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MASTER'S THESIS
GENERATION Y:
COMPARISON OF EASTERN EUROPE AND CENTRAL ASIA

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AUTHORSHIP STATEMENT

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INTRODUCTION

Terms such as Millennials, Generation Y, Generation We, Echo boomers, Generation Next, the Net Generation, the Lost Generation, the Digital Generation and much more have been used to describe a specific generational cohort of young adults in popular, professional and/or academic literature. In my master's thesis, however, I will employ the term Generation Y. While the concept of Generation Y is used worldwide, the criteria and operationalization for this demographic cohort still remain inconclusive. Generation Y usually refers to people born in the 1980s and 1990s, or even early 2000s (Eisner, 2005). For the purpose of this master's thesis, the term Generation Y will be used to describe young adults aged between 18 and 30 years, who are currently pursuing their higher education studies, or are recent graduates with regard to the Bologna education process. This kind of operationalization has been, for example, employed by Rašković et al. (2016) in their recent work focusing on this consumer demographic cohort in emerging markets in the *Journal of Business Research*.

Nowadays, 28 per cent of managerial positions is already held by Generation Y, which is enough talent to succeed the Baby Boomers' share in their leadership positions. Unique characteristics of Generation Y are soon expected to drive changes and reshape the workplace as well (Zupan et al., 2015). Moreover, for the next 40 years, this generational cohort will become increasingly important as consumers. Particularly in emerging markets, which will be driving future growth of the global economy (Rašković et al., 2016). Indeed, they already seem to be spending substantial amounts of money on products and services, since they are (becoming) increasingly financially autonomous, and are experimenting and crafting their personal and consumer identities based on a social learning process (Rašković et al., 2016; Zupan et al., 2015). Thus, one might argue that this segment will also shape the future success of the global economy (Bersin, 2011).

Representatives of Generation Y are media and tech savvy, far more educated than previous generations, and have closer ties with their parents. In fact, they have a longer adolescence, as they are delaying their adulthood, share similar interest to their parents in films and music, and are less rebellious against their parents (Junco, 2007; Rašković et al., 2016; Zupan et al., 2015). They are much more open-minded towards other nationalities because they have travelled more to different countries than other generations. Generation Y can also be described as being constantly plugged in and connected to digitally streaming information and entertainment, are more technically capable, well informed and confident; however, they lack directions. In comparison with prior generations, the representatives of Generation Y are more likely to "rock the boat" and bring new changes (John, 2003).

Over the last 20 years, the dramatic changes in telecommunications, worldwide commerce expansion, exposure to mass media and multinational companies' marketing campaigns, globalization of the advertisements, and commercialization of national cultures predicted the change of national cultures over time, which have influenced the beliefs and behaviors of

Generation Y (Vieregge, 2010; Ding et al., 2016). Some have even gone as far as suggesting a complete consumer culture convergence in light of exponential globalization forces (Levitt, 1983), while others talk of a unique process of consumer *glocalization* in which global and local identities collide and call for semiglobal marketing approaches (Douglas & Craig, 2011; Rašković et al., 2016).

The era in which a person was born influences their perception of the world, with their value system being shaped by the environment within the first ten years, when family, friends, and community affect their worldview together with significant events and circumstances. Generally speaking, the length of a 'generation' is assumed to be around 10–20 years, starting with the birth of a group of people till their adulthood. Codrington (2008) states that members of each generation are typically linked by significant events in the country or region.

The last century was characterized by expansion of international media and news channels, development of communication technologies, increasing of world interconnectedness, which resulted in increasing numbers of people around the globe who are affected by defining events. Therefore, people of the same age are expected to have a similar value system, as they share similar experience and are impacted by the same events, despite their birth country or community. These 'value systems' are the drivers of behavior and attitudes, and are good predictors of attitudes and behavior; also consumer behavior. A common characteristic of Generation Y is that they seek to learn and grow, gain personal development, and become socially and environmentally responsible. Due to rapid development and changes in information technology and telecommunications, they are able to be in touch with people who share the same interests and values and are despite the differences in age, race and gender far more open to communication. Representatives of Generation Y are often also described as the so-called 'Global citizens'. They are believed to be more cosmopolitan, regardless of their differences which depend on the environment in which they had been brought up, different global and local activities, and the education which they had received (Parekh, 2003). According to Eisner (2005), it is a truly global generation, with a high level of social consciousness and expected to be the most demanding generation.

A global study on Generation Y by PriceWaterhouseCooper, (hereafter: PwC), in 2012 has identified remarkable similarities and differences among Generation Y all over the world. For Generation Y in Europe, North America and the East regions, work-life balance has a stronger impact on labour turnover, commitment and job satisfaction in comparison with other parts of the world. In addition in countries with a strongly differentiated culture, where these cultural norms can 'trump' Generation Y's views that surfaced elsewhere in the world (PwC, 2012).

The purpose of this master's thesis is to understand and compare representatives of Generation Y in Central Asia and Eastern Europe. In this regard, the key objective of this master's thesis is to assess the degree of universality of representatives of Generation Y from the Kyrgyz Republic (as a representative country of Central Asia) and Slovenia (as a

representative country of Eastern Europe) in terms of consumer behavior. By doing this, I will focus more specifically on the concept of consumer decision-making styles, (hereafter: CDMS), and the concepts of consumer ethnocentrism and consumer innovativeness, complementing the seminal work on consumer decision-making styles by Sproles and Kendall (1986) in marketing, and an under-researched but growing empirical examination of consumer behavior of young adults in emerging, non-western country contexts (Strizhakova et al., 2012; Rašković et al., 2016). Connected to this, the main research questions are as follows:

1. What is the degree of universality of Generation Y consumers between the two countries, as representatives of their regions?
2. What role does national culture and differences in national cultures play in explaining my research results?
3. What are the implications of my research results for international business and international marketing?

These two regions have been selected, since they include relatively smaller countries in terms of population, are still considered developing economies, or in the process of transition, and share a recent history of socialist rule. They are especially interesting to analyze in terms of consumer behavior, as this is an area where globalization can have a particularly strong influence (Carpenter et al., 2012), and is also very relevant to international business and marketers (Douglas & Craig, 2011). Furthermore, my research answers a call for closer examination of young-adult consumer behavior in emerging, transition and non-western markets (Strizhakova et al., 2012; Zupan et al., 2015; Rašković et al., 2016).

Definitions of Central Asia differ among international organizations. Regarding the territory and historical essence, we refer to the next five countries as Central Asia: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. These five countries have, according to the latest available information, a total population of 66.62 million and a combined Gross Domestic Product, (hereafter: GDP), of 346.284 billion USD (World Bank, 2014). The geographic location of these five countries serves as a gateway connecting Eastern Europe, Russia, India and China, and has a positive economic impact to the region due to emerging BRICs countries' markets with rapid economic growth (Humala, 2009). Economic growth differs greatly among the five countries in the region, but culture is more common, due to being part of the Soviet Union, and later as the Commonwealth of Independent States, (hereafter: CIS). China's New Silk Road initiative, named popularly as the One Belt One Road initiative, will link Asia and Europe through its terrestrial leg right across Central Asia. Seen as the largest economic development scheme of the 21st century (Wang, 2015), it will profoundly strengthen the socio-economic and political ties between Central Asia and Eastern Europe. Thus, in near future, the successful implementation of a project will also profoundly depend on the Generation Y, as future business people, leaders and policy makers.

Furthermore, it will be essential not only for the regional development but for the cross-regional integration of Central Asia as well (Zimmerman, 2015).

In terms of Eastern Europe, we refer to the following European Union, (hereafter: EU), member states: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Slovakia, and Slovenia, with a combined population of 97.221 million and a combined GDP of 1,351.197 billion USD, according to the latest available information (World Bank, 2014). It is important to note that the countries, such as Slovenia, Poland and the Czech Republic, are more 'central'; however, geographically speaking, the above-mentioned countries are part of the eastern border of the European Union. In 2004, the Czech Republic, Poland, Slovenia, Slovakia, and Hungary became the EU member states, followed by Romania and Bulgaria in 2007, and finally Croatia in 2013.

Regarding the methodology, I employed a survey and collected my own primary data based on a matched sample of university students in Kyrgyzsta, which I compared to a matched sample of university students in Slovenia from 2013 collected by Rašković et al. (2016). I employed Fan and Xiao's (1998) 5-dimensional framework of consumer decision-making styles (in turn based on Sproles and Kendall's consumer styles inventory) and have further added consumer innovativeness and ethnocentrism. I started the analysis with descriptive statistics, followed by factor analysis, internal reliability statistics, independent-samples t-testing, and concluded with cluster analysis. All analyses were performed in SPSS.

The thesis is structured into three main parts. The first part focuses on understanding and describing Generation Y, their main characteristics, differences with other generations, and importance as one of the biggest generation cohort. In the second part, I provide an overall view of cultural theories, where I particularly draw on Hofstede's cultural typology, Lewis' cultural models and the work within the Global Leadership and Organizational Behavior Effectiveness, (hereafter: GLOBE), project to understand existing cultural models and implications for Generation Y. The third part is an overview of the chosen region representatives: the Kyrgyz Republic and Slovenia. It includes a description of the two countries (PEST) analysis with emphasis on cultural comparison of differences and similarities of Generation Y in Eastern Europe and Central Asia, followed by the data and methodology section, analysis of surveys of the two regions' Generation Y. At the end, I present my findings, implications and recommendations.

1 UNDERSTANDING GENERATION Y

1.1 Definition and Operationalization of Generation Y

“They aren’t kids anymore, but they’re not adults either”
(Grossman, 2005)

From the time of birth through adolescence, the person’s values and perception of the world are shaped with regard to the time when the person was born, by friends, communities, and significant events. Most researchers agree that ‘generation’ tends to be about 10–20 years in length, which represents the period from birth to the time when people start a family. The first modern scholar who attempted to investigate the “generation” phenomenon and explain the development of generational values was Karl Mannheim. He outlined the main idea that young generations were imperfectly socialized due to the fact that the realities of their time did not match the knowledge of older generations (Codrington, 2008).

Typically, generations are bound by the important and significant events in the country, thus dates/years of determining for a specific generational cohort slightly differ. Majority of experts classify generational theory into the following four basic groups (Crampton & Hodge, 2009) while the last, fifth group is gaining on importance lately:

- Veterans (also known as Traditionalists or Silent Generation),
- Baby Boomers,
- Generation X,
- Generation Y (also known as Millennials) and
- Generation Z (relatively new generation, born in the 2000s and younger).
-

In the 1990’s there has been a wide popularization of generational theory through the works of Neil Howe and William Strauss. Since then, many researchers published books and academic papers on this topic; the most well researched authors are Bruce Tulgan, Ken Dytchwald, Bob Mayo, Warrin Bennis, Don Tapscott, Mike Regele & Mark Schultz, Claire Raines and Peter Sheahan.

According to Howe and Strauss (2000), Generation Y’s personality bears the closest resemblance to the members of the so-called Silent generation (1920–1945), who are optimistic and achievement oriented, they value civic duty and respect authority. Silent Generation in their young age had witnessed the Great Depression and the Second World War. Thus working hard in order to achieve anything by sheer hard work was perceived positively (Codrington, 2008). Some consider Generation Y as the next great generation which will replace the so-called Silent generation, being the most optimistic and civic-minded generation in the society (Junco, 2007). This generational cohort is very often referred to as Generation Y, Millennials, Generation Why, Generation We, Echo Boomers, Generation

Next, the Net Generation, the Lost Generation, the Digital Generation, and many others. The concept of Generation Y is used worldwide; however, the criteria and operationalization for this generation still remain inconclusive. Generation Y usually refers to people born in the 1980s and 1990s, or even early 2000s (Eisner, 2005).

According to Howe and Strauss's theory (2000), Generation Y refers to people who were born between 1982 and 2002, while Tulgan (2006) in his work *Not everybody gets Trophy* separates Millennials into two cohorts – Generation Y born in 1978–1990, and Generation Z born in 1991–2000. Australian researcher Peter Sheahan (2006) states that the representatives of Generation Y are the youth born between 1978 and 1994, while Bob Mayo (2010), from the United Kingdom, refers to Generation Y as the youth who was born between 1982 and 2000. Claire Raines (2002), an American researcher and founder of Claire Raines Associates, refers to Generation Y simply as teens and youth in their 20s – not subjected to the actual year of their birth.

Most of these criteria of Generation Y more or less cover almost the same time period, and since many of them are from all across the world, they all agree that the criteria of Generation Y might differ in different countries. For the purpose of this master's thesis, the term Generation Y is used to describe young adults aged between 18 and 30 years, who are currently pursuing their higher education studies, or are recent graduates with regard to the Bologna education process (Howe & Strauss, 2000). In this regard, I am following the operationalization of Rašković et al. (2016) to ensure comparability of the Kyrgyz and Slovenian matched samples and the fact that in these two ex-socialist emerging and transition markets, the youth might also have a delayed entry to the labor market due to harder economic conditions (or in the case of Slovenia, vast social benefits offered to university students).

Representatives of Generation Y are described as media and techno savvy, well-educated, efficient multi-tasters (Bolton, 2013), rule followers, better travelled, racially and ethnically diverse (Keeling, 2003), with strong sense of morality (Eisner, 2005) and keeping a close relationship with their parents than any previous generations (Junco, 2007). Globally, Generation Y has already overtaken Baby Boomers, with 24.7 per cent of the world population being comprised of the youth aged from 15 to 29 years (United Nations, 2015). Moreover, Generation Y is defined as the generation who grew up in the new era of globalization, spread of communication technology and wireless connectivity after the Cold War.

Coming of age during the global economic expansion in the 20th century, and with most borders easily crossed, representatives of Generation Y are able to explore more by easily travelling around the world and to wander virtually in web space. The most distinguishing feature of this generation is advanced information technology, which profoundly affects their entire lives (Bolton, 2013). In the world of the Internet, smartphones, tablets and computers, Generation Y is on fast-forward with self-esteem regardless their nationality, race, gender or

age. They can easily create blogs to share their ideas and make their voices heard since they can get an instant access to information and to the like-minded people regardless of their country and location – all adding up to a sense of empowerment. Being instantly connected to like-minded people around the globe through social networks, their ties to media consumption are crucial for Generation Y, helping them move closer towards finding their identity, both as people and consumers. The Internet enhances Generation Y's social skills, and this generation is more connected to each other in comparison with any previous generations (Junco, 2007).

Influenced by their education-minded Baby Boomer parents, representatives of Generation Y perceive education as the key to their future success, and they are set to be lifelong learners. They expect that a short-term success will bring them a long-term success. Fuelled by their technology capabilities and savviness, this Digital Generation is set to gain knowledge anywhere and at any time (Tulgan, 2006). Not surprisingly, today on the Internet, there are plenty popular online learning sources, where everyone can receive education and knowledge for low payment or even for free, regardless of time and location.

As the first true cohort of Global Citizens, which now exceeds Baby Boomers, they (Generation Y) have been told that they can make a difference in the world, and they have already started to prove it. Generation Y is the fastest growing segment of the workforce which is becoming very resourceful and productive (Tulgan, 2006). Generation Y is civil-minded with a sense of morality, and does not consider earning a lot of money as the most important goal in life. Generation Y equates job satisfaction with a flexible schedule, positive work environment and opportunities to learn. They still believe in job security, however not in its traditional meaning. For Generation Y experience and knowledge are more valuable than materialistic reward, since they will bring results in the future. At work, they are less respectful to rank and hierarchy, while they favour more ability and accomplishment (Eisner, 2005). In choosing an employment place, they are looking for companies, which are socially responsible, care about the environment and its employees, by creating meaningful products and service and repaying back to the local communities. Their role as parents and their contributions to the society are of great importance to Generation Y (Crampton & Hodge, 2009). As the most socially conscious generation (Tulgan, 2006), they are constantly aware of the fragile environment. Therefore, Generation Y has emerged as (more) ethical consumers who are willing to change the world also through their consumption.

Generation Y is living in an age of unprecedented diversity and exposure to other cultures, where the numbers of migrating people and international students are growing exponentially. According to the Organization for Economic Co-operation and Development, (hereafter: OECD), the number of international students worldwide has increased from 0.8 million in the 1970s to 3.7 million in 2009, whereas this number is still increasing by about 12 per cent each year (BBC, 2012).

In the last century, the development of international media and news channels, the spread of communication technologies, and the increased interconnectedness of world economy led to

an increased number of people impacted by the same defining events. Therefore, people of the same age are expected to share similar underlying value systems despite their country, age, race or gender. They faced similar issues and experience, and were impacted by the same events. These 'value systems' have become the drivers of behavior and attitudes, and present good predictors of behavior and expectations (Codrington, 2008).

The common description of Generation Y is the so-called Global citizens, hence they are more cosmopolitan, regardless of their differences of environment where they grew up, global and local activities, and the education they received (Parekh, 2003). Generation Y shares cultural similarities despite the fact that they come from diverse cultural backgrounds. Nevertheless, the global study of the so-called Next Generation by PwC showed notable similarities and differences among Generation Y throughout the world. According to their studies, for Generation Y of North America, Europe and the East regions, work-life balance has much affected on labour turnover, commitment and job satisfaction in comparison with other parts of the world. Generation Y is massively influenced by western cultures (Jain, 2013). Emerging similarities of Generation Y's culture across the globe, in particular, comes from the technology focus, where the more young people exposed to common information, for example through the internet sources, the more homogeneous they appear to become.

1.2 Characteristics of Generation Y

According to generational theory, generational cohorts develop similar beliefs and attitudes by sharing life experiences (Meriac et al., 2010), so each generational cohort develops distinct characteristics (Lazarevic, 2012). The term 'Global citizens' may be applied to Generation Y due to their distinctive traits such as tech savvy, socially active and team oriented. Nowadays, the geographical distances are not essential for youth in order to share any information and ideas, or to be engaged in any activities.

As an emerging consumer population, Generation Y has become an attractive target for international companies due to their large size, purchasing power and more global identity, which can enable companies a relatively higher degree of market standardization (Rašković et al., 2016). Thus, understanding their characteristics and needs can bring international companies success and profit in international markets, as well as potentially allow them to pursue more standardized marketing strategies vis-à-vis other consumer segments. In the 1990s, post-modernism scholars predicted that, due to globalization, worldwide commerce expansion and commercialization of all national cultures would break down national cultures, which will make them obsolete in the global village of corporate and consumer cultures. McLuhan (1964) emphasized the use of technology and media by using the expression global village, which can be applied to Generation Y since this generation grew up in a time of communication technology spreading, when any events in one part of the world could be experienced from other parts in real-time. Researchers point out that although consumers look to global culture symbols and signs, they relate them to their local cultural discourses; this is

identified as the glocal culture, which is considered to be one's global and local cultural milieu (Strizhakova, 2011).

As consumers, representatives of Generation Y are sophisticated and demanding cohorts, and already present big challenges for marketers and companies. In comparison with other generations, Generation Y is more consumption-oriented (O'Donnell, 2006). They are not influenced by traditional media as previous generations (Powers, 2013) since they are more aware of marketing approaches than previous generations (Tsui & Hughes, 2001). They are more resistant to advertisements and distrust traditional media. Generation Y tends to depend on friends, parents opinion and word-of-mouth before purchase since they trust them more.

Generation Y representatives as consumers are also very conscious about what their peers think of them, and social belonging (Rašković et al., 2016; Gentina et al., 2014). They are more involved with their purchases since they are aware of the social consequences of making wrong purchases (Fernandez, 2009; Darley, 1999). Generation Y has high brand awareness as well, but generally, they are not so brand loyal as previous generations (Jain, 2013). They are willing to have a trendy social image and the brands give them a strong sense of identity. As a socially conscious generation, Generation Y support socially responsible companies by purchasing their products and paying attention to their message. Therefore, it is a truly global generation with social-conscious mind, expected to become the most demanding generation (Eisner, 2005).

During the life span of this generation, there were several global changes which could have been significant for their characterization. Generation Y representatives have characteristics that are a combination of some of the best qualities of previous generations. Howe and Strauss (2000), Junco and Mastrodicasa (2007), and Bersin (2011) provide a list of Generation Y characteristics that help us understand them better. In their book *Millennials Rising: The Next Great Generation*, Howe and Strauss (2000) identified the following seven core personality traits of Generation Y's personality: being (1) special, (2) sheltered, (3) confident, (4) conventional, (5) team-oriented, (6) achievement-oriented and (7) pressured.

Due to the large size of the cohort, it attains an important attention compared to Baby Boomers, starting with parents, who have been extremely engaged in their children's lives, or companies, who seek in them consumers or employees. As a result of such attention, Generation Y representatives feel special. Moreover, parents and authority figures tried to shelter Generation Y from any harm in every possible way, and therefore equipped them with different safety accessories. Such significant parental involvement in their safety makes them feel comfortable, which is the opposite of the Generation X experience. If Generation X can be described as *independent*, Generation Y can be described as *sheltered* and *overprotected* (Keeling, 2003). Generation Y has a stronger connection to their parents and has ironically returned to more conventional values, whereas young adults are more likely to share their parents' values than any other generations. Generation Y members are more connected to

each other than any previous generation due to the environment dominated by technology, and they seek it out, which helps them stay connected.

Throughout their childhood, Generation Y took part in various sport and youth program activities, which strengthened their team-oriented characteristic. Many researchers point out to these traits and emphasize their ability to be great team players. Generation Y is the most educated one so far, which gives them more confidence in getting a good job, and they believe to become more financially successful than their parents. However, in recent years, Generation Y has experienced an era of uncertainty and violence. As a result, it might change this trait, since they grew up in an era of prosperity, technology advancement, social network and globalization, which has all given them the sense of confidence about their bright future.

Generation Y representatives are motivated to reach the expectations of others, and they expect beneficial outcomes in return. According to them, their success is in their hands and depends on the choices they make today. In history, Generation Y is also the highest-achieving generation (DeBard, 2004). Not surprisingly, that the pressure to perform has led to a generation of achievers. Therefore, stress and anxiety prevail among the Generation Y college students, and the reason for it derives from the feeling of being pressured to become successful by their parents and by themselves.

In their book *Connecting to the Net generation*, Junco and Mastrodicasa (2006) identify a few additional characteristics of Generation Y such as:

- *Driven:* Raised and pampered by parents, who tried to avoid the previous generation's mistakes, Generation Y is ambitious, achievement-oriented and more confident. Generation Y has driven nature and the strong commitment to their own success. During studies, they place intense pressure on themselves in order to succeed, while they believe short-term achievement will bring long-term success. Goal-oriented but lack skills to prevent burnout and have no effective time management. As a result due to their self-imposed pressure and achieving nature, Generation Y is known as one of the stressed generations.
- *Social:* Representatives of Generation Y are social and team-oriented, they prefer social interactions in their learning and working process – with professors, peers, colleagues – since the development of a meaningful relationship with others is perceived as important. Generation Y is tech savvy since they grew up with technology and are comfortable with it, they rely on it in all areas of their lives. Generation Y is plugged-in 24 hours a day, 7 days a week. As a result, nowadays, many of them cannot imagine their lives without the Internet, smartphones, laptops and other gadgets that help them maintain social interactions by making them easier and faster.
- *Experiential learners:* Generation Y is the most educated cohort, and with the help of technology they have an access to many self-learning sources. Generation Y is capable to

learn fast and well through experiential learning where knowledge is organized by the learners and achieved through direct participation – experience. At work, Generation Y is in search for opportunities in order to get all kinds of experiences, which will make them more valuable in the future. According to Tulgan (2007), this ‘nowest’ of generations expects to get “the immediate gratification of making an immediate impact by doing meaningful work immediately”.

- *Multitaskers*: Generation Y representatives are prolific multitaskers, they easily handle a number of tasks that require cognitive resources. And in fact, they are actually more productive when they are multitasking. As instant users of computing technology with the development of learning processes by using such technology, they have developed cognitive processing styles – as ‘hypertext’ in nature. Generation Y intuitively solves technology problems, multitasks and arrives at knowledge in their own way.

While researches by previous authors were given from a more academic viewpoint, a report by Bersin and associates (2011) gives more contradictory characteristics, which are summarized as follows:

- *Individualistic and confident*: Generation Y is less altruistic, highly narcissistic, assertive, self-esteemed and more individualistic (Bersin, 2011). In their research, they found that Generation Y volunteers less than Boomers, and the trends are toward a confident, albeit self-serving, talent pool.
- *Starting adult life with less knowledge*: It indicates that the knowledge gap is closed in college or that they lack it, which is crucial for responsibilities they face as adults, importantly comprising their contributions to the labour force. Generation Y has ambitions but it has not plans or unrealistic plans how to achieve them (Keeling, 2003), which supports this characteristic.
- *Motivated, but more likely by ‘rewards’*: Motivation is an important part of their identity; however, in the research findings, there were some signs that, although Generation Y representatives are putting the hours in, the elements of work that motivate them may have changed. Moreover, in recent research, the findings showed that the intrinsic work values have slightly declined for Generation Y, while there were no differences in extrinsic values.
- *Looking for a balance*: In terms of work motivation, Generation Y is willing to reach goals in work and personal life as well. Today, Generation Y expects a meaningful life outside of work which is less central to their life and identity.
- *As a generation, more satisfied with work*: They have found that Generation Y representatives are more satisfied with their work than previous generations – there exist

statistically significant differences, more are satisfied with their jobs and companies, the recognition they receive, development of their career, and job security.

- *As younger employees, more likely to leave their companies:* Fewer Generation Y representatives are considering a job switch than did the Generation X, while one-third of them (Generation Y) are willing to leave their jobs, compared to 25 per cent of Generation X and 19 per cent of Boomers.

Several authors have dedicated their attention to Generation Y to understand how to manage them, how to work with them, and what their main characteristics are. Mostly, characteristics described by them are the same, where some authors explain them more thoroughly, while others generalize in fewer terms. From the above-given characteristics of different researchers, the final characteristics of Generation Y can be summarized as follows:

- Generation Y is focused on achieving *work-life balance*. Youth is balancing professional and personal life, where the family is given more priority. More youth is looking for jobs with flexible schedules to be able to share their time with family, friends, travel, and explore the globe. As mentioned by many scholars, money is not the important part of their life. In this regard, Generation Y works to live, as opposed to living for work (PewResearch, 2010).
- With the development of technology, Generation Y is the most educated generation cohort, which makes them *lifelong learners*. They can learn anytime and anywhere with the help of all available technology. Many authors also mention that at work they demand mentorship from elder employees, which is also part of their learning process. As mentioned in the first chapter, Generation Y values knowledge and experience more than materialistic rewards, which supports this characteristic.
- The third main characteristic of Generation Y is being *team-oriented*. This is because the youth is engaged in team projects during college, and for them, the ability to be involved with different groups or activities has a huge meaning. Technology facilitates them to become part of the desired group or society and to achieve it despite the time and geographic distance.
- The fourth characteristic is being *achievement-oriented*. This is also a sign of youth confidence that they will reach their goal.
- And finally, the last characteristic that distinguishes Generation Y from other generations is being *socially conscious*. Generation Y is aware what is going on around the globe and their voice may be easily heard. In a time when environmental and social issues are no longer avoidable, Generation Y can be involved in solving these issues and be part of such events, which brings them satisfaction and joy, without any finances included.

2 CULTURE IN INTERNATIONAL BUSINESS

2.1 What is Culture?

What makes us, individuals, a group of friends, fans of particular music, regions and countries different from each other? The answer would be our values, beliefs, attitudes, habits, the environment in which we grew up, the goals which we want to reach, and the language which we use to express ourselves. In one word, it is the culture that is fundamental to the development of society and its functioning. It takes a big part in our lives and gives us identification with the environment in which we live. For the last three decades, the world has become increasingly interconnected. This is the reason why researchers and practitioners have increasingly sought to address the role of culture and cross-cultural differences in understanding human behavior as well as economic behavior and consumption. As Greet Hofstede (1994, p. 1) perhaps most eloquently put it: “The business of international business is [simply] culture.”

The term *culture* has been used across a wide range of social sciences, and it has, therefore, various meanings in different fields (Groeshl & Doherty, 2000). Kroeber and Kluckhohn (1952) even devoted an entire article to a search of a proper definition of culture in which they reviewed no fewer than 164 definitions of culture (Usunier, 2005). There are so many definitions in the literature since many researchers come from different fields of study and have different cultural backgrounds which might have influenced their view and understanding of what culture is (Groeshl, 2000). However, all of them agree that culture is a very complex concept and difficult to define in words, not to mention to properly operationalize and measure.

One of the most widely accepted definitions was provided by Tylor (1881). He described culture as “*that complex whole which includes knowledge, belief, art morals, law, custom, and any other capabilities and habits acquired by man as a member of society*” (Craig & Douglas, 2005, p. 323). According to Perbig and Dunphy (1998), culture is an all-inclusive system of communications, where the biological and technical behavior of human beings with their verbal and non-verbal systems of expressive behavior are incorporated. Banks (1984) suggests that culture is “*the behavior, patterns, symbols, institutions, values, and other human-made components of the society*”, which are manifestations of culture and shared by the majority of members of a group in the same way, over a period of time.

Values, beliefs and customs are followed as long as they satisfy the needs of a particular society. Once the specific standard is no longer satisfies the society, then it is modified or replaced with a standard that corresponds to the present needs of the society. As a result, culture gradually but continually develops to meet the needs of the society. Thus, the nature of culture is changing and transforming due to increasing links across cultures and permeability of cultural boundaries (Perbig & Dunphy, 1998).

Culture's main function is to create modes of conduct, performance standards, and ways of dealing with interpersonal and environmental relations in order to reduce uncertainty and increase predictability, and by this raise survival and growth of members of any society. Culture allows us to understand group behavior, and how groups filter various kinds of information and assign meaning to behavior. Thereby, cultural meanings interpret some forms of activity as normal and natural, while the others as strange or wrong (Perbig & Dunphy, 1998).

Most researchers state that culture consists of several key elements, where some of them are more explicit and others more implicit. To simplify this classification, Trompenaars (1997) has illustrated this issue with the help of the so-called Onion model, while Hall (1976) has used the Iceberg analogy to highlight the fact that most elements of culture are hidden from plain sight and thus quite implicit. I review both models in the next section of the thesis.

Leung et al. (2005) view culture as multi-layered construct, which exists at different levels: global, national, organizational and group cultures, with focus on aggregation of social and group processes and the extent to which these are converging and diverging across countries (Craig & Douglas, 2005).

So far, many researchers have focused their research mostly on the national level, making the term culture often synonymous with the concept of national culture. Hofstede (2001) defined culture as collective mental programming of the people of any particular nationality, which shapes the values, attitudes, competences, behaviors, and perceptions of priority of that nationality (Morden, 1999). Hofstede argued that in modern society subcultures might be conflicting: gender values with organizational practices, religious values with generation values (Groeshl & Doherty, 2000).

Vieregge (2010) emphasizes that the national cultures might change over time due to globalization, technological advancements and/or worldwide commercialization. Moreover, with advances in technology and growing links between local cultures the boundaries of culture are being reshaped, as the ideas, products and even people themselves move across the world more easily. Post-modernism scholars of 1990s predicted that globalization and worldwide commerce expansion of all national cultures would replace them and make them obsolete in the 'global village' of corporate cultures (Vieregge, 2010).

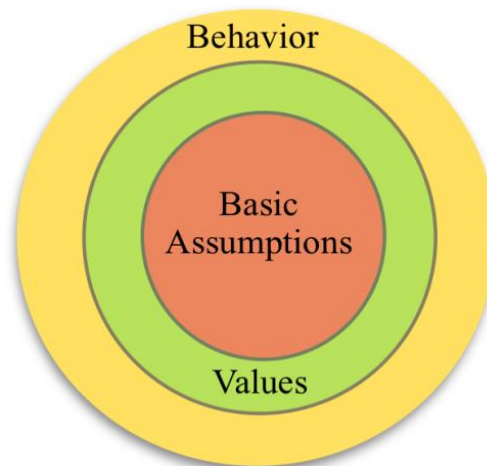
2.2 Overview of Various Cultural Models and Typologies

2.2.1 The Onion Model

Analyzing a culture of a particular group, many researchers identify three fundamental levels at which culture manifests itself: (1) observable artefacts, (2) values and norms, and (3) basic

underlying assumptions (Spencer-Oatey, 2012). Careful analysis and a better understanding of these levels, as well as how they interact with and influence on each other, is important. To better understand the culture, researchers have used Trompenaars' (1997) Onion model to illustrate various layers of explicitness/implicitness of national culture and its myriad elements and dimensions. The general idea behind the Onion model is that with removing each layer, you will be able to reach the core of the onion and thus gain a proper understanding of a national culture. Figure 1 shows, that culture can be generally seen as consisting of three main elements: *values and norms*, *behaviors* and *basic assumptions*.

Figure 1. Layers of the Onion Model



Adapted after F. Trompenaars & C. Hampden-Turner, Riding the Waves of Culture: Understanding Diversity in Global Business, 1997.

The first layer represents the most explicit elements of culture which are immediately apparent and easily accessible. On this layer, the perceived realities and the evaluations concerning those perceived realities from the internal operations of the culture are received. Further on, appropriate choices are made on the basis of those perceived realities. And finally, feedbacks to those choices with a life of activities in the external world are provided.

The second and deeper layer of culture is already more implicit. It corresponds to values and norms. Values provide system for evaluation and draw conclusions in regards of the life experience whether it's true or false, good or bad. Norms provide the rules and expectations which are guiding the behavior of members of society (Giddens, 2009). In other words, the rules of behavior that embody culture's values – either prescribing or forbidding (Macionis & Plummer, 2007).

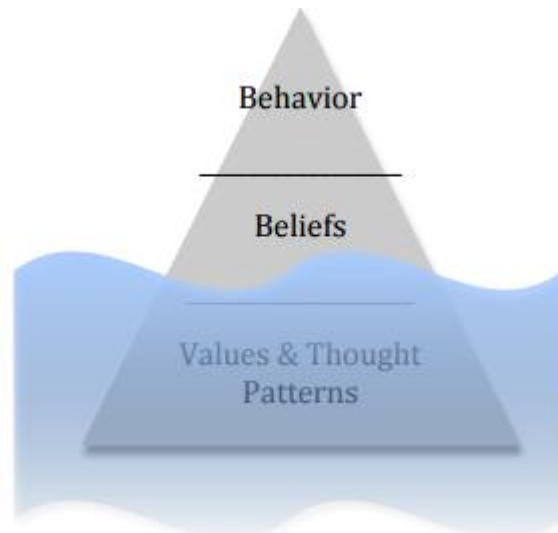
The core of culture consists from of basic assumptions and is the central level of the cultural onion. It is the most hidden implicit level of culture and the starting point of each culture. It serves as the spiritual and mental dynamic of our perception of the world, which is, in turn,

serves as the internal managing center for person's unspoken thinking and decision-making patterns.

2.2.2 The Iceberg Model

Another widely used model of culture is the so-called Iceberg culture model, which was developed by Hall in 1976. Hall states if a national culture of a society was an iceberg, then only a few of its aspects would, in fact, be visible and above the water. There is, however, a much larger portion hidden beneath the surface, which is invisible and more implicit. Figure 2 shows how only a small part is visible and corresponds to the iceberg peak, while the largest part of the culture is at an invisible depth which includes quite important elements of culture in order to assess and understand the culture of society.

Figure 2. Iceberg Model



Adapted after E.T. Hall, Beyond Culture, 1976.

Elements of culture which can be easily seen are for example: clothing, gestures, food, language, or rituals. These elements are represented by the upper portion of the iceberg, which relates also to the external, or conscious, part of culture. This part can be observed and includes behaviors and also some beliefs. The portion below the surface refers to the hidden elements, such as values, beliefs and attitudes, which are the internal, or subconscious, part of culture thought patterns that underlie behavior. It is crucial to understand these hidden elements to get a proper sense of the visible aspects of culture. To avoid misunderstanding another cultures and behaviors, it is better to get familiar with their particular mindset, motivations, religious beliefs, attitudes to rules, and other cultural orientations.

Having outlined the basic and illustrative models of how we can perceive culture, I continue with an overview of a few of the most widely used cultural typologies used in cross-cultural comparisons in the business and management literature today.

2.3 Overview of Various Cultural Typologies

2.3.1 Hofstede's Seminal Typology

Well-known and widely used Hofstede's six-dimensional typology, which is based on an original survey of more than 100,000 International Business Machines', (hereafter: IBM), employees and managers working in 72 countries around the world in the 1960s, is today still one of the most accepted theoretical cultural typologies and an essential benchmark for studies of national culture. Hofstede's typology initially identified four key cultural dimensions, with two subsequent additions (Morden, 1999). These cultural dimensions include: (1) power distance, (2) individualism/collectivism, (3) masculinity/femininity (referring to value orientations connected to quality of life), (4) uncertainty avoidance, (5) degree of long-term orientation, and most recently, also (6) indulgence versus restraint. A brief description of each of these six dimensions is provided below.

- *Power distance*: relates to social inequality, including the relationship with authority (Minkov & Hofstede, 2011). It indicates the degree to which the hierarchical or unequal distribution of power is accepted by the members of organizations and the whole society. For instance, the USA, New Zealand and the Netherlands score low on power distance, since formal organization chain of command is more easily bypassed and the social equality is promoted. Countries with a high power distance score, such as Japan, India and Mexico, assign a greater emphasis on conforming to social and organizational formalities and hierarchical commands and are more willing to accept inequality and hierarchy.
- *Individualism versus collectivism*: relates to the relationship between an individual and a group (Minkov & Hofstede, 2011). It shows the degree to which individuals see themselves to be separated from the group, and to be free from group pressure to conform. The USA, Germany and Norway are more individualistic cultures, which reflects in a high priority on one's career development and initiative, whereas Latin American and Asian cultures tend to be collectivist cultures, where group harmony, social norms and family loyalty are more important.
- *Masculinity versus femininity*: relates to the extent to which the goals of men dominate those of women (Harvey, 1997). This dimension indicates the degree to which a society looks favorably on certain masculine and feminine values. According to Hofstede (2001), masculine cultural values are linked to competitiveness, assertiveness, materialism, ambition, and power, which is common in the USA and Japan. On the other hand, feminine cultures place more value on relationships and quality of life, which is the case in Scandinavian countries.
- *Uncertainty avoidance*: relates to the extent to which a society copes with uncertainty about the future and deals with the reality of risk (Morden, 1999). Germany, Japan and Austria are countries that score high on uncertainty avoidance, where many formal rules

and long-term employment are established. On the other hand, in countries with low uncertainty avoidance, such as the USA and Canada, there are shorter term types of employment with less hierarchical regulations. Such societies also display higher levels of entrepreneurial behavior, which is closely linked to risk-taking.

- *Long-term orientation versus short-term orientation*: related to the degree to which members of the culture are willing to defer present gratification to achieve long-term goals (Hofstede, 2001). Countries such as Japan, China and South Korea are long term oriented cultures which foster virtues that are oriented towards future rewards, perseverance and thrift. On the contrary, western countries (the USA, Germany, Australia) are short-term orientated. They foster virtues of past and present, and focus on respecting tradition and fulfilling social obligations (Hofstede, 2001).
- *Indulgence versus restraints*: are related to the extent to which members of a society try to control their desires and impulses (Hofstede, 2010).

While Hofstede's work is quite prominent and coherent, there are weaknesses: such as, limitation to one organization (IBM) where generalizability is questionable (Hofstede, 2001). Moreover, some researchers point out that Hofstede's cultural instrument lacks sufficient construct validity at an individual level of analysis (Blodgett, Bakir, & Rose, 2008; Venaik & Brewer, 2013). Moulettes (2007) criticizes Hofstede's masculine/feminine dimension since women were excluded from the survey and the model unveils a distinct perception of gender differences. Fougère and Moulettes (2005) state that the criticism towards Hofstede's study is characterized mostly by the concern of the validity of the model from a Western 'scientific' viewpoint (Moulettes, 2007).

Implications of this model to Generation Y might be more stereotypical, rather than realistic (Vieregge & Quick, 2011). While Hofstede's model is based on research of the Silent and Baby Boomers generations, for Generation Y it might be slightly different. According the research of Michael Vieregge and Simon Quick (2011), where they compared Asian Generation Y to previous generations, the results showed that there is no much difference between generations regarding cultural dimensions and that there is a difference between Generation Y and Boomers only in the Individualism versus Collectivism dimension, albeit small in nature.

2.3.2 The GLOBE Project

Inspired by and seeking to expand Hofstede's typology, the Global Leadership and Organizational Behavior Effectiveness, was designed to explore the interrelationships between societal culture, organizational culture, and organizational leadership (House et al., 1999; House et al., 2004). The GLOBE research program was created by R. J. House in 1991, and has so far been published in two major volumes. The first comprehensive volume was

published in 2004 based on results of 17,300 middle managers, and was followed by a second wave in 2007.

The main focus of the project is on culture and leadership styles. It intends to identify leader attributes and organizational practices, which are culturally contingent, and also to identify leader attributes and organizational practices that are universally accepted (Dorfman, Hanges, & Brodbeck, 2004). The GLOBE project is also acknowledged as one of the most comprehensive studies to date that empirically researched the relationship between culture and leader behavior in many societies (Hoppe, 2007). The distinction between the GLOBE model and others' model is the fact that researchers measured culture at different levels, both in terms of actual *practices* (behavior) and typical *values* existing at various levels of industry, organization, and society. Contrary to GLOBE, Hofstede's work only focused on values.

The GLOBE study outlines nine cultural dimensions in different cultural settings. comprising actual society (1) practices 'As Is' and (2) values 'Should Be' These nine cultural dimensions, based on findings by Hofstede (1980), Schwartz (1994), Smith (1995), Inglehart (1997) and others, are (Shi & Wang, 2011):

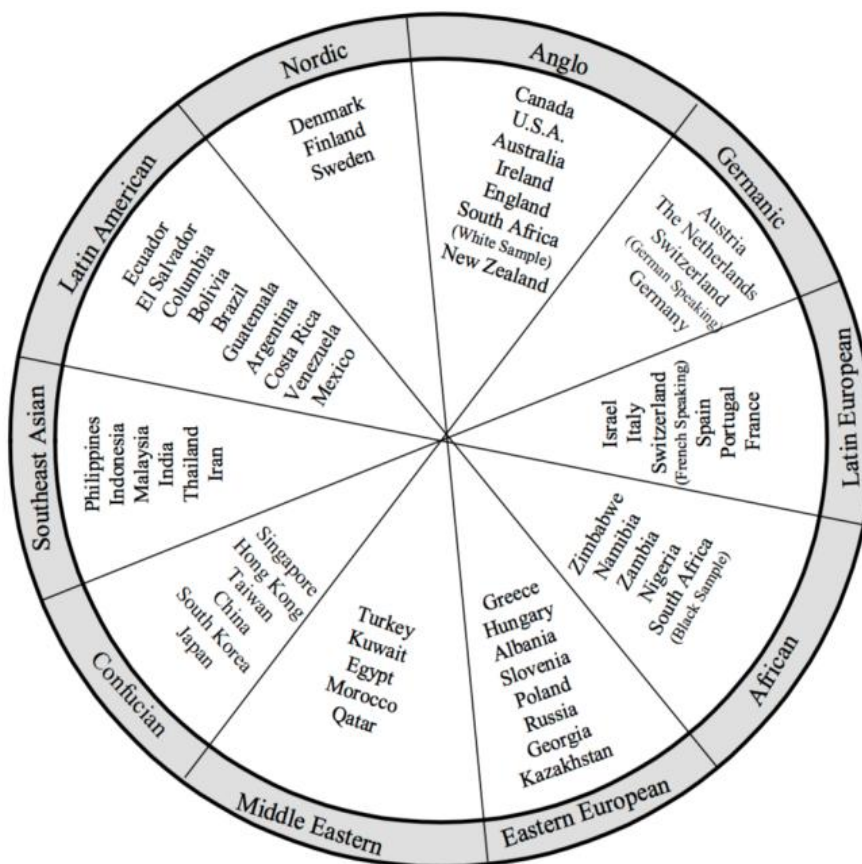
- *Uncertainty Avoidance*: The degree to which a social group or organization counts on social norms and rules in order to mitigate the uncertainty of future.
- *Power Distance*: The extent to which members of a group accept inequality within the group.
- *Institutional Collectivism*: The degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action.
- *In-Group Collectivism*: The degree to which the society members convey their loyalty, pride and belonging to the community.
- *Gender Egalitarianism*: The degree to which a society reduce the gender inequality.
- *Assertiveness*: The extent to which individuals are assertive and aggressive with others in in their relationships.
- *Future Orientation*: The degree to which individuals are engaged in future-oriented behaviors.
- *Performance Orientation*: The degree to which a society encourages the members for performance improvement.
- *Humane Orientation*: The degree to which a society encourages the fairness, generousness and care of the individuals toward others.

The GLOBE project research approach consisted of a three-step analysis (Hoppe, 2007):

1. *Identification of cultural dimensions and cultural clusters*, where they capture by established nine cultural dimensions similarities and differences in norms, values, practices and beliefs, as shown in Figure 3. In this step countries are placed into country clusters –

Nordic, Anglo, Germanic, Latin European, African, Latin American, Southeast Asian, Confucian, Middle Eastern, and Eastern European. Cultural similarity is greatest among societies which are in the same cluster, while cultural differences are greater if clusters are farther from each other. As an example, the Nordic cluster is most dissimilar from the Eastern European.

Figure 3. Country Clusters According to GLOBE



Source: M.H. Hoppe, *Culture and Leader Effectiveness: The GLOBE Study*, 2007, p.2.

2. *Linking country cluster and leader styles*: In this step, GLOBE analyzed the responses of managers' 112 leadership characteristics. The analysis generated 21 leadership scales, classified from the 'most universally desirable' to the 'least universally desirable' with factor reduction into six scales. These six scales represent the six leader styles: performance-oriented, team-oriented, participative, humane, autonomous, and self-protective style. Finally, these six styles grouped with country cluster by their preference of given styles, where each societal cluster's location within a style indicates the relative importance of that style compared to other styles for that cluster.

3. *Addressing the universal and culturally contingent leader characteristics*: In the last step, 65 leader traits from six leader styles were analyzed which showed that 22 out of 65 were desirable characteristics for leaders and perceived as outstanding, 8 traits were seen as universally undesirable, and the remaining 35 characteristics were culturally contingent (Appendix B).

The basic differences between Hofstede and GLOBE cultural dimensions are presented in Table 1 below, where the timeline, surveyed industries, number of countries, companies and respondents, and number of involved staff are indicated. Additionally, there are also differences in surveyed countries in both models, where Hofstede has more widely chosen sample countries and regions in Asia, and the GLOBE Model has more adequately and widely chosen sample countries and regions in Europe (Shi & Wang, 2011).

Table 1. Differences between the GLOBE Model and Hofstede's Model

Differences	GLOBE Model	Hofstede's Model
Time period	1994–1997	1967–1973
Primary researchers involved	170	1
Respondents	Managers	Non-managers and managers
Organizations surveyed	951	1
Type of organizations	Non-multinational	IBM and its subsidiaries
Industries	Food processing, financial and telecommunication services	Information technology
Number of societies surveyed	62	72
Analysis	Team effort	Single effort
Project design	US-based	Dutch-based
Number of cultural dimensions	Nine	Four

Source: X. Shi & J. Wang, Interpreting Hofstede Model and GLOBE Model: Which Way to Go for Cross-Cultural Research? 2011, p. 98, Table 1.

The main differences between the two models are the cultural dimensions used to assess the national cultures. The Hofstede's Model categorizes cultures according to six dimensions by providing scales from 0 to 120 for each dimension with the countries positioned according to their index or scale. The GLOBE Model develops nine cultural dimensions which includes actual society *practices* ('*As Is*') and *values* ('*As Should Be*') in different cultural settings. For each dimension there were two types of questions: the first one measured managerial reports of actual practices and what should be (values) in their organization; while the second one was to assess practices and values in their societies. As a result, 18 scales in total were conducted in order to measure the practices and values with respect to the core GLOBE dimensions of culture (House et al., 2004).

According to Hofstede (2010), the GLOBE adopted his dimensions paradigm of national cultures and broadened his five dimensions to nine, whereas the GLOBE kept the labels ‘power distance’ and ‘uncertainty avoidance’, and renamed the ‘long-term orientation’ dimension into the ‘future orientation’.

The last two Hofstede’s dimensions were not accepted by the GLOBE researchers, thus they divided the Individualism–Collectivism dimension into Institutional Collectivism and In-Group Collectivism, as for the Masculinity–Femininity dimension, it was split into four supposed components: Assertiveness, Performance Orientation, Gender Egalitarianism, and Human Orientation (Shi & Wang, 2011).

Table 2. Similarity of Cultural Dimensions between the GLOBE Model and Hofstede’s Model

Hofstede	GLOBE
Uncertainty Avoidance	Uncertainty Avoidance
Power Distance	Power Distance
Individualism versus collectivism	Institutional Collectivism
	In-Group Collectivism
Long term vs short term orientation	Future Orientation
Masculinity versus femininity	Gender Egalitarianism
	Assertiveness
	Performance Orientation
	Humane Orientation
Indulgence versus restraints	

Source: X. Shi & J. Wang, Interpreting Hofstede Model and GLOBE Model: Which Way to Go for Cross-Cultural Research, 2011.

According to the GLOBE study, Slovenia is in Eastern European cluster, while Kazakhstan as the only Central Asian country and presented to the same cluster. Thus, as culturally Central Asian countries are more similar to each other, the table below presents Scores for the GLOBE Study (House et al., 2004) for Kazakhstan and Slovenia.

Eastern European cluster’s countries share common past as centralized planned economies and one-party system. Moreover, the region boasts of significant religious diversity with western Christians, Catholics and Muslims.

The Eastern European cluster is characterized as a highly group-oriented societal culture with domination of hierarchical managerial practices. Managers in this cluster are willing to keep strong group collectivism while at the same time prefer more futuristic and performance

oriented, less male-dominated and hierarchical culture (Gyula, Takacs, Karacsonyi, & Imrek, 2002).

Table 3. Scores for the GLOBE Study for Kazakhstan and Slovenia (7-point ordinal scales)

		Kazakhstan	Slovenia
Assertiveness*	Practices	4.51	4.01
	Values	3.88	4.61
Institutional Collectivism*	Practices	4.38	4.09
	Values	4.16	4.36
In-Group Collectivism*	Practices	5.50	5.49
	Values	5.62	5.71
Future Orientation*	Practices	3.72	3.56
	Values	5.22	5.43
Gender Egalitarianism*	Practices	3.87	3.84
	Values	4.85	4.78
Human Orientation*	Practices	4.44	3.75
	Values	5.66	5.31
Performance Orientation*	Practices	3.72	3.62
	Values	5.57	6.41
Power Distance*	Practices	5.40	5.32
	Values	3.19	2.50
Uncertainty Avoidance*	Practices	3.76	3.76
	Values	4.52	5.03

Source: R. J. House, P. J. Hanges, M. Javidan, P. W. Dorfman, V. Gupta, Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies, 2004.

In societal values, in comparison with Kazakhstan, Slovenia scored higher in uncertainty avoidance, assertiveness and performance orientation, while it was lower in power distance.

2.3.3 The Work of Edward T. Hall

“Culture is communication and communication is culture”

Hall (1959, p. 186)

Edward T. Hall was an outstanding anthropologist and one of the first founders of the scholarly field of intercultural communication. Hall’s early life experience of growing up in the culturally diverse environment made a profound impact on his subsequent academic work (Rogers, Hart, & Miike, 2002). Working with the Hopi and Navajo people, Hall had learned “firsthand about the details and complexities of one of the world’s most significant problems: Intercultural relations” (Hall, 1992, p. 76).

A theoretical model of cultural variability developed by Hall was based on the information processing, time orientation and the interaction patterns of particular cultures. Hall defined the concept of context as the “information that surrounds an event” (Hall, 1990, p 6). For the

context the surrounding information is critical to the meaning, thus in order to specify meaning, there should be relevant information presented in interactions. Moreover, there is a range of information processing systems within different cultures to deliver the context (Rogers, Hart, & Miike, 2002). In his books *The Silent language* and *Hidden dimension*, he identified two culture dimensions:

- *high- vs low-context* cultures and
- *monochronic vs polychronic* cultures.

Hall's first concept – 'high vs low context' – presents the cultural rules related to the information exchanges – whether the degree to which information in a culture is explicit or implicit.

Low-context communication based on true intentions, where the messages are precise and direct (Würzt, 2005) without any ambiguous meaning. In such cultures, in order to provide the context and specify the meaning, the information should be presented explicitly. German, Scandinavians and Swiss cultures with mostly low context communication.

On the other hand, high-context communication based on harmony, reservation, with more indirect and ambiguous messages where the listener is 'contextualized'. There is no need to provide much background information, even if it is not specific all necessary indicators are given in order to get to the point. In high context cultures, non-verbal codes are crucial in communication, such as gestures and tones. In such cultures, it takes the time to build relationship and trust. Cultures considered as high-context are Japan, Latin American and Arab countries.

Hall's second concept explains how space and time are viewed within low- or high-context cultures. Hall (1976) identified monochronic and polychronic cultures. Low-context cultures operate within a monochronic time mode, where the emphasis is given to schedules, segmentation and promptness. On the other hand, high-context cultures function within polychronic time mode, which characterized by various things happening at the same time, since the completion of deals and involvement of actors are more important than the following to the strict schedule.

Monochronic cultures typically emphasize completing one task within a specific time period. Thus they perceive time as being divided into fixed elements, which should be carefully organized and scheduled. They tend to create a list of tasks for the day and follow it accordingly. American, German cultures are monochronic.

As for polychronic cultures, they prefer to deal with many tasks at once, since the time perceived for them as continuous. Thus they do not have particular structure for the time. Polychrons avoids detailed plans, while they prefer to create plans on their own way. In

contrary to monochronic culture, in Polychronic cultures people tend to jump from one task to another which is the preferred way of work for them.

Due to their characteristics of multitasking and preference of flexibility, Generation Y might be more polychronic and low context, since they are likely to demand mentorship and explanation of everything at the workplace, which also might be the result of high importance of rules for Generation Y.

2.3.4 Lewis' Distinction (model)

The Lewis model, developed by Richard D. Lewis, is widely used as one of the most accessible and practical tools for increasing cross-cultural awareness and competence. Lewis (2006) states that in a time of globalization, the spread of Internet and politico-economic associations, communication skills are essential and desirable for not only basic human interaction but particularly for business. Nowadays, there are more than 200 recognized countries existing in the world, while the number of cultures is much bigger due to strong regional variations. He points that problems might arise when there is a clash of *category* rather than nationality

Lewis (2006) plots countries in relation to the so-called three types of different cultures in terms of their behavioral orientations:

- *Linear-active cultures*: corresponding to those who tend to plan, organize the schedule and follow things accordingly one by one. Germans and Swiss are in this group.
- *Multi-active cultures*: corresponding to those who are keen to perform several tasks at the same time, and prioritize their tasks according to the importance and results. Italians, Latin Americans, and Arabs are members of this group.
- *Reactive cultures*: corresponding to those who value respect, courtesy, behave in a more attentive way to the other side, and react carefully to their proposals. Chinese, Japanese, and Finns are in this group.

According to Lewis (2006), generational culture is important but ever changing. He states that *age* is a well-recognized 'layer of culture' – attitudes about society, authority, law and freedom are often generational. The younger generation tends to be more linear-active or multi-active according to their culture; however, as they get older, they become more reactive.

2.3.5 Other Typologies

Analysis of the World Values Survey (hereafter: WVS) data (Inglehart–Welzel Cultural Map), developed by Ronald Inglehart and Christian Welzel (1981), claims that there are two major dimensions of cross-cultural variation in the world:

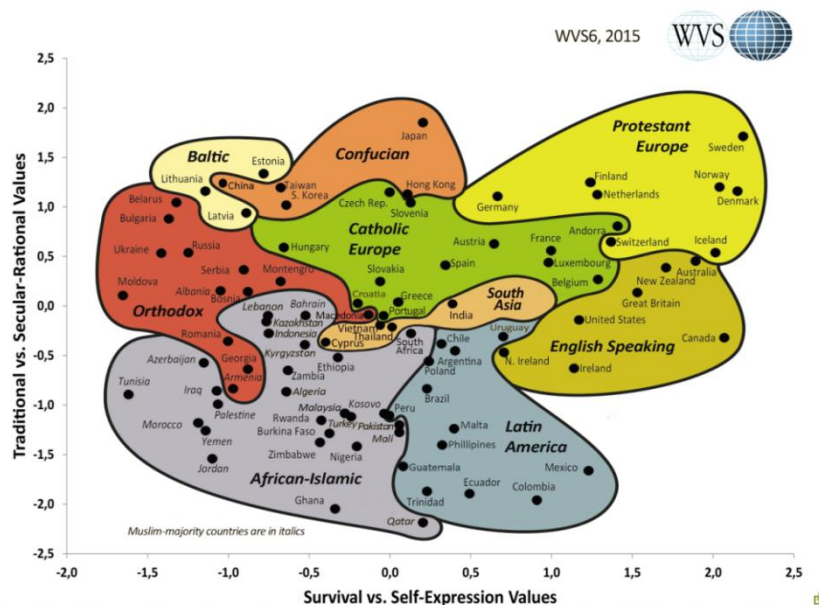
1. *Traditional values* versus *Secular-rational values*, and
2. *Survival values* versus *Self-expression values*.

Traditional values emphasize the crucial role of religion, parent-child ties, deference to authority and traditional family values for development of society. Moreover, such things as abortion, euthanasia and suicide are strongly rejected by the members. As a result, such societies have nationalistic outlook. On the contrary, *Secular-rational values* have the opposite preferences to the traditional values, while they do not view religion, traditional family values and authority as most important. They are relatively acceptable of divorce, abortion, euthanasia and suicide (WVS, 2016).

Survival values relate more to economic and physical security, where the societies are more ethnocentric and tend to have low levels of trust and tolerance. As for *Self-expression values*, where the environmental protection, tolerance of foreigners, gays and lesbians, and gender equality are important to the society (WVS, 2016).

Over the years, the WVS has demonstrated that people's beliefs play a key role in economic growth, development of democratic institutions, the rise of gender equality, etc. As an example, in Figure 4 below, we can see that Scandinavian countries scored high in Secular-rational and Self-expression values, which is usually typical for developed and rich countries. On the contrary, countries such as Marocco, Jordan and Bangladesh have high scores in Traditional and Survival values, the countries with a weak economy and highly religious. Slovenia is placed in the middle of Survival vs Self-expression dimension and closer to the Secular-rational values, while Kyrgyzstan has more Traditional and Survival values.

Figure 4. Cultural Map – World Values Survey Wave 6 (2010–2014)



Source: World Values Survey Association, World Values Survey, Wave 6 2010-2014, 2016.

Another model relates to the cultural differences outlined by Trompenaars and Hampden-Turner (1997). They suggest that there are seven value dimensions, which explains the differences between culture. These *seven value dimensions are*: (1) universalism versus particularism, (2) analyzing versus integrating, (3) individualism versus communitarianism, (4) boundary management or inner-directed versus outer-directed, (5) time as ‘sequence’ versus time as ‘synchronization’, (6) achieved status versus ascribed status, and (7) equality versus hierarchy. They contend that these dimensions of national cultures allow managers to better understanding the cultural differences and approaches taken by different nationalities to the management process and practice.

Richard Gesteland (1999), an expatriate with 30 years of experience, argues that understanding the customs of each culture will bring the success in international business (Morden, 1999). He has developed a four-dimensional model, which refers to better understanding other cultures and avoiding any conflicts. His model characterizes the culture of each country as: (1) deal-focus versus relationship-focus, (2) formal versus informal cultures, (3) rigid-time versus fluid-time cultures and (4) expressive versus reserved cultures. Having outlined a few of the most relevant cultural typologies used today by social scientists and, in particular, business and management scholars, I briefly turn my attention to the comparison of the selected countries and Generation Y of these countries, with further analyzing their behaviors as consumers.

3 COMPARISON BETWEEN EASTERN EUROPE AND CENTRAL ASIA

3.1 General Overview of Eastern Europe and Central Asia

Among international organizations and financial institutions, there is no sole definition of Central Asia. However, in regards to the territory and historical essence we can refer to the next five countries as Central Asia: Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan, with population in a total of 66.62 million and GDP in total 346.284 billion USD; according to the latest available information (World Bank, 2014).

Most of the Central Asian countries are land-locked and located on the crossroads of Europe and Asia, surrounded by of the world fastest - growing and dynamic economies including three BRICs (Russia, India and China). Central Asia has a strategic geopolitical importance due to its natural resources and position, which steadily increased after the declaration of independence in these five Central Asian countries in 1991. While the countries' economies have significantly progressed, although showing unequal development, culture has more common, due to being part of Soviet Union, and later as the Commonwealth of Independent States (European Commission, 2015)

Figure 5. Map of Central Asia



Source: National Geographic, MapMaker Interactive: Central Asia, 2016.

Central Asia is now becoming recognized due to its investment opportunities: before it was known for its rich history and culture. Over 75 per cent of Foreign Direct Investment, (hereafter: FDI), to Central Asia comes from Europe, Russia and the Middle East, but China's share of FDI to Central Asia still exceed them (World Economic Forum, 2011). No wonder that the main part of FDI goes to extractive industries, since Central Asia is attractive for its resources, both natural and human.

The region owns significant gold and hydro-electric power, which is in demand by neighbouring countries (China, Pakistan and Afghanistan). Recently all Central Asian countries have seen their economies growing rapidly, where the private sector, in particular, have also experienced substantial growth. Nevertheless, the Central Asian business environment is still not very favorable. Furthermore, political situation in the region is also unsteady with security risks due to the region's proximity to Afghanistan and Pakistan, where problems of terrorism and drug trafficking are critical. Therefore, the Central Asian region is stable but fragile (World Economic Forum, 2011).

Regarding Eastern Europe, geographically the following European Union member states referred to: Bulgaria, Croatia, Romania, Slovenia, Poland, Slovakia, Hungary and the Czech Republic, which generates a cumulative GDP of about 1,351.197 billion USD and a population of 97.221 million; according to the latest available information (World Bank, 2014).

Figure 6. Map of Eastern Europe



Source: National Geographic, MapMaker Interactive: Eastern Europe, 2016.

In May 2004, the European Union expanded from 15 to 25 member states, which was the largest single enlargement in terms of people and number of countries. The following countries became the new members of EU: the Czech Republic, Hungary, Slovakia, Slovenia and Poland. One of the distinguishing features of this enlargement was the transition of Central and Eastern European states from socialism and central planning to liberal democracy and the free market, which was remarkable (Šuštar, 2005). In 2007 the EU enlarged again with the addition of Romania and Bulgaria. Following Bulgaria and Romania, Croatia joined the EU zone in 2013. Croatia was the part of the Republic of Yugoslavia with Slovenia, Serbia, Bosnia and Herzegovina, Macedonia and Montenegro, with a socialistic regime, which collapsed after the 1980s due to ethnic tensions and political crisis in the region.

In my further analysis, I refer to Slovenia as an illustrative example of a country from Eastern Europe and the Kyrgyz Republic as an illustrative example of a country from Central Asia. At some point, Slovenia and the Kyrgyz Republic take similar place and perception in their regions. Both of them are small countries with regard to their neighbour countries, share socialistic past as part of the Soviet Union and Yugoslavia, even the nature of countries are similar since both countries are rich with hydro resources and contain mountains.

3.2 PEST analysis of Kyrgyz Republic and Slovenia

When doing business and interacting with a foreign country, it is crucial to understand the basic differences in its environment in comparison with the native one. For that reason, PEST analysis is used to examine the macro environment of the Kyrgyz Republic and Slovenia. In

the analysis below introduced the political, economic, social-cultural and technological environments of the Kyrgyz Republic are introduced and compared with Slovenia.

3.2.1 Political Environment

Political environment, directly and indirectly, influences businesses and the lives of society and reflects underlying social values and philosophies. Therefore, understanding the political system is important, since country's development and economic growth depend on its political stability. Political stability ensures steady financial markets, product and service markets, workforce, etc., and affects the lives of substantial numbers of people (Worthington & Britton, 2006).

The Kyrgyz Republic gained its independence in 1991 after the dissolution of the Soviet Union. In the first decade of independence, the Kyrgyz Republic has joined different international organizations such as United Nations, International Monetary Fund, International Finance Corporation and so on. The country is a member of the Commonwealth of Independent States, the World Trade Organization, (hereafter: WTO), the Organization for Security and Cooperation in Europe, etc. (Ministry of Foreign Affairs, 2016). In June 2001, the leaders of Kazakhstan, China, Russia, Kyrgyzstan, Tajikistan, and Uzbekistan launched the Shanghai Cooperation Organization, (hereafter: SCO), for the main purpose to fight terrorism and ethnic and religious militancy while promoting trade. Since May of 2015, the Kyrgyz Republic is a member of the Customs Union with Russia, Kazakhstan and Belarus.

The Kyrgyz Republic has suffered from political instability and violence, experiencing a revolution in 2005 and 2010 and country moving towards parliamentary democracy (COFACE, 2014). However, it still faces challenges fighting corruption, and according to Transparency International, the Kyrgyz Republic is placed 123rd out of 168 countries (Transparency International, 2015).

Significant political changes are expected to come from the joining of the Kyrgyz Republic to the customs union with Russia, Belarus and Kazakhstan in May 2015; as a result, the country may lose the political independence from Russia. The business environment is characterized by a strong concentration of economic power and the high level of corruption with weak regulation remains difficult. Among serious issues are the regional and inter-ethnic tensions (COFACE, 2016).

On the contrary, Slovenia is a member of the European Union since 2004, when it has gone through considerable changes during its transition and the EU enlargement process. From May 1, 2004, Slovenia is a member of the North Atlantic Treaty Organization, (hereafter: NATO), Slovenia is also a member of most major international financial institutions (International Monetary Fund, the World Bank Group, and the European Bank for Reconstruction and Development) and has a membership in 40 other international

organizations such as World Trade Organization, of which it is as well a founding member (Slovenia Country Commercial Guide, 2005). Slovenia is a parliamentary representative democratic republic with a strong tradition of direct democracy, which came into existence after the disintegration of Yugoslavia (Prunk & Pikalo, 2011).

According to the World Economic Forum 2015-2016 Global Competitiveness Report (2015), in the Institutions pillar Slovenia ranked 75th, where it scored low in public trust in politicians (133), wastefulness of government spending (#133), burden of government regulation (#133), efficiency of legal framework in settling disputes (131) and favoritism in decisions of government officials (#111). Thus, overall trust into politicians is low in the country. The Kyrgyz Republic is ranked 124th, while it has scored lower in all indicators. Hence, the Kyrgyz people, as well as Slovenians, do not have faith in the government and public institutions. Moreover the corruption and bribery level are higher in Kyrgyzstan (#122) than in Slovenia (#41).

3.2.2 Economic Environment

In order to understand the factors that affect customer purchasing power and spending patterns, the economic environment needs to be assessed. At the same time, it is crucial to examine the influence of the government and financial institutions, since, by implementing the policies, the country's government is trying to create a stable macroeconomic environment, lower unemployment rate, sustain economy growth, inflation, etc. (Worthington & Britton, 2006).

After its independence in 1991, the economy of the Kyrgyz Republic was hit hard by the dissolution of the Soviet economic zone, and it has almost fully recovered after the adoption of market-based economic reforms in the 1990s (International Bank for Reconstruction and Development, 2016).

The Kyrgyz Republic remains a low-income country, which strongly depends on the economies of its neighbours, Russia and Kazakhstan. In recent years, the Kyrgyz Republic has faced negative effects of growth due to a protracted slowdown in these countries. It happened as a result of a weaker banking sector, reduced exports and lower remittances from expatriates employed in Russia (COFACE, 2015).

The Kyrgyz Republic has considerable gold resources and vast hydroelectric potential, with a pivotal strategic location between Asia and the CIS, which are the strengths of the Kyrgyz Republic. However, the economy of the country is poorly diversified and mainly depends on gold and transfers. Moreover, the landlocked location of the country with high energy dependency and difficult relations with its neighbours are the weaknesses of the Kyrgyz Republic.

Table 4. Key Macro Indicators for the Kyrgyz Republic

	2013	2014	2015 (f)	2016 (f)
GDP growth (%)	10.5	3.6	1.5	1.7
GDP per capita (US\$)	1,282.4	1,268.9	N/A	N/A
Inflation (yearly average) (%)	6.6	7.5	8.3	9.0
Budget balance (% GDP)	-3.7	0.1	-2.4	-3.7
Current account balance (% GDP)	-15.0	-16.8	-17.7	-15.7
Public debt (% GDP)	46.1	53.0	60.0	62.0
Exports of goods and services (% of GDP)	42.3	36.9	N/A	N/A
Imports of goods and services (% of GDP)	91.8	88.1	N/A	N/A

Source: Compagnie Française d'Assurance pour le Commerce Extérieur, Kyrgyzstan: Major Macro Economic Indicators, 2016.

As for the current situation, after the sharp slowdown in 2015, growth is expected to stabilize slowly in 2016. But still, the economy of the country expects to suffer due to the Russian economic's slowdown (COFACE, 2016). The noticeable changes might arise from the Kyrgyz Republic joining the customs union with Russia, Belarus and Kazakhstan in May 2015, where the upward adjustment of customs tariffs will also accentuate the upward pressures on inflation. Despite the fact that as a member of the union the Kyrgyz companies will get the access to the common market, this might lead to the political dependence from Russia. Moreover, there might also be difficulties with the trade connections between the Kyrgyz Republic and China who absorbs around 5 per cent of the Kyrgyz exports (COFACE, 2016).

Slovenia has one of the highest GDP's per capita – \$23,999 in 2014 (World Bank, 2015) in Central Europe. In addition, Slovenia with a leading economy was the first new member that adopted the Euro in 2007 among the countries that joined the European Union in 2004. The crisis in 2008 hit hard Slovenia's economy with further protracted recession (Central Intelligence Agency, 2016), with further worsening of the situation in banking sectors, with the rise of public debt and increased unemployment rates. However, in 2014, there was a sign of the economy recovery, with external and domestic improvements. Country's net exports have remained resilient, while the FDI level increased by the projects massively funded by the EU (COFACE, 2015).

Table 5. Key Macro Indicators of Slovenia

	2013	2014	2015(f)	2016(f)
GDP growth (%)	-1.1	3.0	2.5	2.0
GDP per capita (US\$)	23,144.1	24,001.9	N/A	N/A
Inflation (yearly average) (%)	1.9	0.4	-0.6	0.6

(table continues)

Table 6. Key Macro Indicators of Slovenia (cont.)

	2013	2014	2015(f)	2016(f)
Budget balance (% GDP)	-14.7	-5.0	-3.0	-2.6
Current account balance (% GDP)	3.9	6.5	7.0	7.5
Public debt (% GDP)	70.8	80.8	84.0	82.0
Exports of goods and services (% of GDP)	75.2	76.5	N/A	N/A
Imports of goods and services (% of GDP)	69.3	68.7	N/A	N/A

Source: Compagnie Française d'Assurance pour le Commerce Extérieur, Slovenia: Major Macro Economic Indicators, 2016.

The country possesses a strong industrial tradition with strengths in the automotive, pharmaceuticals, household appliances and electrical equipment sectors. However, the real wages have decreased and the competitiveness has increased. Due to the lower level of imports, trade is still making a substantial positive contribution to growth. The tourism sector is growing as the number of tourists increasing annually (COFACE, 2015).

3.2.3 Socio-Cultural Environment

Socio-cultural environment factors include the demographical situation of the country, cultural limitations, lifestyle attitude, and education. In order to understand consumer needs, we need to analyze and identify the factors what brings them to the market for a purchase (Worthington & Britton, 2006). The quality of population is represented by the education and health system together with work conditions. The size of population and age structure shows the quantity of available workforce. Both the quality and quantity of population are an important indicator, as they affect the consumption and production capability of the country.

According to United Nations World Population Prospects, in 2016 population of Kyrgyz Republic reached 6,034 million, with a male population representing 49.6 percent and female 50.4 percent with Life expectancy at birth 70.2 years (United Nations, 2015).

The Kyrgyz Republic ranks 44th according to Human Capital Index 2015, with 67.5 per cent of labor force and an unemployment rate of 8.3 per cent. For its 25–54 core working age group only 17 per cent are high skilled for the employment, while the quality of education system is ranked 105th, which is a low position. Majority of labor force is employed in service area (27.6 per cent), 18.1 per cent in agriculture and 11.6 per cent in industry. With regards to education, the majority of students are enrolled in social science, business and law (42 per cent), while in agriculture only 1.1 per cent of students.

According to the Asian Development Bank (2016) for the poverty level, the share of the population living on less than \$1.90 a day in 2012 reached 2.9 per cent. In 2014, 30.6 per cent

of the population lived below the national poverty line, characterized by sharp regional disparities.

Kyrgyz is the official state language and Russian is second official language as a result of being a part of Soviet Union. The Kyrgyz Republic is an ethnically diverse country, where over the 80 per cent of the population represented by Kyrgyz ethnic, and other large ethnic groups include Russians and Uzbeks, also small but noticeable minorities include Tatars, Uyghurs, Tajiks, Kazakhs, Ukrainians and other smaller ethnic minorities (Central Intelligence Agency, 2016).

Geographically the Kyrgyz Republic is landlocked and it is extremely dependent on the economic conditions of neighbour countries, which are also important trade partners: China, Russia, and Kazakhstan. The political and economic transformative processes in the Kyrgyz Republic and in other Central Asian countries show that there is a certain shift in the collective consciousness and value orientations.

The present Kyrgyz Government recognizes two main religions as ‘traditional’ religions of the country – Islam and Russian Orthodox Christianity. A large percentage of the Kyrgyz population considers themselves to be Muslim but not all of them practice Islam in any strict sense. Meanwhile, other ethnic groups in the country, including Uzbeks, Dungans (Chinese-speaking Muslims), and Uyghurs, are strict followers of Islam. About ten percent consider themselves Russian Orthodox, and the rest belong to either non-traditional religions or consider themselves atheists (Central Intelligence Agency, 2016).

The trust is very important for the Kyrgyz people in any kind of relationships, thus it is of vital importance to get to know the people in order to start any business. The respect is the most important code of behavior, which is mainly showed to elders and authority figures. Kyrgyzstan is high-context culture, where the understanding of non-verbal communications is important while dealing with the Kyrgyz people.

Being part of the Soviet systems, Kyrgyzstan was strongly influenced by the Soviet values, where the communist regime left clearly trace on the political, social and the organizational culture of modern Kyrgyz business. The current value systems of the Kyrgyz people are massively affected by the transition processes of the economy from planned to market, and by the development of democratic society and government.

According to Bakacsi et al. (2002), all post-soviet countries shares common historical values as centralized management system with hierarchical order, one-party political system, planned economy, and so on. As a results, the organizational culture in these countries characterized by high level of power distance and uncertainty avoidance and more collectivistic cultures. The notable characteristic of the Soviet managerial style was bureaucratic and hierarchical management structures, and it was described as the ‘authoritarian paternalistic’ style (Clarke,

2004). Moreover, the high power distance strengthened an autocratic management style which resulted in respect and obedience to power.

In research studies by Ardichvili and Gasparishvili (2002) and Ardichvili and Kuchinke (2002), management styles were examined in four former Soviet Union countries (Russia, Kazakhstan, Georgia and the Kyrgyz Republic). According to the results, the Kyrgyz Republic scored low in power distance, high on masculinity and showed much longer planning horizons. Due to the fact that Central Asian countries were further from the center of power during the Soviet era, they were able to keep their own traditional values. Thus after the dissolution of Soviet Union, they returned to their traditional values as paternalism and collectivism (Najimudinova, 2013).

According to the survey of Seyil Najimudinova (2013), the Kyrgyz Republic as expected scored high on collectivism dimension. It can be mainly explained by the fact that historically the Kyrgyz people with a nomad culture emphasized collectivism, as it was the only way to survive in a harsh environment, while later as a part of the communistic Soviet Union it has strengthened more. Moreover, in a tribal society, each member valued the belonging to their clan or family. High paternalism score explained by the fact that Central Asian countries predominantly have patriarchal cultures, where the superior protects, guide and lead the subordinate, while the latter in return, is loyal and deferent to the superior (Aycan, 2000). While the long-term orientation dimension is inherent to Asian cultures, Kyrgyz scored medium-term orientation rating. Interestingly, research findings showed low power distance, regardless of paternalistic tendencies in the society. The author suggests that it can be explained by the higher power distance in the normal life of individuals, but in working life individuals could get rid of this statement. While Aycan (2000) claims that paternalism does not necessarily occur only in high power distance cultures. It is also possible to observe a paternalistic relationship in low power distance culture during the regular life, such as between student and professor, or manager and employees. The Kyrgyz Republic showed lower-range of universalism, thus more particularistic culture. It can be explained as the influence of Soviet system where the instructions and rules were important (Muratbekova-Touron, 2002). Moreover, Kyrgyz people tend to obey the rules for a "particular" circumstances which are more important. As a collectivist culture, the role of family or clan is superior and strong than any abstract rule, which can affect people's decision and behavior according to circumstances and the people involved (Trompenaars & Wooliams, 2003).

Similar to the Kyrgyz Republic, Slovenia proclaimed its independence in 1991. The population of the country is 2.069 million, the ratio between men and women is equal, life expectancy at birth is 80.2 years (United Nations, 2015). Slovenia (15) exhibits a high tertiary attainment rate, at 19 per cent, and high-skilled employment share, at 43 per cent, for its 25–54 core working age group. Popular area of study is a social science, business and law, where 34 per cent of students enrolled. Labor force accounts 57.7 per cent, with an unemployment

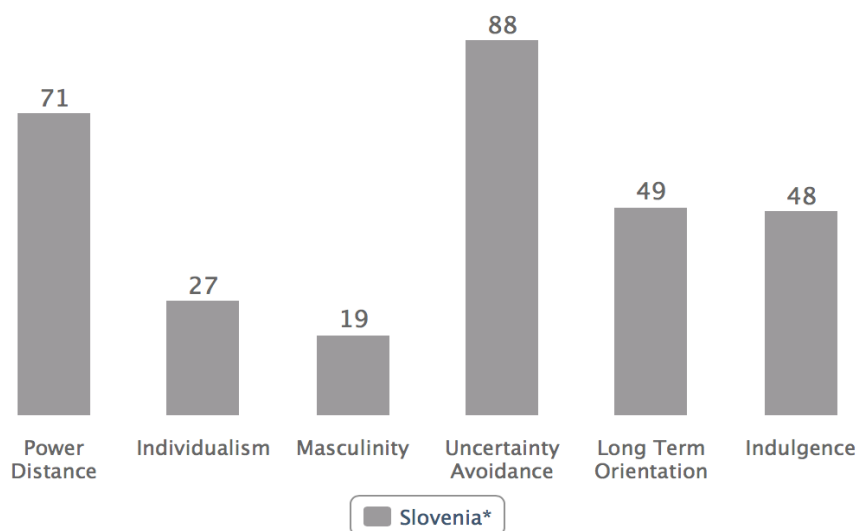
rate of 10.2 per cent. Slovenia is ranked 22nd on the quality of education system (World Economic Forum, 2016).

The country's official language is Slovenian. Contrary to Kyrgyz Republic Slovenia is one of the most homogenous countries in terms of spoken language and its ethnic structure, where Slovenians represent approximately 83 per cent of population (2002 census); and other ethnic groups include Italians and Hungarians, Croats, Serbs, Bosnians, Macedonians, Montenegrins, and Albanians, etc. (Central Intelligence Agency, 2016).

According to 2002 census, 57.8 per cent of the population is Roman Catholic, however, this parentage is dropping. Islam is the second largest religion with around 2.4 per cent of the population. And the third largest domination is the Orthodox Christianity with around 2.2 per cent of population. Slovenia has a polycentric culture, meaning that people will change their natural behavior to mirror that of a person with whom they are communicating with. This ease of adaptation makes Slovenians easy to work with, however, it is sometimes difficult to know what to expect from them since they may be more apt to moderating their behavior. With unknown people, Slovenians prefer to communicate indirectly. Similarly as in the Kyrgyz Republic, personal relations are quite important when doing business with Slovenians (Kwintessential, 2015).

In order to get a better overview on Slovenian culture, Hofstede's model is presented below.

Figure 7. Hofstede's Cultural Scores for Slovenia (100-point index scale)



Source: G. Hofstede, G. J. Hofstede & M. Minkov, *Cultures and Organizations: Software of the Mind.*, 2010.

Slovenia scored high on the *Power distance* dimension, meaning that Slovenians accept a hierarchical order as a result of inequalities in society. Thus everyone has own place and no further justification is required. The supervisor expected to lead and explain the work to the subordinates.

The *Individualism* dimension for Slovenia is low (27), meaning that it is more collectivistic society, where the commitment to the group is important. In such cultures, the loyalty is crucial which over-rides other societal rules. The society encourages strong relationship within the group, thus members can rely on each other.

In terms of *Masculinity*, Slovenia scores low (19) which are considered as a Feminine society. Feminine society characterized by promoting equality and solidarity, where the focus is on balancing the work and personal life. Managers in this cultures seek for consensus, where the solution for conflicts reached by compromise and negotiation. At work, the incentives such as free time and flexibility are preferred.

Slovenia scores high (88) on *Uncertainty Avoidance* dimension, thus Slovenian people have a very high preference for avoiding uncertainty. In order to be secure, there are required rigid codes of belief and behaviour. Moreover, people in these cultures tend to work hard, while precision and punctuality are important.

In regards to the *Long-Term Orientation* dimension, Slovenia showed intermediate (49) score. Therefore, there are no clear preferences that can be provided, whether the society tends to maintain the links with its own past while dealing with the current challenges. As the previous dimension, Slovenia also scores intermediate score (48) on the *Indulgence* dimension, where no clear determination is possible if the Slovenian culture is indulgent or restrained.

3.2.4 Technological Environment

Technological factors include technological advancements, innovations, the lifecycle of technologies, the role of the Internet, and the funding of technology research and development by the government, which can either positively or negatively impact the business development and the society in general.

The Kyrgyz Republic's technological environment is less developed and is mostly inherited from the Soviet Union. The country scores 27.8 points out of 100 in Global Innovation Index, which is quite a poor result in infrastructure and transport pillar (The Global Economy, 2015). Moreover, expenditures for Research and Development, (hereafter: R&D), were lower than one percent of the country's GDP in 2011 (The Global Economy, 2015a).

Slovene technological environment is more developed. Slovenia managed to maintain a relative stability in the R&D sector after independence and during the transition, in spite of economic restructuring. This was a consequence of increased government investments in R&D during the early nineties, which compensated for lower business investments and allowed survival of most of the major research institutes (Bučar, Jaklič, & Udovič, 2010). Due to the small square footage of the country and the important geostrategic position the transportation infrastructure is relatively well developed.

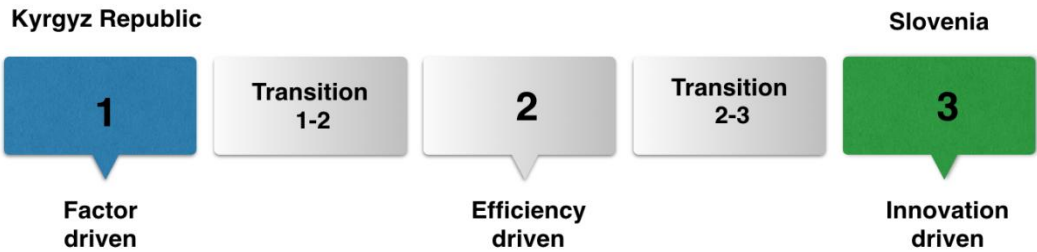
Slovenia is leading in terms of the technological environment, while the Kyrgyz Republic still has many things to improve. According to the World Economic Forum, Slovenia ranked 35th and 33rd in technological readiness and innovation pillars, the Kyrgyz Republic was 102nd and 125th respectively. Regarding the Internet usage, Slovenia is on 38th, where 71.76 per cent of the population is using the Internet. In the Kyrgyz Republic, only 28.3 per cent of the population is using the Internet, placed on 97th place with the score of 1.9. Research and development collaboration between academic institutions and private sector is an important indicator of the innovation course of the country. By the level of mobile phone penetration, Kyrgyz Republic is on 32nd while Slovenia is placed 62nd. Slovenia is also in higher position on university-industry collaboration in R&D (#44), Company spending on R&D (#39), Quality of scientific research institutions, (#31) Capacity for innovation (#41), PCT patent applications/million pop (#23) indicators; however, on government procurement of advanced tech products (#120) country has low rank. Kyrgyzstan's ranking on these sub-pillars are much lower, university-industry collaboration in R&D (#130), company spending on R&D (#123), quality of scientific research institutions, (#126) capacity for innovation (#98), PCT patent applications applications/million pop (#97) (World Economic Forum, 2015).

3.3 Competitiveness of Slovenia and the Kyrgyz Republic

Competitiveness indicates the ability of firms to compete in domestic and global markets, while it relates to the capacity of the countries to support the development of businesses. It is very important particularly for small and medium enterprises and is a key determinant for growth and jobs (European Commission, 2016). Well-known and widely used World Economic Forum’s Global Competitiveness Index was used to assess two countries’ competitiveness in the world.

According to World Economic Forum’s Global Competitiveness Index in 2016 Slovenia ranked 59th place out of 144 economies, while the Kyrgyz Republic is 102nd.

Figure 8. Stages of Development of the Kyrgyz Republic and Slovenia according to World Economic Forum’s Global Competitiveness Index



Source: World Economic Forum, The Global Competitiveness Report 2015-2016, 2016.

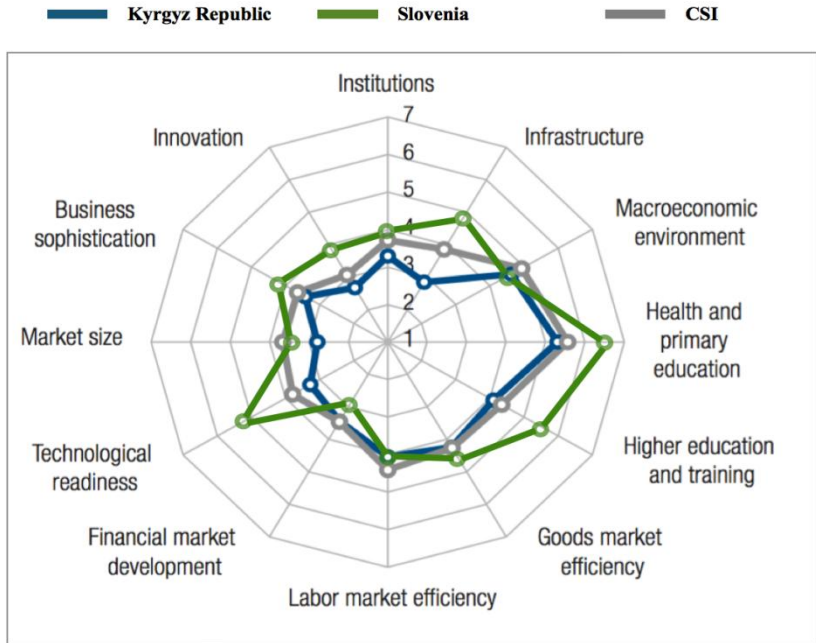
The Kyrgyz Republic is on the first stage of development, which is a factor driven economy. The most problematic factors of the Kyrgyz Republic’s rank shrinking are government instability and inefficiency, corruption, inadequately educated workforce and access to

financing (World Economic Forum, 2016). The Kyrgyz Republic is in factor driven stage of development, where macroeconomic environment, infrastructure, technological readiness and market size are underperforming.

On the other hand, Slovenia is on the third stage of development, Innovation driven economy. The country faces weaknesses in financial market development, due to recession in the European Union. The most problematic factors for Slovenia are access to financing, an inefficient bureaucracy of government, tax rates and corruption (World Economic Forum, 2016).

If we compare scores in each pillar of the World Economic Forum Competitiveness Index for both countries, we are able to see that Slovenia is leading on most of pillars, while on such pillars as Labor market and Goods market efficiency both the Kyrgyz Republic and Slovenia have similar ranks. It is explained for Slovenia due to the least population amount and economic situation, which affected the labor market by worsening it from 2008 onwards. On the contrary, on the 8th pillar, Financial market development, Slovenia is falling behind Kyrgyzstan, which is also due to recession in the European Union (World Economic Forum, 2015).

Figure 9. Performance Overview of the Kyrgyz Republic and Slovenia according to World Economic Forum’s Global Competitiveness Index



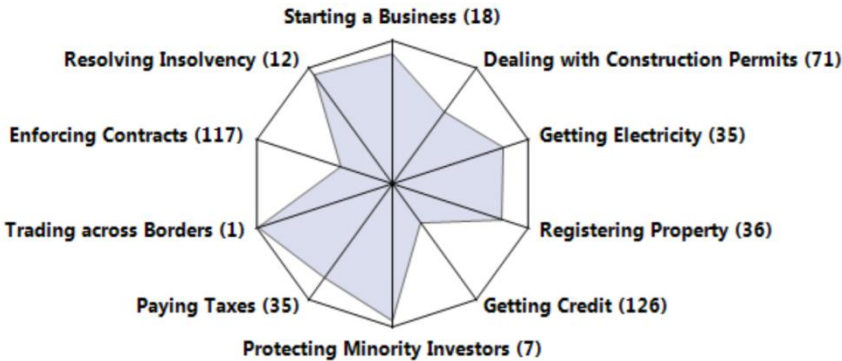
Source: World Economic Forum, The Global Competitiveness Report 2015-2016, 2016.

Another indicator used for measuring the competitiveness of countries is Doing Business of the World Bank Group.

According to Doing Business Reports in 2016, Slovenia stands on 29 in the ranking, where country jumped upfront for 6 positions in comparison with 2015. It happened due to considerable bounce in enforcing contracts (#117) for 10 positions and in resolving insolvency (#12) for 29 positions up front by implementing reforms. In 2015 Slovenia simplified procedures of reorganization for small companies, while introduced preventive restructuring procedure for medium-size and large companies, where creditors were allowed of greater participation in the management in order to establish provisions for an increase in share capital through debt-equity swaps (Doing Business, 2016).

Slovenia stands at 117 on the ease of enforcing contract, which is the lowest rank along with getting credit (#126), the latter had dropped for 8 positions in 2016. Surprisingly Slovenia’s ranking for getting electricity (#35) has lost 20 positions in comparison with 2015. However, the country leads the ranking in trading across borders (#1) and in protecting minority investors. According to the Doing Business Report in 2013, Slovenia implemented reforms in order to strengthen investor protections by the new law of regulation the approval of related-party transactions. Also trading across borders became faster through introducing an online submission of custom declaration forms (Doing Business, 2016).

Figure 10. Rankings on Doing Business Dimensions - Slovenia



Source: The World Bank, Doing Business 2016: Measuring Regulatory Quality and Efficiency, 2016.

As for competitiveness of the Kyrgyz Republic, in 2016, the country has stayed on the spot as previous year on 67th. The country has lost positions in starting a business (#35) and protecting minority investors (#36). Although getting credit (#28) ranking has improved by 8 positions, by introducing the reforms in 2016. With these reforms, the credit bureau enhanced access to credit information both positive and negative. However, topics such as paying taxes (#138), trading across borders (#82), enforcing contracts (#137), getting electricity (#160) and resolving insolvency (#126) are the lowest rankings and in 2016 they showed no change or dropping their positions.

The Kyrgyz Republic stands in 6th place in the ranking of 189 economies on the ease of registering property, which was due to the reforms of simplified documentation requirements and optional notarization.

Figure 11. Rankings on Doing Business Dimensions – Kyrgyz Republic



Source: The World Bank, *Doing Business 2016: Measuring Regulatory Quality and Efficiency*, 2016.

In the table below are given the ranks of Doing Business for the Kyrgyz Republic and Slovenia, indicating the factors, which are improved and worsened. Considering that the Kyrgyz Republic is developing country with the weak economy and high corruption, in most the factors it has low ranks. Nevertheless, in some factors it outpaces Slovenia. Slovenia as a member of OECD and EU has higher ranks in most areas in comparison with the Kyrgyz Republic.

Table 7. *Doing Business 2016 Rank of Kyrgyz Republic and Slovenia (rankings out of 189)*

		Kyrgyz Republic	Slovenia
Doing Business Rank 2016		67	29 ↑
1	Starting a Business	35↓	18↓
2	Dealing with Construction Permits	20	71↓
3	Getting Electricity	160↑	35↓
4	Registering Property	6↑	36↑
5	Getting Credit	28↑	126↓
6	Protecting Minority Investors	36↓	7
7	Paying Taxes	138	35↓
8	Trading Across Borders	83↓	1
9	Enforcing Contracts	137↓	117↑
10	Resolving Insolvency	126	12↑

Source: The World Bank, *Doing Business 2016: Measuring Business Regulations*, 2016.

3.4 Generation Y in Kyrgyz Republic

The youth is the most dynamic and promising socio-demographic group in the Kyrgyz Republic, where it accounts almost one-third of the population. According to the law of Kyrgyz Republic the youth defined as “a socio-demographic group distinguished on the basis of an aggregate of age characteristics, specifics of social position, and other conditional socio-psychological characteristics determined by the social structure, culture, socialization, and child-rearing patterns of society” and include everyone from 14 to 28 years old (Law on State Youth Policy, 2000).

According to national statistics, in 2015, almost 30 percent of the Kyrgyz Republic population consisted of young people, which is one-third of labor force of the Kyrgyz Republic. Approximately 67 per cent of the young population lives in rural areas, 33 per cent in urban areas, while the ratio of women to men is equal, 51 percent is male and 49 percent is female (National Statistical Committee of the Kyrgyz Republic, 2016).

Representatives of Generation Y in the Kyrgyz Republic were born during the last decade of the Soviet Union and in the early years of the country’s independence. As they were growing up, they faced massive changes in their social environments with both challenges and opportunities. The dissolution of the Soviet Union and then the creation of CIS brought a large socioeconomic transformation of each member country. It also significantly changed the future prospects for the young people, as the deteriorating education system did not match with labor market skills requirements. During the Soviet era, the system provided young people with a sense of security, where everyone had a predictable path from school till work, while they had an access to all social benefits (World Youth Report, 2007); nowadays the situation is different. In the Kyrgyz Republic, education starts with the Primary school, which is compulsory, from approximately age 7 to age 15, further followed by the Middle school (5 years). After completion of middle school, there is a possibility to apply for higher education (secondary and tertiary education) or enter the job market (PwC, 2011).

The Generation Y of the Kyrgyz Republic is very diverse and heterogeneous part of society, as well as a developing dramatically and a very important social resource. As a matter of fact, the youth attracts the attention of politicians, government structures, and public organizations. According to United Nations Development Programme, (hereafter: UNDP), research in 2010 the average values of the various indices across regions suggests that differences will become pronounced in relation to the moods of the younger and older generations and depending on the province of the country. For example, in the Northern provinces, the social mood is relatively stable, although young people take a more optimistic view compared to their parents (UNDP, 2010).

Despite the rapid growth of technology and globalization, the Kyrgyz Generation Y, child of the transition period, they are not an inert group, thus require the constant care and guidance, as well as Generation Y in overall world.

In the research conducted by UNDP the majority of the Kyrgyz youth, 55 per cent, showed openness to innovations, they were willing to try something new in their life, studies, and at work. Every fourth young person identified with the low level of innovativeness, who would never risk trying something new.

In order to understand the young people's mentalities, it is essential to know the values in their lives and their principles. According to Deutsche Gesellschaft für Internationale Zusammenarbeit, (hereafter: GIZ), among the Kyrgyz Generation Y community – related values and values of duty and acceptance are very pronounced, while these values are expanded by emerging needs for self-fulfillment and self-actualisation, particularly in urban centers, where individualism/hedonism, performer and entrepreneur mentalities can be detected in urban areas, while in rural areas, traditional values and material security are to the fore.

For the youth the education, family and health are clearly at the centre of the value universe, where a good education is a long-valued tradition and believed to be necessary to gain a good job which will lead to the fulfillment of parental expectations and material goals.

Patriotism is strong among young Kyrgyz in general, while they are particularly proud of the landscape, nature, language and traditions of the home country. Most of the Kyrgyz youth are willing to stay in the Kyrgyz Republic, despite critical and skeptical concerns on the current political and economic system. Moreover, they will not shirk the responsibility, which ties in with their life mottoes which point to personal performance, future orientation, and optimism at being able to cope irrespective of adverse conditions (GIZ, 2015).

For the Kyrgyz youth spare time is perceived differently due to studies and family obligations. Mostly they provide it at home by reading, listening to music, watching TV or videos, where electronic devices (computers, laptops, mobile phone and smartphones) played an important role as they helped to maintain social contacts. However, such technology is not evenly distributed across different parts of the country; it is particularly limited in rural areas. Based on my experience, young people's outdoor-orientation in spare time comprises activities such as sports, taking a walk, meeting with friends. As for youth expectations on future, in the micro level, beside the omnipresent wish to marry and build a family, both girls and boys aspire to a career, with girls/women having greater dreams and expectations than boys and men whose dreams and expectations are more down-to-earth.

The Kyrgyz youth relies on themselves and the support of their family, rather than on governmental structures or support programs. On macro level young people often perceive a

lack of perspective in Kyrgyzstan at large, due to the unstable economic situation, the lack of appropriate jobs and high competition. As a result, the Kyrgyz youth is willing to work and study abroad ('brain drain'). But most of those young people are eager to return to Kyrgyzstan ('brain regain') due to a high sense of social responsibility and a very strong emotional attachment to their families and their country. All in all, the young Kyrgyz are willing to get involved and work hard for a better future for their country (GIZ, 2015).

The family is indispensable to the Kyrgyz youth, which means comfort, support, love and security perception which is additionally strengthened by a profound lack of trust in official structures and institutions. The family is the benchmark in life, and only a few young urbanites consider postponing starting a family for the sake of a career.

For the rural youth, the meaning of the term 'family' is a broader context of kin-ship (relatives, village, clan), where it the family has a greater influence on social life than among urban youth. This includes marriage decisions, obligations to attend all family events, to contribute to family income, to express respect to all the older people in their extended family, and to support all members of a family. Especially in rural areas, the family is dependent on public opinion as its microcosm; so for many young Kyrgyz, gossip and family problems are taboo topics and open complaints about negative aspects of family life are rare. In contrast, urban families are more likely to practice a modern, more individualized way of life with less influence from the extended family.

Young people perceive the political class as being on one side of society and the citizens on the other one. The young Kyrgyz still pass severe criticism on politically relevant issues. Objections to existing circumstances and mistrust lead to them blaming corrupt and inept politicians for the perceived poor situation of the country. Corruption is considered to be omnipresent in public life. It undermines trust in authorities and the judicial system, and it is named as the one major cause for cementing (existing) social inequality and the unfair distribution of chances for social advancement (Youth Policy Press, 2014).

3.5 Generation Y in Slovenia

It has been proven that the youth population is the most sensitive seismographs of social change. According to the Office of the Republic of Slovenia for Youth, as well as the European Commission, people aged 15–29 are considered young (Government Communication Office, 2015) and represents roughly 16 percent of total population, the ratio of women to men is equal (United Nations, 2015).

Slovenian representatives of Generation Y, similar to Kyrgyz youth were born in the last decade of the Yugoslavia and in the early years of the country's independence. However, the socio-economic transition of Slovenia to the capitalist society with a pluralistic political system was comparably smooth, thus young people have not been much affected by transition

changes (Kuhar & Oblak Črnič, 2014) as during the socialism time the Western trends in lifestyles and value orientations have been already in common for Slovenians (Ule, 1988). The education system in Slovenia starts with compulsory schooling (9 years) which is composed of two main streams – general and vocational education. Further, it is followed by higher and tertiary education (Ignjatović, 2010).

Slovenian Generation Y has the most prolonged transition to adulthood (graduation, starting a job, leaving the parental home) in Europe, which cannot be interpreted only as a survival strategy, but rather a cultural practice and lifestyle (Kuhar & Oblak Črnič, 2014). As a collectivistic culture, the connection between parents and child is strong. The parents are supportive towards their child, which might explain the prolonged co-residence of adult children with their parents. Moreover, due to the attractiveness of the education system in Slovenia (free of charge, meal coupons, student work, etc.), parents in Slovenia vigorously encourage their children's prolonged education. As a result of the recession, they prefer to postpone their children confrontation with unemployment and wait for chances for better employment and conditions in the near future. Even if the higher education is perceived as important, with the current situation that is no more a sufficient 'ticket' into the Slovenian labor market (Kuhar & Oblak Črnič, 2014).

According to Statistical Office of the Republic of Slovenia, 80 per cent of young people are generally satisfied with their lives. Thus, regardless of economic trends in recent years, young people in Slovenia expressed optimism towards their personal future. Nevertheless, there is increased concern related to lack of finance, accommodation issues and employment uncertainty. These are the essential challenges of today for young people in Slovenia (Government Communication Office, 2015). Interestingly, while young people are confident about their own future, they do not share the same sentiments about the future of society.

According to Youth 2010 report (2011), the general traits of the Slovenian youth population in the 1990s shifted from engagement with society towards engagement with the self. Nowadays, the Slovenian youth values more the health, friendship, and family life. They are also concerned about the global values: peace on earth, environmental protection, security of countries, success in school, and liberal values (free thought and action). At the same time, there are tendencies among the youth of declining interest towards politics, religion, army and military matters.

Over the time, due to the increase of uncertainty and social changes, there is more emphasis on individualism and competition among the young population. Also, the research showed that on average in Slovenia youth are more ecological conscious in comparison with European youth, however, it was lower than the older generations' level.

The most preferred leisure activity for Slovenian youth was listening to the music and watching TV. Also, the Slovenian youth frequently does sports and recreational activities.

The primary source of information on political events among youth is Internet (Klanjšek, 2013). Slovenian youth spends mostly on clothes, footwear and fashion accessories, followed by expenditure for socializing with friends. Research showed that 89 per cent of Slovenian youth were satisfied with their looks, while the men showed higher satisfaction with their look than women.

In Slovenia, individualization of personal life has progressed, where almost two fifths do not decide for marriage. Furthermore, the share of those living with a partner has been declining at least since 2008. Slovenian young people predominantly express independent decision-making.

As for political engagement, it is popular participation in civic actions and initiatives among the Slovenian youth; however, they express low levels of interest in politics. It explains by the generally low levels of social trust among Slovenian population as a whole, while the share of the population who satisfied with democracy has been dropping in 2000–2013 period (CEPYUS, 2013). Among young people, two-thirds were Roman-Catholic faith, while one-third of respondents expressed that God is important in their lives (Lavrič, Flere, Lešek, 2011).

4 DATA AND METHODOLOGY

4.1 Survey Instruments

According to Sproles and Kendall (1986), the consumer decision-making style is “*a mental orientation characterizing consumer’s approach to making choices*”. According to them, all consumers have certain fundamental decision-making modes or styles (consciousness regarding brand, price and quality, etc.) when making the purchases.

For my research in order to assess consumer decision-making styles of Generation Y in the Kyrgyz Republic and Slovenia, where Sproles and Kendall’s (1985) Consumer Styles Inventory (hereafter: CSI) instrument was employed, which was previously modified by Fan and Xiao in 1998 for Chinese consumers (emerging market consumers). Originally Sproles and Kendall’s CSI was oriented towards the US high school students, with 8 factors including 41 items, and was more applicable for western countries. Therefore, Fan and Xiao’s (1998) developed it to the five-factor CSI instrument which was more suitable for non-western countries (Rašković & Grahek, 2012; Rašković et al., 2013).

According to the theoretical part, Generation Y worldwide shares similar traits, thus the following first hypothesis was tested in order to check if consumer decision-making styles between Generation Y of the Kyrgyz Republic and Slovenia is similar:

Hypothesis 1: There will be no significant differences in the level of consumer decision-making styles among Generation Y in Slovenia and the Kyrgyz Republic.

In the era of technological advancement, new products and services are being launched every day. The successful introduction of new products in the market is an important issue for marketers. Thus, the consumer innovativeness and ethnocentrism which determines the consumer to accept or reject a new/imported product or idea is crucial for marketers.

In order to assess the level of consumer innovativeness, Baumgartner and Steenkamp (1996) modified consumer adoptive innovativeness instrument was used. Initially, the instrument was constructed by Raju (1980) with the 10-item exploratory scale to test the consumer adoptive innovativeness. Later the social elements were added by Goldsmith and Hofacker (1991) with focus only on consumers' one specific domain of interest. The following hypothesis tested to examine Generation Y consumer innovativeness in both countries:

Hypothesis 2a: There will be no significant differences in the level of consumer innovativeness among Generation Y of Slovenia and the Kyrgyz Republic.

Shimp and Sharma's (1987) designed the CET SCALE (Consumer Ethnocentric Tendencies Scale) instrument is used in order to test consumer ethnocentrism level. According to results of GLOBE project, Slovenia, Russia and Kazakhstan are in the eastern European cluster, thus sharing similarities in leadership styles. However, with regards to consumer ethnocentrism, I assume that Kyrgyz Generation Y expected to show higher level than in Slovenia, due to the cultural differences. As mentioned above, according to World Value Survey 2010–2014, Slovenia is moving towards the Self-expression and Secular-rational values, while Kyrgyzstan characterized by more Traditional and Survival values. Moreover, as a more masculine country, Kyrgyz people are more conservative, while Slovenia on the opposite is feminine with the main focus on family and relationships. Thus, the following hypothesis tested:

Hypothesis 2b: There will be significant differences in the level of consumer ethnocentrism among Generation Y of Slovenia and the Kyrgyz Republic.

All three research hypotheses build on the global consumer identity literature and the findings that young-adults are a particular demographic cohort at the forefront of globalization and consumer acculturation (see Rašković et al., 2016 and Ding et al., 2016 for more extensive overviews).

4.2 Data

My empirical research was conducted on primary data collected by a survey among business and economics' students at leading national universities in the Kyrgyz Republic and Slovenia. In addressing the question of consumer decision-making styles, respondents were instructed to evaluate the statements with regards to the category of Fast Moving Consumer Goods, (hereafter: FMCGs), with 7-point ordinal Likert-type scales. The questionnaire was designed

based on Fan and Xiao's (1989) survey instrument, itself an adapted version of the original CSI (Sproles and Kendall, 1986). Further, Shimp and Sharma's (1987) reduced 10-item CETSCALE and Baumgartner and Steenkamp's (1996) reduced 7-item consumer innovativeness scale was used in the questionnaire.

Data for Slovenia was already previously collected by Rašković et al. (2013), while I collected the data from Kyrgyzstan in 2015. The questionnaire has been translated into the Russian language in order to conduct a survey in Kyrgyzstan. It was mainly administered online through web survey platform www.1ka.si. The data was collected from matched samples of young-adult consumers (18–30 years old) in Kyrgyzstan and Slovenia. In the table 7 presented more background information.

Table 8. Sample Characteristics

	Kyrgyz Republic	Slovenia
Sample size	n=232	n=246
City	Bishkek	Ljubljana
Female/male	F: 67%; M: 33%	F: 77%; M: 23%
Average age	21–22 years (1.5*)	22–23 years (3.02*)
% of undergraduates	82%	80%
Residency (capital city, urban areas, rural)	Capital 56.4%; urban area: 32.5%; rural area: 11%	Capital 41.2%; urban area: 27.8%; rural area: 31%

Note. * denotes standard deviation, F=female, M=male.

As can be seen from the table, the majority of respondents in both matched samples were females and undergraduate students, with limited work experience, and who are dependent on parents' financial support. The majority of respondents in the Kyrgyz Republic come from the capital city Bishkek, while more than half of Slovenian respondents come from urban and rural areas.

4.3 Methodology

In terms of data analysis, I employed Exploratory Factor Analysis, (hereafter: EFA), based on the 57 original items from the questionnaire. I used a Varimax Rotation method since I assumed the factors to be orthogonal in nature. Missing values during the analysis were excluded pairwise. The threshold absolute value of factor loadings was set as 0.4, with further exclusion from the analysis of the items loading below that threshold. For Slovenia 9 items were excluded from the Slovenian data, and 33 variables from Kyrgyz data. The Kaiser-Meyer-Olkin, (hereafter: KMO), measure verified the sampling adequacy for the subsequent analysis, once the items with low loadings were taken out. For Slovenia, 7 factors were identified based on Kaiser's rule and the Eigen factor rule ($\lambda > 1$) after inspection of the

corresponding scree plot. For Kyrgyzstan, 5 factors were extracted, after careful inspection of the explained variance and corresponding scree plot (see Appendix D for EFA results). After the identification of the optimal number of factors, Confirmatory Factor Analysis, (hereafter: CFA), was run, again with Varimax Rotation for each country separately.

In order to test the internal reliability of the identified constructs the Cronbach's α statistic was employed across the two countries separately. The mean scores for each corresponding construct were computed, further, a weighted average approach was used with the weights corresponding to specific factor loadings from CFA.

In the EFA stage, for the Kyrgyz Republic the KMO=0.680, which is "mediocre" according to Hutcheson and Sofroni (1999) (Field, 2013, p. 685). According to the analysis, there were identified 19 factors with eigenvalues greater than 1, which explained 51.542 per cent of variances. After a careful check of scree plot (see Appendix G) and explained variance, however, only 5 factors were retained in the subsequent CFA, which explained 27.175 per cent of the total variance.

For Slovenia, in the EFA stage, the value of KMO=0.769 is "middling" according to Hutcheson and Sofroni (1999) (Field, 2013, p. 685). According to the results, 16 factors were identified with greater than 1, which explained 56.826 per cent variance. A further check of scree plot (see Appendix G) identified 7 factors, which explained 43.025 per cent of the total variance.

After calculating the composite constructs based on a weighted average approach, I employed independent sample t-tests to compare the weighted means of the factors (constructs) in the two respective countries in order to test the weighted mean score differences relating to consumer decision-making styles, consumer ethnocentrism and consumer innovativeness. Further, a one-way ANOVA approach was also employed to test the difference of consumer behavior in terms of living area. In terms of inter-regional differences between two countries, the LSD approach was employed in post hoc test with significance level 0.05 (Field, 2013, pp. 372–374).

The reliability and construct validity were tested by using Cronbach's alpha and Average variance extracted, (hereafter: AVE), accordingly. Further, the cluster analysis was employed to identify specific clusters of consumers in two countries in accordance with their consumer behavior, in order to use it as a basis for deriving practical marketing suggestions in these markets. In order to determine the appropriate number of clusters the hierarchical clustering approach was used, with further cross-tabbing according to demographic characteristics.

4.4 Limitations of the Research

The first limitation of the research was the sizes of the samples and the fact sampling mostly included female undergraduate respondents from capital cities of the two respective countries.

Thus, my samples and the obtained results can in no way be considered representative. However, such a matched sampling approach is typical for cross-cultural consumer studies (Peterson & Merunka, 2014; Rašković et al., 2016). More research should be done in the future, comparing Generation Y differences of sub-urban and rural areas. Furthermore, the respondents as students are from different social and economic backgrounds thus it might have an impact on their consumer behavior. The second limitation of my research refers to the translation procedure in the case of the Kyrgyz questionnaire. While a traditional translation–back-translation approach was employed for the Slovenian questionnaire, the Kyrgyz version used only two waves of one-way translation. Third, in terms of my methodological approach, I am aware that I could have alternatively employed Structural Equation Modeling, since I was dealing with latent reflective constructs. Further, due to low alpha coefficients of the Kyrgyz Republic for factor 2 (time consciousness), the results might not be accurate for this construct. Due to limited academic researches and studies of the Central Asian region, there might lack validation for the analysis results. Lastly, I am well aware that I should have had to perform invariance testing as well to compare the composite mean scores between the two countries; however, this would demand more methodological expertise, which goes well beyond the level of a master’s thesis.

5 SURVEY RESULTS

5.1 Reliability and Validity Statistics

In order to establish internal reliability, Cronbach’s alpha was calculated for the extracted factors. Table 8 shows internal reliability statistics based on Cronbach α values for the obtained 7 factors in the case of Slovenia and 5 factors in the case of Kyrgyzstan. As we can see, all 7 factors had sufficiently high α values above 0.7, while among the 5 factors in the case of Kyrgyzstan, the time consciousness factor has an α value below 0.6. According to the guideline developed by Gliem & Gliem (2003), we can expect that evaluation of the reliability coefficient for this factor will be poor. In terms of the CSI scale as whole, Cronbach’s α value was 0.664 in the Kyrgyz Republic and 0.740 in Slovenia. The Consumer ethnocentrism scale had high internal reliabilities in both countries, above 0.8, while consumer innovativeness scale was 0.773 in the Kyrgyz Republic and 0.822 in Slovenia.

Table 9. Cronbach’s Alpha Internal Reliability Statistics across the Two Country Samples

	Kyrgyz Republic	Slovenia
Quality Consciousness	0.773 (7*)	0.820 (8*)
Time Consciousness	0.596 (2)	0.806 (6*)
Price Consciousness	0.645 (2*)	0.703 (6*)
Information utilization	n/a	0.732 (5*)

(table continues)

Table 10. Cronbach's Alpha Internal Reliability Statistics across the Two Country Samples
(cont.)

Brand Consciousness	n/a	0.737 (4*)
Consumer Ethnocentrism	0.822 (7*)	0.933 (9*)
Consumer Innovativeness	0.773 (7*)	0.804 (7*)

Note. *Denotes the number of variables within each construct.

As shown in Table 9, where the discriminant validity of constructs was checked, we can conclude that multicollinearity does not appear to be a strong issue in any of the two samples, since Pearson's pairwise correlation coefficients for all factors were below 0.5 in both countries. Moreover, the discriminant validity measured by the square roots of AVE values are greater than 0.5. Thus, discriminant validity can also be established. The only exception was the price consciousness factor for the Kyrgyz Republic, which resulted in a lower score (0.46), but was close to the 0.5 critical value.

Table 11. Pairwise Correlation Matrix and Discriminant Validity

SLOVENIA	1	2	3	4	5	6	7
1. Quality	0.61						
2. Time	0.350	0.65					
3. Price	0.057	0.104	0.53				
4. Brand	0.248	0.071	0.055	0.65			
5. Information	0.114	0.136	-0.015	0.222	0.58		
6. Innovativeness	0.311	0.104	0.181	0.169	0.225	0.60	
7. Ethnocentrism	0.134	0.093	0.033	0.111	0.158	0.173	0.78
KYRGYZSTAN	1	2	3	4	5	6	7
1. Quality	0.53						
2. Time	0.077	0.61					
3. Price	-0.056	0.157	0.46				
4. Brand	n/a	n/a	n/a	n/a			
5. Information	n/a	n/a	n/a	n/a	n/a		
6. Innovativeness	0.489	0.107	0.112	n/a	n/a	0.52	
7. Ethnocentrism	0.051	-0.01	0.156	n/a	n/a	0.142	0.63

Note: Square roots of AVE shown on the diagonal.

5.2 Factor Analysis

In Slovenia, a 5-factor solution corresponding to the consumer decision-making styles identified by Fan and Xiao (1998) was clearly identified, while for the Kyrgyz Republic only 3 factors were identified. Results from factor analysis presented in Appendix D. However, there are some discrepancies with regard to the variables in each factor compared to Fan and Xiao's (1998) result.

Factor 1: Quality consciousness describes consumers who seek to get the best products with high quality. They are willing to make special efforts to choose the very best and tend to relate price with the quality. On average, Kyrgyz consumers ($M=5.02$) tend to be more quality conscious than Slovenian consumers ($M=3.97$). Both Slovenian and Kyrgyz consumers perceive that higher quality products are more durable, which is evident from the item "I buy high quality products, since they last longer". Moreover, Slovenians believe that quality is positively related to price, as evidence from the negative factor-loading item "I usually choose lower price products". For them, well-known products perceived as better quality since they "usually buy well-known, national, or designer brands". Kyrgyz consumers prefer expensive brands and are willing to pay more for them. In both countries, consumers are prudent when it comes to the price, since "when it comes to purchasing products, I try to get the very best of perfect choice".

Factor 2: Time consciousness. Kyrgyz and Slovenian consumers are fashion-oriented, which is illustrated by the items "I keep my wardrobe up-to-date with the changing fashions" and "I stay on top of trends and fashion". It is very important for them to have fashionable products. Slovenian showed a willingness to spend more time in making decisions for product purchases, which comes from relatively high negative factor loading item "shopping in stores is a waste of my time".

Factor 3: Price consciousness. Both countries' consumers tend to make an impulsive purchase during sales and special deals, while they generally appear to be conscious of lower prices. Slovenian consumers are more price-sensitive by "considering the price first". Moreover, they tend to "watch carefully how much money they spend" thus they are willing to get the best value for their money. For Slovenians, they usually compare brands of products first and collect more information before purchasing the products.

Factor 4: Information utilization. The wide variety of brands makes Slovenians mostly feel confused. Also, the various information presented on the product and the broad choice of shop district them. In addition, they do careless shopping that later they regret.

Factor 5: Brand consciousness. Slovenian consumers are brand conscious. They prefer highly advertised and expensive brands. Moreover, they believe that product's brand is

positively related to the quality and willing to buy the most expensive brands, as indicated by the statement “expensive brands are usually the best”.

Factor 6: Consumer innovativeness. In terms of consumer innovativeness, for Kyrgyz consumers, the highest factor-loading items are “I rarely buy brands about which I am uncertain how they will perform”. For Slovenia, the highest factor loading item is “If I like a brand, I rarely switch from it just to try something new”. In both countries, respondents consider themselves as brand loyal consumers.

Factor 7: Consumer ethnocentrism. With regard to consumer ethnocentrism, in Kyrgyzstan, two items were significant with factor loadings all greater than 0.7 (“A real Kyrgyz person should always buy Kyrgyz products” and “We should purchase products manufactured in Kyrgyzstan instead of letting other countries get rich from us”). In Slovenia majority items also scored significantly (factor loadings greater than 0.7).

5.3 Descriptive Statistics

In the table below presented computed the weighted mean score of each factor, which was used to check and compare the importance of the factors in selected countries. In terms of consumer decision-making styles, Slovenian consumers price of products as the most important factor with highest mean score. The brand is the least important factor for Slovenians.

Table 12. Weighted Composite Means for Specific Decision-making Factors in Kyrgyz Republic and Slovenia (7-point ordinal scale)

	Kyrgyz Republic (n=231)	Slovenia (n=246)
Quality Consciousness	5.20 (1.16)	3.93 (0.86)
Time Consciousness	3.55 (1.54)	3.96 (0.81)
Price Consciousness	3.56 (1.64)	4.82 (1.08)
Information utilization	n/a	3.47 (1.26)
Brand Consciousness	n/a	3.59 (1.18)
Consumer Ethnocentrism	3.79 (1.33)	2.86 (1.37)
Consumer Innovativeness	4.46 (1.21)	4.50 (0.98)

Note: Standard deviations shown in brackets.

Kyrgyz consumers view quality as the most important, while price and time consciousness score relatively low. In regards to Consumer innovativeness, both countries scored a similarly high score. Consumer ethnocentrism is lower in Slovenia than in Kyrgyz Republic, which shows us that Kyrgyz consumers are more ethnocentric than Slovenian.

5.4 Results of Hypotheses Testing

In testing my three research hypotheses, a tested mean score differences between the two countries with independent samples t-tests. Please see Appendix E for corresponding SPSS outputs.

Hypothesis 1: There will be no significant differences in consumer decision-making styles among Generation Y in Slovenia and the Kyrgyz Republic.

In order to check the first hypothesis, the weighted composite mean scores of the three factors extracted in both countries were compared accordingly (quality, time and price consciousness). For the consumer decision-making styles dimension, the test revealed that all three factors are significantly different between Kyrgyz and Slovenia consumers. Quality consciousness ($t=-13.449$; $df=421.709$; $p<0.05$) is much more important for Kyrgyz consumers ($M=5.2$; $SD=1.16$) than for Slovenian consumers ($M=3.93$; $SD=0.86$). For time consciousness ($t=3.586$; $df=330.247$; $p<0.05$), Slovenia showed higher results, which tells us that Slovenian people ($M=3.96$; $SD=0.81$) consider it significantly more important than Kyrgyz people ($M=3.55$; $SD=1.54$). As for Price consciousness ($t=9.687$; $df=379.875$; $p<0.05$), Slovenian consumers ($M=4.82$; $SD=1.05$) view it as important than Kyrgyz consumers ($M=3.56$; $SD=1.64$). Overall, from the results above we can conclude that the first hypothesis can be rejected since there are significant differences in all three CMDC factors between the Kyrgyz and Slovenian Generation Y.

Hypothesis 2a: There will be no significant differences in the level of consumer innovativeness among Generation Y of Slovenia and the Kyrgyz Republic.

With regard to consumer innovativeness, due to the similar characteristics of Generation Y, we assumed that the level of this factor will be similar between two countries' young-adult consumers. According to the results of consumer innovativeness ($t=-1.101$; $df=431.025$; $p>0.05$), there is no significant difference between Kyrgyz ($M=4.61$; $SD=1.21$) and Slovenian ($M=4.5$; $SD=0.98$) consumers. Thus, this hypothesis can be confirmed.

Hypothesis 2b: There will be significant differences in the level of Consumer ethnocentrism among Generation Y of Slovenia and the Kyrgyz Republic.

Regarding significant differences in consumer ethnocentrism between the two countries, the results show that there is a significant difference between Kyrgyz ($M=3.79$; $SD=1.33$) and Slovenian ($M=2.87$; $SD=1.37$) consumers ($t=-7.330$; $df=462$; $p<0.05$). Thus, the last hypothesis is also supported, which might be due to cross-cultural differences of two countries.

5.5 Cluster Analysis of Young-Adult Consumers

According to the Dendrogram trees (Appendix H), three potential clusters were identified in both the Kyrgyz Republic and Slovenia. Descriptive data is presented for each country respectively.

The first cluster in the Kyrgyz Republic can be defined as the so-called *sophisticated consumers* who prefer expensive, well-known brands and believe that the better the quality the higher the price of a product. Moreover, they are fashion consciousness and gain pleasure from the shopping experience (hedonists). With regard to quality, they prefer to compare the products beforehand and get the best value for their money. However, they scored high on consumer ethnocentrism ($M=4.63$). The majority of respondents from this first cluster (50%) were from the capital city, followed by urban areas (41%) and rural areas (9%).

The second cluster relates to *ethnocentric consumers*, who are less brand and quality conscious and tend not to waste time for purchases using online sources for shopping. Interestingly, they prefer lower price products. They are more conservative towards buying new unfamiliar brands and extremely ethnocentric, who believe that buying foreign-made products would harm the domestic industries. More than half of ethnocentric consumers were from the capital city, 30 per cent from urban areas and the remaining 10 per cent from the rural area.

The last, third cluster, in the Kyrgyz Republic can be named as *innovative consumers*, since they are brand and quality conscious. They are more open for new products and less ethnocentric. In this group, consumers come in 66% from the capital city, 19% from urban areas and 15% from rural areas. Table 11 shows the distribution of the three clusters in both countries.

Table 13. Descriptive Data of Cluster Analysis Results

Country	Kyrgyz Republic (n=192)	Slovenia (n=203)
Cluster 1	Sophisticated ($f=88$; share: 45.3%)	Ethnocentric ($f=92$; share: 45.3%)
Cluster 2	Ethnocentric ($f=57$; share: 29.7%)	Novelty ($f=60$; share: 29.6%)
Cluster 3	Innovative ($f=47$; share: 25%)	Low budget ($f=51$; share: 25.1%)

The first cluster in Slovenia can be defined as *ethnocentric consumers*, and scores high on consumer ethnocentrism. They are price sensitive and tend to get more information in order to make a safe and rational purchase, however, the overload of information brings them to confusion. The second cluster can be defined as *novelty consumers*, since trying new things perceived as pleasurable and exciting, while they do care about the quality. They are keen to shop less carefully and impulsively. They do not mind to try something new and are less

ethnocentric. The third cluster can be described as *low budget customers*. They are less conscious about the brand and believe that quality of all brands does not differ. They are price sensitive and less ethnocentric.

In the Slovenian ethnocentric consumer group, there are 34 per cent students from the capital city, 29 per cent students from urban areas, and 37 per cent from rural areas. Second consumer group consist of 42 per cent students from the capital, 36 per cent from urban areas, and 22 per cent from rural areas. In the last third consumer groups, there are 47.2 per cent students from the capital, 21.5 per cent from urban area, and 31.3 per cent from rural areas.

6 DISCUSSIONS OF THE RESULTS

6.1 Cross-validation and Comparability

In order to check the comparability of Generation Y's consumer decision making styles, between the Kyrgyz Republic and Slovenia, I used Fan and Xiao's (1998) adaptation of the original Sproles and Kendall (1986) 5-factor CSI model. For Slovenia, a five-factor solution could be replicated, while a three-factor optimal solution could be replicated in the case of Kyrgyzstan (based on appropriate factor analysis results, as well as internal reliability and validity statistics). Thus, Fan and Xiao's (1998) solution could not be completely replicated. This is interesting from a theoretical point of view, since it shows the cross-validation potential of a survey instrument which was developed for a non-western consumer context, in fact for a neighbouring country, but could be cross-validated to a lower degree than in an East European context (Slovenia). At the same time, however, I fully acknowledge all the limitations of my research, which I have already previously discussed.

According to my results, the Kyrgyz and Slovenia Generation Y differ significantly in terms of several consumer decision-making styles and particularly consumer ethnocentrism, while the level of consumer innovativeness is quite similar. This questions the proverbial homogeneity of young-adult consumers hinted by Rašković et al. (2016), and may show that while certain characteristics (e.g., consumer innovativeness) are indeed quite universal across cultures and regions, a large part of consumer decision-making styles is actually much more culture specific. While my findings could be interpreted as supporting a high level of culturally-based consumer contingency, I see more support for Douglas and Craig's (2011) concept of a *glocal consumer identity*.

Kyrgyz Generation Y showed a higher level of quality consciousness than Slovenians, while Slovenians were more price conscious in comparison with Kyrgyz youth. The Kyrgyz Republic is characterized by high level of masculinity and power distance, where external attributes such as luxury goods, famous brands are important regardless the price. Thus, international brands are popular among the Generation Y of the Kyrgyz Republic, where they tend to support their 'cool', trendy social image, which is a strong sense of their identity in

society. Slovenia is characterized by high level of uncertainty avoidance. Thus, it is better for them to get the best quality for fair price. Thus they will put an effort in order to make optimal purchases.

With regard to consumer innovativeness and consumer ethnocentrism, the Kyrgyz Generation Y are on average more ethnocentric than Slovenian, due to the cultural differences between two countries. The level of innovativeness was similar in both countries, so young generation tends to experiment more with new products and brands, which is due to globalization.

In terms of the effect of living area on young-adult consumer behaviors (Appendix J), in the Kyrgyz Republic respondents showed differences in attitude towards the price ($F(2; 215)=0.174$; $p=0.048$) and consumer ethnocentrism ($F(2; 213)=0.159$; $p=0.011$). This shows that young-adult consumer behavior is perhaps more strongly driven by the process of urbanization, which is more dynamic and powerful in emerging markets, than by sheer cultural forces. For example, in the Kyrgyz Republic, respondents from the capital city were less price conscious than from urban areas, which can be explained with lower income level in urban areas than in the capital city. Rural areas' young adults showed a higher level of ethnocentrism than those who were from the urban areas, while the youth from the capital city were less ethnocentric than urban areas' youth. The reason might be the limitation of technological advancement in rural areas, while the youth from bigger cities has more opportunities than from rural areas.

In Slovenia, there were differences in terms of quality ($F(2; 242)=3.777$; $p=0.024$) and ethnocentrism ($F(2; 242)=5.410$; $p=0.005$). Slovenian students from the capital city showed higher quality consciousness than youth from rural area, while respondents from urban areas view quality as more important than from rural area. With regard to ethnocentrism, Slovenians from rural area showed a higher level of ethnocentrism than their colleagues from capital cities (see Appendix F).

6.2 Theoretical Implications and Contributions

The most-tested instrument in examining consumer decision-making styles was created by Sproles and Kendall's in 1986, and was more applicable to developed countries rather than developing countries (Lysonski et al., 1996). The CSI instrument has been tested across several countries, which showed that eight-factor model was not consistent across different decision contexts.

With regard to consumer decision-making styles of young-adult consumers, for Slovenia 5-factor CSI model of Fan and Xiao's (1998) adaptation of the original Sproles and Kendall (1986) was reproduced, while for the Kyrgyz Republic only 3-factor solution (quality, price, and time consciousness) was retained.

The obtained results showed that between the Generation Y of two countries, there are significant differences in the decision-making factors of young-adult consumers. According to Raskovic (2011), the most often referred factors for young-adult consumers are price and quality, with increasing lately the importance of brand factor. Slovenian generation Y viewed price as most important, followed by quality and the Kyrgyz youth perceived the quality as the most important, while brand as a factor was not represented by the Kyrgyz Generation Y. Rašković (2011) states that the role of the brand is “*less important within a more ‘rounded’ Muslim sub-context*” (Rašković, 2011, p. 16), which might be the result of lacking the marketing tools to measure cultural contingency in non-western national cultures.

Kyrgyz Generation Y were far more quality conscious than Slovenian, which can be explained by the high masculinity of Kyrgyz culture, where the status and achievement demonstrated. Therefore, status brands or high-quality products such as jewellery are highly valued and important to show one’s success (De Mooij, 2004). While for Slovenia, as a more feminine culture, modesty and relations are important personal characteristics. Furthermore, in the Kyrgyz Republic, average males were more price-conscious and ethnocentric than females; Slovenian male showed higher quality and brand consciousness and female were more time conscious than male consumers. As a high uncertainty avoidance culture, Slovenian Generation Y view price as most important, where they prefer to get an optimal choice from wide range of products.

Both countries belong to collectivist cultures, where they tend to rely more on others’ opinions than to consumers in individualistic cultures when making a decision (De Mooij & Hofstede, 2010; Hui & Triandis, 1986; Steenkamp et al., 1999). Collectivistic cultures encourage young generation’s dependency on family and group, emphasizing the fact to be like others, and to not be different (Triandis 1995).

With regard to the consumer ethnocentrism and innovativeness, we can see that empirical evidence on young-adult consumers, scoring high on consumer innovativeness (Vandecasteele & Geuens, 2010) and low on ethnocentrism (Steenkamp et al., 1999), was supported for both countries. According to Steenkamp (1999), there are positive influences of the degree of individualism and masculinity on consumer innovativeness, while uncertainty avoidance has a negative influence.

Slovenia and the Kyrgyz Republic, in accordance with Hofstede’s cultural model, are both characterized as national cultures with a low level of individualism (more collectivist society), with a high level of uncertainty avoidance and in terms of masculinity the Kyrgyz Republic scores high and Slovenia is more feminine culture.

According to Rašković et al. (2016), age plays an important role influencing on consumer innovativeness as opposed to culture. Thus with regard to low individualism and high uncertainty avoidance levels of both countries’ innovativeness level can be related to young-

adults' cosmopolitan nature and their cultural openness (Rašković et al., 2016) where peers approval is universally important to the young-adult consumers (Gentina et al., 2014). The young-adult consumer tend to have 'glocal' cultural identity, which can be described as the consumers who successfully combine traditional (local) identity (e.g., nationalism) with global identity (Strizhakova et al., 2012) as a result of acculturation, while the young generation are at the forefront of it (Ding, 2016). According to the previous researches (Rašković, 2011; Ding et al., 2016), the results supported that the inter-regional differences are larger than the intra-regional differences (Douglas & Craig, 2011) when comparing differences between the Kyrgyz Republic (Central Asia) and Slovenia (Eastern Europe).

Additionally, the results of the research showed that the Kyrgyz young-adult consumers scored higher on the ethnocentrism level than Slovenian which can be due to cultural differences between the two countries. Shimp and Sharma (1987) state that ethnocentric consumers infer imported product as low quality and not likely to purchase it, though according to Wong et al. (2008) while the country of origin and consumer ethnocentrism may differ across countries, however, young-adult consumers shows low ethnocentrism, which supported the master's thesis findings.

6.3 Managerial Implications and Recommendations

With the recent increase in economic interconnectedness and globalization, business is forced to step across borders in search for new markets and consumers (Ma, Wang, & Hao, 2012). Within these changes for marketers, young-adults as consumers are becoming an attractive consumer segment (Strizhakova et al., 2012), due to their size and rising importance as an emerging consumers with buying potential (Rašković et al., 2016).

The spread and growth of information technology and the external communications infrastructure, such as the Internet, satellite telecommunications, lead young people to become aware of new products, brands and services. Therefore, young adult consumers tend to have similar tastes, lifestyles and preferences in different parts of the world (Craig & Douglas, 2011) as a result the lower degree of marketing adaptation strategy can be implemented across markets (Raskovic, 2016) for this particular generation cohort. Generation Y as more consumer innovative with a lower degree of consumer ethnocentrism leads to higher chance of success with introducing new products from abroad, which can be useful for marketers in order to use more standardized strategies.

There are plenty of studies and researches on consumer behaviors of Western and developed countries, while lately the main focus is shifting towards emerging markets (BRICs and so-called Next 11 countries) where the economic growth and population have been rapidly increasing and young adult consumers are the main focus for marketers, due to their size (Craig & Douglas, 2011). However, there is a complete lack of empirical studies from the Central Asian region in terms of young-adult consumer decision-making. This is particularly

surprising, given the relatively younger structure of populations in the Central Asian countries compared to the West. Thus, my master's thesis might contribute to understanding local consumers and can be the starting point for further research of consumer behavior in the Central Asian region.

The results of my master's thesis might also be useful for marketers that are willing to enter the Eastern Europe and Central Asian markets, whereas identified segments of young consumers might be useful in order to target each segment with more effective marketing strategies. Additionally, given the increasing importance and momentum offered by China's infamous One Belt One Road initiative and the geostrategic importance of Central Asian markets, my results offer valuable insights also to Chinese and other "players" which will be using Central Asia as a bridge between Asia and Europe.

CONCLUSION

The purpose of this master's thesis was to assess and compare consumer decision-making styles of Generation Y in the Kyrgyz Republic and Slovenia, as representatives of the two studied regions (Central Asia and Eastern Europe). With regard to consumer decision-making styles, results showed significant differences between the two countries, thus supporting cross-cultural contingency and not universality. For example, the Kyrgyz young-adult consumers showed the high level of quality consciousness and the Slovenian were more price consciousness, followed by the quality factor. Thus, Douglas and Craig's (2011) *glocal* consumer identity perspective was much more strongly supported (Cleveland & Laroche, 2007). Moreover, the results support the idea that inter-regional differences are greater than intra-regional differences when comparing differences between the Kyrgyz Republic (Central Asia) and Slovenia (Eastern Europe). I have based this on also available evidence mainly from Central and Eastern Europe provided by Rašković et al. (2016), as well as Rašković and Grahek (2011). Demographic factors such as gender and living area also had an influence on young-adult consumer decision-making styles.

In terms of consumer innovativeness and ethnocentrism, my results to a large extent complement the empirical evidence from previous research on young-adult consumers in emerging countries, by indicating the high level of consumer innovativeness and low levels of consumer ethnocentrism; which is typical for younger consumer demographic cohorts (Rašković et al., 2016). However, when comparing the two countries, my results did show some difference regarding the level of consumer ethnocentrism level, where Kyrgyz youth was more ethnocentric than Slovenian. This again supports Douglas and Craig's (2011) *glocal consumer identity* perspective, which is more apparent in an inter-regional context, than an intra-regional one (Rašković et al., 2016).

Central Asian countries (Tajikistan, Uzbekistan, Turkmenistan, Kyrgyzstan, and Kazakhstan) endowed with a vast amount of natural resources and location between Europe and Asia

becoming recognized by its investment opportunities. The location of Central Asia has made it a “strategic pivot”, since it is surrounded by three out of four BRIC countries (Russia, China and India), with prevailing the young population in these markets.

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APPENDIXES

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Appendix A: List of Abbreviations

CDMS	Consumer Decision-Making Styles
CIS	Commonwealth of Independent States
CSI	Consumer Styles Inventory
DB	Doing Business
FDI	Foreign Direct Investment
GLOBE	Global Leadership and Organizational Behavior Effectiveness
IBM	International Business Machines
NATO	North Atlantic Treaty Organisation
OECD	Organization for Economic Co-operation and Development
OSCE	Organization for Security and Cooperation in Europe
R&D	Research and Development
SCO	Shanghai Cooperation Organization
UN	United Nations
UNDP	United Nations Development Programme
WEF	World Economic Forum
WTO	World Trade Organization
WVS	World Values Survey

Appendix B: GLOBE: Universal and Culturally Contingent Leader Characteristics

Table 1. 'Universal' Leader Characteristics

<u>Contribute</u> to a Person Being Seen as an Outstanding Leader	
Trustworthy	Excellence-oriented
Just	Dependable
Honest	Intelligent
Foresight	Effective bargainer
Plans ahead Encouraging Positive	Win-win problem solver
Dynamic	Administratively skilled
Motive arouser	Communicative
Confidence builder	Informed
Motivational	Coordinator
Decisive	Team builder
<u>Inhibit</u> a Person from Being Seen as an Outstanding Leader	
Loner	Irritable
Asocial	Egocentric
Indirect/Non-explicit	Ruthless
Non-cooperative	Dictatorial

Table 2. Culturally Contingent Leader Characteristics

Anticipatory	Intra-group conflict avoider
Ambitious	Intuitive
Autonomous	Logical
Cautious	Micro-manager
Class conscious	Orderly Procedural
Compassionate	Provocateur
Cunning	Risk taker
Domineering	Ruler
Elitist	Self-effacing
Enthusiastic	Self-sacrificial
Evasive	Sensitive
Formal	Sincere
Habitual	Status-conscious
Independent	Subdued
Indirect	Unique
Individualistic	Willful
Intra-group competitor	Worldly

Source: M.H. Hoppe, Culture and Leader Effectiveness: The Globe Study, 2007, p.5.

Appendix C: Population by age and sex (thousands)

Figure 1. Kyrgyz Republic

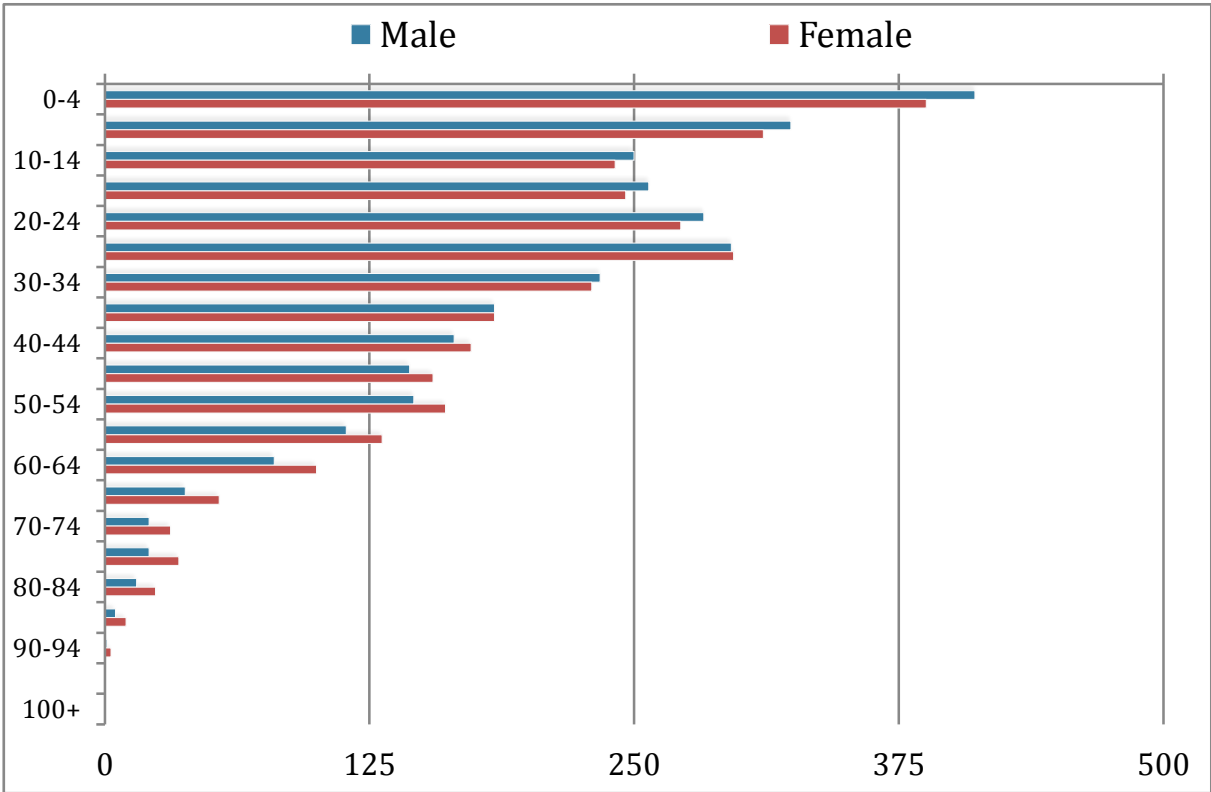
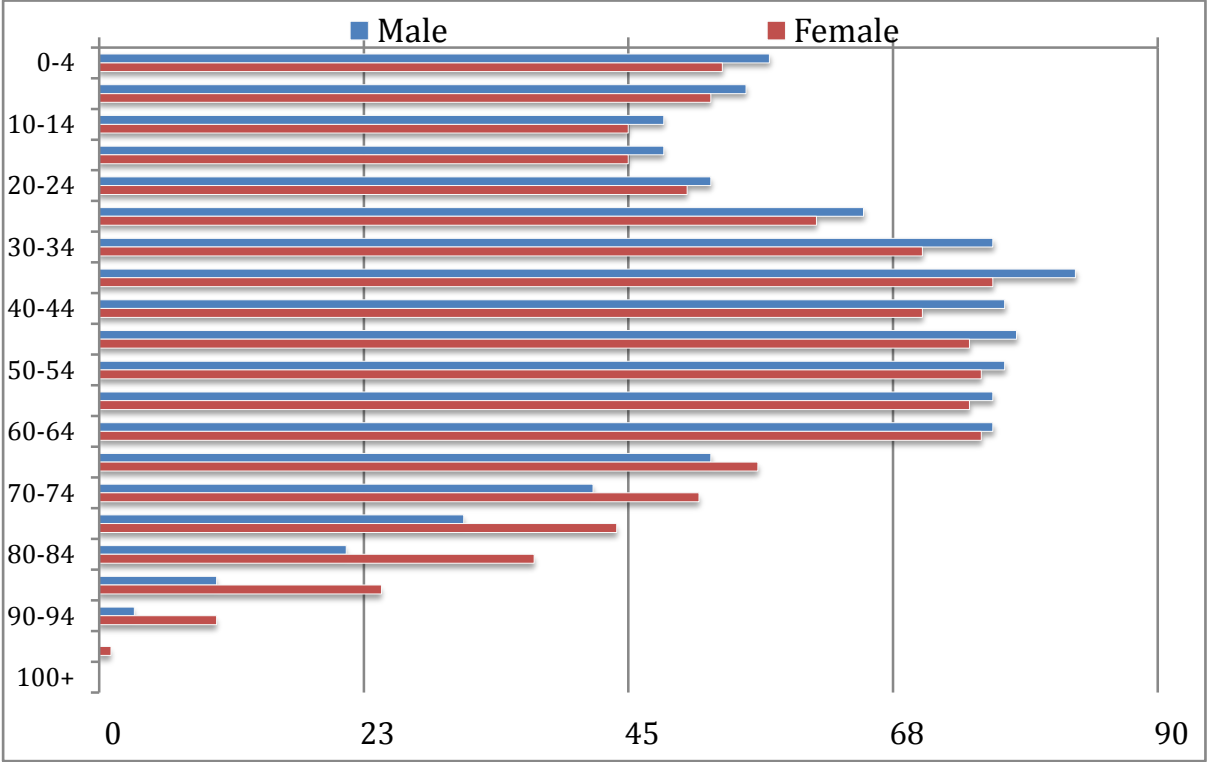


Figure 2. Slovenia



Source: United Nations, Population Division, 2016.

Appendix D: Factor Analysis Results with Loading 0.4 or Greater and Varimax Rotation on CDMS, Consumer Innovativeness and Consumer Ethnocentrism

Table 3. Factor Analysis Results: Kyrgyz Republic

	Communalities	EV	% of variance	Factor loadings
Factor 1: Quality		4.019	7.051	
When it comes to purchasing products, I try to get the very best or perfect choice.	0.466			0.638
It is fun to buy something new and exciting.	0.504			0.623
I make a special effort to choose high quality products.	0.325			0.530
I buy high quality products, since they last longer.	0.368			0.495
Expensive brands are usually the best.	0.256			0.477
I always make my purchases by comparing the price to the quality of the product.	0.403			0.461
I accept that top quality products are much more expensive than regular quality products.	0.331			0.448
	Communalities	EV	% of variance	Factor loadings
Factor 2: Price		2.371	4.160	
I am prone to buying items on sale or in special deals.	0.305			0.496
I take part in loyalty programmes to get discounts and special deals.	0.344			0.413
	Communalities	EV	% of variance	Factor loadings
Factor 3: Time		2.340	4.105	
I stay on top of trends and fashion.	0.392			0.617
I keep my wardrobe up-to-date with the changing fashions.	0.434			0.602
	Communalities	EV	% of variance	Factor loadings
Factor 4: Innovativeness		3.295	5.780	
I always make my purchases by comparing the price to the quality of the product.	0.403			0.411
I rarely buy brands about which I am uncertain how they will perform.	0.401			0.619
I would rather stick with a brand I usually buy than try something I am not very sure of.	0.408			0.586
I am very cautious in trying new and different products.	0.407			0.565
If I like a brand, I rarely switch from it just to try something new.	0.328			0.528
I think of myself as a brand-loyal consumer.	0.316			0.469
When I go to a restaurant, I feel it is safer to order dishes I am familiar with.	0.237			0.452
	Communalities	EV	% of variance	Factor loadings
Factor 5: Ethnocentrism		3.465	6.079	
A real Kyrgyz person should always buy Kyrgyz products.	0.601			0.758
We should purchase products manufactured in Kyrgyzstan instead of letting other countries get rich from us.	0.543			0.728

(table continues)

Table 3. Factor Analysis Results: Kyrgyz Republic (cont.)

Kyrgyz people should not buy foreign products, because this hurts Kyrgyz business and causes unemployment.	0.487			0.683
It is not right to purchase foreign-made products, because it puts Kyrgyzstan people out of jobs.	0.459			0.670
Kyrgyz consumers who purchase products made in other countries are responsible for putting their fellow Kyrgyz people out of work.	0.354			0.566
It may cost me in the long run. but I prefer to buy Kyrgyz-made products.	0.345			0.467
Purchasing foreign-made products is anti-Kyrgyz.	0.321			0.466
KMO=0.680, Bartlett's Test of Sphericity = 4140.437; sig = 0.000;				

Table 4. Factor Analysis Results: Slovenia

	Communalities	EV	% of variance	Factor loadings
Factor 1: Quality consciousness		4.036	7.031	
I usually choose the most expensive brands	0.418			0.530
My standards and expectations for products I buy are very high	0.458			0.621
I make a special effort to choose high quality products	0.556			0.711
I usually buy well-known, national, or designer brands.	0.563			0.685
When it comes to purchasing products, I try to get the very best or perfect choice	0.346			0.501
I buy high quality products, since they last longer.	0.539			0.699
I usually chose lower price products.	0.448			-0.605
The most expensive brands are usually my preferred choice	0.361			0.444
	Communalities	EV	% of variance	Factor loadings
Factor 2: Time consciousness		3.726	6.536	
I enjoy shopping just for the fun of it.	0.609			0.732
I keep my wardrobe up-to-date with the changing fashions.	0.788			0.770
Shopping in stores is a waste of my time.	0.601			-0.701
I make my shopping trips fast.	0.621			-0.497
I stay on top of trends and fashion.	0.944			0.683
It is fun to buy something new and exciting	0.548			0.582
	Communalities	EV	% of variance	Factor loadings
Factor 3: Price consciousness		2.117	3.713	
I like to consult with friends and family before purchasing a product.	0.346			0.482
I like to gather as much information about a new /unfamiliar product before buying it.	0.722			0.758
I get most of the information about products online.	0.704			0.796

(table continues)

Table 4. Factor Analysis Results: Slovenia (cont.)

	Communalities	EV	% of variance	Factor loadings
Factor 4: Information utilization		1.760	3.087	
All the information I get on different products confuses me	0.512			0.644
There are too many brands to choose from so I often feel confused	0.748			0.827
Sometimes it's hard to choose at which stores to shop	0.468			0.586
	Communalities	EV	% of variance	Factor loadings
Factor 5: Brand Consciousness		1.565	2.746	
Highly advertised brands are usually very good.	0.484			0.669
A brand recommended in a consumer magazine is an excellent choice for me.	0.465			0.642
The more recognizable the brand, the better the quality of the product.	0.534			0.722
Expensive brands are usually the best.	0.398			0.540
	Communalities	EV	% of variance	Factor loadings
Factor 6: Consumer Innovativeness		4.397	8.297	
If I like a brand, I rarely switch from it just to try something new.	0.637			0.725
I would rather stick with a brand I usually buy than try something I am not very sure of.	0.693			0.684
I think of myself as a brand-loyal consumer.	0.661			0.677
	Communalities	EV	% of variance	Factor loadings
Factor 7: Consumer Ethnocentrism		6.429	11.279	
Slovenia products: first, last, and foremost!	0.626			0.696
Purchasing foreign-made products is anti-Slovenia.	0.755			0.801
It is not right to purchase foreign-made products, because it puts Slovenian people out of jobs.	0.869			0.897
A real Slovenian should always buy Slovenian products.	0.824			0.886
We should purchase products manufactured in Slovenia instead of letting other countries get rich from us.	0.717			0.823
Slovenia should not buy foreign products, because this hurts Chinese business and causes unemployment.	0.780			0.848
It may cost me in the long run, but I prefer to buy Slovenian-made products.	0.625			0.710
Slovenian consumers who purchase products made in other countries are responsible for putting their fellow Chinese people out of work.	0.597			0.724
We should buy from foreign countries only those products which we cannot obtain within our own country.	0.645			0.679
KMO=0.769; Bartlett's Test of Sphericity = 6556.226; sig = 0.000;				

Appendix E: Independent t-Test of Five Factors of CDMS, Consumer Innovativeness, and Consumer Ethnocentrism

Table 5. Group Statistics

	Country	Mean	Std. Deviation	Std. Error Mean
QUALITY	Slovenia	3.9364	0.86242	0.05499
	Kyrgyzstan	5.2082	1.16922	0.07693
TIME	Slovenia	3.9652	0.81142	0.05173
	Kyrgyzstan	3.5513	1.54406	0.10317
PRICE	Slovenia	4.8255	1.08591	0.06924
	Kyrgyzstan	3.5647	1.64958	0.11022
INFORMATION	Slovenia	3.4791	1.26576	0.08070
	Kyrgyzstan	n/a	n/a	n/a
BRAND	Slovenia	3.5901	1.18403	0.07549
	Kyrgyzstan	n/a	n/a	n/a
INNOVATIVENESS	Slovenia	4.5036	0.98849	0.06302
	Kyrgyzstan	4.6166	1.21198	0.08098
ETHNOCENTRISM	Slovenia	2.8689	1.37933	0.08794
	Kyrgyzstan	3.7950	1.33399	0.09035

Table 6. Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
QUALITY	23.288	0.000	-13.449	421.709	0.000
TIME	96.497	0.000	3.586	330.247	0.000
PRICE	46.327	0.000	9.687	379.875	0.000
INNOVATIVENESS	14.011	0.000	-1.101	431.025	0.271
ETHNOCENTRISM	1.308	0.253	-7.330	462	0.000

Appendix F: ANOVA Test of the Effect of living area on CDMS, Consumer Innovativeness and Consumer Ethnocentrism

Table 7. Means of each factor in different living areas

		KYRGYZSTAN		SLOVENIA	
		Mean	Std. Deviation	Mean	Std. Deviation
QUALITY	Capital city	5.1432	1.20998	4.0401	0.84229
	Urban areas	5.1958	1.09196	4.0205	0.74774
	Rural areas	5.2913	1.21278	3.7094	0.94658
	Total	5.1767	1.16869	3.9321	0.86149
INFORMATION	Capital city	n/a	n/a	3.6297	1.21602
	Urban areas	n/a	n/a	3.3890	1.34239
	Rural areas	n/a	n/a	3.3632	1.26479
	Total	n/a	n/a	3.4802	1.26822
BRAND	Capital city	n/a	n/a	3.5380	1.26905
	Urban areas	n/a	n/a	3.5527	1.14459
	Rural areas	n/a	n/a	3.6711	1.10167
	Total	n/a	n/a	3.5833	1.18167
TIME	Capital city	3.5246	1.55592	3.9442	0.80307
	Urban areas	3.6000	1.64757	4.0490	0.82260
	Rural areas	3.3958	1.27671	3.9022	0.81005
	Total	3.5347	1.55293	3.9603	0.80942
PRICE	Capital city	3.3049	1.65910	4.9053	1.05253
	Urban areas	3.8732	1.62946	4.6578	1.09831
	Rural areas	3.8333	1.65940	4.8629	1.12181
	Total	3.5482	1.66524	4.8235	1.08765
INNOVATIVENESS	Capital city	4.5159	1.16665	4.5519	0.94836
	Urban areas	4.7659	1.12725	4.4853	1.06416
	Rural areas	4.2976	1.40850	4.4643	0.98514
	Total	4.5733	1.18650	4.5062	0.98964
ETHNOCENTRISM	Capital city	3.5947	1.32150	2.5920	1.24943
	Urban areas	4.1660	1.19767	2.8366	1.19000
	Rural areas	3.5714	1.49355	3.2685	1.61307
	Total	3.7772	1.32464	2.8697	1.38210

Table 8. ANOVA Test of the Effect of Living Areas on Consumer Behaviors

KYRGYZSTAN		Sum of Squares	df	Mean Square	F	Sig.
QUALITY	Between Groups	0.479	2	0.239	0.174	0.840
	Within Groups	295.909	215	1.376		
	Total	296.388	217			
TIME	Between Groups	0.774	2	0.387	0.159	0.853
	Within Groups	517.716	213	2.431		
	Total	518.490	215			
PRICE	Between Groups	16.735	2	8.367	3.075	0.048
	Within Groups	585.010	215	2.721		
	Total	601.744	217			
INNOVATIVENESS	Between Groups	4.864	2	2.432	1.739	0.178
	Within Groups	300.627	215	1.398		
	Total	305.491	217			
ETHNOCENTRISM	Between Groups	15.663	2	7.831	4.613	0.011
	Within Groups	361.590	213	1.698		
	Total	377.253	215			
SLOVENIA		Sum of Squares	df	Mean Square	F	Sig.
QUALITY	Between Groups	5.481	2	2.740	3.777	0.024
	Within Groups	175.607	242	0.726		
	Total	181.088	244			
TIME	Between Groups	0.818	2	0.409	0.622	0.538
	Within Groups	159.042	242	0.657		
	Total	159.860	244			
PRICE	Between Groups	2.660	2	1.330	1.125	0.326
	Within Groups	285.988	242	1.182		
	Total	288.648	244			
INFORMATION	Between Groups	3.865	2	1.932	1.203	0.302
	Within Groups	388.582	242	1.606		
	Total	392.446	244			
BRAND	Between Groups	0.857	2	0.428	0.305	0.737
	Within Groups	339.852	242	1.404		
	Total	340.708	244			
INNOVATIVENESS	Between Groups	0.374	2	0.187	0.190	0.827
	Within Groups	238.599	242	0.986		
	Total	238.972	244			
ETHNOCENTRISM	Between Groups	19.948	2	9.974	5.410	0.005
	Within Groups	446.137	242	1.844		
	Total	466.086	244			

Appendix G: Homogeneous Test of the Effect of Living Areas on Consumer Behaviors

Table 9. Homogeneous Test Results for Kyrgyz Republic

Dependent Variable	(I) Living area	(J) Living area	Mean Difference (I-J)	Std. Error	Sig.
QUALITY	Capital city	Urban areas	-0.05260	0.17486	0.764
		Rural areas	-0.14803	0.26179	0.572
	Urban areas	Capital city	0.05260	0.17486	0.764
		Rural areas	-0.09543	0.27700	0.731
	Rural areas	Capital city	0.14803	0.26179	0.572
		Urban areas	0.09543	0.27700	0.731
TIME	Capital city	Urban areas	-0.07541	0.23376	0.747
		Rural areas	0.12876	0.34813	0.712
	Urban areas	Capital city	0.07541	0.23376	0.747
		Rural areas	0.20417	0.36878	0.580
	Rural areas	Capital city	-0.12876	0.34813	0.712
		Urban areas	-0.20417	0.36878	0.580
PRICE	Capital city	Urban areas	-0.56836	0.24586	0.022
		Rural areas	-0.52846	0.36810	0.153
	Urban areas	Capital city	0.56836	0.24586	0.022
		Rural areas	0.03991	0.38948	0.918
	Rural areas	Capital city	0.52846	0.36810	0.153
		Urban areas	-0.03991	0.38948	0.918
INNOVATIVENESS	Capital city	Urban areas	-0.25006	0.17624	0.157
		Rural areas	0.21825	0.26387	0.409
	Urban areas	Capital city	0.25006	0.17624	0.157
		Rural areas	0.46831	0.27920	0.095
	Rural areas	Capital city	-0.21825	0.26387	0.409
		Urban areas	-0.46831	0.27920	0.095
ETHNOCENTRISM	Capital city	Urban areas	-0.57133	0.19536	0.004
		Rural areas	0.02322	0.29094	0.936
	Urban areas	Capital city	0.57133	0.19536	0.004
		Rural areas	0.59456	0.30820	0.055
	Rural areas	Capital city	-0.02322	0.29094	0.936
		Urban areas	-0.59456	0.30820	0.055

Table 9. Homogeneous Test Results for Slovenia

Dependent Variable	(I) Living area	(J) Living area	Mean Difference (I-J)	Std. Error	Sig.
QUALITY	Capital city	Urban areas	0.01965	0.13363	0.883
		Rural areas	0.33078	0.12935	0.011
	Urban areas	Capital city	-0.01965	0.13363	0.883
		Rural areas	0.31113	0.14219	0.030
	Rural areas	Capital city	-0.33078	0.12935	0.011
		Urban areas	-0.31113	0.14219	0.030
TIME	Capital city	Urban areas	-0.10480	0.12717	0.411
		Rural areas	0.04203	0.12310	0.733
	Urban areas	Capital city	0.10480	0.12717	0.411
		Rural areas	0.14683	0.13532	0.279
	Rural areas	Capital city	-0.04203	0.12310	0.733
		Urban areas	-0.14683	0.13532	0.279
PRICE	Capital city	Urban areas	0.24744	0.17053	0.148
		Rural areas	0.04234	0.16508	0.798
	Urban areas	Capital city	-0.24744	0.17053	0.148
		Rural areas	-0.20510	0.18146	0.259
	Rural areas	Capital city	-0.04234	0.16508	0.798
		Urban areas	0.20510	0.18146	0.259
INFORMATION	Capital city	Urban areas	0.24073	0.19878	0.227
		Rural areas	0.26655	0.19242	0.167
	Urban areas	Capital city	-0.24073	0.19878	0.227
		Rural areas	0.02581	0.21152	0.903
	Rural areas	Capital city	-0.26655	0.19242	0.167
		Urban areas	-0.02581	0.21152	0.903
BRAND	Capital city	Urban areas	-0.01474	0.18589	0.937
		Rural areas	-0.13310	0.17995	0.460
	Urban areas	Capital city	0.01474	0.18589	0.937
		Rural areas	-0.11836	0.19781	0.550
	Rural areas	Capital city	0.13310	0.17995	0.460
		Urban areas	0.11836	0.19781	0.550
INNOVATION	Capital city	Urban areas	0.06657	0.15576	0.669
		Rural areas	0.08758	0.15078	0.562
	Urban areas	Capital city	-0.06657	0.15576	0.669
		Rural areas	0.02101	0.16575	0.899
	Rural areas	Capital city	-0.08758	0.15078	0.562
		Urban areas	-0.02101	0.16575	0.899
ETHNOCENTRISM	Capital city	Urban areas	-0.24460	0.21299	0.252
		Rural areas	-0.67646	0.20618	0.001
	Urban areas	Capital city	0.24460	0.21299	0.252
		Rural areas	-0.43186	0.22665	0.058
	Rural areas	Capital city	0.67646	0.20618	0.001
		Urban areas	0.43186	0.22665	0.058

Appendix H: Scree Plot of Factor Analysis

Figure 3. Scree Plot: Slovenia

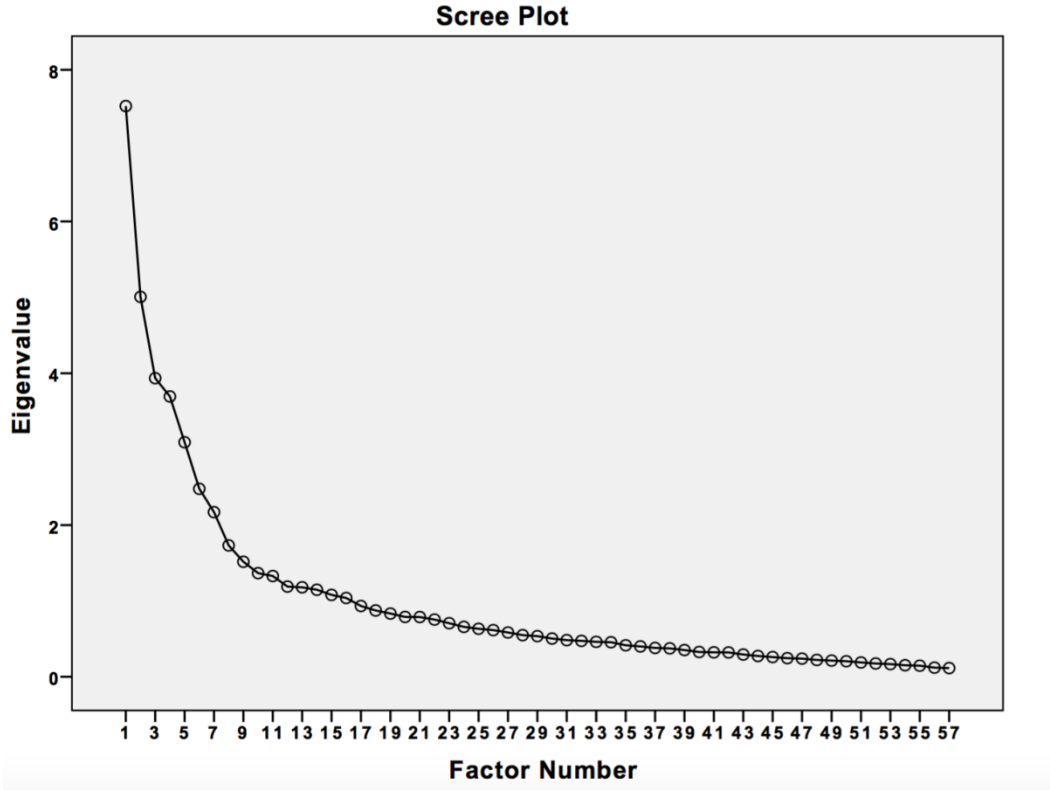
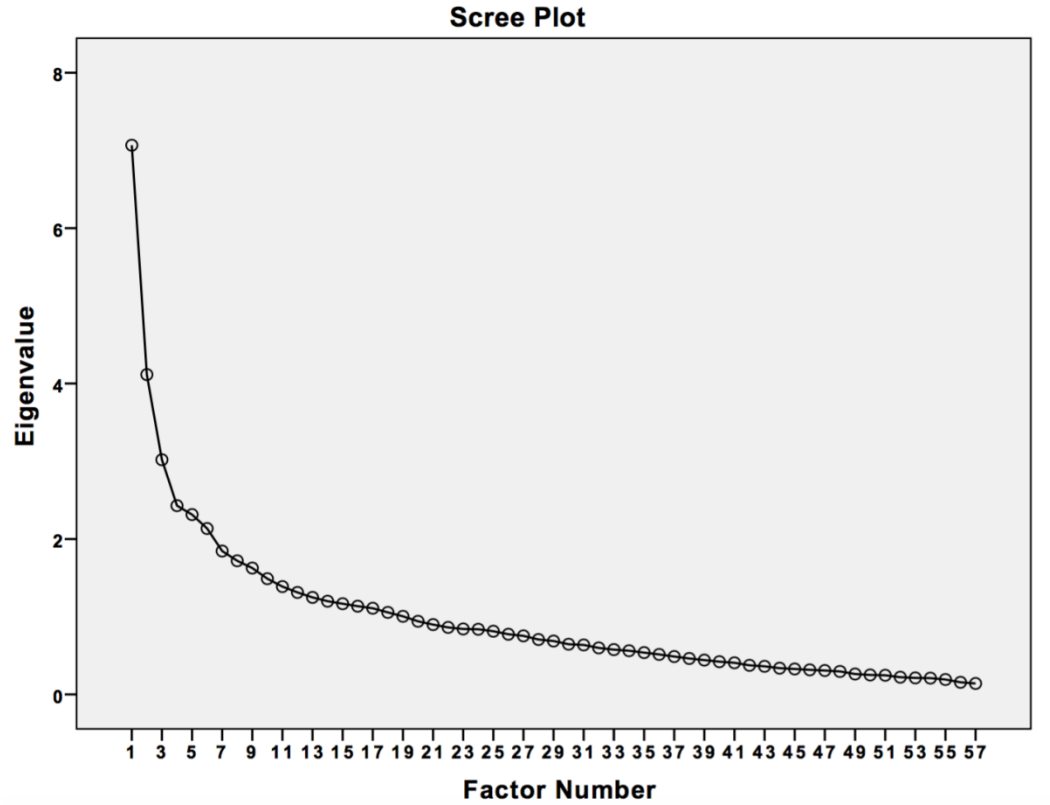
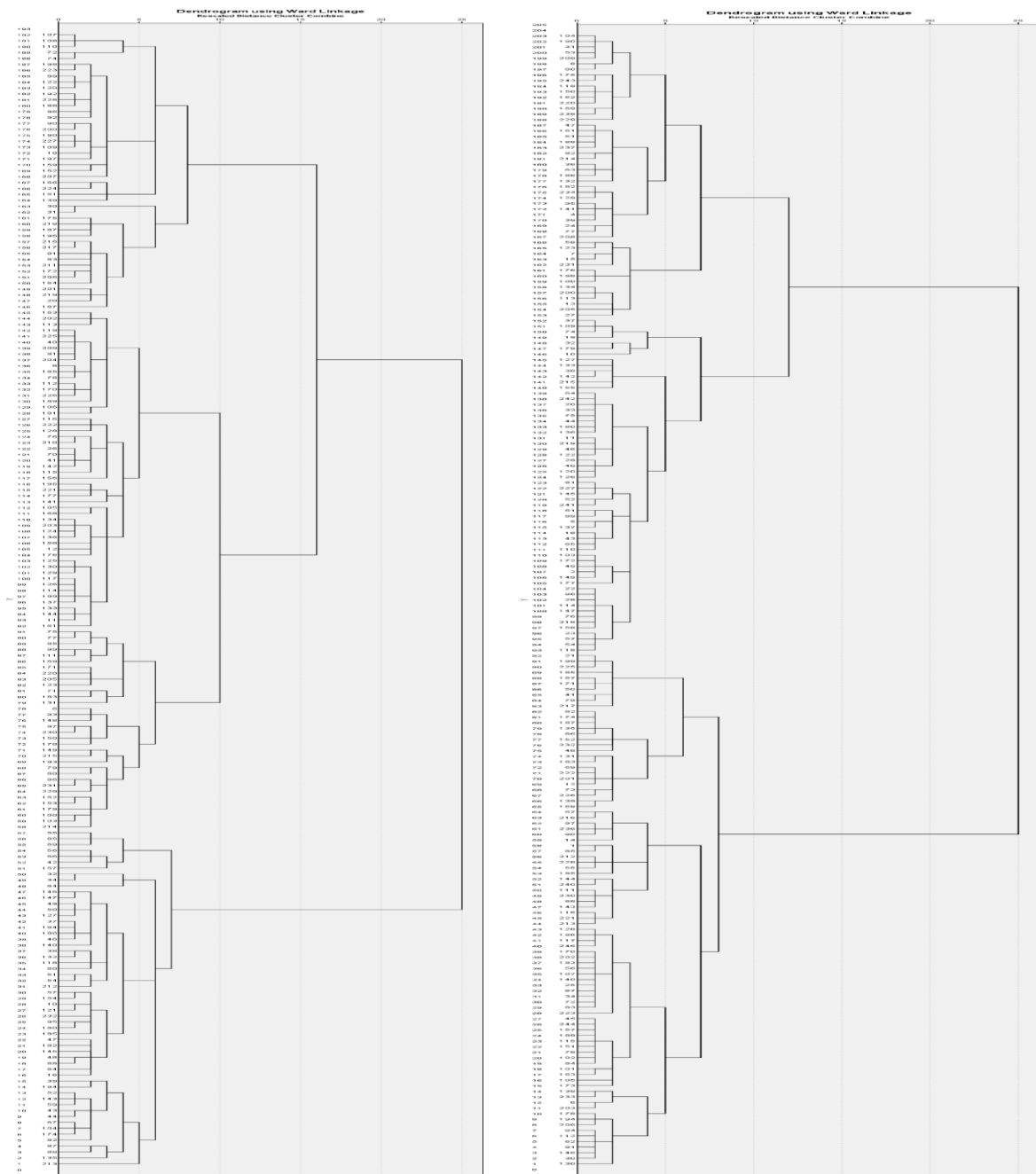


Figure 4. Scree Plot: Kyrgyz Republic



Appendix I: Dendrogram

Figure 5. Dendrogram of Kyrgyz Republic and Slovenia



Appendix J: Cluster Analysis

Table 10. Cluster Analysis: Kyrgyz Republic

	Ward Method			
	1	2	3	Total
Highly advertised brands are usually very good.	4.10	3.14	3.79	3.74
A brand recommended in a consumer magazine is an excellent choice for me.	4.03	2.54	2.96	3.33
The most well-known national brands are the best for me.	4.42	3.84	3.74	4.08
The more recognizable the brand, the better the quality of the product.	4.60	3.39	4.81	4.29
I usually compare advertisements when buying fashionable products.	4.33	2.82	3.66	3.72
Expensive brands are usually the best.	5.23	3.82	4.68	4.68
All brands are the same in overall quality.	2.92	2.40	3.70	2.96
I usually choose the most expensive brands.	3.85	3.33	3.64	3.65
I take the time to shop carefully for best buys.	5.18	3.42	4.94	4.60
I enjoy shopping just for the fun of it.	4.72	3.46	4.49	4.29
I keep my wardrobe up-to-date with the changing fashions.	3.26	3.16	3.43	3.27
Shopping in stores is a waste of my time.	3.52	2.77	2.83	3.13
I cannot choose products by myself (I need help).	3.05	3.23	3.17	3.13
I make my shopping trips fast.	4.52	3.93	3.98	4.21
I am impulsive when making purchases.	3.69	3.54	3.45	3.59
I stay on top of trends and fashion.	4.01	3.75	3.94	3.92
I do most of my shopping on-line since it saves me time and money.	2.97	3.14	2.36	2.97
My standards and expectations for products I buy are very high.	4.65	3.72	4.62	4.36
I make a special effort to choose high quality products.	5.23	3.56	5.21	4.73
I usually buy well-known, national, or designer brands.	3.91	3.05	3.32	3.51
When it comes to purchasing products, I try to get the very best or perfect choice.	6.05	3.81	5.66	5.29
It is fun to buy something new and exciting.	5.95	3.70	6.23	5.35
I should plan my shopping more carefully than I do.	5.24	3.60	4.94	4.68
I buy high quality products, since they last longer.	5.88	4.18	5.94	5.39
I accept that top quality products are much more expensive than regular quality products.	5.70	4.23	6.06	5.35
I carefully watch how much money I spend.	5.80	4.12	5.04	5.11
I consider price first, when making purchases.	5.10	3.88	4.72	4.65
I usually chose lower price products.	3.56	3.40	2.60	3.28
I usually compare at least three brands before choosing.	4.74	4.11	4.11	4.40
The most expensive brands are usually my preferred choice.	3.56	3.89	3.11	3.55

(table continues)

Table 10. Cluster Analysis: Kyrgyz Republic (cont.)

	Ward Method			
	1	2	3	Total
The most expensive brands are usually my preferred choice.	3.56	3.89	3.11	3.55
I always make my purchases by comparing the price to the quality of the product.	6.01	4.00	6.34	5.49
I am prone to buying items on sale or in special deals.	4.33	3.44	2.87	3.71
I take part in loyalty programmes to get discounts and special deals.	3.67	3.14	2.53	3.23
All the information I get on different products confuses me.	4.27	2.42	4.02	3.66
There are too many brands to choose from so I often feel confused.	4.68	2.98	3.53	3.90
Sometimes it's hard to choose at which stores to shop.	4.74	2.81	3.96	3.97
I often make careless purchases that I later regret.	4.28	3.11	4.32	3.94
I like to gather as much information about a new /unfamiliar product before buying it.	4.32	3.23	3.49	3.79
I get most of the information about products online.	4.28	3.56	4.55	4.14
I like to consult with friends and family before purchasing a product.	5.49	3.49	4.53	4.66
If I like a brand. I rarely switch from it just to try something new.	5.11	3.11	4.19	4.29
I would rather stick with a brand I usually buy than try something I am not very sure of.	4.90	3.95	4.79	4.59
I think of myself as a brand-loyal consumer.	4.45	3.51	3.77	4.01
I am very cautious in trying new and different products.	5.43	3.89	4.85	4.83
When I go to a restaurant. I feel it is safer to order dishes I am familiar with.	4.80	3.75	4.28	4.36
I rarely buy brands about which I am uncertain how they will perform.	5.00	3.75	4.85	4.59
When I see a new brand on the shelf. I am not afraid of giving it a try.	4.57	3.72	5.32	4.50
Only those products unavailable in Kyrgyz Republic should be imported.	4.72	3.46	4.19	4.21
Kyrgyz products come for me first. last. and foremost!	4.11	3.72	3.11	3.75
Purchasing foreign-made products is anti-Slonenia.	5.14	3.49	3.60	4.27
It is not right to purchase foreign-made products. because it puts Slovenia people out of jobs.	4.66	3.54	2.55	3.81
A real Kyrgyz person should always buy Kyrgyz products.	4.28	3.33	1.72	3.38
We should purchase products manufactured in Kyrgyz instead of letting other countries get rich from us.	5.15	4.00	1.89	4.01

(table continues)

Table 10. Cluster Analysis: Kyrgyz Republic (cont.)

	Ward Method			
	1	2	3	Total
Kyrgyz people should not buy foreign products. because this hurts Kyrgyz business and causes unemployment.	4.77	3.63	2.34	3.84
It may cost me in the long run. but I prefer to buy Kyrgyz-made products.	4.23	3.77	2.45	3.66
Kyrgyz consumers who purchase products made in other countries are responsible for putting their fellow Kyrgyz people out of work.	4.01	3.82	2.06	3.48
We should buy from foreign countries only those products which we cannot obtain within our own country.	5.23	4.25	4.21	4.69

Table 11. Cluster Analysis: Slovenia

	Ward Method			
	1	2	3	Total
Highly advertised brands are usually very good.	3.96	3.83	3.76	3.87
A brand recommended in a consumer magazine is an excellent choice for me.	3.04	2.97	2.80	2.96
The most well-known national brands are the best for me.	4.34	3.23	3.65	3.84
The more recognizable the brand. the better the quality of the product.	3.54	3.48	2.76	3.45
I usually compare advertisements when buying fashionable products.	3.82	3.48	2.76	3.45
Expensive brands are usually the best.	4.11	4.37	3.73	4.09
All brands are the same in overall quality.	2.63	1.95	2.86	2.49
I usually choose the most expensive brands.	2.42	2.98	1.94	2.47
I take the time to shop carefully for best buys.	4.12	4.55	4.14	4.25
I enjoy shopping just for the fun of it.	3.73	4.50	1.96	3.51
I keep my wardrobe up-to-date with the changing fashions.	3.39	4.43	1.80	3.30
Shopping in stores is a waste of my time.	3.01	2.45	3.88	3.06
I cannot choose products by myself (I need help).	3.74	2.92	2.88	3.28
I make my shopping trips fast.	4.02	3.92	4.92	4.22
I am impulsive when making purchases.	3.77	4.18	3.31	3.78
I stay on top of trends and fashion.	4.27	5.33	2.27	4.08
I do most of my shopping on-line since it saves me time and money.	2.21	2.82	1.92	2.32
My standards and expectations for products I buy are very high.	4.99	5.47	4.84	5.09
I make a special effort to choose high quality products.	4.48	5.07	4.41	4.64
I usually buy well-known. national. or designer brands.	3.32	3.95	2.71	3.35

(table continues)

Table 11. Cluster Analysis: Slovenia (cont.)

	Ward Method			
	1	2	3	Total
When it comes to purchasing products. I try to get the very best or perfect choice.	5.24	5.57	4.92	5.26
It is fun to buy something new and exciting.	5.29	5.92	4.51	5.28
I should plan my shopping more carefully than I do.	4.30	4.43	3.76	4.21
I buy high quality products. since they last longer.	4.09	4.77	4.10	4.29
I accept that top quality products are much more expensive than regular quality products.	4.50	5.25	4.47	4.71
I carefully watch how much money I spend.	5.27	5.02	5.33	5.21
I consider price first. when making purchases.	5.49	4.57	5.14	5.13
I usually chose lower price products.	3.85	3.13	3.49	3.55
I usually compare at least three brands before choosing.	4.22	4.25	3.75	4.11
The most expensive brands are usually my preferred choice.	2.39	2.98	1.96	2.46
I always make my purchases by comparing the price to the quality of the product.	5.55	5.77	5.59	5.63
I am prone to buying items on sale or in special deals.	4.88	4.90	4.65	4.83
I take part in loyalty programmes to get discounts and special deals.	4.12	4.00	3.27	3.87
All the information I get on different products confuses me.	3.07	2.65	2.47	2.79
There are too many brands to choose from so I often feel confused.	3.46	3.17	2.33	3.09
Sometimes it's hard to choose at which stores to shop.	4.03	3.75	3.14	3.72
I often make careless purchases that I later regret.	3.66	3.28	2.57	3.28
I like to gather as much information about a new /unfamiliar product before buying it.	4.86	5.27	4.53	4.90
I get most of the information about products online.	4.95	5.47	4.43	4.97
I like to consult with friends and family before purchasing a product.	4.22	4.60	4.18	4.64
If I like a brand. I rarely switch from it just to try something new.	4.70	4.70	4.90	4.75
I would rather stick with a brand I usually buy than try something I am not very sure of.	4.67	4.38	4.22	4.47
I think of myself as a brand-loyal consumer.	4.43	4.35	4.04	4.31
I am very cautious in trying new and different products.	4.55	4.13	4.00	4.29
When I go to a restaurant, I feel it is safer to order dishes I am familiar with.	5.36	3.60	4.47	4.62
I rarely buy brands about which I am uncertain how they will perform.	4.67	4.05	4.04	4.33

(table continues)

Table 11. Cluster Analysis: Slovenia (cont.)

	Ward Method			
	1	2	3	Total
When I see a new brand on the shelf, I am not afraid of giving it a try.	4.20	5.13	4.55	4.56
Only those products unavailable in Slovenia should be imported.	4.00	2.73	2.29	3.20
Slovenian products come for me first, last, and foremost!	4.67	2.65	2.35	3.49
Purchasing foreign-made products is anti-Slovenia.	3.08	1.57	1.27	2.18
It is not right to purchase foreign-made products, because it puts Slovenian people out of jobs.	3.78	1.68	1.43	2.57
A real Slovenian person should always buy Slovenian products.	3.84	1.70	1.53	2.63
We should purchase products manufactured in Slovenia instead of letting other countries get rich from us.	4.58	2.13	1.94	3.19
Slovenian people should not buy foreign products, because this hurts Slovenian business and causes unemployment.	4.13	1.88	1.63	2.84
It may cost me in the long run, but I prefer to buy Slovenia-made products.	4.26	2.67	2.20	3.27
Slovenian consumers who purchase products made in other countries are responsible for putting their fellow Slovenian people out of work.	3.18	1.78	1.45	2.33
We should buy from foreign countries only those products which we cannot obtain within our own country.	4.50	2.42	1.96	3.25

Appendix K: Demographic Characteristics of Each Cluster in Three Countries

Table 12. Kyrgyz Republic

Gender						
			Ward Method			Total
			1	2	3	
Gender	male	Count	40	22	8	70
		% within Gender	57.1 %	31.4 %	11.4 %	100.0 %
	female	Count	48	35	39	122
		% within Gender	39.3 %	28.7 %	32.0 %	100.0 %
Total		Count	88	57	47	192
		% within Gender	45.8 %	29.7 %	24.5 %	100.0 %
Living area						
			Ward Method			Total
			1	2	3	
Where do you come from	Capital city	Count	43	34	31	108
		% within Where do you come from	39.8 %	31.5 %	28.7 %	100.0 %
	Urban areas	Count	35	17	9	61
		% within Where do you come from	57.4 %	27.9 %	14.8 %	100.0 %
	Rural areas	Count	8	6	7	21
		% within Where do you come from	38.1 %	28.6 %	33.3 %	100.0 %
Total		Count	86	57	47	190
		% within Where do you come from	45.3 %	30.0 %	24.7 %	100.0 %
Level of study						
			Ward Method			Total
			1	2	3	
Level of study	Bachelor	Count	73	53	41	167
		% within Level of study	43.7 %	31.7 %	24.6 %	100.0 %
	Master	Count	13	4	6	23
		% within Level of study	56.5 %	17.4 %	26.1 %	100.0 %
Total		Count	86	57	47	190
		% within Level of study	45.3 %	30.0 %	24.7 %	100.0 %

Table 13. Slovenia

Gender						
			Ward Method			Total
			1	2	3	
Gender	male	Count	17	7	23	47
		% within Gender	36.2 %	14.9 %	48.9 %	100.0 %
	female	Count	74	53	28	155
		% within Gender	47.7 %	34.2 %	18.1 %	100.0 %
Total		Count	91	60	51	202
		% within Gender	45.0 %	29.7 %	25.2 %	100.0 %
Living area						
			Ward Method			Total
			1	2	3	
Where do you come from?	Capital city	Count	31	25	24	80
		% within Where do you come from	38.8 %	31.3 %	30.0 %	100.0 %
	Urban areas	Count	27	21	11	59
		% within Where do you come from	45.8 %	35.6 %	18.6 %	100.0 %
	Rural areas	Count	34	13	16	63
		% within Where do you come from	54.0 %	20.6 %	25.4 %	100.0 %
Total		Count	92	59	51	202
		% within Where do you come from	45.5 %	29.2 %	25.2 %	100.0 %
Level of study						
			Ward Method			Total
			1	2	3	
Level of study	Bachelor	Count	73	48	41	162
		% within Level of study	45.1 %	29.6 %	25.3 %	100.0 %
	Master	Count	19	12	10	41
		% within Level of study	46.3 %	29.3 %	24.4 %	100.0 %
Total		Count	92	60	51	203
		% within Level of study	45.3 %	29.6 %	25.1 %	100.0 %

Appendix L: Independent t-Test of Five Factors of CDMS, Consumer Innovativeness, and Consumer Ethnocentrism (Gender)

Table 14. Means of each factor according to gender

		KYRGYZ REPUBLIC		SLOVENIA	
		Mean	Std. Deviation	Mean	Std. Deviation
QUALITY	male	5.05	1.23	4.13	0.82
	female	5.25	1.12	3.87	0.87
TIME	male	3.60	1.56	3.71	0.83
	female	3.50	1.55	4.04	0.79
PRICE	male	3.96	1.52	4.80	1.13
	female	3.32	1.69	4.83	1.08
INFORMATION	male	n/a	n/a	3.19	1.31
	female	n/a	n/a	3.57	1.24
BRAND	male	n/a	n/a	3.90	1.18
	female	n/a	n/a	3.49	1.17
INNOVATIVENESS	male	4.57	1.04	4.35	1.02
	female	4.60	1.28	4.55	0.98
ETHNOCENTRISM	male	4.21	1.14	2.76	1.46
	female	3.55	1.38	2.89	1.35

Table 15. Independ t-Test of the effect of Gender on Consumer Behaviors

KYRGYZ REPUBLIC	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
QUALITY	0.532	0.467	-1.210	156.039	0.228
TIME	0.019	0.889	0.497	167.329	0.620
PRICE	2.274	0.133	2.886	182.252	0.004
INNOVATIVENESS	4.329	0.039	-0.195	218	0.846
ETHNOCENTRISM	4.859	0.029	3.675	216	0.000
SLOVENIA					
QUALITY	0.160	0.689	1.987	97.093	0.050
TIME	0.632	0.428	-2.674	88.991	0.009
PRICE	0.212	0.645	-0.195	89.366	0.846
INFORMATION	0.147	0.702	-1.933	88.708	0.056
BRAND	0.115	0.735	2.320	92.276	0.023
INNOVATIVENESS	0.010	0.922	-1.293	89.208	0.199
ETHNOCENTRISM	0.122	0.727	-0.615	86.813	0.540

Appendix M: Survey of Decision-making Factors of Young-Adult Consumers

SURVEY OF DECISION-MAKING FACTORS OF YOUNG-ADULT CONSUMERS

Dear respondent,

Thank you for participating in our research on decision-making factors of young-adult consumers aged between 18 and 30 years which is part of my master thesis research where I am comparing young-adult consumers in Eastern Europe and Central Asia. By taking part in this research you are providing valuable information about how similar or different young-adult consumers are in terms of their purchasing decision-making styles and the importance of specific decision-making factors between Eastern Europe and Central Asia. In our research we are focusing only on purchases of so called fast moving consumer goods (FCMG) – these are goods which are sold quickly, for everyday use and do not represent a large expenditure in your income (e.g. soft drinks, toiletries, cosmetics, grocery items etc). This research is coordinated by the University of Ljubljana, Faculty of Economics, Slovenia. Your answers are strictly anonymous and will be used only for academic research purposes. The research takes about 12-15 minutes to complete. If you have any additional questions, do not hesitate to contact us at the following e-mail address: saikal.esenamanova@gmail.com.

When providing answers, please have in mind that all questions pertain specifically to the category of FAST MOVING CONSUMER GOODS.

1) Decision-making factors related to brand consciousness:

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

Highly advertised brands are usually very good.	1-Completely disagree	2	3	4	5	6	7-Completely agree
A brand recommended in a consumer magazine is an excellent choice for me.	1-Completely disagree	2	3	4	5	6	7-Completely agree
The most well-known national brands are the best for me.	1-Completely disagree	2	3	4	5	6	7-Completely agree
The more recognizable the brand, the better the quality of the product.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I usually compare advertisements when buying fashionable products.	1-Completely disagree	2	3	4	5	6	7-Completely agree
Expensive brands are usually the best.	1-Completely disagree	2	3	4	5	6	7-Completely agree
All brands are the same in overall quality.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I usually choose the most expensive brands.	1-Completely disagree	2	3	4	5	6	7-Completely agree

2) Decision-making factors related to time consciousness

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

I take the time to shop carefully for best buys.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I enjoy shopping just for the fun of it.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I keep my wardrobe up-to-date with the changing fashions.	1-Completely disagree	2	3	4	5	6	7-Completely agree
Shopping in stores is a waste of my time.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I cannot choose products by myself (I need help).	1-Completely disagree	2	3	4	5	6	7-Completely agree
I make my shopping trips fast.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I am impulsive when making purchases.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I stay on top of trends and fashion.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I do most of my shopping on-line since it saves me time and money.	1-Completely disagree	2	3	4	5	6	7-Completely agree

3) Decision-making factors related to quality consciousness

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

My standards and expectations for products I buy are very high.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I make a special effort to choose high quality products.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I usually buy well-known, national, or designer brands.	1-Completely disagree	2	3	4	5	6	7-Completely agree
When it comes to purchasing products, I try to get the very best or perfect choice.	1-Completely disagree	2	3	4	5	6	7-Completely agree
It is fun to buy something new and exciting.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I should plan my shopping more carefully than I do.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I buy high quality products, since they last longer.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I accept that top quality products are much more expensive than regular quality products.	1-Completely disagree	2	3	4	5	6	7-Completely agree

4) Decision-making factors related to price consciousness

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

I carefully watch how much money I spend.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I consider price first, when making purchases.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I usually chose lower price products.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I usually compare at least three brands before choosing.	1-Completely disagree	2	3	4	5	6	7-Completely agree
The most expensive brands are usually my preferred choice.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I always make my purchases by comparing the price to the quality of the product.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I am prone to buying items on sale or in special deals.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I take part in loyalty programmes to get discounts and special deals.	1-Completely disagree	2	3	4	5	6	7-Completely agree

5) Decision-making factors related to information utilization

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

All the information I get on different products confuses me.	1-Completely disagree	2	3	4	5	6	7-Completely agree
There are too many brands to choose from so I often feel confused.	1-Completely disagree	2	3	4	5	6	7-Completely agree
Sometimes it's hard to choose at which stores to shop.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I often make careless purchases that I later regret.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I like to gather as much information about a new /unfamiliar product before buying it.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I get most of the information about products online.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I like to consult with friends and family before purchasing a product.	1-Completely disagree	2	3	4	5	6	7-Completely agree

6) Consumer innovativeness

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

If I like a brand, I rarely switch from it just to try something new.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I would rather stick with a brand I usually buy than try something I am not very sure of.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I think of myself as a brand-loyal consumer.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I am very cautious in trying new and different products.	1-Completely disagree	2	3	4	5	6	7-Completely agree
When I go to a restaurant, I feel it is safer to order dishes I am familiar with.	1-Completely disagree	2	3	4	5	6	7-Completely agree
I rarely buy brands about which I am uncertain how they will perform.	1-Completely disagree	2	3	4	5	6	7-Completely agree
When I see a new brand on the shelf, I am not afraid of giving it a try.	1-Completely disagree	2	3	4	5	6	7-Completely agree

7) Consumer ethnocentrism

For each of the provided statements, please evaluate the extent to which you agree with the statement on a 7-point scale; meaning: 1-completely disagree, 4-neither disagree/nor agree, 7-completely agree.

Only those products unavailable in Kyrgyzstan should be imported.	1-Completely disagree	2	3	4	5	6	7-Completely agree
Kyrgyz products come for me first, last, and foremost!	1-Completely disagree	2	3	4	5	6	7-Completely agree
Purchasing foreign-made products is anti-Kyrgyz.	1-Completely disagree	2	3	4	5	6	7-Completely agree
It is not right to purchase foreign-made products, because it puts Kyrgyzstan people out of jobs.	1-Completely disagree	2	3	4	5	6	7-Completely agree
A real Kyrgyz person should always buy Kyrgyz products.	1-Completely disagree	2	3	4	5	6	7-Completely agree
We should purchase products manufactured in Kyrgyzstan instead of letting other countries get rich from us.	1-Completely disagree	2	3	4	5	6	7-Completely agree
Kyrgyz people should not buy foreign products, because this hurts Kyrgyz business and causes unemployment.	1-Completely disagree	2	3	4	5	6	7-Completely agree
It may cost me in the long run, but I prefer to buy Kyrgyz-made products.	1-Completely disagree	2	3	4	5	6	7-Completely agree

Kyrgyz consumers who purchase products made in other countries are responsible for putting their fellow Kyrgyz people out of work.	1-Completely disagree	2	3	4	5	6	7-Completely agree
We should buy from foreign countries only those products which we cannot obtain within our own country.	1-Completely disagree	2	3	4	5	6	7-Completely agree

8) What is your gender: 1-Male 2-Female

9) What is the year of your birth: 19_____

10) Where do you come from: 1-Capital/main city 2-Urban area 3-Rural area

11) Which level of study are you? 1-Undergraduate 2-Graduate

12) What is your study major (you can choose multiple majors)?

- a) Economics
- b) Management (marketing, tourism, accounting & finance, informatics etc.)
- c) Language & literature
- d) Administration
- e) International relations
- f) Other social sciences
- g) Other (please list): _____

13) Which year of study are you (e.g. 2nd etc.)? Year of study: _____

14) Which are the sources of your income?

(The combined share of different sources of your income should always total 100 %. If you only have one source of income, that source should be assigned 100 %.)

Parents/family	_____ %
Spouse/partner	_____ %
Scholarship	_____ %
Occasional student work	_____ %
Regular work	_____ %
Other (please list): _____	_____ %
TOTAL	100%

Thank you for your time and participation in our research!