

CHAPTER I

INTRODUCTION

1.1. Research Background

The surge in global connectivity and technological advancements has transformed the landscape of consumer behavior, particularly in the realm of online shopping (Ngo et al., 2024). As societies become increasingly interconnected, it is essential to comprehend the nuanced ways in which cultural dimensions influence individuals' satisfaction in online purchasing activity (Hofstede, 2023). The proposed research, titled "How the 5 cultural dimensions of Hofstede influence user satisfaction in Madagascar and Indonesia," aims to delve into this intersection between cultural factors and the burgeoning phenomenon of online shopping in two distinct yet culturally rich nations (Madagascar and Indonesia).

Across the Indian Ocean, both Madagascar and Indonesia are witnessing unprecedented shifts in consumer behavior, driven by rapid digitalization and the rise of online shopping. In Indonesia, online shopping has become a dominant retail trend, making the country the largest market in Southeast Asia. According to the U.S. Department of Commerce(*Madagascar - ECommerce*, 2024) , Indonesia's online retail market generated approximately USD 51.9 billion (around IDR 778.8 trillion) in 2022. This figure is projected to grow from USD 52.93 billion in 2023 to USD 86.81 billion by 2028, representing a compound annual growth rate (CAGR) of

10.4%. This surge is fueled by increasing internet penetration, widespread use of mobile devices, and the popularity of platforms such as Shopee, Tokopedia, and TikTok Shop, alongside social commerce channels like Facebook and Instagram. Similarly, Madagascar is also experiencing steady digital progress, as increasing internet access contributes to the growth of online shopping platforms (Annisa Wahdiniawati et al., 2024).

As technology permeates every corner of these two culturally rich nations, the rise of online shopping is transforming traditional market dynamics, influencing how people shop along with what they value in the digital shop (Istiqomah & Setyawan, 2025). Despite the growth of online shopping in these regions, understanding the cultural dimensions that shape online shopping preferences and satisfaction remains largely unexplored, yet it is crucial for businesses seeking to thrive in these emerging markets (Hofstede, 2023).

Power distance is the degree to which less-powerful members of a society accept unequal power distribution. In Madagascar, e-commerce remains nascent and heavily social-commerce-driven: most online transactions occur via Facebook and other social platforms and are dominated by cash-on-delivery, reflecting strong preferences for tangible reassurance and face-to-face trust relationships rather than abstract institutional guarantees (Trade Bank, 2024) . Empirical work on Malagasy SMEs selling through Facebook Shops confirms that seller reputation signals on social platforms, personal relationships, and visible social proof are critical

determinants of consumer trust and sales performance, customers tend to defer to perceived local ‘authority’ figures (known sellers, community endorsers) rather than to formal platform certifiers, a pattern consistent with high power-distance consumer behavior where hierarchical cues and interpersonal endorsement substitute for institutional trust (Harisoa & David, 2024). Structural weaknesses such as low internet penetration and weak formal consumer-protection enforcement amplify this effect: consumers rely on known sellers and informal networks because formal recourse mechanisms are seen as distant or ineffective, reducing satisfaction when transactions do not allow for negotiated, interpersonal remediation (IMF Country Reports, 2025; World Bank, 2024).

By contrast, Indonesia demonstrates how high power distance interacts with active, visible state and regulatory interventions that directly shape platform behavior and consumer perceptions. In late 2023 the Indonesian government banned in-app e-commerce transactions on social media to protect micro, small and medium enterprises and to assert regulatory control over platform markets, a high-level policy decision announced by the Trade Minister after a presidential meeting, which forced major players such as TikTok to halt direct sales on its platform in Indonesia (Reuters, 2023) . That top-down intervention and the subsequent regulatory scrutiny around TikTok’s acquisition of a majority stake in Tokopedia and enforcement actions into reporting and competition compliance (acquisition in Jan 2024 and later antitrust fines and enforcement in 2024–2025) sends a strong signal to Indonesian

consumers that government authorities are principal arbiters of what is allowed and safe in the marketplace (Reuters, 2023) . For Indonesian users social proof (reviews, influencers) remains important because of collectivist tendencies, but the visibility of government action and platform compliance creates an additional layer of ‘authority-based’ reassurance (or concern) that directly affects satisfaction: when consumers perceive that authorities are actively regulating fairness and safety, their confidence in platforms and willingness to transact increases; when policy shifts disrupt commerce (for example, the 2023 ban and later controversies), perceived stability and satisfaction decline because consumers lose predictability and continuity in the shopping environment.

Individualism vs Collectivism reflects how much people in a society expect loyalty to the group (family, community, social network) vs emphasize personal goals, autonomy, and self-identity. In Indonesia, the society remains strongly collectivist (low individualism scores in Hofstede’s data) which surfaces in many contemporary consumer behaviors. A recent study on Generation Z’s engagement in social commerce showed that subjective norms, the perceived expectations from family, friends, and peers determine whether young Indonesians engage with or purchase from TikTok Shops, underscoring the weight of collectivist values in consumer choices (Huwaida et al., 2024).

Similarly, research on Indonesian online shopping styles found that users often depend on group opinions and social proof when evaluating products; rather

than relying solely on personal preferences, Indonesian consumers emphasize peer reviews and recommendations, aligning with collectivist tendencies (Helmi et al., 2023). Another study highlighted how collectivism, combined with environmental concerns, shapes green purchase intentions, as consumers often act in line with group-driven norms about sustainability (Judijanto et al., 2025). Even cultural debates about Gen Z highlight that, while some young Indonesians show more individualistic traits, collectivism remains dominant in shaping group behavior and purchasing conformity (Rahmatia et al., 2024). These findings confirm that in Indonesia, user satisfaction in digital commerce is not merely about individual experience but is strongly mediated by group expectations and the social validation of one's choices.

In Madagascar, collectivist traditions also remain prominent, though fewer recent studies explicitly address their impact on online shopping. Malagasy culture emphasizes kinship, communal solidarity, and respect for taboos (*fady*), which regulate behavior according to collective norms (*Fady (Taboo) - Wikipedia*). Community endorsement and social reputation often act as strong motivators of consumer trust, where decisions are influenced not only by individual assessment but also by how purchases align with group expectations. However, the lack of empirical studies in the past three years on how collectivism influences user satisfaction in Malagasy online shopping represents a research gap. This is urgent given Madagascar's increasing adoption of social commerce, where most transactions happen through Facebook or WhatsApp, and trust is largely built on

recommendations within community networks rather than formal systems (Trade Bank, 2024). Without understanding these collectivist mechanisms, platforms risk overlooking how Malagasy consumers evaluate satisfaction, which is less about personal benefit alone and more about reinforcing communal trust and avoiding reputational risk within the group.

Masculinity vs Femininity in Hofstede's terms refers to the degree to which a society emphasizes typically "masculine" values (such as competitiveness, achievement, assertiveness, status) versus "feminine" values (such as care, cooperation, quality of life, caring for others). In Indonesia, the masculinity-oriented norms remain strong in many sectors, though lately there are visible tensions and shifts.

For instance, in early 2024, the Indonesian Broadcasting Commission (KPI) issued a warning to fashion designer Ivan Gunawan for what was deemed a violation of norms when he appeared with a perceived "feminine appearance" (groomed, dressed in ways interpreted as non-normative for male television figures) on Trans TV's show *Brownis*, the KPI claimed this violated the 2012 Broadcasting Code related to decency and "Eastern" cultural norms (Abdullah Faqih, 2024). This reflects how public appearance and gender expression remain tightly regulated under masculine expectations, with limited tolerance for ambiguity. In consumer markets more broadly, a 2024 study of Generation Z loyalty to local cosmetic brands found that self-esteem, normative influence, and social media brand engagement mediated

by gender roles matter: young women's loyalty tends to be influenced more by emotional, relational cues (a more "feminine" orientation), whereas men's loyalty is more influenced by achievement- or status-oriented cues (a more "masculine" orientation) in brand choice (Suwandi & Balqiah, 2023).

Another study on Indonesian Muslim fashion products shows that brand personality and fashion consciousness affect satisfaction for female consumers (Indonesian Muslim women), indicating that "feminine" values aesthetics, care, style, play a substantial role in how satisfaction is formed (Zukhrufani & Ratnasari, 2022). These norms have urgent implications: platforms or brands that ignore how masculinity vs femininity shapes expectations may misalign with users' emotional needs. For example, male skincare products in Indonesia (a sector traditionally more feminine) show that although men are adopting more grooming practices, they still expect conformity to a masculine image; products that appear too "feminine" may reduce satisfaction for male users even if functionality is good (Liu, 2023). Meanwhile, violation or bending of masculine norms in public figures or media (as in the Ivan Gunawan case) can trigger backlash, affecting consumer trust in brands associated with controversy or "non-normative" gender expression.

In Madagascar, while explicit recent consumer-behaviour research tied to masculinity vs femininity is more limited, there is strong evidence of feminine-oriented constraints and social expectations that shape user satisfaction indirectly via gender inequality, role expectations, and norms about what men/women should do. A

2024 World Bank gender assessment showed that Malagasy women and girls face substantial barriers in education, health, and economic opportunities; there is a large gender wage gap (men earning 37% more than women), lower labor market participation for women, higher rates of domestic and care responsibilities, and strong social norms prescribing caregiving roles for women (World Bank, 2024). These constraints imply that female users may have less leisure, less time, or lower access to services, which can reduce satisfaction if services are not designed with such role differences in mind. For instance, in sectors like tourism or handicrafts, women are increasingly active in Madagascar (in crafts, reception, catering), yet they often juggle work with household duties; thus platforms or businesses that demand high time investment (delivery, continuous service, digital responsiveness) may under-deliver on satisfaction for women (*Progress for Women in Tourism in Madagascar | Tourism Watch - Information Service Tourism and Development*, 2022). Also, norms that expect women to stay in domestic or caregiving roles often mean that women have lower bargaining power in consumer contexts, less influence over household purchases, and possibly less voice in feedback/complaint mechanisms, all of which can reduce feelings of satisfaction if they perceive services do not respect or accommodate their responsibilities (States Agency International Development, 2020).

Uncertainty Avoidance refers to how comfortable a society is with ambiguity, unpredictability, or risk. In Indonesia, there are several recent cases showing how uncertainty, legal, regulatory or service-side, influences consumer behaviour and

satisfaction. For example, a 2024-2025 press release from the Indonesia Financial Services Authority (OJK) reports that despite increasing global economic volatility and policy uncertainty, the financial services sector has remained resilient, yet the release emphasizes that uncertainty risks (policy, regulatory, global economic) are large enough to merit careful monitoring. For many consumers, these uncertainties translate into concerns over financial products, transparency of contract terms, or risk of regulatory changes affecting services (Indonesia Financial Services Authority, 2025). Additionally, a study on Customer Indecisiveness in E-Commerce in Indonesia (Stefanus Kembau et al., 2025) found that Perceived Uncertainty (about product quality, payments, delivery etc.) is one of the strongest predictors of indecisiveness among marketplace users; this indecisiveness reduces satisfaction when expectations are not met or when risk is not mitigated. (A. S. Sampoerna, 2025) Another study, Sustainable Digital Transformation in Indonesia, found that Uncertainty Avoidance moderates how digital trust is translated into intention to adopt new Industry 4.0 technologies; in high uncertainty avoidance environments, users more heavily require assurances (quality, guarantee, stable regulation) before satisfaction or adoption can occur (Sartono et al., 2024)

Thus, in Indonesia, the urgency is that as the digital services / e-commerce environment expands, regulatory and service uncertainties increasingly impact user satisfaction and adoption of services; companies that fail to provide clarity (in contract terms, return policy, risk, delivery timing etc.) face higher resistance, more

indecision, and lower satisfaction. In addition, when policy changes happen (regulation, tax, platform rules), if they are sudden or ambiguous, consumer trust and satisfaction drop.

In Madagascar, uncertainty avoidance is also a pressing concern, perhaps more severely so because of weaker regulation, inconsistent enforcement, and infrastructural challenges. According to Madagascar's Market Challenges documentation (International Trade Administration, 2025), significant issues include "uneven enforcement of existing laws, lack of transparency in regulatory decision-making, and legal backlogs" which produce uncertainty for businesses and, by extension, for consumers about their rights, guarantees, recourse in case of dispute, or product quality. Also, in their eCommerce Readiness Assessment, Madagascar has adopted laws concerning electronic transactions, cybercrime, privacy and data protection but lacks mechanisms or regulatory bodies to enforce them reliably; consumers often do not trust online payment because of this uncertainty (UNCTAD, 2023). The 2023 reforms to speed up import/export procedures also highlight that administrative and customs delays, confusing procedures, and unpredictable practices at the border generate uncertainty both for sellers (especially small exporters) and for customers regarding delivery times or cost; these uncertainties reduce satisfaction especially when expectations (delivery times, cost, customs fees) diverge from reality. Because in Madagascar many consumers make transactions via social media or cash-on-delivery, and formal dispute resolution or regulatory protection is

perceived as weak, unpredictability in product quality, delivery, payment security, or legal recourse becomes a major source of dissatisfaction. Given that poverty is high and consumers are cost-sensitive, exposing them to risk (fraud, defective goods, misinformation) without mitigations leads to lower user satisfaction and can reduce trust in platforms broadly.

Long-Term Orientation (LTO) in Hofstede's framework refers to the extent a culture values persistence, thrift, planning for the future, and adapting traditions when needed for long-term gain rather than emphasizing quick results, social obligations of the past or present, or immediate rewards. In Indonesia, there is recent evidence that Long-Term Orientation plays a measurable role in consumer decision-making and satisfaction. For example, a 2024 thesis on Pengaruh Long Term Orientation, Perceived Consumer Effectiveness, Environmental Knowledge terhadap Green Purchase Intention in Yogyakarta found that Long-Term Orientation had a positive and significant effect on green purchase intention (Rosiana, 2024) . This suggests that Indonesian consumers who think in long-term horizon care more about sustainability and future impact when choosing products. In the food sector, a study of Consumer Buying Intention: Food Choice Preferences Based on Cultural Orientation (A. S. Sampoerna, 2025) found that among several Hofstede dimensions, Long-Term Orientation stands out: consumers consider long-term benefits when deciding what foods to purchase, meaning attributes like health effect, durability, cost over time, or brand trust matter more than just immediate price or novelty. Also, Indonesian

consumer behavior as surveyed by NielsenIQ in mid-2024 shows that many consumers are more cautious about spending, preferring premium, long-lasting goods in technology categories (phones, laptops etc.), willing to pay more for quality/durability, because of economic uncertainty and longer-term concerns (NielsenIQ, 2024) .

For satisfaction, this means that showing long-term value (good after-sales, warranty, reputation over time) contributes to higher satisfaction; services/products that fail to deliver over time likely result in dissatisfaction among long-term oriented consumers. In Madagascar, evidence directly linking Long-Term Orientation to consumer behavior or user satisfaction in digital, e-commerce or service environments over the last 3 years is quite limited. However, one relevant piece is Effects of Risk and Time Preferences on Diet Quality: Empirical Evidence from Rural Madagascar (Shiratori et al., 2024), which examines how time preferences (closely related to long-term orientation) affect dietary diversity. The study finds that individuals who are more impatient (with preference for immediate gratification) or more risk averse tend to exhibit poorer dietary diversity, meaning they do not invest in diversified or more nutritious diets now for future health benefits (Shiratori et al., 2024). This indicates that in Madagascar, lower long-term orientation (or present bias) is a limitation to long-term benefit behavior. Also, in rural Madagascar, uncertainty and immediate survival needs often dominate consumer choices (food, health) rather than planning or investing for the future, particularly among low-

income households.

These constraints reduce user satisfaction when services/products or platforms promise future benefits but cannot ensure consistency or reliable delivery over time (due to infrastructure, cost, or trust challenges). Because products/services that require ongoing commitment (subscriptions, warranties, maintenance) or those promoting sustainability will face skepticism in Madagascar unless they can demonstrate reliability, stable follow-through, and tangible immediate benefit too. Similarly, loyalty programs or features that promise long-term rewards may not generate much satisfaction unless early benefits are visible and trust is high.

The significance of this study lies in its contribution to understanding how cultural dimensions shape user satisfaction in online shopping, rather than focusing solely on adoption or usage. While global research on digital commerce is abundant, empirical studies comparing culturally distinct markets, such as Madagascar and Indonesia remain scarce. Applying Hofstede's five cultural dimensions as the analytical framework and employing ANOVA and t-tests for comparative analysis, this research provides actionable insights into how cultural traits such as collectivism, uncertainty avoidance, and power distance influence satisfaction levels across different consumer contexts. The findings are expected to inform platform design, payment strategies, and customer experience optimization for businesses operating in diverse cultural environments.

1.2. Research questions

The following are some of the research questions that will guide our investigation:

1. Does Power Distance affect user satisfaction in online shopping in Madagascar and Indonesia?
2. Does Individualism vs. Collectivism affect user satisfaction in online shopping in Madagascar and Indonesia?
3. Does Masculinity vs. Femininity affect user satisfaction in online shopping in Madagascar and Indonesia?
4. Does Uncertainty Avoidance affect user satisfaction in online shopping in Madagascar and Indonesia?
5. Does Long-Term Orientation affect user satisfaction in online shopping in Madagascar and Indonesia?
6. Is there a difference in user satisfaction between Madagascar and Indonesia across cultural dimensions?

1.3. Research objectives

Based on the stated problem formulations, here are the research objectives:

1. To examine the effect of Power Distance on user satisfaction in online shopping in Madagascar and Indonesia.

2. To analyze the influence of Individualism vs. Collectivism on user satisfaction in online shopping in Madagascar and Indonesia.
3. To determine the impact of Masculinity vs. Femininity on user satisfaction in online shopping in Madagascar and Indonesia.
4. To assess the effect of Uncertainty Avoidance on user satisfaction in online shopping in Madagascar and Indonesia.
5. To evaluate the influence of Long-Term Orientation on user satisfaction in online shopping in Madagascar and Indonesia.
6. To compare the level of user satisfaction between Madagascar and Indonesia across cultural dimensions.

1.4. Research benefits

1.4.1 Theoretical Benefits

The theoretical benefits of this research include:

1. Contribution to Cross-Cultural Consumer Behavior Theory: This study enriches the application of Hofstede's cultural dimensions theory in demonstrating how cultural values influence user satisfaction in online shopping in two culturally distinct developing countries, Madagascar and Indonesia.
2. Expansion of Literature on Online Shopping Satisfaction: Existing research

on online shopping satisfaction often focuses on developed economies. This study fills a gap in providing empirical evidence from emerging markets, offering new perspectives for comparative cultural studies.

3. Framework Validation: With the test of the relationship between five cultural dimensions and user satisfaction using ANOVA and T-Test, this research validates the robustness of Hofstede's framework in the context of digital commerce adoption.

1.4.2 Practical Benefits

The practical benefits of this research include:

1. For E-Commerce Platforms and Online Marketplaces: Insights from this study help businesses tailor their platform design, communication strategies, and trust mechanisms to fit cultural expectations, improving user satisfaction and retention.
2. For SMEs and Social Commerce Sellers: Understanding cultural factors (for example, trust-building, negotiation norms) enables small businesses and individual sellers to optimize customer interaction practices, especially in chat-based platforms like Facebook, TikTok, and WhatsApp.
3. For Policymakers and Regulators: Findings provide input for digital inclusion policies, emphasizing the need to align infrastructure development and consumer protection frameworks with cultural behaviors that influence trust and satisfaction.

4. For Payment and Logistics Providers: The study highlights cultural attitudes toward uncertainty and trust, guiding providers in promoting secure, transparent, and culturally appropriate payment and delivery solutions.