The role of culture in low involvement purchase decisions

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Abstract

This study investigates the relationship between individualism-collectivism and consumer decision-making styles applied to low involvement product purchases. An adapted version of the widely used Consumer Styles Inventory (Sproles & Kendall, 1986) was used to measure consumer decision-making styles. Based on a sample of 207 respondents from individualist and collectivist backgrounds, exploratory and confirmatory factor analysis were conducted on Sproles and Kendalls (1986) CSI adapted for low involvement purchases. Results showed that collectivist consumers scored significantly higher than individualist consumers on ‘confused by overchoice’, ‘rational buyer’, and ‘recreation-conscious’ decision-making styles. There were no differences in the ‘perfectionist’, ‘high quality conscious’, ‘brand conscious’, ‘careless-impulsive’, ‘habitual/brand loyal’, and ‘innovation conscious’ decision-making styles between these two groups.

Literature Review

Consumer decision-making is a complex process that is difficult to describe, with a multitude of different factors affecting each and every purchase decision (Hiu et al., 2001). Consumers learn about products and services from information sources (e.g. internet, magazines, television), by talking to other consumers and reference groups (e.g., word-of-mouth), and even through their own experience. At the same time, consumers are inundated with advertising, media reports, and direct mailings that provide an abundance of information, often with mixed messages. Identifying the underlying characteristics of consumer decision making is central to consumer behaviour research. This identification is useful for marketers, in that it provides a basis for classifying consumers into discrete clusters or segments on the basis of their orientation to shopping (Durvasula & Lyonski, 1993). These categories of orientation can then be used to quantify and measure consumer decision-making styles, and profile consumer behaviour. Classifying consumer decision-making styles is also useful for educating consumers about their buying behaviour, which may assist with financial management (Hafstrom et al., 1992).

Most of the research in consumer decision-making styles used the CSI (Sproles and Kendall 1986) and mainly focused on student samples (Sproles and Kendall 1986; Hafstrom et al 1992). However, it is not known whether the CSI, originally validated with student samples, can be generalised to use with various types of consumers. It is necessary that the CSI be tested on samples other than students if the instrument is to be used with the general population. Lee and Green (1991) recommended further research on CSI, selecting homogenous samples to demonstrate their applicability. It is important to validate CSI by generalising within heterogeneous sample consisting individuals with different age, professions and incomes.
Past research on consumer decision-making styles for low involvement purchases has looked at cultural groups across countries rather than within countries (Hafstrom, et.al 1992). Therefore, we cannot attribute differences to different cultures. Differences may be due to variability in the climate, economy, age, sex differences or even the retail environment (Durvasula et al. 1993). For example, the retail environment in Australia is in sharp contrast to that in the Asian countries. Stores in Australia generally close at 5:00 p.m. except for two nights each week when they are open till 9:00 pm. The population in Australia is approximately 21 million, and the competition among retailers is not as intense there compared to the market in Asian countries. Brand consciousness in Australia may be at a different state of development compared to that in the Asian countries (Andrews et al., 1991). Therefore, it is not possible to compare the consumer decision making styles between the two different cultures (individualist and collectivist) unless people from both culture living in the same country. Addressing this research gap will facilitate better understanding of the decision making styles between different culture, which is at present one of the most important topic in consumer behaviour research (Durvasula & Lyonski, 1993; Leo et al., 2005). In the light of above limitations, in the current study the CSI was administered to an adult sample to compare decision-making styles between individualist and collectivist consumers low involvement (e.g., confectionary) purchase behaviour in Australia.

The focus of the present study is to examine whether there are significant differences between individualist and collectivist customers in their decision-making styles. A number of studies in cross-cultural research are based on the theory that cultures differ in the extent to which they emphasise individual or group outcomes (Hofstede, 2001) that is, whether they are individualists or collectivists, respectively. Using the dimensions of individualism-collectivism is considered to be one of the most effective and useful ways of describing cultural differences. Individualism-collectivism is concerned with the relationship of the individual to the collective (Triandis, 1995). Individualists believe that the self is the basic unit of survival, while collectivists believe survival lies within the group or several groups. On the other hand, collectivism leads one to be more focused on others and making sure that one’s behaviours, expressions, and desires fit into what is welcomed and acceptable to the collective (Kashima et al., 1995).

Sproles and Kendall (1986) defined consumer decision making styles as a mental orientation characterizing a consumer’s approach to making choices. According to the authors, consumers approach the marketplace with their own specific styles of consumer decision making. Sproles and Kendall (1986) developed a revised model consisting of eight consumer decision-making styles based on cognitive and personality characteristics. Each of these styles independently characterises a fundamental intellectual approach to consumption (Hanzae & Aghasibeig, 2008). Sproles and Kendall’s eight consumer decision-making styles are discussed below:

(1) Perfectionist, high quality conscious: This shopping orientation is characterised by a consumer’s search for the very best quality in products. If individualists were asked to define their identity, they would answer in terms of internal attributes such as intelligence, creativity and shyness. However, collectivists would speak mainly about social roles, family relationships, and national and ethnic family affiliations. It is important for collectivist people to hold a better position at the family, society or even national level (Triandis 1995). According to Hofstede (2001) collectivist people are very anxious about the hierarchy among people in the society. This may translate into perceptions of hierarchy amongst products of
varying quality, particularly if high quality is associated with status and with people who hold higher positions in the society.

**H₃:** Collectivist consumers are more quality conscious than individualist consumers.

(2) **Recreation conscious:** This shopping orientation characterises people who are likely to shop just for fun. Collectivist consumers are likely to be more recreational than any other form of shopper behaviour (Leo, Bennette and Hartell 2007). Since, they usually like to shop as a group and involve family members, friends, and colleagues in their decision making (Doran, 2002) as this might be a fun activity for them. In contrast, individualist consumers use their own preference, taste and choice (Triandis 1995). Searching for product information as a group may not be fun for individualist consumers. Therefore, they do not involve many friends or family members; rather they rely on their own opinion.

**H₄:** Collectivist consumers are more recreation conscious than individualist consumers.

(3) **Impulsive, careless:** This type of shopping orientation describes people who do not plan their shopping, and are not concerned with how much they spend or value for money. Consumers from collectivist consumers engage in less impulse buying due to their focus on potential negative consequences and spend more time on justifying the reason for their act and also evaluate the effect of their actions on in-group members (Kacen & Lee, 2002).

**H₅:** Individualist consumers are more impulsive than collectivist consumers.

(4) **Brand conscious:** The consumers with this shopping orientation is expected to buy expensive, well-known brands, believing that the higher the price of a product, the better the quality. Brands generally help individualist consumers not to spend too much time on information search (Manrai et al., 2001) as the attributes associated with the brands are already familiar. This also reduces the risk involved in purchase decisions for individualist consumers. Therefore, individualists may also prefer branded goods/products but not for the same reason. In collectivist cultures brand reflects on wealth, style and status whereas in individualist cultures brands may be chosen as a risk reduction/minimizing strategy such that better brands means better quality and therefore, less risks involved.

**H₆:** Collectivist consumers are more brand conscious than individualist consumers.

(5) **Price conscious:** This shopping orientation identifies consumers who exhibit price and value for money consciousness. People scoring high on this factor shop carefully for low or sale prices. In individualist culture, there is a greater tendency for people to conspicuously consume luxury/expensive products because ‘they want to’ (i.e. the product reflects personal preference), unlike collectivist cultures, where they buy expensive products because they feel they ‘have to’ i.e. the products conform to social norms, which is necessary for them to get social attention (Wong & Ahuvia, 1998).

**H₇:** Individualist consumers are more price conscious than collectivist consumers.

(6) **Confused-by-Overchoice:** Collectivists rely heavily on social networks for information (Doran, 2002), seeking advice from reference groups such as their family members and friends (de Mooij, 2004). In contrast, individualist consumers do less directed searching, but
have greater internal knowledge due to long-term exposure in developed countries to information such as vehicle safety, economy, luxury and high performance vehicles. Collectivists, such as Asian-born consumers, may try to collect all this information within a short timeframe, before purchasing the automobile. This volume of information may be difficult to synthesise, leading to greater confusion among the various brands.

H₆: Collectivist consumers are more confused by overchoice than individualist consumers.

(7) Habitual / brand Loyal: A consumer tends to consistently stick with the same brand of product. This shopping orientation characterises shoppers who have favourite brands and stores and use these habitually. Brand loyalty can be seen as a risk reduction strategy in that it removes the need to search for new information. Collectivists utilise reference groups as information sources which may eliminate certain brand preferences, therefore they do not need to choose the same brand over and over to minimise risk. Research by Doran (2002) showed that US (individualist) consumers are more brand loyal and concerned about risk than Thai (collectivist) consumers. This supports the idea of a connection between risk reduction and brand loyalty.

H₇: Individualist consumers are more habitual/brand loyal than collectivist consumers.

(8) Novelty fashion conscious: Consumer is characterised as a novelty seeker. They find seeking out new things pleasurable and exciting. Individualist consumers tend to appreciate new things. They adopt variety-seeking tendencies due to the cultural assumption that they are very self-expressive in their decision making process. Individualist consumers are less concerned with others’ reactions to their ideas and actions than the collectivist consumers. Individualist consumers are more likely to try new things and to want to be creative by seeking variety and novelty in their purchase decisions (Burns & Brady, 1992).

H₈: Individualist consumers are more innovation conscious than collectivist consumers.

Methodology

Participants consisted of 211 men (43.5%) and women (56.5%) from individualist (Australian-born) or collectivist (Asian-born) backgrounds. The sampling technique employed was non-probabilistic sampling; the researcher specified the characteristics of the population of interest (Australian-born and Asian-born consumers) and then located individuals who matched the needed characteristics. The participants were recruited through 9 shopping centres in Melbourne, Australia. A total of 49% of participants were locally-born Australians (individualists), and 51% were Asian-born (collectivists). Consumer Styles Inventory (Sproles & Kendall, 1986) scales were adapted in this study. The CSI is an established scale consisting of 45 statements that assess eight consumer decision making styles. Participants rated their agreement with each statement on a six-point scale ranging from “strongly disagree” (1) to “strongly agree” (7). This research retained all of the Sproles and Kendall (1986) subscales, except novelty fashion-conscious. This subscale was excluded because many of the items were specific to clothing-specific purchases and, consequently, was not applicable to confectionary items. Cultural Values Scale (Singelis et al., 1995) was used to confirm that locally-born and Asian-born Australians differed in their endorsement of collectivist versus individualist values.
Results

An Exploratory Factor Analysis (EFA) was conducted on the CSI items using the calibration sample (N = 207) with maximum likelihood extraction and oblique rotation (OBLIMIN). The various indications of the factorability of the scale were good and appropriate: KMO was .711, and the Barlett test of sphericity, which indicated a significance level of p < .001, also showed that the factor analysis was appropriate. All factor loadings exceed the .05 threshold level and the eigenvalues of all factors are greater than 1.0. Eight factors were generated: Perfectionist, high quality conscious; Brand; Confused by overchoice; Rational buyer; Habitual/brand loyal; Careless, impulsive; Recreational and Innovation conscious decision-making styles. The solution showed that all factors were above the elbow, or break, in the plot, and that these factors explained the most variance (Byrne, 2001). Most of the factors scores higher than 0.7 in the Cronbach’s Alpha, indicating good reliability. Confirmatory Factor Analysis was then conducted to assess the discriminant validity of the construct. The measurement model indicates good model fit with Normed Chi-Square 2.176, GFI .845, AGFI .784, and RMSEA .076.

The analysis involved eight independent sample t-tests to test the research hypotheses. The Levene’s test for all eight independent sample t-tests resulted in a probability greater than 0.5, which assumes that the population variances are relatively equal. The analysis revealed that collectivist consumers scored significantly higher than individualist consumers on ‘confused by over-choice’ (t = .378, p = .01), ‘rational buyer’ (t = .428, p = .01), and ‘recreation-conscious’ (t = .194, p = .05) decision-making styles, thereby lending support to H6 and H2 respectively. There were no differences in the ‘perfectionist’, ‘high quality conscious’, ‘brand conscious’, ‘careless-impulsive’, ‘habitual/brand loyal’, and ‘innovation conscious’ decision-making styles between these two groups.

Discussion

The results of this study showed that collectivist consumers are more rational buyer and recreation conscious than individualist consumers. This may be because they involve a large number of/more family and friends in their decision-making than individualist consumers (Doran 2002). Hofstede (2001) mentioned that collectivist consumers are generally very involved with any purchase, and that they are known more as recreational shoppers than for any other form of shopper’s behaviour. They usually shop as a group, involving family members, friends etc. Therefore, for collectivist consumers, companies may rely on indirect approaches. Appeals, such as “working together” and “it is so good that you want to share it with others” could be a good strategy when developing slogans. In addition, marketing strategies need to focus on offering value for money to satisfying collectivist consumers’ needs and wants.

The results of this study also found that collectivist consumers are more confused by overchoice than individualist consumers. A possible explanation for this finding could be that individualist consumers do less directed searching, but have greater internal knowledge based on their personal experience with products. Individualist (Australian-born) consumers may have experience in relation to various types of brands due to long-term exposure to such information. In comparison, collectivists, such as Asian-born consumers, might not have as much stored information about different types of brands. Therefore, marketers need to provide similar, or even the same types of information/messages across different sources of
information such as television advertisements, newspapers, billboards and magazines (de Mooij, 2004). The information/messages could include less information on mechanical and innovative features and focus on the prestige of the brand. This could be a successful approach, if followed when developing strategies for collectivist consumers.

Reference List


