



## Impact of Purchase Decision of Customers & Buying Behaviour in the International Context- A Literature Review

### KEYWORDS

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**ABSTRACT** *Consumer buying behavior determines how our consumers decide to buy our product and what are the various factors responsible for this decision? The central focus of marketing is the consumer. To devise good marketing plans, it is necessary to examine consumer behavioral attributes and needs, lifestyles, and purchase processes and then make proper marketing-mix decisions. The study of Consumer behavior includes the study of what they buy, why they buy, how they buy, when they buy, from where they buy, and how often they buy. An open-minded consumer-oriented approach is imperative in today's diverse global marketplace so a firm can identify and serve its target market, minimize dissatisfaction, and stay ahead of competitors. Final consumers purchase for personal, family, or household use. This study investigates how cultural factors affect consumer behaviours in International Scenario with the participation of people in the international provinces through interviews. Why do we need to learn about consumer buying behavior? The simple answer is that no longer can we take the customers for granted.*

### Introduction:

**Consumer buying behaviour** is influenced by individual's own personality traits. These personality traits do not remain the same but change with the life cycle. The choice of occupation and corresponding income level also play part in determining consumer behaviour. A doctor and software engineer both would have different buying pattern in apparel, food automobile etc. Consumers from similar background, occupation and income levels may show a different lifestyle pattern.

An individual buying behaviour is influenced by motivation, perception, learning, beliefs and attitude. These factors affect consumer at a psychological level and determine her overall buying behaviour. Maslow's hierarchy, Herzberg Theory and Freud Theory try and explain people different motivational level in undertaking a buying decision. Perception is what consumer understands about a product through their senses. Marketers have to pay attention to consumer's perception about a brand rather than true offering of the product. Learning comes from experience; consumer may respond to stimuli and purchase a product. A favorable purchase will generate positive experience resulting in pleasant learning. Belief is the pre-conceived notion a consumer has towards a brand. It is kind of influence a brand exerts on consumer. For example, there is a strong belief product coming through German engineering are quality products. Companies may take advantage of this belief and route their production through Germany.

Companies need to think beyond buying behaviour and analyze the actual buying process. Complex buying behaviour requires high involvement of buyers, as it is infrequent in nature, expensive, and they are significant differences among the available choice e.g. automobile. Grocery buying is referred to as habitual buying, which requires less involvement as few differences among brands, frequent and inexpensive. Buying process involves purchase need, decision makers, information search, alternatives evaluation, purchase decision and post purchase behaviour. Companies try hard to understand consumer experience and expectation at every stage of buying process. Marketers need to figure the right combinations which will initiate purchase need e.g. marketing programs. Companies

should ensure consumer have readily available information to take the decision e.g. internet, friends. Consumers evaluate alternatives based on their brand perception and belief. Companies need to work hard to develop products, which match this perception and belief every time. Final purchase decision is taken looking other's perception of the brand. Post purchase if expectations meet actual performance consumer is satisfied and more likely to repurchase or recommend the brand to others.

Consumer markets are defined by various geographical, social and cultural factors. Furthermore, consumer behaviour is influenced by psychological, personality, reference groups and demographic reasons. Finally actual buying process involves complex process and cycle. Companies have to keep a tab on all three factors in formulating strategy.

Culture is an aggregate of the learned beliefs, attitudes, values, norms and customs of a society or group of people, shared by them and transmitted from generation to generation within that society.

### Cultural Variance

Culture too changes with time. The society that developed the culture is continuously being exposed to new experiences. Further, the society or group is not a fixed body of people. New generations are being brought into it and some new members from other cultures are being assimilated. With the increased mobility of persons, flow of information and young persons joining the group; cultures expand, dilute, subdivide and change.

The changes in culture are however not rapid and never drastic. The changes reflect the move from old ideas to the new and also acceptance of ground realities brought in by environmental or generational changes. Therefore changes can only be gradual.

The word culture or the concept itself is flexible and can be stretched to cover different types of aggregation. When we speak of eastern culture it includes vast world stretching from Egypt and Russia to India & Indonesia. It is perfectly legitimate for us to take up subcultures of this

Eastern culture like the Russian or Indian culture. A combination group or cross culture group like "Indian immigrants" can also be recognized and studied, as long as the group is of adequate size and importance as body of consumers.

#### **Cultural Attitude & International Business;**

The eating habits vary widely. Chinese eat Fish stomachs, Birds nest soup. Japanese eat uncooked sea food. Iraqis eat dried, salted locusts & snakes while drinking. The French eat snails, Americans & Europeans eat mostly non-vegetarian food.

However the foreign culture regarding food has been adopted. Masala dosa & Hyderabadi biriyani have become popular in Europe & USA, where as Pizzas have become popular in India.

The International business man should eliminate the social, religion & cultural effect in order to understand the foreign cultures as they have to carry on business under the existing culture.

#### **Influence of culture on Consumer behaviour:**

While there are a large number of areas where the individual is conditioned by his culture, for our study we will focus on certain areas where this consumer behaviour comes influence. There are:

- Consumption of food, clothing and housing
- Perception on messages & media
- Receptivity to new ideas & change

#### **Food:**

Food perhaps is the area where preferences are any way very individual and very marked. Additionally, culture introduces certain preferences. The examples of preference induced by cultures are:

- Kosher foods- for persons of Jewish subculture
- Vegetarian Food-Large subcultures in India
- Sea Foods- For subcultures in the far East

#### **Clothing:**

By sheer logic, clothing preference should depend on climate & weather. However, one can observe many peculiar preference exhibited by consumers who can be identified as belonging to a subculture. The preferences in these cases appear to be culturally inherited. Otherwise there is no explanation why Italian gentry in Toronto or Indian ladies in San Francisco are shopping for silks and why custom dictated elaborate dresses unsuitable for the local and prevailing climate are purchased all the year round, by ethnic groups.

#### **Housing:**

People of a certain class brought up in the Western culture may view the house as a caste to protect their privacy whereas persons in the same class brought up in the eastern culture want to treat the house as a showpiece as well as a place for interacting with kith& kin. Such cultural influence affect the choice of location, material, construction & decor of the houses the consumer buys and this has to be kept in mind by the marketers.

Marketers also hold a varying conception of culture. A traditional marketing view in this perspective, culture is viewed as a relatively unchanging background for behaviour, consisting primarily of values & norms. Values are

enduring beliefs about desirable outcomes that transcend specific situations and shapes ones behaviour. If asked, people can state important values: honesty, dependability, and so forth, for example. Cultures vary in the strength of members beliefs in a limited number of universal values. Norms are informal, usually unspoken rules that govern behaviour.

#### **Culture of Friendship:**

Americans use the first name, but French people & most Northern European feel it offensive. In Germany only relatives close friends call by the first name. In Australia, the waiting time could be five minutes, In Germany & France one year, In Switzerland three years and in Japan a Decade.

#### **Culture & Negotiation:**

Americans are straight forward. Chinese negotiation are generally tough minded & well prepared & use various tactics to secure the best deal.

#### **The baby boomer market:**

Marketers have found baby boomers a particularly desirable target audience because

1. They are single largest distinctive age category alive today.
2. They frequently make important consumers purchase decision
3. They contain a small segment of trend setting consumers who have influence on the consumer taste of other age segment of society.

As baby boomers age, the nature of products & services they must need or desire changes.

For ex; because of the ageing of this market segment, Levi Strauss is featuring "relaxed fit" jeans, sales of "lineless" bifocal glasses to new consumers are up substantially, and sales of walking shoes have grown rapidly.

#### **Mature & Elderly consumer:**

Baby boomers are starting to hit 50, there are plenty of pre-boomers (i.e those 45 & 65 years), and the number of elderly consumers is growing twice as fast as the overall united states population.

#### **Time & Culture:**

Asians do not need appointment to meet someone. But American, European & African need prior appointment to meet someone.

#### **Consumer Products & Gender Roles:**

Within every society, it is quite common to find products that are either exclusively or strongly associated with the members of one gender. In the U.S, for ex; shaving equipment, cigars, pants ties and work clothing were historically male products: bracelets, hair spray etc were considered feminine products.

#### **Space & Culture:**

Space between one person & other person plays a significant role in Communication. Ex: Latin Americans are comfortable with a few inch of distance. Asians need substantial conversational distance & no physical contact.

#### **Culture & Agreement:**

American cultures are characterised by straight forward approach, while the Asian culture do not teach workers to argue point-blank with immediate superiors.

**Applying Research Techniques:**

Although the same research techniques used to study domestic consumers are useful in studying consumers in foreign lands, in cross cultural analysis an additional burden exists, because language & word usage often differ from nation to nation. Another issue in International marketing research concerns scales of measurement.

**Distinctive characteristics of Cross-Cultural analysis:**

It is difficult for a company planning to do business in foreign country to undertake cross-cultural consumer research. In Saudi Arabia it is illegal to stop people on the streets; and focus groups are impractical, because most gatherings of four or more people are outlawed.

**Business & Culture:**

Many multinational business man agree that cultural differences are the most significant & troublesome variables encountered by multinational company.

**Buyer behaviour - Types of Cultural / Social influences**

Cultural factors have a significant impact on customer behaviour.

Culture is the most basic cause of a person's wants and behaviour. Growing up, children learn basic values, perception and wants from the family and other important groups.

Marketing are always trying to spot "cultural shifts" which might point to new products that might be wanted by customers or to increased demand. For example, the cultural shift towards greater concern about health and fitness has created opportunities (and now industries) servicing customers who wish to buy:

- Lowcaloriefoods
- Healthclubmemberships
- Exerciseequipment
- Activity or health-related holidays etc.

Similarly the increased desire for "leisure time" has resulted in increased demand for convenience products and services such as microwave ovens, ready meals and direct marketing service businesses such as telephone banking and insurance.

Each culture contains "sub-cultures" – groups of people with share values. Sub-cultures can include nationalities, religions, racial groups, or groups of people sharing the same geographical location. Sometimes a sub-culture will create a substantial and distinctive market segment of its own.

For example, the "youth culture" or "club culture" has quite distinct values and buying characteristics from the much older "gray generation.

**Impulse Buying Behaviour**

Impulse buying generates over \$4 billion in annual sales volume in the United States. With the growth of e-commerce and television shopping channels, consumers have easy access to impulse purchasing opportunities, but little is known about this sudden, compelling, hedonically complex purchasing behavior in non-Western cultures. Yet cultural factors moderate many aspects of consumer's impulsive buying behavior, including self-identity, normative influences, the suppression of emotion, and the postponement of instant gratification. From a multi-country survey

of consumers in Australia, United States, Hong Kong, Singapore, and Malaysia, our analyses show that both regional level factors (individualism–collectivism) and individual cultural difference factors (independent –interdependent self-concept) systematically influence impulsive purchasing behavior.

In addition to mood and emotion, culture contributes to impulse buying behavior.

- Most of the research on impulse buying behavior has been carried out in Western cultures – primarily the United States. Results of these studies should not be extended to non-Western cultures without careful consideration.
- In general, Asian consumers made fewer impulse purchases than Caucasian consumers, even though shopping is culturally important in East Asia. This difference is attributed to the strength of collectivist cultural norms in Asian countries. Although the impulse to make a purchase is the same between people from both cultures, Asian consumers suppress this desire and act according to their cultural norms.
- Caucasians were more likely to make impulsive purchases if they saw themselves as highly independent people; Asian consumers did not display this trend.

Culture alone cannot define consumer behaviour; social forces also play an important role. Social forces consist of family, friends, peer groups, status and role in society. Groups which have direct or indirect influence on consumer are referred to as reference groups. Primary groups consist of friends, family and peers with whom consumer has direct contact for considerable time. Secondary groups are association where interaction is at formal level and time devoted is less.

**Analyzing Consumers Buying Behaviour:**

The core function of the marketing department is to understand and satisfy consumer need, wants and desire. Consumer behaviour captures all the aspect of purchase, utility and disposal of products and services. In groups and organization are considered within the framework of consumer. Failing to understand consumer behaviour is the recipe for disaster as some companies have found it the hard way. For example, Wal-Mart launched operations in Latin-America with store design replicating that of US markets. However, Latin America consumer differs to US consumer in every aspect. Wal-Mart suffered consequences and failed to create impact.

Social, cultural, individual and emotional forces play a big part in defining consumer buying behaviour. Cultural, sub-culture and social class play an important in finalizing consumer behaviour. For example, consumer growing up in US is exposed to individualism, freedom, achievement, choice, etc. On sub-culture level influence of religion, race, geographic location and ethnicity define consumer behaviour. Social class consists of consumer with the same level of income, education, taste, feeling of superiority and inferiority. Over time consumer can move from one social level to another.

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**Conclusion:**

Culture is a shared template for behaviour and interpretation. Although people hardly notice their own culture, culture supplies important boundaries on behaviour. Culture is adaptive, dynamic & patterned. Although there is substantial intra cultural variability, it is possible to identify core values that seem to define a culture. Many different approaches to measuring cultural values have been developed.

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