American And Korean Consumers Perceived Importance of Group Identity on Gift Giving Purchase Behavior

This study examines the importance of group identity (kin, friends, co-workers) when gift recipient changes among American and Korean consumers. Female college students and academicians completed a self-administered questionnaire. Four hundred fifty-eight respondents evaluated the perceived importance of group identity when buying an apparel gift for kin, friends, and co-workers. The results suggest that the importance of group identity may influence the type of gift a recipient receives. The results show that when buying a gift for kin, friends, and co-workers that both young and older American consumers place greater importance on self rather than the opinion of other group. The older and younger Korean respondents rated the opinion of each group (kin, friends, and co-workers) to be more important than self. Recommendations for future research on the affect of culture on consumer purchases are suggested.

Gift giving is a meaningful practice and varies from culture to culture. What is considered appropriate in France may be entirely inappropriate in Japan (Clot deBroissia, 2008). Traditions of gift-giving in the United States have grown more complicated and more stressful. There are questions of money and meaning, of different faiths and different cultures.

The exchange of gifts is an important part of Korean life, closely linked to showing respect, and being courteous (Korea4Expats.com, 2008). In Korea, a gift expresses a great deal about a relationship and is always reciprocated. It is inconsiderate to give someone an expensive gift if you know that they cannot afford to reciprocate accordingly (Chang, Chang & Freese, 2001). Most gifts in South Korea are given to congratulate others, including family members for graduations, weddings, birthdays, and some remarkable accomplishments. Koreans give wedding gifts to congratulate family members and relatives, family members of colleagues, superiors, and subordinates in an organization (Chang et al., 2001).

Whether gifts are business or social, an understanding of cultural differences is the key to retailers and businesses expanding the ability to be effective in generally dealing with foreign business people, or foreign consumers (Bryan, 1989). A careful study of the gift culture of a country reveals
economic, religious, social, and political influences on consumer purchases. Sherry (1983) underscores the importance of studying gift-giving among people with different national heritages as it help to understand how this exchange process is evaluated among diverse peoples.

This study compares Korean and American gift giving behavior and the relationship to group identity in order to understand diverse, multicultural consumer behavior. It further examines the extent to which age and income of an individual may influence the importance of group identity. The questions addressed in this study included: 1) does culture influence the importance of gift giving, and 2) does culture, age and income influence the importance of group identity on gift giving?

**Gift Giving**

The most prevalent consumption ritual is that of gift-giving (Saad & Gill, 2003). Researchers have proposed models of the gift giving process (Banks, 1979; Belk, 1976; Ruffle, 1999; Sherry, 1983), examined reasons for giving such as giving a gift to influence relationships between the giver and the recipient (Belk, 1988; Caplow, 1982), reciprocity (Komter, 1996), voluntary versus obligatory gift giving (Cheat, 1987, 1988; Goodwin, Smith & Spiggle, 1990), and gift giving as economic signals and social symbols (Camerer, 1988). Others have examined situational influence on gift giving (Gehrt & Shim, 2002), the influence of gender differences and budget expenditures on gift giving motives (Saad & Gill, 2003), and the influence of cultural differences on gift giving (Beatty, Kahle & Homer, 1991; Park, 1998).

A gift or present is the transfer of something, without the need for compensation that is involved in trade. A gift is a voluntary act that does not require anything in return (Hyde, 1983). Even though gift giving involves possibly a social expectation of reciprocity or a return in the form of prestige or power, a gift is meant to be free (Maus & Hall, 2000). The term gift can refer to anything that makes the other happier or less sad, especially as a favor, including forgiveness and kindness (Marion, 2002).

Park (1998) defines gift giving as the selection, transfer, and evaluation of material and immaterial (intangible) objects in fulfillment of an obligation. Gift giving is also used as a method of bridging the relationship between individuals and groups. A gift giver may attempt to communicate with the gift recipient through the gift based on the importance of a relationship (Wolfinbarger, 1990). According to research, “gifts may serve many functions such as conveying identity, controlling and subordinating, conveying unfriendliness, reducing status anxiety, enforcing distributive justice, providing suspense or insulation, defining group boundaries, and atones for unseen social deviations” (Camerer, 1988).

The literature review by Komter (1996) on gift giving suggest that no matter how different the previous approaches to gift giving are, it is the “moral cement of culture and society”. The anthropologists discuss gift giving as a ritual that began as far back as primitive societies, and see it as a reciprocal activity (Camerer, 1988). Sherry (1983) discusses the previous views on gift giving and suggests that it symbolizes and conveys meaning. Giving also is related to social bonds, and it is used to establish, maintain, and reinforce these social bonds (Hyde, 1983; Sherry, 1983). Komter (1996) supports this idea and states that contrary to what are commonly thought, gifts are not always a sign of good intentions and altruism, but may reflect unfriendliness. Therefore, the value of the gift partially reflects the weight of the relationship, and the changing nature of the relationship is partially reflected in a change in the value of a gift (Shurmer, 1971). This supports the idea of the individualism and collectivism component of gift giving.

**Individualism, Collectivism, and Group Identity**

The individualism and collectivism dimensions describe the extent to which an individual considers the requirements of a relevant group over individual requirements in making decisions (Bond, Kwok & Kwok, 1982; Triandis, 1988). Collectivists view themselves as being interdependent and closely linked to one or more groups. Norms, obligations and duties to groups are the primary of concerns collectivists, and they tend to place high value on
group harmony and solidarity. Individualists view themselves as independent and only loosely connected to the groups of which they are a part (Triandis, 1988).

Hofstede (1980) found that individualism was dominant in the United States, Canada, Australia, New Zealand, Israel, South Africa and most of the countries in Northern and Western Europe. However, collectivism was dominant in the rest of the world. Wink (1997) found that Koreans tended to score higher on Collectivism even when the influences of generation, social status, and religious attendance were controlled. According to Wright (2004), every country contains both individualists and collectivists, but most countries have a preponderance of one or the other. Another researcher also indicated that individualism and collectivism can coexist within a culture, and a person could have tendencies from each of the constructs, depending on the situation (Buda & Elsayed-Elkhoury, 1998). Buda et al. (1998) examined cultural differences between Americans and Arabs, and found that subjects from the collectivist culture (Arabs) exhibited collectivistic behaviors only with members of the in-group, and exhibited behaviors toward out-groups resembling that found in an individualistic culture.

CONCEPTUAL FRAMEWORK

The self-categorization theory states that at different times humans perceive themselves as unique individuals and at other times as members of groups (Turner, 1985; Turner et al., 1987; McGarty et al., 1994). Hogg, Terry and White (1995) state that individuals classify themselves into social categories that they feel they belong to and this provides a definition of who one is in terms of the defining characteristics of the category/group. The researchers state that each of the group memberships describes and prescribes individual attributes as a member of that group, and that includes what one should think, feel, and how one should behave. These groups are called in-groups and may include the nuclear family, co-workers, neighbors, political parties, religious groups, and fellow nationals (Triandis, 1988). The individualism and collectivism literature suggest that an individual may consider the requirements of a relevant group over individual requirements in making decisions (Bond et al., 1982; Triandis, 1988). Gift giving can be used as a method of bridging the relationship between individuals and groups. Wolfinbarger (1990) suggests that a gift giver may attempt to communicate with the gift recipient through the gift the importance of a relationship. Thus, the value of a gift may reflect the importance of a relationship with the in-groups, and a change in the nature of the relationship may be reflected in a change in the value of a gift (Shurmer, 1971). Based on the literature, this study suggest that

H1 variation in group identity importance with kin, friends, and co-workers may create variation in gift giving behavior when culture is different.

Garner and Wagner (1988) reported that gift giving and expenditures for total gifts are affected by socioeconomic and demographic variables including family size, stage in the family life cycle, ethnicity, education of the reference person, and degree of urbanization. Results indicate that consumer units with "mature" or "older" reference persons are more likely to give gifts in general, while younger and mature parent consumer units are most likely to give gifts of infants' clothing. Parson (2002) examined the impact of intended recipient on brand choice when purchasing a gift. The researcher reported that there are gender-based differences in brand choice for gifts by consumers, along with some income and age related distinctions. This study propose that:

H2 variation in income and age may influence the extent to which group identity importance influences gift giving behavior.

METHODS

Sample and Data Collection

A convenience sample of students, faculty, and family members from Seoul, South Korea and an American midwestern city were used to conduct this
study. The American sample included faculty in the areas business, merchandising, and apparel design. Juniors and seniors enrolled in merchandising classes at a midwestern university were asked to participate in the study. The sample of students provided a younger age group of participants, while the academicians provided a sample of varied older participants. The respondents were given an incentive for participating in the study upon completion and return of the questionnaire.

A self-report survey questionnaire was used to examine cross-culturally the relationship between group identity, gift giving, age, and income. A letter was attached to each questionnaire indicating that participation was voluntary and assured confidentiality and anonymity. The questionnaire was double-blind translated into the Korean language for distribution in Korea. Persons not associated with the research project were employed to translate and back translate the questionnaire to ensure accurate translation and comprehension by participants. Once the questionnaire was back translated into the American languages, variations in the questions were observed. From this point, the questions were then translated again by another individual, and then back translated again to make sure the questions were properly translated.

Four hundred questionnaires were distributed to the Korean participants for this study. Three sixty-eight useable questionnaires were returned yielding a response rate of 92 percent. The high response rate was due to a drop-off and pick-up method used to distribute and collect the Korean questionnaires, and the use of small incentives given to the respondents for participating in the study. Six hundred questionnaires were mailed out to the American participants. Two hundred fourteen useable questionnaires were returned yielding a response rate of 35 percent.

**Measures**

Gift giving behavior and the relationship to group identity were compared between American and Korean consumers. Nieto (1999) offers an extensive definition of culture as "the ever-changing values, traditions, social and political relationships, and worldview created, shared, and transformed by a group of people bound together by a combination of factors that include a common history, geographic location, language, social class, and religion." For the purpose of this study, culture is defined as a variation in geographic location and language.

Group identity is measured as the importance a participant places on their acceptance into groups identified as kin, friends and co-workers (1=not at all important to 5=very important). Gift recipient is defined as the person who would be receiving the gift. In this case the study examines kin, friends, neighbors, and co-workers as the gift recipients. Due to the growth in older and younger populations in the United States age and income factors were included.

The questionnaire was developed based on literature review. Because of this factor, a pre-test of the questionnaire was conducted using 75 Merchandising students and faculty at a midwestern university in the United States. The students were asked to complete the questionnaire, record the amount of time required to complete it, and identify any other problems they might have encountered. The students indicated that the questionnaire was confusing, too long, and they did not understand what we were asking them to evaluate. Based on these comments, the questionnaire was divided into specific sections related to the topic. Each section contained an example so that the individual would not be confused. After the pretest, the questionnaire was changed based on received comments.

On the questionnaire respondents were to consider a future scenario regarding the next time they would make a purchase of an apparel gift for kin, friends, or co-workers. The questions were phrased to examine the overall importance of group identity on gift purchase behavior of American and Korean respondents. The question was: “You want to purchase an apparel gift for a relative (kin). Indicate how important it is to buy what the following people think you should buy when purchasing this gift”. The same statement was phrased again using friends, and co-workers as the gift recipient. On a five-point Likert scale (1=strongly disagree to 5=strongly agree), respondents were asked to indicate the level of agreement with the statements in relation to self,
TABLE 1. DEMOGRAPHIC CHARACTERISTICS OF KOREAN & AMERICAN FEMALE PARTICIPANTS

<table>
<thead>
<tr>
<th>Variable</th>
<th>Young Korean under 30 yrs</th>
<th>Older Korean over 30 yrs</th>
<th>Young American under 30 yrs</th>
<th>Older American over 30 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>275</td>
<td>93</td>
<td>105</td>
<td>101</td>
</tr>
<tr>
<td>Mean Age</td>
<td>22.80</td>
<td>42.79</td>
<td>21.01</td>
<td>50.60</td>
</tr>
<tr>
<td>(SD = 3.61)</td>
<td>(SD = 8.13)</td>
<td>(SD = 1.8)</td>
<td>(SD = 9.26)</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $5,000</td>
<td>88 (25.8%)</td>
<td>0</td>
<td>74 (70.5%)</td>
<td>0</td>
</tr>
<tr>
<td>$5,000-$9,999</td>
<td>91 (26.7%)</td>
<td>0</td>
<td>17 (16.2%)</td>
<td>0</td>
</tr>
<tr>
<td>$10,000-$24,999</td>
<td>96 (28.2%)</td>
<td>0</td>
<td>14 (13.3%)</td>
<td>0</td>
</tr>
<tr>
<td>$25,000-$49,999</td>
<td>0</td>
<td>59 (63.4%)</td>
<td>0</td>
<td>31 (30.7%)</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>0</td>
<td>21 (22.6%)</td>
<td>0</td>
<td>38 (37.6%)</td>
</tr>
<tr>
<td>$75,000-$99,999</td>
<td>0</td>
<td>10 (10.8%)</td>
<td>0</td>
<td>15 (14.9%)</td>
</tr>
<tr>
<td>$100,000-$149,999</td>
<td>0</td>
<td>2 (2.2%)</td>
<td>0</td>
<td>11 (10.9%)</td>
</tr>
<tr>
<td>$150,000 and higher</td>
<td>0</td>
<td>1 (1.1%)</td>
<td>0</td>
<td>6 (5.9%)</td>
</tr>
</tbody>
</table>

kin, friends, and co-workers. Because the questions were single items, no reliability coefficients were computed.

RESULTS AND DISCUSSION

Sample Characteristics

Table 1 reports the demographic information about the two samples used in this study. The age range of the young Korean respondents was 18 to 30 with a mean age of 22.8 years (SD = 3.61). The age range of the older Korean respondents was 31 to 65 with a mean age of 42.8 years (SD = 8.13). Twenty-eight percent of young Korean respondents had an income ranging from $10,000 to $24,999 per year, and 63% of the older Korean respondents had income in the range of $25,000 to $49,999 per year.

The age range of the young American respondents was 19 to 29 with a mean age of 21.01 years (SD = 1.82). The older American respondents with high income had an age range of 31 to 62 with a mean age of 50.60 years (SD = 9.26). Seventy-one percent of young American respondents had an income of less than $5,000 per year, and 38% of the older American respondents had income in the range of $50,000 to $75,000 per year.

Table 2 reports the results of a repeated measure MANOVA. The result reported is on the total sample combined (Korean and American). Significant differences were reported to exist within the total sample as to the importance of what others think of gift purchases (kin, friends, co-workers) (Hotellings Trace = .2712, f = 1.490, df = 9.00, p < .001). This suggests that when a consumer shops for a gift for kin, friends and co-workers, the consumer considers what they (kin, friends and co-workers) may think of their gift purchases for them.

The interaction between group identity (what others think of gift purchases) and culture was significant (Hotellings Trace = .089, f = 7.072, df = 9.00, p < .001). This analysis supports the idea that cultural differences may influence the gift purchase decisions of consumers for kin, friends, and co-workers. The interaction between group identity, culture and income was also significant (Hotellings Trace = .141, f = 1.595, df = 63.00, p < .05). These findings suggest that within each culture (Korean and American) consumers with varied income levels may place a different level of importance on group identity when buying a gift for kin, friends and co-workers.

The interaction between group identity (what others think of gift purchases), culture, income and age was significant (Hotellings Trace = .073, f =
TABLE 2. MULTIVARIATE TESTS OF VARIANCE (TOTAL SAMPLE)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hotelling's Trace</th>
<th>F</th>
<th>df</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within Subjects Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group Identity</td>
<td>.271</td>
<td>21.490</td>
<td>9.00</td>
<td>.000*</td>
</tr>
<tr>
<td>Group Identity * Culture</td>
<td>.089</td>
<td>7.072</td>
<td>9.00</td>
<td>.000*</td>
</tr>
<tr>
<td>Group Identity * Income</td>
<td>.115</td>
<td>1.297</td>
<td>63.00</td>
<td>.058</td>
</tr>
<tr>
<td>Group Identity * Age</td>
<td>.017</td>
<td>1.323</td>
<td>9.00</td>
<td>.221</td>
</tr>
<tr>
<td>Group Identity * Culture * Income</td>
<td>.141</td>
<td>1.595</td>
<td>63.00</td>
<td>.002**</td>
</tr>
<tr>
<td>Group Identity * Culture * Age</td>
<td>.023</td>
<td>1.826</td>
<td>9.00</td>
<td>.060</td>
</tr>
<tr>
<td>Group Identity * Culture * Income * Age</td>
<td>.073</td>
<td>1.445</td>
<td>36.00</td>
<td>.042***</td>
</tr>
</tbody>
</table>

TABLE 3. MULTIVARIATE TESTS OF VARIANCE BETWEEN KOREAN AND AMERICAN SAMPLE ON GROUP IDENTITY IMPORTANCE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hotelling's Trace</th>
<th>F</th>
<th>df</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Subjects Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>.477</td>
<td>32.112</td>
<td>808.000</td>
<td>.000</td>
</tr>
<tr>
<td>Age</td>
<td>.193</td>
<td>12.965</td>
<td>808.000</td>
<td>.000</td>
</tr>
<tr>
<td>Culture * Age</td>
<td>.204</td>
<td>13.749</td>
<td>808.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

TABLE 4. MULTIVARIATE TESTS OF VARIANCE BETWEEN KOREAN AND AMERICAN SAMPLE ON GROUP IDENTITY IMPORTANCE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Hotelling's Trace</th>
<th>F</th>
<th>df</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Subjects Effects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>.209</td>
<td>12.587</td>
<td>724.000</td>
<td>.000</td>
</tr>
<tr>
<td>Income</td>
<td>.242</td>
<td>2.083</td>
<td>5056.000</td>
<td>.000</td>
</tr>
<tr>
<td>Culture * Income</td>
<td>.224</td>
<td>1.926</td>
<td>5056.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

1.445, df = 36.00, p < .05).

Perhaps within each culture (Korean and American) consumers of different ages and income may differ on group identity importance when buying a gift for kin, friends, and co-workers.

Table 3 reports the multivariate tests of variance of the between subjects factors culture and age on the importance of group identity (what others think of your gift purchases). The results report that culture significantly influences the importance of what others (kin, friends, co-workers) think of gift purchases (Hotelling’s Trace = .407, f = 32.112, df = 808,000, p < .001). Age was also found to significantly influence the importance of what others think (kin, friends, co-workers) of gift purchases (Hotelling’s Trace = .193, f = 12.965, df = 808,000, p < .001). The interaction between age and culture significantly influences the importance of what others think (kin, friends, co-workers) of gift purchases (Hotelling’s Trace = .204, f = 13.749, df = 808,000, p < .001). This suggests that between the two cultures (American and Korean) consumers of varied ages may place a different level of importance on what other consumers (kin, friends, co-workers) think of gift purchases.

Table 4 reports the multivariate tests of variance of the between subjects factors culture and income on the importance of group identity (what others think of your gift purchases). The results report that culture significantly influences the importance of what others (kin, friends, co-workers) think of gift purchases (Hotellings Trace = .209, f = 12.587, df = 724,000, p < .001). The results also report that income significantly influences the importance of what others (kin, friends, co-workers) think of gift purchases (Hotellings Trace = .242, f = 2.0832.0835, df = 5056,000, p < .001). The results report that the interaction between income and culture significantly
influences the importance of what others (kin, friends, co-workers) think of gift purchases (Hotellings Trace = .224, $f = 1.926$, $df = 5056.000$, $p < .001$). This suggests that perhaps between the two cultures (American and Korean) consumers with varied income levels may place a different level of importance on what other consumers (kin, friends, co-workers) think of gift purchases.

CONCLUSION

Researchers report that an individual may consider the requirements of a relevant group over individual requirements in making decisions (Bond et al., 1982; Triandis, 1988). Gift giving is very important to Korean consumers, and it is linked to showing respect, and being courteous (Korea4 Expats.com, 2008). The findings of the study imply that cultural differences do exist among American and Korean consumers when buying gifts for kin, friends, and co-workers. It further reports that age and income factors create differences in the importance of group identity and these differences exist between Koreans and Americans. The interaction between income and culture was first examined. From the findings, this study concluded that significant differences exist between American and Korean consumers across income levels as to the importance of group identity. When buying a gift for kin, friends, co-workers, American participants with lower income and Koreans with higher income place greater importance on what kin, friends, and co-workers think of gift purchases.

The interaction between age and culture were found to have a significant influence on the importance of group identity on gift purchase behavior. When buying a gift for kin, young American and older Korean participants place greater importance on group identity with kin. Younger Koreans and younger Americans placed greater importance on group identity with friends when buying a gift for friends. Younger Koreans and younger Americans placed greater importance on group identity with co-workers when buying a gift for co-workers.

It seems that older Americans were rarely concerned with what others thought of gift purchases. Older Koreans were only concerned with what kin thought of their gift purchases. This suggests that perhaps older consumers in the United States are more individualists than they are collectivists, while older Korean consumers were possibly collectivists when dealing with the purchase of gifts for other relatives. Younger American and younger Korean participants seem to be a collectivist when considering gift purchases for friends and co-workers, while more so an individualist when considering gift purchases for kin.

This study offers marketing constituents information that is useful in the understanding of consumer group conformity and its influence on gift selection. That is, markets may be segmented according to values associated with group identity. If these values influence gift giving choices and they are different from the home market, then adjustments can be made to the marketing strategy. Since this study supports the idea that Korean consumers tend to allow the importance of group identity to influence gift choices, then advertising, and other promotional strategies could be developed to emphasize how the purchase of a particular product would enhance that relationship. Advertising and promotional strategies for the American consumer would reflect the importance of independent choices.

LIMITATIONS AND FUTURE RESEARCH

The sample evaluated the importance of apparel gift purchases for kin, friends, and coworkers. Because this research used apparel as the gift, it is necessary to replicate the study using other categories of products and purchase situations. This would help to determine if these findings are dependent on product category.

Age and income were used to determine if variation in group identity importance existed between the younger (under 30) and older (over 30) consumers in both cultures. Major groups exist within both cultures; each with specific needs and
consumer preferences. These groups (gen Y and baby boomers) cover specific age groups, and should be examined for differences. The sample used in this study was mostly American and Korean women. Further research should be conducted to determine if gender differences exist with regard to the factors examined (income, age, culture, and group identity) across cultures.

REFERENCES


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