

Psychosocial and Cultural Influence on Consumer Buying Behaviours

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Abstract

Richard Thaler has won the 2017 Nobel Prize in economics for his work on behavioural economics, which tries to understand how humans make economic decisions and after that various researchers throughout the world started to pay their attention to search the effect of various factors on consumer buying behaviours. The present study aimed at to find out the effect of psychosocial and cultural factors on consumer buying behaviour in India. The perception, motivation, attitude and beliefs and social learning were the psychological factors while family, reference group, roles and status, cultural and subcultural factors are measured in the study. Data were collected from 200 adults. Psychosocial and Cultural Behaviour of Consumer Scale (PCBCS) developed by Dr Vikas Minchekar was used to collect the data. Results revealed significant differences in psychosocial and cultural behaviour of a consumer.

Keywords: Perception, Motivation, Attitude, Belief, Social Learning, Family, Reference Groups, Roles, Status and Subcultural Factors.

The field of behavioural economics is a combined study of psychology and economics, and it presents some important guidelines that individuals are not behaving in their own best interests. Behavioural economics provides a paradigm to study why people make errors. These errors occur repeatedly in particular circumstances. Behavioural economics plays an important role to guide people to take a practical decision during their financial communications or transactions. Behavioural economics is an emerging new option to the traditional approach known as the rational choice model. An intellectual or a conscious person always calculate the costs and benefits while buying some goods. The rational person or an intellectual person always remain aware of his present and future economic preferences and he never fluctuates or confuses between two contradictory desires. He has full of controlling his thoughts and desires and he can achieve his long-term goals. Scholars in traditional economics use these assumptions to predict economic behaviour and try to provide them as many choices as possible and make capable people choose the one, they like best.

On the other hand, behavioural economics strongly oppose the theory proposed by the traditional economists and stated that people have available limited cognitive abilities and hence, they have low self-control. Behavioural Economists stated that people often make choices accordingly their immediate happiness. Traditional economics and behavioural

economics are describing two different points (Daniel Kahneman, 2011). Consumer chooses a goal and often act against it due to a lack of self-control on himself. Behavioural economics identify these faulty decisions of the human mind. Neuroscientists have argued that the mind consists of many different processes that are cognitive or higher-order psychological processes and, each consumer acting through its logic (Kurzban, 2011). The brain is best represented by the organization of systems that interact with each other (Broccas and Carrillo, 2013). The brain is a democracy (Tononi, 2012). Although it can be said that a consumers' final goal is to enhance happiness and reaching that goal requires cooperation from many cognitive or psychological processes. Behavioural economics seeks to understand the psychological behaviour into economic analysis. According to Lowenstein, and Haisley, (2008) behavioural economics, in this respect, applies the principals from cognitive psychology to steer an individual toward healthy behaviours by reducing their cognitive and emotional errors to achieving true self-esteem. According to Sunstein (2014), behavioural economics introduces how a consumer can reshape his behaviour to facilitate better choices.

There are some individual factors which generally affects consumer behaviour viz. perception, motivation, attitudes, and beliefs etc. Every individual has different cognitive styles, social and cultural values and personality patterns moreover, they have also different psychological needs to social needs even self-esteem to self-actualisation needs (Abraham, Maslow, 1943). These psychosocial and cultural factors affecting the consumer buying behaviours. Perception of any product strongly affects consumer behaviour. Perception means giving a meaningful interpretation of the sense. Moreover, it is also said that it is a process through which an individual generally selects, stores and interprets the stimuli with the five sense organs i. e. vision, sound, taste, smell, and touch. The reaction of a consumer to purchase the specific product depends upon his perception of external stimulus. So, the different consumer perceives the same product at the same time in a different manner. Learning is another factor strongly affects consumer behaviour. Learning in the context of marketing refers to immediate changes in consumer behaviour as a result of his own experience about the market or goods. Learning also occurs through social learning, classical conditioning or instrumental conditioning and cognitive abilities. An attitude of an individual is also a significant factor considering the buying behaviour of a consumer. Attitude means an assessment of a product and also it is an intentional response to a product. Since attitude is socially learned factor, it is possible to change it. Attitude is a mental and emotional entity that inheres in a person (Richard M. Perloff 2016). Attitudes are complex and are learned state through social experiences. Moreover, it can be also said that attitude is a predisposed state of human mind regarding a stimulus. Culture is another factor strongly affects consumer behaviour. The values, rules, norms, traditions and attitudes are common forms of cultures and influence the behaviour of purchasing a product. Culture determines what we should wear, eat and drink and cultural factors can change the buying behaviour. Within a specific culture, there are many sub-cultures factors associated with race or racial groups, religion, geographical area, state or nationality and language etc. These sub-cultural factors are also strongly affecting the buying behaviour of consumer. The social class shows gap between people in terms of their income and social status in society. Social stratification based on income is also affecting the buying behaviour. A reference group significantly affects the buying behaviour. A reference group is a group which influences someone while purchasing the products or goods because that person holds values, traditions associated with that group. Reference groups divided into various types such as formal and informal; primary and secondary etc. The family is also an example of a reference group and as a result, influences buying behaviours. All people belong into two families throughout their whole lives. The first one is by born and the second one is after their career and

marriage. It is a universal fact that every buyer if married, the impact of their family members or spouse, have a great influence on purchase behaviour. In the present study, an effort has been made to find the what extent these factors affecting the buying behaviour of Indian consumer.

Objectives of the Study:

1. To find out the difference between the upper class, middle class and lower-class people on consumer buying behaviour.
2. To find out the difference between the upper class, middle class and lower-class people on the perception of consumer buying behaviour.
3. To find out the difference between the upper class, middle class and lower-class people on the motivation of consumer buying behaviour.
4. To find out the difference between the upper class, middle class and lower-class people on an attitude of consumer buying behaviour.
5. To find out the difference between the upper class, middle class and lower-class people on a belief of consumer buying behaviour.
6. To find out the difference among the upper class, middle class and lower-class people on social learning of consumer buying behaviour.
7. To find out the difference between the upper class, middle class and lower-class people on family regarding consumer buying behaviour.
8. To find out the difference among the upper class, middle class and lower-class people on reference group regarding consumer buying behaviour.
9. To find out the difference between the upper class, middle class and lower-class people on roles regarding consumer buying behaviour.
10. To find out the difference between the upper class, middle class and lower-class people on status regarding consumer buying behaviour.
11. To find out the difference between the upper class, middle class and lower-class people on subcultural factors regarding consumer buying behaviour.

Hypotheses of the Study:

1. Consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
2. Perception of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
3. The motivation of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
4. The attitude of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
5. The belief of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
6. The social learning of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
7. The family factors of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
8. The reference group for consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.
9. The roles of family members of consumer buying behaviour would be different among the upper class, middle class and lower-class people in India.

10. The status perception of consumerbuying behaviour would be different among the upper class, middle class and lower-class people in India.
11. The subcultural factors of consumerbuying behaviour would be different among the upper class, middle class and lower-class people in India.

Method

- i. **Sample:** Sample consists of 200 adults in the age ranged from 45 to 55 years. These adults are lived in a Sangli city of Maharashtra states of India. 60 adults from an upper class, 60 adults form middle class and 80 adults form lower class selected for this study. Those who have above 30 lakh annual income were treated as an upper-class family. Those who have the annual income between 3 lakhs to 29 lakhs was considered as a middle-class family and those who have below 3 lakhs annual income was considered as a lower-class family.
- ii. **A tool used in the Study: Psychosocial and Cultural Behaviour of Consumer Scale (PCBCS)** developed by Dr Vikas Minchekar was used to collect the data from the participated adults. The scale consists of 50 items with five alternatives ranging from strongly agree to strongly disagree. The scale has .94 Cronbach alpha value which indicates quite a high index to standardize any scale.
- iii. **Procedure:** The annual income records form income tax office in Sangli City was collected for the selection of adults from upper-class families. The middle-class adults were selected from the various senior colleges, government offices and private offices. The lower-class adults were selected from the industrial area, fields and other areas.
- iv. **Results and Discussion:**

The collected data were analysed by one-way ANOVA to find the significant difference between upper-class, middle-class and lower-class people adults on psychosocial and cultural behaviour of a consumer. Table 1 indicating the picture of these analyses. It is observed that some psychosocial factors and some cultural factors were different according to the various class adults. The attitude and belief system of consumerbuying behaviour from the psychosocial factors were different in three classes. However, perception, motivation and social learning these psychosocial factors were not different about consumerbuying behaviour in upper-class, middle-class and lower-class adults. Buying behaviour of consumers is defined as the dynamic interactionsof cognition, behaviour and environmental events in which human beings conduct the exchange their lives, which is influenced due toample factors such as psychological, cultural, social, economic, and environmental. Consume behaviour entails "all activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities. (Kardes, F., Cronley, M. and Cline, T., 2011). Moreover, Consumer buying behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants (N Ramya and Dr. SA Mohamed Ali, 2016).

Table 1 Summary of One-Way ANOVA about Psychosocial and Cultural Behaviour of Consumer.

		Sum of Squares	df	Mean Square	F	Sig.
Perception	Between Groups	165.73	2	82.86	1.73	NS
	Within Groups	9399.47	197	47.71		
	Total	9565.20	199			
Motivation	Between Groups	517.23	2	258.61	.79	NS
	Within Groups	63999.31	197	324.87		
	Total	64516.55	199			
Attitude	Between Groups	737.97	2	368.98	8.91	.01
	Within Groups	8154.38	197	41.39		
	Total	8892.35	199			
Belief	Between Groups	290.22	2	145.11	7.35	.01
	Within Groups	3884.65	197	19.71		
	Total	4174.87	199			
Social Learning	Between Groups	73.05	2	36.52	1.54	NS
	Within Groups	4658.45	197	23.64		
	Total	4731.50	199			
Family	Between Groups	104.90	2	52.45	2.80	NS
	Within Groups	3690.85	197	18.73		
	Total	3795.75	199			
Reference Group	Between Groups	599.05	2	299.52	7.68	.01
	Within Groups	7673.82	197	38.95		
	Total	8272.87	199			
Roles	Between Groups	337.97	2	168.98	8.66	.01
	Within Groups	3843.78	197	19.51		
	Total	4181.75	199			
Status	Between Groups	424.70	2	212.35	8.47	.01
	Within Groups	4936.97	197	25.06		
	Total	5361.68	199			
Subcultural Factors	Between Groups	61.48	2	30.74	2.21	NS
	Within Groups	2729.53	197	13.85		
	Total	2791.02	199			

The influence of culture in terms of languages, religions, aspirations, patterns of consumption, lifestyles, self-understanding and innermost fears on purchase decision-making is often so subtle yet deeply entrenched in multicultural societies (which could be multi-ethnic, multi-religious or both), that the marketers quite often fail to assess how the product offerings and marketing communications could be interpreted by the socially and culturally

disperse consumers especially in a country like India. This makes it necessary for carrying out an intensive exploration and analysis of cross-cultural consumer behaviour among Indians.

Table 2 Scheffe's Post Hoc Multiple Comparison of upper, middle and lower-class adults on Attitude of consumer buying behaviour

Groups	N	Subset for alpha = 0.05	
		1	2
Upper-Class	60	32.65	
Middle-Class	60	34.73	34.73
Lower-Class	80		37.25
Sig.		.182	.08
Means for groups in homogeneous subsets are displayed.			

Since the F value of some factors is found significant it is necessary to go with further analysis. In the next section of the analysis, data were analysed by Scheffe's post-hoc multiple comparison test to find out which pair of a class is differing from other various factors. Table 2 indicating that upper-class and lower-class adults were different in the attitude of buying behaviour. But the middle-class and lower-class adults were not different on this factor. Many adults included in the study were born in the poor family and earlier they have very low economic status and hence, it indicating that since the economic status of these people is enhanced their attitude of buying is not different from the lower-class behaviour.

Table 3 Scheffe's Post Hoc Multiple Comparison of upper, middle and lower-class adults on Belief of consumer towards buying a product.

Groups	N	Subset for alpha = 0.05	
		1	2
Upper-Class	60	19.71	
Middle-Class	60	20.41	
Lower-Class	80		22.46
Sig.		.666	1.00
Means for groups in homogeneous subsets are displayed.			

Table 3 indicating that adult belonging in upper and middle class have the same belief system towards the purchasing power but the lower-class adults have a different belief system and not match with the upper- and middle-class families. The mean values of upper- and middle-class adults are in the same column while the mean value of lower-class adults is in another column, it means that they were different from another two groups.

Table 4 Scheffe's Post Hoc Multiple Comparison of upper, middle and lower-class adults on reference groups towards consumerbuying behaviour.

Groups	N	Subset for alpha = 0.05	
		1	2
Upper-Class	60	31.91	
Middle-Class	60	34.05	34.05
Lower-Class	80		36.08
Sig.		.151	.17

Means for groups in homogeneous subsets are displayed.

Table 4 indicating that the mean values of upper and middle-class adults in the same column while the mean values of middle and lower-class adults are also in the same column. It indicating that only upper and lower-class adults were different about reference group towards buying behaviour, while some reference might be the same and some different of middle and lower-class adults.

Table 5 Scheffe's Post Hoc Multiple Comparison of upper, middle and lower-class adults on Roles of family members towards consumerbuying behaviour.

Groups	N	Subset for alpha = 0.05	
		1	2
Upper-Class	60	17.18	
Middle-Class	60	17.80	
Lower-Class	80		20.10
Sig.		.727	1.00

Means for groups in homogeneous subsets are displayed.

Table 5 clearly shown that mean value of upper and middle-class adults was the same about the role of family members towards the buying behaviour. While the adults belonging in the lower-class have differed from upper and middle-class adults on the role of family members towards buying behaviour.

Table 6 Scheffe's Post Hoc Multiple Comparison of upper, middle and lower-class adults on Status Factors towards consumerbuying behaviour.

Groups	N	Subset for alpha = 0.05	
		1	2
Upper-Class	60	23.25	
Middle-Class	80	23.71	
Lower-Class	60		26.67
Sig.		.870	1.00
Means for groups in homogeneous subsets are displayed.			

It is noticed from table 6 that adult belonging in upper and middle class have same status factors towards the purchasing power but the lower-class adults have different status factors and not match with the upper- and middle-class families. The mean values of upper- and middle-class adults are in the same column while the mean value of lower-class adults is in another column, it means that they were different from another two groups.

Conclusion: It can be concluded that psychosocial factors viz. attitude and belief and cultural factors viz. reference group, roles and status are affecting the buying behaviour of consumer in India.

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