



Small- and medium-sized enterprise marketing to foreign consumers in Seoul, South Korea

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Abstract

A qualitative case study was used to examine the experiences and perceptions of foreigners during interactions with small- and medium-sized enterprises in the Seoul Metropolitan Area. Two constructs, intercultural communications and consumer language, were used to identify difficulties that foreigners experienced during service encounters. In-depth interviews were conducted with 10 participants based on a purposive sampling frame of 62 foreign professors. The transcripts were entered into MAXqda software and coded. The data across all the cases were compared to identify patterns and themes that emerged using a cross-case synthesis. The implications included Koreans being approach avoidant during interactions with foreign consumers, and foreigners being treated politely. Limitations of the study included the use of purposive sampling and utilizing participants only in South Korea. Recommendations for practice included the use of signs and greetings in various languages, creating programs to educate SMEs about the use of English as a competitive advantage, and offering language and culture classes to foreigners. Recommendations for future research include a mixed method study on the convenience level of spoken Korean for foreign consumers in high- and low-involvement service encounters and a qualitative multivariate regression study to further explore approach avoidance tendencies of SMEs and different classes of consumers.

Keywords: Intercultural communications; foreign consumers; small- and medium-sized businesses; consumer language; South Korea.

Introduction

During the past two decades, South Korea has shifted from a rather homogenous society to a more multicultural society. When immigration reform was implemented in 1995, 110,000 foreigners lived in Korea (Kim, 2010). The number of foreigners increased to 1.5 million by 2013 and is projected to reach 2.5 million by 2020, and 4 million by 2050 (Kim, 2010; Korean Immigration Service, 2013). Foreigners who are consumers purchasing goods and services on a regular basis from small- and medium-sized businesses (SMEs). During service

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encounters with SMEs the differences in communication and cultural issues can create challenges (Holmqvist & Gronroos, 2012; Holmqvist & Van Vaerenbergh, 2012).

Adjustment to life in South Korea for foreigners regarding communication and culture has been shown to be difficult (Froese, 2012; Froese, Peltokorpi, & Ko, 2012). The limited language skills and differences in socialization complicate the ability of foreigners to interact with Koreans and integrate into Korean society (Froese, 2012). Both foreigners and host-country nationals are required parties for successful acculturation (Berry, 2009). During a service encounter, foreign consumers prefer to use their native language (Holmqvist, 2011; Holmqvist & Van Vaerenbergh, 2012). The language used before, during, and after the service encounter may influence the level of success that a foreign consumer has with a SME and can be measured by the level of satisfaction with the outcome of the service encounter (Holmqvist, 2011).

Differences in culture can affect the way people interact with each other during a service encounter. Hofstede and colleagues (2010) stated that culture is based on the value of a collective group and the method that rituals, heroes, and symbols are practiced. Hofstede's Dimensions of National Culture involves six categories: (a) individualism versus collectivism; (b) power distance; (c) long-term versus short-term orientation; (d) uncertainty avoidance; (e) masculinity versus femininity; and (f) indulgence versus restraint (Hofstede et al., 2010).

The objective of this study is to explore the experiences and perceptions of foreigners with consumer language and intercultural communication during SME service encounters in the Seoul Metropolitan Area. Froese (2010) and Froese et al. (2012) explored the adjustment of foreigners in South Korea regarding employment issues, while offering very little insight the issue of consumer language and intercultural communication. Likewise, Holmqvist (2011) and Holmqvist and Van Vaerenbergh (2012) examined the preferences of consumer language in Canada and European countries, although the applicability of the research has not been tested in Asia. Puntoni, DeLange, and Van Osselaar (2009) examined the emotional intensity of language used in advertising on a consumer's decision-making process in selecting a product. Limitations of the study by Puntoni et al. (2009) included the use of participants from only Belgium and the Netherlands and only focused the use of a second language in written form for the decision-making process of foreign consumers with no attention given to spoken language during a service encounter.

Literature Review

Previous studies on the adjustment issues of expatriates in South Korea have been conducted by Froese (2012), Froese et al. (2012), and Peltokorpi and Froese (2012). Froese (2012) focused on the adjustment of expatriates and Froese

et al. (2012) examined the influence of intercultural communication on cross-cultural adjustment of foreign workers in South Korea. Additional research on the adjustment of expatriates was conducted on the effect of expatriate personality traits on cross-cultural adjustment in Japan by Peltokorpi and Froese (2012) and on the impact of cultural intelligence on expatriate performance by Lee and Sukoco (2010).

Adjustment Issues of Expatriates

Froese (2012) explored the motivation and cross-cultural adjustment of self-initiated academic expatriates in South Korea. Self-initiated expatriates are individuals who work and live abroad based on their own initiative (Froese, 2012). According to Froese (2012), the issues that motivate individuals to expatriate included international experience, job conditions, family and the condition of the labor market in his or her home country. The desire to gain international experience was given as a reason by over half of the participants as a motivation to expatriate (Froese, 2012). The limited language proficiency of an expatriate had a negative effect on general adjustment. An expatriate's interaction adjustment is complicated by a lack of ability to speak Korean and differences in socialization patterns that make it difficult to form relationships (Froese, 2012). The level of work adjustment depended on the type of company which employed the foreigner. Foreigners who were employed by a university or global company had a higher level of work adjustment and a greater level of job satisfaction (Froese, 2012).

Froese et al. (2012) explored the influence of intercultural communications, cross-cultural adjustment, and work attitudes of expatriates. The purpose of the study was several elements: (a) to examine the use of English in the workplace, (b) to understand host-country language proficiency, (c) to analyse communication styles, and (d) to determine whether the amount of social interaction a foreigner had with a Korean had a positive or negative influence on foreign workers. The language proficiency of an expatriate had a positive impact on his or her interaction and work adjustment (Froese et al. 2012). In contrast to the findings of Froese (2012), Froese et al. (2012) found that language proficiency had no effect an expatriate's general adjustment. The use of English in the workplace had a positive influence on the work adjustment of an expatriate (Froese et al., 2012). Froese et al. (2012) confirmed the prior work by Froese (2012) regarding the interaction difficulties between an expatriates and Koreans due to the differences in the socialization patters and that the general, interaction, and work adjustment of an expatriate were positively affected by regular interaction (Froese et al., 2012). The findings by Froese et al. (2012) regarding the language barriers between staff members and expatriates supported the prior research by Froese (2012) in that the work adjustment of expatriates depended on their place of employment. According to Froese et al. (2012), the

longer an expatriate stayed in Korea, the higher level of general and interaction adjustment and the lower the turnover intention.

Contrary to the work of Froese (2012) and Froese et al. (2012), Peltokorpi and Froese (2012) examined the impact of personal traits on the cross-cultural adjustment of expatriate in Tokyo, Japan. The authors' focus was on the impact of the traits of cultural empathy, general, open-mindedness, social initiative, and flexibility on the interaction, general, and work adjustment of expatriates (Peltokorpi & Froese, 2012). The trait of open-mindedness was found by Peltokorpi and Froese (2012) to be related in a positive manner with interaction adjustment, which indicated that expatriates who were open-minded were more likely to adapt to the cultural differences and create a harmonious environment. Furthermore, the traits of emotional stability and cultural empathy were positively related to general adjustment, while social initiative was positively related to social adjustment (Peltokorpi & Froese, 2012).

The psychological aspects of expatriates were examined in a study by Lee and Sukoco (2010). The purpose of the study by Lee and Sukoco (2010) was to determine the effects of cultural intelligence (CQ) based on cultural effectiveness, cultural adjustment, and expatriate performance. The aspects of CQ included: motivation, cognition, and behavior and indicate the ability of an expatriate to adapt to a different cultures (Lee & Sukoco, 2010). Behavioural, cognitive, and motivational CQ were directly and significantly influenced by an expatriate's cultural adjustment and cultural effectiveness (Lee & Sukoco, 2010). An expatriate's cultural adjustment was directly and significantly influenced by his or her cultural effectiveness and expatriate performance (Lee & Sukoco, 2010). Cultural effectiveness mediated the positive effect of CQ on expatriate performance. The social initiative of an expatriate was found by Lee and Sokoco (2010) to relate in a positive manner their work adjustment. An expatriate's cultural effectiveness had a significant and positive influence on his or her performance and mediated the positive effects of CQ on his or her performance (Lee & Sokoco, 2010). The effects of expatriates' CQ on cultural adjustment and cultural effectiveness were moderated by prior international work and travel experience (Lee & Sukoco, 2010).

Language Preferences of Foreign Consumers

Communication requires a meaningful dialogue between individuals who speak a shared language (Holmqvist, 2011). A service encounter is an interaction between a customer and a service provider (Suprenant & Soloman, 1987). In this study, this author will examine prior research in the areas of the language preferences of foreign consumers during a service encounters by Holmqvist (2011), Holmqvist and Van Vaerenbergh (2012), Van Vaerenbergh and Holmqvist (2013) and Holmqvist et al. (2014).

Holmqvist (2011) examined the importance of language preference of foreign consumers during a service encounter. Two studies—one qualitative and one quantitative—were conducted. The authors indicated that participants put some degree of importance on the use of their native language, particularly during a high-involvement service encounter. Examples of high-involvement service encounters include going to medical appointments, banking, or buying insurance. Some participants were willing to change service providers for financial reasons to ones who did not speak their native language if a small reduction in price were offered (Holmqvist, 2011). Those who chose their first language for comfort reasons, required a large reduction if the service provider did not speak their native language (Holmqvist, 2011).

Similar to Holmqvist (2011), Holmqvist and Van Vaerenbergh (2012) examined the importance of foreign consumers being served in their native language in low- and high-involvement service encounters. The moderating factors used in the study were gender and age. Holmqvist and Van Vaerenbergh (2012) confirmed the results of the prior research by Holmqvist (2011) regarding foreign consumers' perceived importance of using their native language during a high-involvement service encounter compared to a low-involvement service encounter. Age was a moderating factor in the use of a consumer's native language, but gender was not (Holmqvist & Van Vaerenbergh, 2012).

Comparatively, Van Vaerenbergh and Holmqvist (2013) explored how service language influenced the tipping behaviour of bilingual consumers during a service encounter. The authors found that a waiter who spoke the customer's native language was more likely to receive a tip, even if he or she had an accent (Van Vaerenbergh & Holmqvist, 2013). There were no major differences in the tipping behaviour toward a Dutch waiter who had a French accent versus a native Dutch-speaking waiter. The authors found that political considerations were a moderating factor in the relationship between service language and tipping behaviour (Van Vaerenbergh and Holmqvist, 2013).

Contrasted with the work of Holmqvist and Van Vaerenbergh (2013), Holmqvist et al. (2014) examined the willingness of foreign consumers to use a second language in a bilingual market. The objective of the study was to establish if the language perception of foreign consumers differed based on whether they were in the minority or the majority, Dutch (as the majority language) in Belgium and Swedish (as the minority language) in Finland (Holmqvist et al., 2014). The authors found that a consumer's perceived control during a service encounter led them to be more willing to communicate in their second language (Holmqvist et al., 2014). The influence of language on a consumer depended on the market; therefore, it is important to understand how language is used in an international context. A consumer may or may not be willing to use both

languages during a service encounter, even though he or she might be bilingual (Holmqvist et al., 2014).

Approach Avoidance

Merkin (2009) examined the motivation of approach-avoidance of Americans and South Koreans during communicative interaction through an assessment of the differences of cultural motivations. The communication traits that were used to assess the communication apprehension of South Koreans and Americans were: nonverbal immediacy, shame, and intercultural communication apprehension (Merkin, 2009). The author found that Koreans had a higher level of approach avoidance than Americans due to a greater level of fear and anxiety related to perceived or actual communication with Americans (Merkin, 2009). Merkin (2009) found Koreans to be more communicatively apprehensive during intercultural communications with Americans because of the potential shame from being misunderstood (Merkin, 2009). Confucian values like rituals, moral sense, wisdom, faithfulness, virtue, filial piety for family, loyalty, reciprocity, empathy, and courage have been an important part of Korean culture dating back to the 14th century (Anheier & Juergensmeyer, 2012). Although South Korea has changed and modernized during the past six decades, Confucian values have continued to have a strong influence on modern day Korea (Merkin, 2009).

Service Encounters and Cultural Values

Ladhari et al. (2011) conducted a study to determine whether cultural values had a significant impact on the perceived values in a cultural group and if personal values were independent of culture (Ladhari et al. 2011). First, the authors found that culture had an influence on the perception of service quality. In cultural groups where there was a high power distance, and high uncertainty avoidance, the consumer perceived a lower quality of service compared with low power distance and low uncertainty avoidance (Ladhari et al., 2011). Second, the higher the self-fulfilment value a consumer had, the lower the perceived reliability was (Ladhari et al., 2011). Third, the higher the level of self-respect a consumer had, the lower the perceived assurance, empathy, reliability, and responsiveness was (Ladhari et al., 2011). Fourth, a negative correlational relationship was found between a consumer's sense of accomplishment and perceived reliability, responsiveness, assurance, and empathy (Ladhari et al., 2011). Fifth, the findings by Ladhari et al. (2011) supported the claim that the higher the security value a consumer had, the lower their perceived tangibles, reliability, and assurances. Lastly, personal values were found to be independent of culture (Ladhari et al., 2011).

Sherma et al. (2012) explored how the differences in the strength of relationships in service roles during an intercultural service encounter (ICSE). First,

Sharma et al. (2012) indicated that the perceived cultural difference on inter-role was stronger for customers than employees. Second, a positive influence exists between inter-role congruence and adequate service level. Third, the perceived service level was affected in a positive manner by comfort (Sharma et al., 2012). Fourth, a positive influence was found between Inter-role congruence and intercultural competence (Sharma et al., 2012). Fifth, according to Sharma et al (2012), the negative influence of a perceived cultural distance on interaction comfort was weaker for customers and employees with high intercultural competence. Furthermore, the negative influence of the perceived cultural distance on interaction comfort was stronger for customers and employees with low intercultural comfort. Finally, the satisfaction level of a consumer was positively affected by the service level he or she received (Sharma et al., 2012).

Service Logic and Value Creation for SMEs

The way that a customer and a SME behave can have an impact on the interaction process (Gronroos, 2011). In the service industry, SME owners and employees need to be able to identify how a customer will use a service in order to decide if it provides value (Gronroos & Ravald, 2011). Service logic is the value created when a product or service is consumed for the purpose of achieving a goal (Gronroos & Ravald, 2011). The value that is created by a customer when he or she used a resource and controls the process is value-in-use (Gronroos & Ravald, 2011). Value-in-exchange is a process that takes place in the domain of the service provider and involves the creation of value through front and back office activities in the customer's sphere, therefore allowing the service provider and customer to become co-creators (Gronroos, 2011).

During the interaction process, the relationship between a customer and service provider offers a businessperson the chance to be a co-creator during the interaction process if the service provider changes his or her function to facilitate value (Gronroos & Ravald, 2011). The service provider can only facilitate the creation of value prior to his or her interaction with a customer; however, during the interaction the service provider can become a co-creator of value through a joint value creation process (Gronroos & Ravald, 2011). At the beginning of a supplier relationship, the business activities of value-creation and co-creation are closed; however, employees in a company co-create value when they interact with the customer (Gronroos & Ravald, 2011). As the process of value creation moves into the customers' domain, the customer and service provider interact allowing the company to become a co-creator of value (Gronroos & Ravald, 2011).

As previously noted, a service provider facilitates value, but a service provider can also become a co-creator through interaction with a customer, which benefits the customer and the business (Gronroos & Ravald, 2011). Also, if a

business owner uses a customer's native language, participation in co-production might increase value for the customer and lead to greater profitability for the business (Gronroos & Ravald, 2011; Wu, 2011). Ways in which business owners can use a customer's native language and allow customers to choose the most comfortable language include using signs indicating the language in which service can be offered and greeting customers in multiple languages (Van Vaerenbergh & Holmqvist, 2013). SMEs are more likely to receive repeat business from foreign consumers and positive word-of-mouth recommendations in a multilingual market if they use the native language of the customer (Holmqvist & Gronroos, 2012). Using a foreign consumer's native language during a service encounter is one way to create value; another way to facilitate value is to use a foreign consumer's language in a marketing message.

Marketing to Foreign Consumers

A customer base that is culturally and linguistically diverse is the result of migration from other countries and marketers must be able to develop a better understanding of the changes in immigration and the impact on the formation of market and consumption practices (Askegaard & Ozeaglar-Toulouse, 2011). If one language is more dominant than another, then marketing in a multilingual environment can be problematic (Holmqvist & Gronroos, 2012). During a service encounter, foreign consumers preferred to use their native language, especially during a high-involvement service encounter (Holmqvist, 2011; Holmqvist & Van Vaerenbergh, 2012).

Segev (2014) examined the decision making process of ethnic consumers and the influence of acculturation. Ethnic consumers are an important market segment that can be captured by SMEs. Berry (2009) stated that the thought process used by a consumer during a decision making process is the consumer decision-making style (CDMS). Segev (2014) sought to establish whether the two dimensions of acculturation by Berry (2009) that were associated with CDMS: ethnic identification and identification with the host culture. Segev (2014) found that identification with the host-culture had a positive association with novelty, and perfectionism had a negative association with confusion due to overchoice. Ethnic identification was directly related to confusion by overchoice, perfectionism, habitual brand loyalty, and price consciousness (Segev, 2014). According to an analysis of the four modes of acculturation by Segev (2014), confusion due to overchoice and brand consciousness scored higher in separation mode than any of the other modes (Segev, 2014). In the category of brand loyalty orientation, separation mode scored higher than marginalization and assimilation. For perfectionism, marginalization scored higher than all the other categories (Segev, 2014). The approach to shopping, according to Segev (2014), depended on the degree that Hispanic consumers adhered to their own culture or adapted to the host culture. When interacting in the host marketplace,

consumers who are less acculturated may experience more uncertainty (Segev, 2014). The types of products offered and the approach in which transactions occur in the host-country market place are different for ethnic consumers. These differences require ethnic consumers to use decision-making and behaviour in order to reduce the level of uncertainty (Segev, 2014).

In contrast to the research by Segev (2014), Puntoni et al. (2009) explored whether the use of a consumer's native language to communicate a marketing message had a higher intensity than if the message had been stated in the consumer's second language. The emotions of a consumer are a critical part of the decision-making process and the structure of a message can have an influence on the product choice (Puntoni et al., 2009). The authors examined the emotional intensity of bilingual consumers' language used in advertising in Belgium and the Netherlands in five studies (Puntoni et al., 2009).

According to Puntoni et al. (2009), slogans given to the participants in Study 1 in their L1 were found to be more emotional than those given in their L2. In Study 2, the participants were shown words in English and Dutch that were spelled and pronounced similarly and the participants who were shown the L1 word indicated that it had a higher emotional meaning than those shown the L2, despite the similarities (Puntoni et al., 2009). In Study 3, access to the L1 word was manipulated with half the participants given both the L1 and L2 word and the other half, a control group, given only the L2 words. Both groups were asked to write down the association with those words in either English or their native-language (Puntoni et al., 2009). Puntoni et al. (2009), found that control of the accessibility of the L1 words had a significant effect on the emotionality of the L2 words. In Study 4, Puntoni et al. (2009) examined whether words that have been primarily experienced in a L2 context should be perceived more emotionally than words in a L1 context. There was no significant effect on language or the language context (Puntoni et al., 2009). In language contexts that were mostly L1, the L1 words were found to be more emotional than L2 words. In language contexts that were mostly L2, the L2 words were perceived to be less emotional than L1 words (Puntoni et al., 2009). In Study 5, the authors tried to determine whether a decrease in the emotionality of L2 words would occur when the indirect route of L1 words was reduced (Puntoni et al., 2009). Puntoni et al. (2009) found that L1 words were rated as more emotional than L2 words. In addition, when a follow-up contrast analysis was conducted, the emotional advantage of L1 words over L2 words was statistically significant in both conditions (Puntoni et al., 2009).

Methodology

The study of the experiences and perceptions of foreigners during SME service encounters in the Seoul Metropolitan Area included literature in the areas

of the adjustment of expatriates, the language preferences of foreign consumers, service encounters and cultural values, service logic and value creation, and marketing to foreign consumers. Two research questions were composed, from which semi-structured in-depth interview questions were written. Ten foreign consumers were interviewed and the data was analysed using pattern matching. The following sections provide additional details about each of these areas.

Research Questions

The research questions were based on the two constructs that were used as an embedded unit of analysis (Yin, 2013): consumer language (Holmqvist, 2011; Holmqvist & Van Vaerenbergh, 2012; Holmqvist et al., 2014; Puntoni et al., 2009; Van Vaerenbergh & Holmqvist, 2013) and intercultural communication (Froese, 2012; Froese et al., 2012). Based on the constructs, two main research questions were developed with three interview questions for each of the main questions in the interview guide:

- 1) What are the experiences and perceptions of foreigners with consumer language and SMEs in the Seoul Metropolitan Area?
- 2) What are the experiences and perceptions of foreigners with intercultural communication and SMEs in the Seoul Metropolitan Area?

Instrument

An interview guide was created with semi-structured, in-depth interview questions (Barlow, 2010; Yin, 2013), which allowed for some flexibility to ask follow-up questions if needed. The interview guide consisted of three interview questions for each of the research questions. The questions from the interview guide for Research Question 1 addressed the experiences of foreigners while interacting with SMEs, the perception of foreigners' native language use during a service encounter with a SME, and how a foreigners' Korean fluency level influences their interaction with a SME during a service encounter. The interview guide for Research Question 2 addressed a foreigners' perceptions of intercultural communication with SMEs during a service encounter, the experience of a foreigners with intercultural communication during a service encounter with SMEs, and how foreigners' experience or knowledge of Korean culture influenced communication or interaction with a SME during a service encounter.

A field study was performed with three foreign professors to verify the validity of the questions in order to establish whether the questions measured what they were intended to measure and whether they addressed the research questions (Persund, 2010). Professors who took part in the field study were not

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included in the study sample (Persund, 2010). Each interview question was reviewed and modified as recommended prior to the interviews.

Semi-structured in-depth interviews (Poulis, Poulis, & Plakoyiannaki, 2013) with foreigners were conducted on campus in a conference room and the participants gave their permission to record the interview. A brief introduction was given followed by a verbal explanation of the informed consent. Participants were informed that their confidentiality and privacy would be protected, that the transcripts would be de-identified, and that the data collected during the study would be destroyed after a period of five years. Once consent was obtained from the participant, the formal part of the interview began. When the interview was concluded, the participant was asked if he or she had questions; additional information about the research was provided.

Population and Sample

The sample population for the study was the Seoul Metropolitan Area in South Korea, which consists of Seoul, Incheon, and Gyeonggi-do Province. The population of the Seoul Metropolitan Area in 2013 was 23.5 million (Korea Statistical Information Service [KSIS], 2013). There were 608,000 foreigners living in the Seoul Metropolitan Area and 1.55 million SMEs in 2013 (Small and Medium Business Administration, 2013, Statistics Korea, 2013).

A purposive sampling method was used to select 10 participants from a sampling frame from a roster of 62 foreigners who were employed by Gachon University in Seongnam a suburb of Seoul, South Korea. According to Yin (2013), no formula exists to determine the number of cases needed for a case study. The researcher's judgement is used to decide how many cases are used (Yin, 2013). The criteria for inclusion were that the participant must be an English native speaker and reside in South Korea for more than one year. The justification for the inclusion criteria was that foreigners who have lived in Korea for a longer period of time are better adjusted and that English is a second language in Korea. Exclusion criteria were that the participant must not be of Korean heritage. Justification for the exclusion criteria was that people with Korean heritage may have an advantage over those who did not in terms of the knowledge of the language and culture. Sampling continued until data saturation was reached.

Data Analysis

Upon conclusion of the interview, the audio recordings were transcribed verbatim using Microsoft Word. Then after the transcripts were completed they were double-checked against the original recordings for any errors. In order to ensure participant's confidentiality, the transcripts were de-identified. The transcripts were then entered into MAXqda database for the coding process and each of the transcripts was read three times. The codes were then developed

based on the research constructs and interview question for the coding process (Yin, 2013). In order to compare the data across all of the cases and identify patterns and themes that emerged from the data a cross-case synthesis was used (Yin, 2013). Member checking was employed to ensure accuracy, increase construct validity, avoid bias, and avoid misrepresentation of participants' self-reported views (Yin, 2011, 2013).

Demographic characteristics of the participants were collected as part of interview guide and were analysed. The majority of participants were male (80%), ages 31-40 years (80%), and had a master's degree (80%). American citizenship was reported by the majority of participants (50%), Canadian citizenship (30%), and British citizenship (20%). The length of reported residency was 4-7 years (30%) and 8-10 years (30%), five participants reported being married to a Korean citizen (50%), and less than half reported having permanent residency (40%). Korean language fluency on a scale of 1-10, with one having no fluency and 10 being fluent, participants reported a fluency level of 2-3 (30%) and a fluency level of 3-5 (50%).

Findings

The major theme that was found based on the analysis of the data was communicative approach avoidance by Koreans during interactions with foreign consumers. The theme for Research Question 1 was concomitant and addressed in Research Question 2 as well. Some of the participants' responses to Research Question 1 will be shared in this section.

Participants stated that they felt that Koreans were hesitant to communicate with foreigners based on the experiences and perceptions of foreign consumers and had a tendency to avoid such encounters. Participant 10 said, "*I perceive the [Korean] people I interact with as being tested or uncomfortable. I get a lot of younger people, and others who will simply pass me off, or ask if someone speaks English to talk to the foreigner.*" Compared with Participant 6, who said that Koreans showed "a lack of willingness to even want to deal with you. Like you're invisible. Which, again, is not really entirely their fault. I mean what do you do if you can't communicate?" Participant 5 described Koreans approach avoidance as "wariness" and Participant 4 noted that "most of the time it's like a deer in the headlights, when it's not a deer in the headlights, it's like indifference."

The nervous laughter of Koreans when first arriving in South Korea was recalled by Participant 1, "... I would get really frustrated because it was like I'm trying to speak your language and you're just laughing at me." Participant 1 continued, "... my Korean friend explained because, it's because they think it's cute and they really don't know what to do." Similarly, Participant 8 stated, "... as soon as I approach the counter very often they will giggle or turn to their coworker and say in Korean 'Oh, I can't speak English' or 'Oh, I don't know

how to speak in English’.” A similar experience was described by Participant 10, who stated, “Usually if they have to speak English they’re not comfortable with it, there’s the very common giggle with the hand over the mouth.”

The minor theme that was found, based on the analysis of the data, was the polite interaction by Koreans. The minor theme for Research Question 2 was not concomitant with Research Question 1. Some of the participants’ responses to Research Question 2 will be shared in this section.

When discussing their experiences and perceptions as a foreign consumer with intercultural communication, participants indicated that SME owners in South Korea generally treat foreigners politely. Participant 9 stated, “They’re usually bending over backwards to be hospitable to you.” SMEs politeness toward foreigners is illustrated by Participant 2 who indicated, “So, as a foreigner I probably get treated more politely than average.” The reasoning for the way in which foreigners are treated in Korea is described by Participant 2 who said, “A lot of times they feel that a foreigner coming to them is a bit special and they want you to come back again and they want you to be impressed.” In recounting the feeling of an interaction with a SME owner, Participant 4 stated, “A lot of times they are surprised to speak to me.” One of the concepts that were frequently mentioned was SME owners giving away free items. Participant 7 stated, “A few times I’ve taken my car in, and some of them have looked at it, diagnosed it, and just—for free [sic].” When looking for a bolt, Participant 5 recalled what happened after receiving assistance from a hardware store owner to find the right one, “I was like, “Ok, big bolt thank you very much. Now how much?” The hardware store owner waved off Participant 5 who continued, “But then strangely enough next time I needed something, it was a barbeque grill. Out of the two stores, obviously I went back to that one.” Participant 10 said, “I’d say positive interaction would be the fact that I live right down the street from a wonderful grocer who speaks very good English, and their family are very kind to myself, my fiancée, and my dog.”

Implications

The first implication of the findings was that Koreans were communicatively approach avoidant during interactions with foreign consumers. Approach avoidant behaviour can be seen as rude or standoffish, as noted in the findings. When Koreans were approached by foreigners, they showed fear and shame due to embarrassment as they thought they would have to speak English (Elliot, 2013; Merkin, 2009). A barrier is created by the reaction of Korean’s communicative approach avoidance between the SME owner and foreign consumer as reflected in the findings. SME owners need to improve their service by providing staff members who can speak English fluently and who are open-minded enough to interact with foreigners in a business environment, as noted in the findings. The findings of Merkin (2009) were confirmed with these results. In

addition, this researcher has shown that the findings are equally applicable in a business setting--something that has not been previously addressed.

The second implication of approach avoidance was that in an environment in which foreign consumers felt hostility toward them, they reacted negatively. Negative stimuli from approach avoidance in a retail environment can cause foreign consumers to leave the store and provide negative-word-of-mouth to other prospective customers (Arnold & Reynolds, 2012; Holmqvist & Gronroos, 2012). As demonstrated in the findings of the study, when an employee of a SME has to interact with a foreign consumer and needs to speak English, the employee often reacts with nervous laughter--sometimes seen as offensive by foreign consumers who may choose to not patronize the SME in the future. Hence, the relationship and resulting communication between a SME and a foreign consumer depended on the treatment of the consumer within the service environment and whether the SME was welcoming and provided good service (Gracia, Bakker, & Grau, 2011).

An implication of the findings was that foreign consumers who patronized stores were treated in a polite way by Korean SME owners. The way a foreign consumer was treated by a Korean SME owner determined whether they continued to shop at the business and whether positive or negative word-of-mouth was offered to other customers (Holmqvist & Gronroos, 2012). Foreign consumers who were treated politely also stated that they continued to shop at SMEs who were courteous and made an effort to assist them (Gracia, Bakker, & Grau, 2011). Foreign consumers who feel comfortable will return frequently, ensuring that they will be a long-term customer and provide positive word-of-mouth to other possible customers. The findings of Gracia, Bakker, and Grau (2011) on customer relationships were extended to South Korea and the gap in the literature on the relationship between SMEs and foreigners was addressed.

Conclusion

This author explored the experiences and perceptions of foreigners during service encounters with SMEs with respect to consumer language and intercultural communication in the Seoul Metropolitan Area. In-depth interviews were conducted with 10 participants at Gachon University using an interview guide that was based on the constructs and research questions. The findings for Research Question 1 was that Korean small- and medium-size business owners were communicatively approach avoidant during service encounters with foreigners, which created a communication barrier during the interaction. The hostility that foreign consumers felt led to negative reactions like departure from the SME and negative word-of-mouth to other consumers about the SME. The findings for Research Question 2 were that Korean SMEs treated foreign consumers politely and went out of their way to be hospitable. SMEs often provided free products or services in addition to the purchase as a benefit to get

foreign consumers to become long-term customers and provide positive word-of-mouth. The study limitations and recommendations for practical and future research will be discussed in this section.

Limitations

The two limitations in this study were the use of purposive sampling and the use of participants from only South Korea. First, the participants in the study were chosen through a purposive sample, rather than a random sample. Purposive sampling could introduce bias into the study (Yin, 2011). In order to prevent bias, participants were chosen who might offer a contradictory viewpoint to the basis of the study (Yin, 2011). Second, only foreigners in South Korea were chosen to participate in the study, which limited the sample and may have reduced the generalizability of the results. However, the use of a multiple-case study design, member-checking, and theory building was used to increase the generalizability of the results (Tsang, 2014).

Recommendations for Practical Research

There are three recommendations for practice were made in light of the findings; 1) to establish programs to educate SMEs on the use of English as a competitive advantage; 2) the use of signs and greetings in different languages by SMEs; and 3) the offering of language and culture classes for foreigners. First, programs should be established in partnership with universities and local governments to educate SME owners through business training courses about how to use English as a competitive advantage in South Korea. When services were offered to consumers in their native language, they were willing to pay a premium especially in a high involvement service encounter (Holmqvist, 2011). SMEs should be encouraged to hire service employees who speak fluent English or to provide their employees with English classes to improve their fluency (Van Vaerenbergh & Holmqvist, 2013). Second, SMEs should use signs in their front windows to indicate which languages can be spoken by staff members; customers should be greeted in multiple language to allow them to select a language with which they are comfortable (Van Vaerenbergh & Holmqvist, 2013). Third, menus or other written material should be offered in multiple languages (Van Vaerenbergh & Holmqvist, 2013).

Recommendations for Future Research

The first recommendation for future research is to conduct a mixed method study on the convenience level of using spoken Korean for foreign consumers in both low- and high-involvement service encounters. In the current study, foreigners were found to prefer to use Korean for convenience purposes, although no difference was made between the convenience levels in a high- and low-involvement service encounter. The use of a mixed method study would allow foreign consumers to rate their experiences using Korean during service

encounters that are high- and low-involvement service encounters, while also being interviewed to determine if a difference in convenience exists between the two levels. A study on the convenience of speaking Korean in low- and high-involvement service encounters would expand the prior literature by Holmqvist and Van Vaerenbergh (2012).

The second recommendation for future research would be to conduct a qualitative multivariate regression study to explore further the approach avoidance tendencies of SMEs toward foreign consumers in Korea. The predictive value of intercultural communication apprehension on the willingness of SMEs to serve foreign consumers would be tested in a follow-up study. A foreigner's lack of Korean language fluency would require collaboration with a Korean faculty member to assist with the qualitative portion of the study with Korean SME owners to examine the key theme as operationalized variables (Merkin, 2009).

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