coefficient is significant at the 90% level (2-tailed).^*
Coefficient is significant at the 95% level (2-tailed).*
Coefficient is significant at the 99% level (2-tailed).**
"BE" stands for Belgium, "US" stands for the United States, and "CN" stands for China.

Figure 11: Comparison between each coefficient from two-country samples (H5 and H6)

About *H5*, perceived relationship investment is hypothesized to have a greater positive impact on relationship quality in countries with a high uncertainty avoidance culture (Belgium) than otherwise (the United States and China). The results support that perceived relationship investment has a positive influence on relationship quality in all three countries (Belgium: $\beta = 0.314$, $p < 0.01$; the United

States: $\beta = 0.189$, $p < 0.05$; China: $\beta = 0.347$, $p < 0.01$). However, the result does not support that there is a significant difference among the coefficients ($\delta_{BE\_US} = 0.124$, $p > 0.10$; $\delta_{BE\_CN} = -0.033$, $p > 0.10$; $\delta_{US\_CN} = -0.157$, $p > 0.10$). Therefore, *H5* is also rejected.

Finally, *H6* contends that relationship quality would have a stronger positive influence on customer behavioral loyalty in countries with a long term orientation (China and Belgium) than in those with a short term orientation (the United States). This study finds that in all three countries, there is a positive relationship between relationship quality and customer behavioral loyalty (Belgium: $\beta = 0.892$, $p < 0.01$; the United States: $\beta = 1.187$, $p < 0.01$; China: $\beta = 1.338$, $p < 0.01$), but there are no significant differences among these coefficients ($\delta_{BE\_US} = -0.295$, $p > 0.10$; $\delta_{BE\_CN} = -0.445$, $p > 0.10$; $\delta_{US\_CN} = -0.151$, $p > 0.10$). As a result, *H6* is not supported.

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4 Discussions

4.1 Conclusions and implications

There are many existing researches, including De Wulf et al. (2001), Payne and Frow (2005), and Steinhoff and Palmatier (2016), that have proposed theory models on CRM, but very few of them have indicated how culture as a moderator would influence their corresponding models. As there is only a limited amount of investigation into the moderating effects of cultural difference on CRM (Allen Broyles et al., 2010), this study aims to fill this vacancy and to explore how cultural factors influence CRM. By doing so, this study adopts the CRM model proposed by De Wulf et al. (2001), and uses the six cultural dimensions proposed by Hofstede (2011) to test the former. Three countries are chosen: Belgium, the United States, and China, due to their cultural dimension varieties. Empirically, in total 284 respondents from these three counties participate in this study. The results show that cultural factors including masculinity, power distance, individualism, uncertainty avoidance, and long term orientation do not significantly affect the CRM model on their corresponding sections, while the cultural factor of indulgence tends to exert influences on the CRM model. The following implications are based on the empirical results.

First, this study verifies that tangible rewards are not likely to increase perceived relationship investment in Belgium, the United States, and China. One of the reasons might explain this result is that tangible rewards are on the weakest level of relationship marketing (Berry, 1995) that "are only paying people to buy and, paradoxically, creating greater disloyalty" (Nunes & Drèze, 2006, p. 129). It is not sustainable in the long term, as customers are likely to leave this company when such

loyalty program stops, or when the competitors provide a more attractive one (M. J. Evans, O'Malley, & Patterson, 2004). Based on similar reasons, this study finds that masculinity does not influence the relationship between tangible rewards and perceived relationship investment under the current samples. Also note that the masculinity dimensions among Belgium (54), the United States (62), and China (66) are relatively close to each other, which also partly explains why masculinity does not exert its influences.

Second, this study finds that a high level of indulgence is likely to strengthen the relationship between perceived direct messages and perceived relationship investment. To be specific, customers in the United States, a country with a high level of indulgence (68), are more likely to feel the efforts made by companies via direct messages, such as emails, text messages, or mobile apps; while customers in China, a country with low level of indulgence (24), tend to feel less or even ignore such efforts. Belgian (57) customers are in the middle. This can be partly explained by the nature of indulgence, which encourages a positive attitude to enjoyment, freedom, and societal activity participation (Enkh-Amgalan, 2016), and customers from indulgent cultures are more likely to be interested in these direct messages. Note that it may also be partly explained by the different extent of popularization of emails and mobile apps among these three countries. According to Chen (2013), around 91% of American customers use email services, while in China the number is only around 48%. Besides, the iOS app of Starbucks is more popular in the United States than in China and Belgium (Apple, 2017). As American customers are more likely to be exposed under these channels, they are more likely to feel the perceived relationship investment.

Third, this study demonstrates that in China and Belgium, preferential treatment would increase perceived relationship investment; while in the United States, such

effort is not felt or appreciated. Although this result seems to be positively related with the cultural dimension of power distance of the three countries (China: 80; Belgium: 65; the United States: 40), a further test of coefficient comparison tells that there is no significant difference among the three countries. In other words, power distance does not seem to influence the relationship between preferential treatment and perceived relationship investment. This may partly be explained by the limited amount of respondent samples as well as country samples. A further research of multiple country-wise comparison is needed. A detailed discussion can be found in Chapter 4.2.

Fourth, this study finds that interpersonal communication would increase perceived relationship investment, and such effect is stronger in China and the United States than in Belgium. In spite of that, this result does not support the argument that collectivism / individualism (China: 20; the United States: 91; Belgium: 75) would influence this relationship. One possible explanation is that although collectivist customers are more likely to build in-group relationships, in the meanwhile individualist customers are more likely to interact with strangers with ease and to adopt a direct communication style (Sorensen, 2009). The result of this study tells that while it may seem that collectivist cultures are more open to have a friendly and warmly conversation within relationship marketing, individualist cultures do not tend to reject interpersonal communications, and they keep channels open regardless if everyone knows each other well.

Fifth, this study confirms the positive relationship between perceived relationship investment and relationship quality. However, such relationship is not likely to be influenced by different levels of uncertainty avoidance among Belgium (94), the United States (46), and China (30). In other words, as long as customers can feel the relationship marketing tactics and the efforts that the company makes, they are likely

to be satisfied, gain trust, and commit the relationship, no matter which cultural background they have. Note that this scenario may partly be explained by the special case of Starbucks. As Starbucks provides a high degree of standardization on its product and marketing level (Kiley, 2007) by providing a unique environment, elegant taste and integrating communication with customers (Panagiotaropoulou, 2015), the company has built a relatively positive brand image in customers' minds. This is supported by the result shown in Figure 7 (see page 33), in which all three samples of customers shown a relatively high level of relationship quality with a small standard error. Based on this result, it is likely that there were more happy Starbucks customers participated in this study than the unhappy ones, as the unhappy customers may not be interested in filling this questionnaire. As a result, such effect might overshadow the influence of uncertainty avoidance. Besides, according to Hofstede and Bond's (1988) finding, there are inconsistent results in uncertainty avoidance among some Asian cultures including China. This may lead to an inaccurate research result when it is related with cultural dimensions in China.

And finally, this study supports the positive relationship between relationship quality and customer behavioral loyalty. When it comes to the cultural dimension of long term orientation, however, the result does not support that long term orientation would influence on this relationship in Belgium (82), the United States (26), and China (87). This may partly be explained by the influences from other cultural dimensions. For instance, although China has the highest level of long term orientation among three, it also has the lowest level of individualism (or highest in collectivism). Considering that collectivist customers are more likely to build in-group relationships as mentioned above, the behavioral loyalty resulting from individual experiences might be counter-influenced by the in-group opinions (Hur et al., 2015).

In general, the result of this study mostly supports the framework proposed by De Wulf et al. (2001), except that tangible rewards and direct messages are not likely to increase perceived relationship investment. Moreover, it does not support the idea that cultural dimensions among Belgium, the United States, and China would influence on this model (except for indulgence). In other words, the majority of the model proposed by De Wulf et al. (2001) is likely to be universally applied within these three countries, and cultural differences among these countries are not likely to affect this model. These observations imply that a global company like Starbucks is likely to get similar results from similar CRM strategies across the borders, and natural culture is not a significant moderating factor.

4.2 Limitations

This study is exploratory in nature. Therefore, there are many limitations that need to be recognized. First, this study adopts Hofstede's (2011) research, which has received increasing criticism since its introduction. For instance, the effectiveness of Hofstede's data is questionable, as it was derived from research conducted over nearly three decades (Hovav & D'Arcy, 2012). Considering some countries that have undergone a series of changes politically and economically (for instance, China), it is possible that their cultural dimensions have changed too. Also, Hofstede's cultural dimensions are based on the assumption that they represent the average tendency in the nation (McSweeney, 2002). However, these dimensions cannot truly represent a small group citizens under a city level, as different cities may have their own city cultures that differ from the natural culture. For example, the cultural dimensions of Belgium do not necessarily represent the cultural dimensions of Ghent or Brussels. Of course, an ideal situation is to use cultural dimensions on individual level, which would increase the

validity of the result and provide more insights, but in the meanwhile it can be very costly (Hur et al., 2015).

Second, this study only tests one cultural dimension on each of the relationship on the CRM model proposed by De Wulf et al. (2001). It is highly possible, though, that multiple cultural factors can influence on one relationship simultaneously as suggested in Chapter 4.1. Further research on the moderation of multiple cultural dimensions may generate different results.

Third, this study compares sample customers from Belgium, the United States, and China, which have different backgrounds on cultural, economic, and political levels (Fornerino et al., 2011). Although this study only focuses on the cultural dimensions, it is inevitable that the result can be seriously affected by economic and political factors, which cannot be easily controlled due to their huge differences among the countries. It is therefore suggested to extend this study in future research to countries with similar economic and political dimensions, while testing the influences of cultural factors.

Fourth, due to limited time and effort, this study reaches general conclusions based on only three country samples, which is far from enough to be generalized (Brase & Brase, 2016). It is possible that these country samples are outliers among all countries in the world and therefore not representative. Future research should include more countries to reach a more convincible and generalized conclusion.

Fifth, this study chooses Starbucks as the research objective. Although recognized as a global company (Kiley, 2007), Starbucks has different introducing time frames and diffusion rates among different countries (Starbucks, 2017). Besides, Starbucks faces different market environment across the borders. For instance, the coffee culture is

different between China and other western countries, since generally Chinese are not typically lovers of coffee (Harrison et al., 2005). All these factors may influence the conceptual model proposed by this study, and it is therefore suggested to take them into consideration in future research.

Lastly, some potential limitations are related to the data sample. Previously this study has proposed some limitations of online survey (see Chapter 3.1). In order to avoid these drawbacks, this study also adopts the face-to-face survey. Although the study has tried its best to decrease the differences between online survey and face-to-face survey, the merged result may still be influenced by different survey methods. Besides, the data was gathered from three different sample groups: Belgium university students, American university students, and Chinese employees from Bosch China. Although these groups have similar age range, they might be different in social classes, earning abilities, consuming behavior, and so on, which may affect the results of the study. Also, as the respondents were mostly located in a certain group, the result of this study would then have a relatively week external validity, since anyone that is beyond these groups would probably not fit for the results (Cooper et al., 2003). Moreover, although Hofstede's (2011) framework indicated the different cultural dimensions, it is possible that the respondents from the sample cities (Ghent, Brussels, Philadelphia, Hempstead, and Shanghai) presented a minimal difference in cultural levels due to the trend of cultural homogenization (Appadurai, 1996), which undermines the validity of this study. Furthermore, the surveys were completely self-reported, which may be biased and be different from actual circumstances. For instance, customer behavioral loyalty can also be captured by database information provided by companies, instead of a pure self-report from customers.

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Appendix: Questionnaire

A1 Introduction

Hello. This is a questionnaire survey conducted by a Master's student in Business Economics at Hasselt University. It aims at gaining insight into how cultural differences could influence customer relationship management.

The results will be analyzed anonymously by combining the results of all respondents. The response gathered through this questionnaire will be used for academic purposes only. The responses will be kept confidential and will not be distributed to any other researchers / companies.

The survey will take approximately 10 minutes of your time. Your response will be highly appreciated.

A2 Questions

Are you a customer of Starbucks?
　　↳ *(If no, finish the survey)*

Which city / town / village do you come from? *(Skippable question)*

The following statements are presented and asked to which extent does the respondent agree or disagree with (*"Strongly disagree", "Disagree", "Somewhat disagree", "Neither agree or disagree", "Somewhat agree", "Agree", "Strongly agree"*):

Construct		Statements
Relation-ship marketing tactics	**Tangible rewards**	This restaurant offers regular customers something extra (for free, or charge with a lower price than usual) because they keep buying there. This restaurant offers regular customers products or services with a lower price because they keep buying there. This restaurant offers coupons to regular customers because they keep buying there.
	Direct messages	This restaurant often sends direct messages (post mail, emails, text messages, etc.) to regular customers. This restaurant keeps regular customers informed and updated through direct messages (post mail, emails, text messages, etc.). This restaurant often informs regular customers through mobile-apps.
	Preferential treatment	This restaurant puts greater efforts for regular customers than for non-regular customers. This restaurant provides better service for regular customers than for non-regular customers. This restaurant offers something extra for regular customers than for non-regular customers.
	Inter-personal communi-cation	This restaurant spends time and effort to personally get to know regular customers. This restaurant holds personal conversations with regular customers. This restaurant asks regular customers about their personal welfare.

Construct		Statements
Perceived relationship investment		This restaurant makes efforts to increase loyalty of regular customers.
		This restaurant makes efforts to improve its connection with regular customers.
		This restaurant cares about keeping regular customers.
Relationship quality	**Relationship satisfaction**	I have a high-quality relationship with this restaurant as a regular customer.
		I am happy with the efforts this restaurant is making towards regular customers as me.
		I am satisfied with the relationship I have with this restaurant.
	Trust	This restaurant gives me a feeling of trust.
		I have trust in this restaurant.
		This restaurant gives me a trustworthy impression.
	Relationship affective commitment	I am willing keep the relationship and remain a customer of this restaurant.
		I feel loyal towards this restaurant.
		Even if this restaurant would be more difficult to reach, I would still keep buying there.

Figure 12: Statements from questionnaire

Customer behavioral loyalty

What percentage of your total expenditures for meals do you spend in this restaurant in the last 3 months?

Of the 10 times you select a restaurant to buy meals at, how many times do you select this restaurant?

> → *(End of questionnaire)*

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Universiteit Hasselt zal mij als auteur(s) van de eindverhandeling identificeren en zal geen wijzigingen aanbrengen aan de eindverhandeling, uitgezonderd deze toegelaten door deze overeenkomst.

Voor akkoord,

He, Xun

Datum: **22/05/2017**