CULTURAL INFLUENCE ON CONSUMER DECISION MAKING-AN OVERVIEW

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ABSTRACT:

The paper is focused on consumer decision making and its cultural influence as an overview. The purpose of the paper is to explore how culture influence the decision making of an individual or a family on a product or service. The result reflects the interdependence of consumer's individual views and beliefs with group. People attend to and frame their understanding of situation around previously experienced scenarios and these understanding are shaped by culture. Depending upon the frequency of certain kinds of experiences and how recently the experience occurred, individuals will be access and retrieve relevant information to make sense of event. Most events are coated in cultural signals and different symbols, structures, interactions.in this way, cultural norms shape how individuals construct and impose meaning on a situation. Cultural Logic is the understanding of a culture's fundamental beliefs and the ways that those beliefs interact with each other, with new information, and with the perceived desirability of alternative actions. This understanding is key to any activity in which people from diverse cultures interact. It is especially important whenever people from different cultures wish to impact each other's behavior through persuasive communications. Consumers perceived characteristics of new product and their innovativeness are key personal level factors in impacting their new product purchase decision. Reflecting collectivist tendencies, interpersonal communication sources and subjective norms at an individual and group level are important mediators of consumer new product purchase.

MEANING OF CONSUMER DECISION MAKING: -

Consumer decision making means it is a process which involves the consumers to identify their needs, gather information, evaluate alternatives and then make their buying decision. The consumer behavior may be determined by economic and psychological factors and are influenced by environmental factors like social and cultural values.

Decision making is a continuous and dynamic activity for every business. It must be ensured that people of sound mind and creative thinking should be involved in the decision-making process. Decision-making process involves a series of steps to be followed properly to take better action.

DEFINITION OF CONSUMER DECISION MAKING: -

According to John Dewey, Consumer decision making is defined as, "the process by which consumers identify their needs, collect information, evaluate choices, and, finally, make a purchase decision. This action is determined by phycological and economic factors and can be influenced by environmental factors such as culture, group and social values".

FACTORS DETERMINING CONSUMER DECISION MAKING: -

- Psychological (motivation, perception, learning, beliefs and attitudes)
- Personal (age and life-cycle stage, occupation, economic circumstances, lifestyle, personality and self-concept)
- Social (reference groups, family, roles and status)
- Cultural (culture, subculture, social class system).

MEANING OF CULTURAL FACTOR: -

Cultural factor means encompassing the set of beliefs, moral values, traditions, language, and laws (or rules of behavior) held in common by a nation, a community, or other defined group of people **For e.g.: -** In India, people still value joint family system and family ties. Children in India are conditioned to stay with their parents till they get married as compared to foreign countries where children are more independent and leave their parents once they start earning a living for themselves.

Cultural factors have a significant effect on an individual's buying decision. Every individual has different sets of habits, beliefs and principles which he/she develops from his family status and background. What they see from their childhood becomes their culture.

DEFINITION OF CULTURAL FACTOR: -

According to A.L. Korelaber and T. Parsons has defined Cultural factor as, "the factors that an individual learns at a very early stage of life due to socialization within the family and other key institutions, such as the set of values, preferences, behavior patterns, and perceptions are learned as the individual grows".

REVIEW OF LITERATURE: -

The Influence of Culture on Judgment and Decision Making

According to Hosfede (1980), culture is the collective programming of the mind, which distinguishes the members of one human group from another. Culture is also defined as, shared motives, values, beliefs, identities, and interpretations of significant events that result from common experiences among members of a collective that are transmitted across generations. Culture significantly influences an individual's beliefs about what is appropriate and inappropriate in terms of ethical behaviour. According to Chen and Li (2005). These are situations where people's individual interests are in conflict with those of their group. Even less is known about decision-making involving members of different cultures (Chen and Li, 2005; Mustamil and Quaddus, 2009). However, Gupta (2012) supports both the universality of culture dimensions as well as the culture specific aspects, for example, those found in personality research. For example, the expression of emotion is a cultural universal and base emotions are expressed universally (Gupta, 2012). However, cultural norms are said to suppressor amplify the base emotions according to the expected or appropriate level of expression for the culture of the individual.

Culture could also be used to explain the knowledge retrieval processes. For example, the Westerners who reason using logic would retrieve knowledge based on its relatedness to the matter at hand, whereas the Easterners would have their knowledge categorized in scheme and hence retrieval processes would be according to relevant categories of knowledge. Collectivist cultures would promote teamwork, collective accountability and peer feedback, which all contribute towards a more motivating work environment.

The study reveals that's individualistic cultures would promote increased competition, rivalry and focus on individual interest as opposed to that of the group. Whereas some cultures would be okay with the latter arrangement, a majority of people would prefer working in the former environment.

The Role of Culture in Decision Making

Researchers have revealed several cross-cultural differences in decision-making styles. For example, French managers, following Descartes's reasoning model and emphasis on intellectualism, may think through every possible alternative and try to anticipate the implications of decisions to near 100% certainty before coming to a decision.

While all these differences are helpful in recognizing various decision-making styles, they do not explain why the styles differ. Knowing the values and beliefs underlying the culture's preferred decision-making approach is necessary for successfully engaging in inter-cultural business interactions. For example, if your arena IT manager who wants to outsource work, it will be important to consider whether your project requires developers to toggle between multiple aspects of the project or to concentrate on one task at a time.

Most cross-cultural research on decision making has focused on the individualism-collectivism values to explain cultural differences in decision-making processes. These studies have shown that collectivistic cultures encourage cooperation and manage conflict by ensuring that everyone has a chance to voice his or her opinion. People in these cultures tend to be respectful and open to discussing diverse views as a way of enabling the manager to reach a decision

In the US, decisionmakers do not typically have large social networks to fall back on when taking risky decisions, and thus people are regularly encouraged to behave conservatively with financial matters. In fact, when financial institutions took large risks with other people's money, pre-capitating the financial crisis of 2008, those who suffered from the fallout were often left homeless. These cultural values reinforce Israel's focus on growth and novelty. The lesson here for the IT professional is that when working with Israelis, expect creative, out-of-the-box thinking and a fully engaged work ethic.

The conclusion of the study is to understanding how cultural values and beliefs influence decision making enables IT professionals, who cross cultural boundaries, to shift their cultural lento understand and interact with others more fluidly.

CULTURE AND DECISION MAKING

A conversation like this illustrates the topic of this review—the roles of culture in people's decision-making behavior. Broad social and cognitive differences have been proposed as drivers of more specific cultural differences discussed in this review. One dimension of culture that has received substantial attention is individualism-collectivism (or, similarly, independence-interdependence, Hofstede, 1980, Markus and Kitayama, 1991, Oyserman et al., 2002, Triandis, 2004).

These dimensions are associated with different conceptualizations of the "self." Individualistic cultures bestow greater autonomy on the "self"; each person is understood to be a discrete entity, independent of others, with relatively immutable characteristics and with free agency. Individualistic cultures tend to value personal goal pursuit as opposed to accommodation to others' goals. Uniqueness and self-expression are also generally valued in such cultures. Collectivistic cultures, by contrast, view the "self" as part of a whole. Each person is expected to work with his or her in-group toward goals, to vary one's personal behavior according to social context, and to generally "fit in" and pursue group harmony. As reviewed below, these differences have been proposed to underlie much cross-cultural variation in decision-making, such as the decision modes people use, their preferences, negotiation styles, creativity, and more.

This paper is to explore the antecedents of every cultural difference in decision making, we propose that cultural differences are both stable and context-dependent. We anticipate that exploration of the origins and nature of cultural differences will continue.

CULTURAL INFLUENCES IN DECISION MAKING

Cultural Logic is the understanding of a culture's fundamental beliefs and the ways that those beliefs interact with each other, with new information, and with the perceived desirability of alternative actions. This understanding is key to any activity in which people from diverse cultures interact. Cultural logic is of particular value in identifying culturally sensitive arguments that attempt to influence a target population's behavior. Currently, identifying effective communications remains an art practiced by experienced and talented people.

For example, developing effective psychological information operations today requires a "knowledgeable and creative staff" that seek to find ways to evoke "specific behaviors from a target audience"(Kerchner, 1999).Because of its importance, multi-cultural persuasive communications is supported by a large literature in political science, anthropology, persuasive communications, and social psychology. The research reported here, coordinated with the Center for Human Sciences at the Defense Evaluation and Research Agency (DERA) in the United Kingdom (UK), draw son this literature and on modern theories of decision making to develop a cultural logic methodology and tool to help decision makers identify actions that increase the cohesion of U.S. multi-cultural coalitions and that improve information operations, both public and targeted on elites and militaries..

The study reveals that these campaigns work by pointing out that a desired action is consistent with a culture's traditions, precedents, and authority recommendations. More challenging are information campaigns over an extended period, particularly those in which the target audience's beliefs are not already fully consistent with the desired actions. Such information campaigns include initial arguments, rebuttals, and counter arguments.

Advantages of Consumer Decision Making: -

- Gives more information
- Increase people's participation
- Provide more alternatives
- Improves the degree of acceptance and commitment
- Improves the quality of decisions
- Helps in strengthening the organization

Disadvantages of Consumer Decision Making: -
- Costly
- Time-consuming
- Individual Domination
- Ambiguous Responsibility

TYPES OF CONSUMER DECISION MAKING: -

Economic: - Consumers have generally been assumed to make rational decisions. The economic view of consumer decision making is being criticized by researchers because a consumer is assumed to possess the following traits to behave rationally –

they need to be aware of all the alternatives present in the market

they must be able to efficiently rank the products as per their benefits

they must also know the best alternative that suits them as per their requirements. In the world of perfect competition, consumers rarely have all the information to make the so called 'perfect decision.'

Passive View: - Passive view is totally opposite to the economic view. Here, it is assumed that consumers are impulsive and irrational while making a purchase. The main limitation of this view is that consumers also seek information about the alternatives available and make rational or wise decisions and purchase the products or services that provides the greatest satisfaction.

A Cognitive View: - The cognitive model helps individuals to focus on the processes through which they can get information about selected brands. In the framework of cognitive view, the consumer very actively searches for such products or services that can fulfill all their requirements.

An Emotional View: - Consumers are associated with deep feelings or emotions such as, fear, love, hope etc. These emotions are likely to be highly involving.

IMPORTANT CULTURAL FACTORS: -
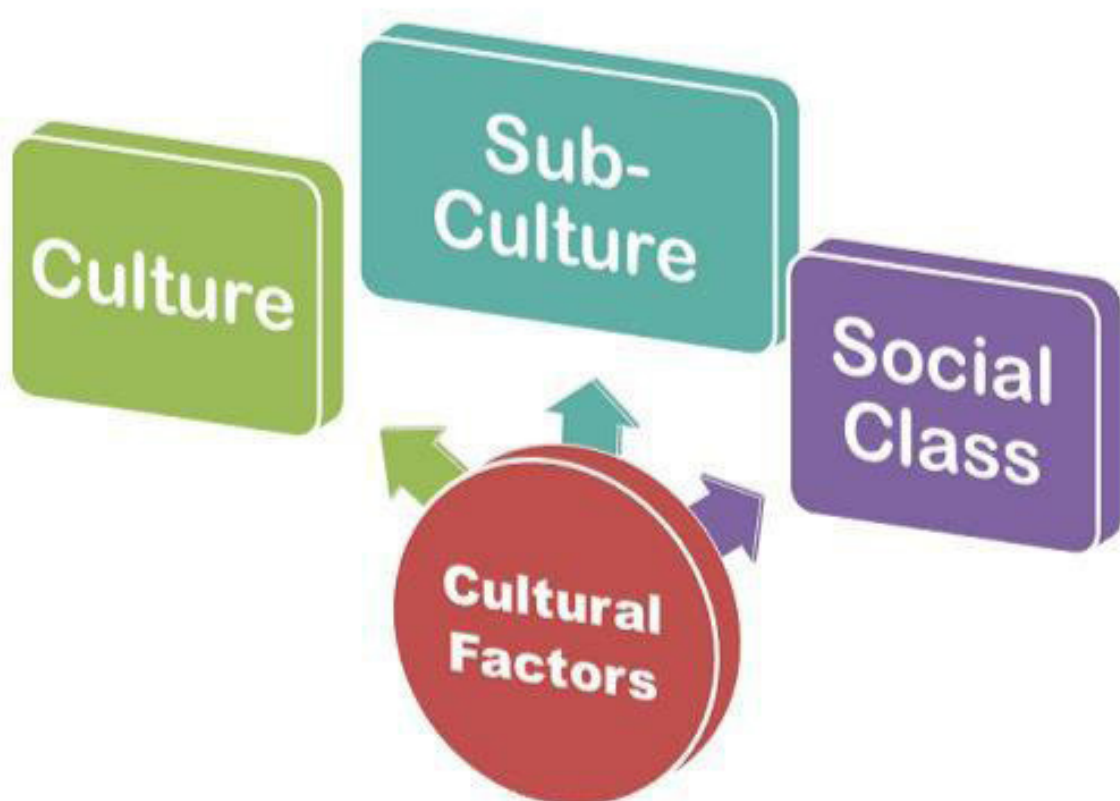
Culture: The culture refers to the beliefs, customs, rituals and practice that a particular group of people follows. As a child grows, he inculcates the buying and decision-making patterns through his family and the key institutions. The culture varies from region to region and even from country to country. Such as the sale of "sarees" and "Lungis" is more in South than the North India. Therefore, the marketer should carefully study all the different cultures and frame the marketing strategies accordingly.

Subculture: The culture can be further divided into subculture wherein the people are classified more specifically on the basis of their shared customs and beliefs, including religions, geographic regions, nationalities, etc. The different sub-cultures form several market segments whose needs can be carefully studied by the marketer, and the strategic marketing decisions can be taken accordingly. Such as the needs of the people living in metro cities and the ones living in B-grade cities must be identified before the launch of the marketing campaign.

Social Class: The social class to which an individual belongs influences the buying decision. Generally, the people belonging to the same class are said to be sharing the similar interest, value and the behavior. Our society is classified into three social classes upper class, middle class, and the lower class. The consumers belonging to these classes possess different buying behaviors. Such as an individual belonging to the upper class buy those products or services that advocate his status while the lower-class people buy those products which satisfy their basic needs.

Types of cultural factors influence on consumer buying decision: -.

Subcultures: Each culture further comprises of various subcultures such as religion, age, geographical location, gender (male/female), status etc.

Religion (Christianity, Hindu, Muslim, Sikhism, Jainism etc.): A Hindu bride wears red, maroon or a bright Color lehenga or saree whereas a Christian bride wears a white gown on her wedding day. It is against Hindu culture to wear white on auspicious occasions. Muslims on the other hand prefer to wear green on important occasions

Status (Upper Class, Middle class and Lower Class): People from upper class generally have a tendency to spend on luxurious items such as expensive gadgets, cars, dresses etc.

Gender (Male/Female): People generally make fun of males buying fairness creams as in our culture only females are expected to buy and use beauty products. Males are perceived to be strong and tough who look good just the way they are.

How culture influences consumer purchasing decision: -

A person's culture has a huge influence on their thought processes and behaviors. Because it's so influential on how people perceive the world around them, their place in it, and how they make decisions, it tends to play a role in determining how and why we consume goods and services.

Sometimes, it's really obvious how culture influences buying behavior. Cultural prohibitions against consuming products such as alcohol or meat, or cultural preferences for styles of clothing, make it easy to understand some buying patterns. Cultural behaviors, such as household size or the role of women in managing households, also influence who buys certain products or in what size.

But others are more subtle. Cultural elements such as time orientation (whether a culture tends to focus on the past, present or future) seem to bear influence on elements of online shopping such as trust and social interaction.

Of course, human personalities vary and that variety encompasses the extent to which an individual takes on board the particular influences of their culture. Indian consumers tend to be more family orientated than western ones but that doesn't mean there aren't Indian consumers who don't make highly individualistic purchasing decisions – or Western ones that don't think collectively.

But culture never really quite goes away. Anyone that violates cultural norms will be sanctioned by their wider social group, whether they choose to resist that pressure or not. Individuals are rarely uninfluenced by this effect and it will affect their behavior.

To some extent, culture is simply what comes most naturally to a person – what fits within their values and belief systems, and what they see others around them doing. Culture influences what feels right, normal and desirable.

Retailers that ask consumers to swim against the social current are making it harder for the consumer to choose their services. It's usually better practice to make it possible and easy for consumers to choose your product within their cultural comfort zone.

CULTURAL ELEMENTS: -

So, which cultural elements are likely to influence buying behavior? There are many different aspects of culture that have been analyzed by cultural researchers over the years. These include, in particular, youth orientation, long-term vs short-term orientation (also known as time orientation), masculinity vs. femininity, the power distance index, individualism/ collectivism, indulgence against restraint and uncertainty avoidance. There's been research into how each of these elements of culture impact on consumer behavior and how best to manage this. Researchers have conducted some intriguing studies into other elements of culture. An academic at the University of Hong Kong looked into how the Asian cultural emphasis on saving face pushes even lower-income consumers to make luxury brand purchases.

Based on a sample of 211 respondents from individualist (Australian-born) and collectivist (Asian-born) backgrounds, an established scale (Cultural Values Scale: Singelis, Triandis, Bhawuk, & Gelfand, 1995) was used to confirm the cultural values among the participants, if the respondents are aligned with the particular group (i.e. Asian-born with collectivism and Australian-born with individualism).

Li's paper, How Face Influences Consumption, found that social prestige and social esteem influence consumption choices. Another research paper examined how the culture of people in various Western and Asian markets influenced their tendency to buy on impulse.

One finding of the research was that ageing reduced impulse buying among Asian consumers but had no effect on the impulsiveness of western consumers. Researchers suggested it was cultural elements such as risk avoidance orientation that were at play in influencing consumer impulse buying behaviors.

Thus, Cultural factors can be expressed in unexpected ways. For example, a culture's time orientation tends to find expression in how tolerant it is of lateness and inefficiency and how people living in that culture manage their personal time.

Cultures with a time-orientation focused on the past, such as India, are often very tolerant of extreme lateness, such as trains that are delayed by hours. There are also some cultures, often small tribal ones living traditional and relatively primitive lifestyles, where time isn't really recognized as a concept.

The language used by these societies tends to support these attitudes to time, and it certainly impacts on working patterns. Understanding cultural elements like this can be the key to understanding and engaging successfully with customers in these markets.

MARKETING IMPACT:

There are some great examples of marketing that respects and works within cultural norms. Motorbike marketing makes a good study. In the West, motorbikes tend to be thought of as the ultimate individual product and the marketing messages that surround them fit into the prevailing culture that encourages and rewards individualistic self-fulfillment.

Head over to a more collectivist culture though and you'll find motorbikes are sold in a very different way. The idea of a "family motorbike" seems ludicrous to Western bikers but it's a practical choice in a more collectivist, family-orientated culture in an Asian market, such as Thailand.

In this cultural context, consumers are more likely to make purchases based on how much they benefit the wider family or social group rather than themselves as an individual, so marketing needs to reflect this. Understand the cultural fundamentals is one way to start a journey of discovery when you enter a new market. There's been plenty of research in this area but translating academic research into actionable insights for your brand remains a huge challenge. It's the reason many very brands have failed to successfully expand into new markets.

CONCLUSION:

Culture influence consumers' thoughts and behaviors. Marketing segmentation is prerequisite of business planners. Culture is a variable under segmentation that is under to segment the market into sub-units. The results of the paper indicate that culture is a vital aspect of the human race and therefore culture should be considered in all aspects of life. Uniformity is sometimes possible, but companies and individual must also have to adopt to cultural differences. A blend of standardization and customization can be a good strategy, but a critical success factor for the companies is to achieve the right balance and to determine where standardization is possible and where customization is critical. Therefore, culture has a significant effect and influences on consumer buying behavior of product and consumers decision to buy the product but it does not exert greater influence than other factors like global trends, personal factors, economic factors and other factors.

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