WHEN DIFFERENCE DOESN'T MEAN DIFFERENT

Understanding cultural bias in global CX programmes

By Fiona Moss and Bharath Vijayendra | August 2020

IPSOS VIEWS

GAME CHANGERS

Ipsos

Global organisations require global market research programmes. The benefits are clear: not only do global programmes return better value for money than a multitude of individual studies, but they also provide a degree of standardisation across markets. The latter allows management teams to see aggregated 'global' results and to identify 'hot spots' or global systemic issues to effectively prioritise improvement opportunities.

Multi-market research programmes are not, however, without their challenges. The research needs to find a delicate balance between consistency across markets and cultural/market-level customisation to ensure accurate and reliable data collection that delivers on the needs of global and local users.

Results interpretation is also a thorny issue. Organisations want to track KPIs globally, but a straightforward comparison of results across markets can be misleading, as scores given by individuals can be influenced by many factors, including cultural response bias. This is true regardless of the sector or company being evaluated. Cultural response bias can significantly undermine the validity of conclusions drawn from global research programmes. This paper initially sets out to detail the impact of cultural response bias on CX survey results, before going on to outline a number of steps to mitigate that impact, drive action and ultimately improve an organisation's Return on Customer Experience Investment (ROCXI).

This paper was first published in 2018. In this updated 2020 edition we include a review of CX KPI data – customers rating their experience of brands – from this year, including data gathered since the advent of the coronavirus pandemic. Additionally, our expanded data set, which includes more markets from Africa, Asia and the Middle East, enables us to investigate a wider range of market response patterns. We also expanded our investigation to assess more scale types.

HOW CULTURAL RESPONSE BIAS INFLUENCES RESPONSES

Cultural response bias is not a new theory. It has been scrutinised within research communities for many years. Consequently, large numbers of studies have confirmed that there are substantial and systematic differences in response styles between countries.[1]

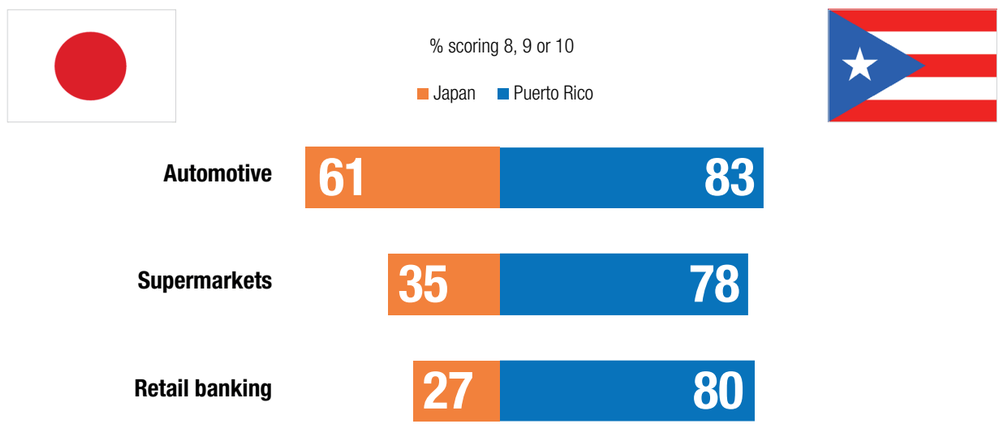
Cultural response bias typically applies to attitudinal questions where response scales (for example, the five-point Likert scale, 10-point end-anchored scales) are used. It manifests itself as a country-specific tendency to consistently use a rating in the scale, or set of ratings, regardless of what is asked.

The impact of cultural response bias when looking at survey findings can be obvious and significant. In 2018, when this paper first appeared, we collected normative data specifically with the purpose of exploring cultural response bias. The data clearly illustrates cultural response bias, giving the impression of inflated or deflated scores (see Figure 1).

Moreover, cultural response bias is not just visible in descriptive results. Inferential statistics can also be distorted. For example, relationships between different attitudinal statements can appear to have inflated or deflated correlation values when the analysis includes data from multiple countries.

However, isolating cultural effects is particularly challenging. This is because product or service expectations may also differ across countries due to a number of factors, including market maturity or competitiveness. The combined influence of expectation and cultural response bias is difficult to pick apart.

Figure 1 Performance difference? Or cultural bias?



Source: Data taken from Ipsos' normative study, 2016

CULTURAL RESPONSE BIAS TYPES

Three types of response style are most commonly cited:

1. ACQUIESCENCE RESPONSE STYLES (ARS)

The tendency to agree, regardless of what is asked – seen frequently in Latin America, the Middle East and some markets in Africa. Known as disacquiescence (DRS), the reverse can also hold true.

2. EXTREME RESPONSE STYLES (ERS)

The tendency to use the extremes of a rating scale. Again, this is typically seen in Latin America (particularly at the positive end of the scale – a tendency to score at the negative end of the scale is rare). In contrast, Asian markets are least likely to opt for extremes.

3. MIDDLE RESPONSE STYLES (MRS)

The tendency to use the mid-responses of a rating scale. Asian markets tend to provide more mid-responses, while Latin America is less inclined to do so.

CULTURAL RESPONSE BIAS IN ACTION: ITS IMPACT ON MULTI-MARKET STUDIES

In a nutshell, cultural response bias makes it very difficult to compare results between countries and reliably gauge whether disparities are the result of true differences in the performance measured or simply in cultural response styles. Again, the normative data available for our 2018 paper illustrated this.

Taking the example of automotive manufacturers, for the Net Promoter Score℠* (NPS®) we see Asian markets typically give lower scores while Latin America and the US give higher scores (see Figure 2).

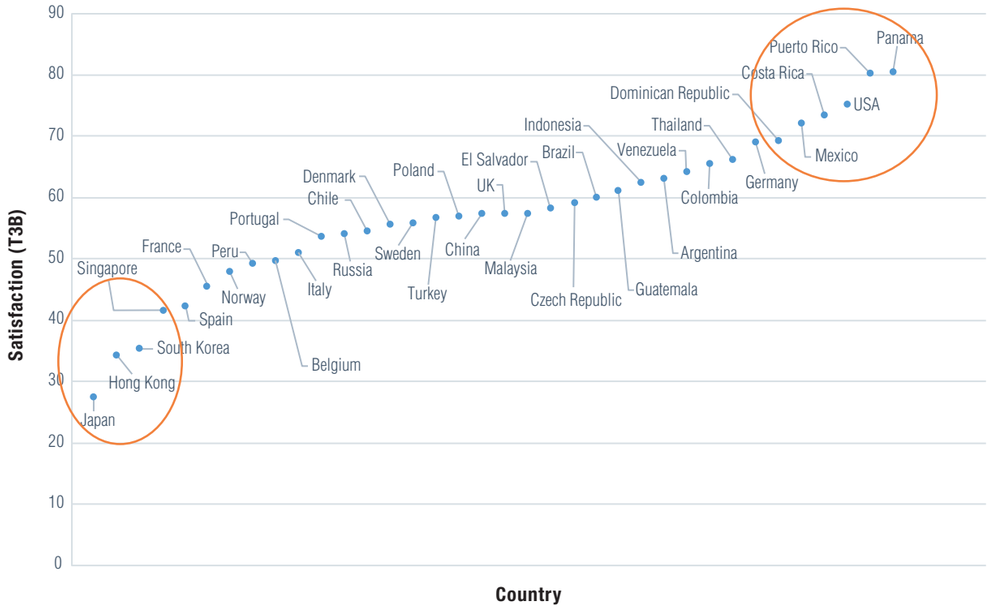
This pattern was repeated across sectors and across metrics, as we see when looking at the percentage of customers scoring 8, 9 or 10 for satisfaction with retail banking (see Figure 3).

Figure 2 NPS – automotive

Source: Data taken from Ipsos' normative study, 2016

*Net Promoter®, NPS®, NPS Prism®, and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld. Net Promoter Score℠ and Net Promoter System℠ are service marks of Bain & Company, Inc., NICE Systems, Inc., and Fred Reichheld.

Figure 3 Satisfaction (T3B) – retail banking



Source: Data taken from Ipsos' normative study, 2016

However, now, in 2020, we want to explore whether these patterns still play out in the real world, particularly in light of the coronavirus pandemic, which has thrown so much of what was certain into uncertainty. To achieve this, we aggregated data from business-to-consumer (B2C) CX studies carried out by Ipsos from around the world and created a new benchmarking database.[2] This data carries two huge benefits: it is a true reflection of what customers are telling our clients now; and it enables us to study a wider range of market response patterns than in our original study – most notably including more markets from Africa, Asia and the Middle East.

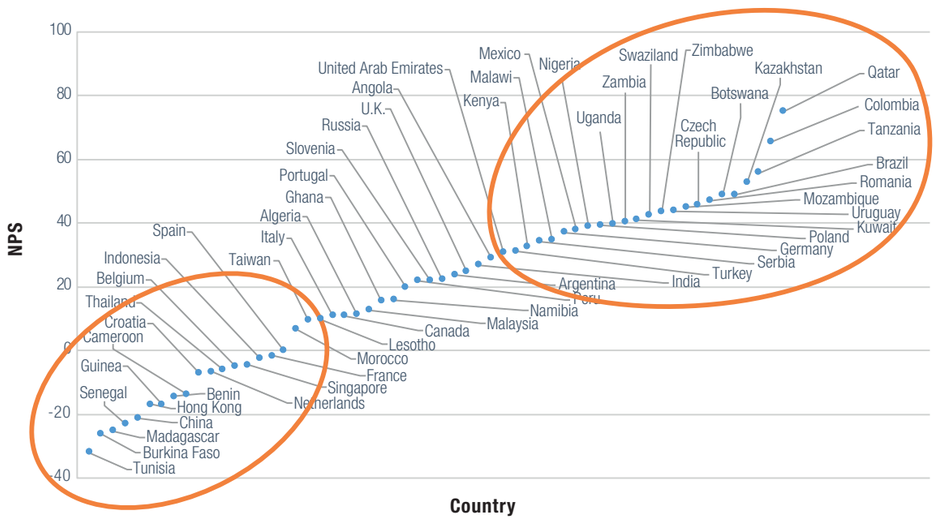
What we found was cultural bias is still entrenched in the way different markets respond to scale questions. This is illustrated, for example, when we look at NPS among retail banking customers (see Figure 4).[3] The results are aligned, albeit with some natural variation, with what we found previously. We still see a pattern of Latin American markets giving higher scores and Asian markets giving lower scores.

As a result of the addition of more countries to the research, we also see that markets in the Middle East tend to give higher scores, while in Africa we see anglophone markets tending to give higher scores than francophone markets.

In exactly the same way as we saw previously, the pattern of high and low scoring markets remains the same across a variety of sectors and metrics. In Figure 5 we look at NPS for all remaining sectors combined (excluding retail banking). Again we see similar patterns where Latin American markets tend to give higher scores and some Asian markets tend to give lower scores. Additionally we see differentiation between anglophone and francophone African markets in terms of their scores.

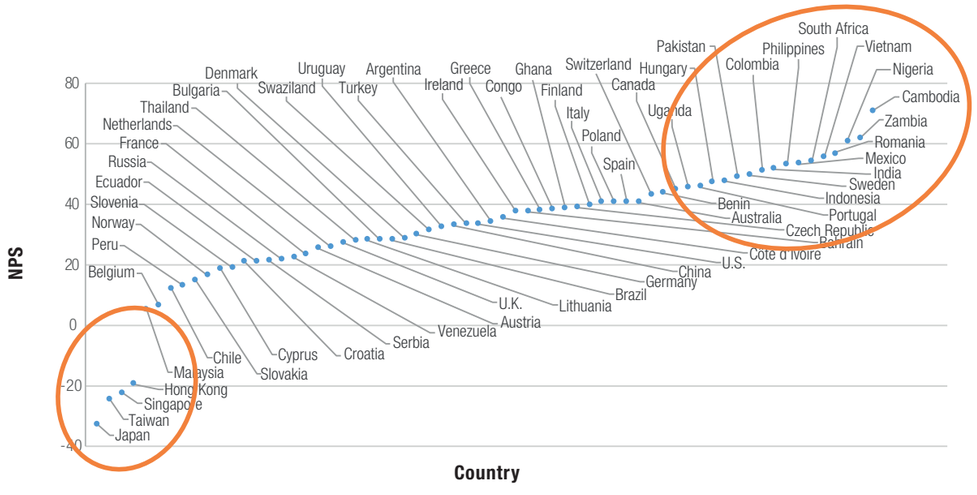
But we also see some variation that cautions us against making sweeping continent-wide statements. For example, Cambodia, the Philippines, Indonesia and Vietnam all give high scores, in contrast to the low scores provided by other participating Asian markets.

Figure 4 NPS – banking



Source: Data taken from Ipsos' Global CX Benchmark Database, 2020

Figure 5 NPS – all sectors (not banking)



Source: Data taken from Ipsos' Global CX Benchmark Database, 2020

This reminds us that there are always exceptions to the rule. It also tells us that while continent-wide cultural response patterns are a useful shortcut to understanding research results at a global level, when considering response patterns within a continent there are differences and nuances that should not be overlooked.

In addition to noting these nuances, in 2020, we want to look beyond traditional survey key performance metrics to evaluate whether these broader patterns hold true on different scales (for example a five-point semantic scale – i.e. where each point is labelled), and where the questions are not limited to service performance evaluation. To do this, we turned to our Global Trends Study, run in 2019.[4] We found that even for questions such as the extent to which an individual feels optimistic or pessimistic about their family, their responses fall largely in line with established cultural response bias patterns (see Figure 6).

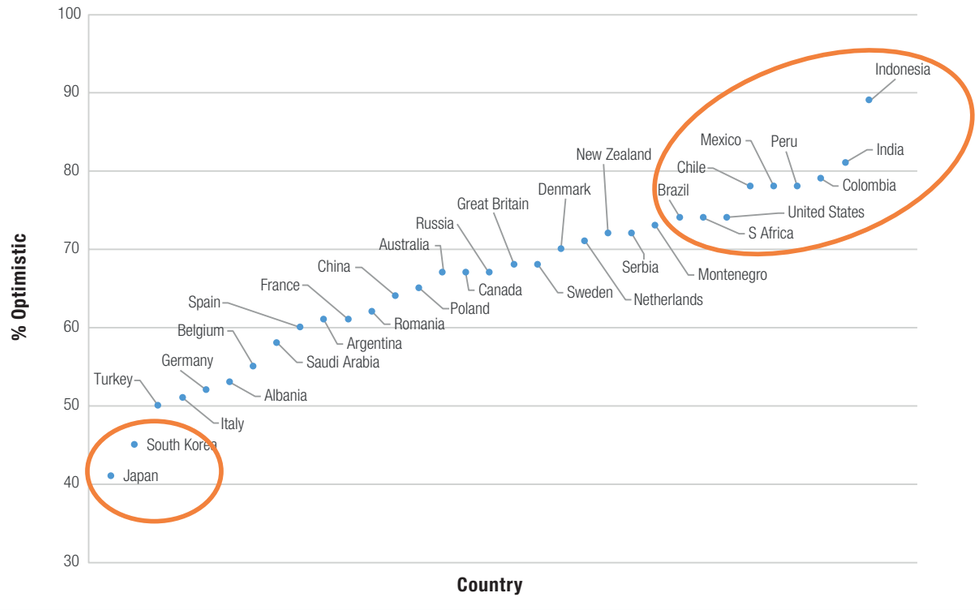
The new data, while fundamentally validating the 2018 findings, also underscores that there are some variances and nuances that need to be considered, particularly when making broad generalisations. For example, to say that Asian markets always score low and that Latin American markets always score high could be too reductive. The risk of making sweeping statements also means that real performance issues or highlights may not be noted. Conversely, the patterns across markets are repetitive enough for it to be clear 'something cultural' is at play.

This is compounded by the fact that there are of course exceptions to these patterns, both in terms of the sectors and countries involved (an illustration of this being the variation in response patterns in Asia seen in this paper).

Plus, these patterns are more visible in certain metric calculations than others. For instance, the influence of cultural response style on the mean calculation is less apparent than on a top 'n' box metric.

Given that a straightforward comparison of scores across countries is not a reliable way to identify strong and weak performers, the question is how best to assess performance across countries.

Figure 6 Optimism/pessimism about the next 12 months – you and your family



Source: Data taken from Ipsos Global Trends, 2020

ADDRESSING CULTURAL RESPONSE BIAS IN GLOBAL STUDIES

As a result of cultural response bias, decision-makers are strongly advised to consider response-style differences and their consequences when evaluating data involving multiple countries.

However, before getting as far as interpreting the results, the first thing to do is to ensure the playing field is as level as possible at data collection. This means, for example, ensuring that the same scales are used; that 'don't know' and 'not applicable' options are available (or not) consistently across countries; and that where several languages are involved, translations are an accurate reflection of one another. When working with the results, there are a number of options to minimise the impact of cultural response bias and make comparison between countries more feasible. These include:

TECHNIQUE	HOW IT WORKS	PROS	CONS
Standardisation/ normalisation techniques	Involves adjustment of means of either individuals, groups or both, using either the mean across variables for each individual or across individuals within a group, or both.	Allows aggregation of the results across countries and provides a relative assessment of the variable in relation to other variables.	• Can remove 'true' differences between countries. • Requires a large number of attributes to perform the standardisation.
Studying trends over time	Focuses on results for individual markets over time to identify increases or drops in performance.	Provides a reliable way of monitoring in-market progress/trends.	• Countries continue to be considered in isolation. • Comparison between markets remains unreliable.
Calibration based on expectations questions	• Introduces a set of questions that respondents use to rate their product/ service experience as better/about/worse than expected. • Uses the scale response distribution relative to the 'expectations' to calibrate the response scale.	Provides a statistical adjustment to the response scale distribution allowing cross-market comparison of the overall measure.	• Two sets of figures (noncalibrated and calibrated) may be in circulation, potentially causing confusion. • Calculation of statistical adjustment factors is needed. • Assumes that cultural response bias is constant across metrics (i.e. the same recalibration can be applied to several metrics). • Assumes expectation levels are consistent between markets.

THE BEST WAY FORWARD

Ipsos believes in two primary approaches to address cultural response bias:[5]

1. **For studies unable to capture competitor information:** Include questions about brands with minimal service variation across markets, and use these results to isolate the effect of cultural response bias.
2. **For studies that capture competitor information:** Compare the KPI ranking of your brand versus other relevant brands in each market to avoid the use of absolute scores.

1. ASKING ABOUT BRANDS WITH MINIMAL SERVICE VARIATION WHERE COMPETITOR INFORMATION IS NOT CAPTURED

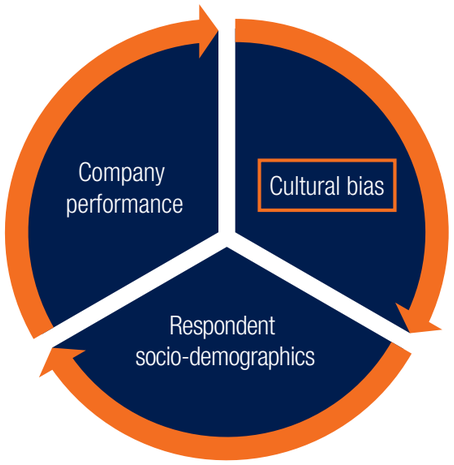
This solution involves identifying a set of large, well-known global brands that are recognised to have minimal service variation across the markets of interest. A question assessing the performance of these brands is then asked.

During analysis, it is assumed that an individual's scores for these brands are influenced by three factors: the performance of the brand itself, the individual's cultural response bias and the individual's socio-demographic profile (see Figure 7).

As the brands' service variation is minimal and the respondent's socio-demographic profile is known, it is then possible to isolate cultural response bias. From this, a calibration factor can be calculated and applied to key measures for the brand of interest.

It is true that this approach carries with it the drawbacks of adding questions to questionnaires that are often already full; and of generating two versions of figures on key measures ('original' and recalibrated). However, it carries with it the major benefit of truly isolating the impact of cultural bias on responses, with limited risk of negating real differences. Moreover, the calibration factors can be applied to any KPI, and need only be recalculated sporadically, minimising any potential impact on questionnaire length and response rates in the long run. Consequently, this can be an efficient and reliable way of generating comparable KPI figures across markets.

Figure 7 Components that influence an individual's score



2. RANKING WHERE COMPETITOR INFORMATION IS ALSO CAPTURED

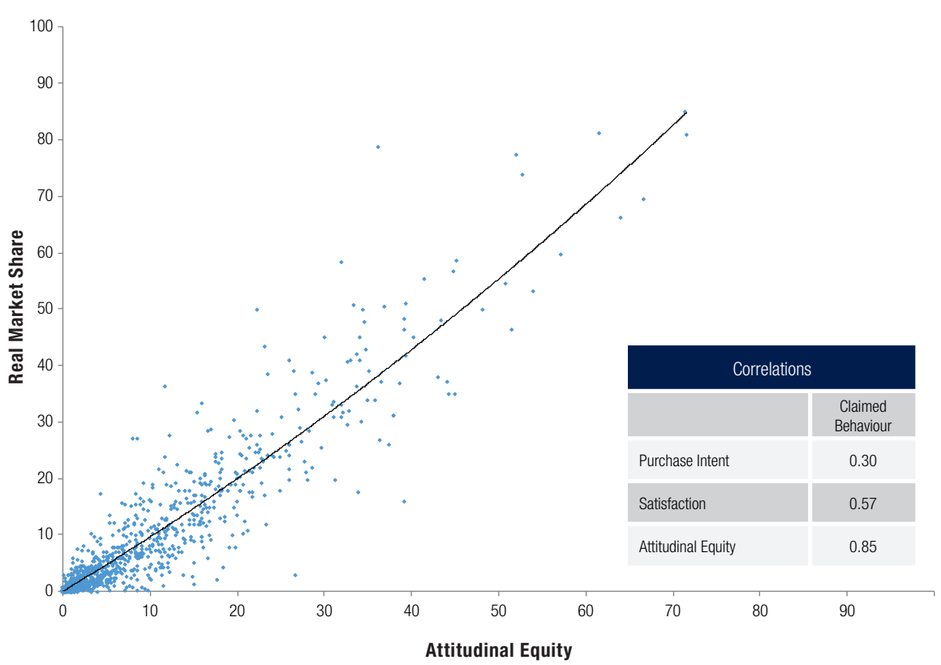
This solution does not look at your brand's scores in isolation, but considers how respondents score your brand versus other brands in their market within your sector. This translates into measuring how your brand ranks against its competitors in each market where collecting competitor information is appropriate.

Concretely, this can be achieved in two ways, both based on the principle of ranking:

1. Looking at the percentage of respondents who rate your brand most highly across all the brands they use.
2. Using a ranking-based metric such as Ipsos' Attitudinal Equity[6] that takes account of the position of your brand within the wider competitor set used or considered by the respondent.

These options carry a number of benefits. They bypass much of the effect of cultural bias by setting individual brand KPI scores within a wider market context. Moreover, Ipsos Research and Development has also found Attitudinal Equity to be a better predictor of desirable business outcomes such as reduced churn or increased spend than a KPI score alone (see Figure 8).

Figure 8 Attitudinal Equity correlates with market share



Correlations	
	Claimed Behaviour
Purchase Intent	0.30
Satisfaction	0.57
Attitudinal Equity	0.85

Source: BVC Validations Database

This is because rank matters: nine out of 10 is only a good score when it is higher than your competitors. If all your competitors are scoring 10 out of 10, then suddenly nine is a much less positive result (see Figure 9).

By looking at this rank, the absolute score your brand has received is suddenly irrelevant and we have much better comparability between markets. Thus, the knowledge gained from this approach can far outweigh the potential downside of asking respondents to provide KPI scores for the brands within their usage/consideration set.

Figure 9 Rank matters: nine is a very different result when compared with your competitors

YOUR CUSTOMER	YOUR BRAND	COMPETITORS	
		A	B
Janet, 32, married, 3 children	9 **Equal last**	9	10
John, 45, divorced, no children	9 **Clear first**	7	8

IN CONCLUSION

Cultural response bias is an inevitable part of global research programmes. However, it does not necessarily follow that it must undermine the reliability of results comparison between markets.

It is crucial, though, to acknowledge its potential impact at the research design phase. By doing this, the questionnaire can be designed both to minimise the introduction of any further bias (e.g. by inaccurate translation) and to answer the needs of the analysis plan (e.g. by asking a KPI score about competitor brands as well as your own for ranking purposes; or including questions about international brands with minimum service-level variability).

The analysis plan must also be agreed – not all solutions to cultural response bias will be appropriate for every business – and communicated to ensure buy-in and understanding across stakeholder groups from the outset.

By ensuring that cultural response bias is considered carefully at programme set up – or programme review for existing studies – its impact can be controlled. Consequently, global and local users can make the most of the survey results, safe in the knowledge that they are drawing reliable conclusions from what they see.

REFERENCES

1. Baumgartner, Hans and Steenkamp, Jan-Benedict (2001), “Response styles in marketing research: A cross-national investigation”, Journal of Marketing Research, Vol. 38, No. 2, pp. 143-156
2. Ipsos’ CX KPI Global Benchmark Database, includes data from over 100 countries and more than 30 sectors. Both B2C and B2B experiences are covered, across a range of channels and touchpoints. Both CX relationship and transactional programme data are included, gathered via various methodologies. Currently satisfaction and Net Promoter Score (NPS) KPIs are included within the scope of this database, which is being expanded to include the ‘Forces of CX’. Data is collected on an ongoing basis, and is available to all Ipsos teams for use – please get in touch with your local Ipsos CX contact if you have benchmarking requirements. The data presented here was collected from October 2019 to June 2020. All data used is in line with the terms and conditions agreed between Ipsos and its clients, and all figures are aggregated (i.e. no individual client data is accessible without being aggregated with other scores and no data is identifiable).
4. Please note that as this database has grown organically out of the available studies across Ipsos, not all markets are consistently present across every metric or sector.
5. For more information, please see: https://www.ipsosglobaltrends.com/
6. These approaches have been particularly developed for the service sector related to attitudinal rating scale questions. For Consumer Packaged Goods, other normalisation adjustment alternatives are available, and your Ipsos contact will be happy to discuss them.
7. A composite measure that takes account of an individual brand’s ranking across two attitudinal statements.

FURTHER READING

Customer Needs in Times of Crisis - Lessons and challenges from the automotive industry
https://www.ipsos.com/en/customer-needs-times-crisis-automotive

Getting Sticky – Emotional attachment and profitable customer relationships
https://www.ipsos.com/en/emotional-attachment-and-profitable-customer-relationships

Get Fair or Fail – Why fairness is key to business success
https://www.ipsos.com/en/get-fair-or-fail-why-fairness-key-business-success

Mind the Gap – Why what a brand promises and what it delivers matter
https://www.ipsos.com/en/mind-gap-why-what-brand-promises-and-what-it-delivers-matter

Staying Close to your Customers – Why customer experience still matters amid COVID-19 and social distancing
https://www.ipsos.com/en/staying-close-your-customers

The Forces of Customer Experience – The science of strong relationships in challenging times
https://www.ipsos.com/en/forces-customer-experience

The Role of Culture in a Global Crisis – Understanding how identities and values shape behaviour
https://www.ipsos.com/en/role-culture-global-crisis

LISTENING

Customer Perspective: An Ipsos podcast
https://www.ipsos.com/en/customer-perspective-ipsos-podcast

WHEN DIFFERENCE DOESN'T MEAN DIFFERENT

Fiona Moss Global Research Director, Customer Experience, Ipsos

Bharath Vijayendra Head of Analytics, Customer Experience, Ipsos

The **Ipsos Views** white papers are produced by the **Ipsos Knowledge Centre.**

www.ipsos.com
@Ipsos

GAME CHANGERS