

# **INFLUENCE OF CROSS CULTURAL DIFFERENCES IN CONSUMER DECISION MAKING STYLES IN INDIA & THE ARAB WORLD**

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## **ABSTRACT**

Cross cultural differences and consumer decision making styles varies from country to country and from continent to continent. As a person living between India and the Arab countries for the last 25 years can definitely ascertain that cultural differences are the corner stone for decision making styles especially in consumer choices among India and the Arab world. There is a remarkable difference between these nationalities in terms of brand awareness, brand consciousness and future demands. Organisations and product strategists are keen to know what makes an Indian and an Arab in terms of product choices and its influencing factors.

## **INTRODUCTION**

In the area of globalization, regional markets play a pivot role in consumer decision making process. When placing a product, organisations will investigate various aspects of purchase decision making styles which varies from region to region. For example, a purchase decision made by an Indian may be contradictory or obsolete to an Arab customer.

Consumer decision making style normally refers to the approach or mental processes to make or choose among many. This may be same or contrasting to a consumer living far from the region. An organisational success and marketing strategies revolves how effectively incorporating purchase decision or making styles adopt to their product or services.

Decision making styles differs from one culture to other, for example, compare a multicultural society like India with Arab region which is uniformly cultured. Both cultures vary differently in the decision-making process. Managers can adapt to a marketing strategy based on the

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differences and similarities in a multi-cultural environment and cultural personality of the consumers.

India and Arab culture adopted many factors in the century long associations and through cultural exchange programs. Understanding the cultural adaptations make critical evaluations and can be useful to the managers to analyse different strategies in product lounges and evaluation of product life cycle.

Thus the aim of this project is to demonstrate that consumer orientations and decision making styles differs from region to region according to consumers cultural orientations. For this purpose, sample of consumers were taken from India and the gulf region to make test predictions and making hypothesis.

Moreover, India and Gulf region are good trade partners and understand that the thorough study between these two cultures will definitely boost the economic framework required to strengthen the consumer product industry as a whole.

### **LITERATURE REVIEW**

There are three ways to characterize consumer decision making styles. They are consumer typology approach, consumer lifestyle approach and consumer characteristics approach (Spokes & Kendall 1986). The consumer typology approach categorizing consumers in to groups that are related to retail orientations. It may be specific product groups or general marketplace. Lifestyle approach identifies the consumer behaviour based on personal traits or their lifestyles (Lastovika 1982, Wells 1974). Also, it related to consumers general activities.

Lastly, the consumer characteristics approach emphasize the cognitive and affective character orientations toward a purchase decision and decision making styles (West Brook & Black 1985). This approach assumes that consumer decision making styles affects cognitive and affective cultural orientations (Fan & Xiao 1998), Spokes & Kendall 1986).

Based on these approaches (typology & lifestyle), focus on the mental characteristics of the consumers but consumer characteristic approach seems to be more precise and explanatory. Therefore, consumer characteristic approach will be taken for data collection and analysis.

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## **DATA COLLECTION**

### **Tools:**

- Observations
- Surveys
- Focus tools
- Interviews
- Questionnaires

### **Sample Design:**

- The study of 200 consumers (100 each from India & UAE)

### **Sample Size:**

- 200 consumers of Luxury cars of India & UAE (100 each)

### **Tools for data analysis:**

- Correlation: Will find out whether a relationship exists between variables and the determining the magnitude and action.
- Objective of the study: The study of culture and decision making focuses on variations in how and why people from different cultures tend to decide differently. India & Arab countries boasts of century long associations in trade and culture. It is important for the managers to assess and analyse the impacts of purchase decision making in relation with their culture. In consumer goods industry, culture plays a vital role in purchase decision making. An Indian will buy a product more or less different from an Arab in terms of pricing and all the other factors associated with a purchase decision.

### **Tools to find different cultures:**

Developed by Charles Hamden-Turner and the model was published by the book “Riding the Waves of Culture”.

- Universalism versus Particularism
- Individualism versus Groups
- Specific versus Diffuse
- Neutral versus Emotional
- Achievement versus Ascriptions

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- Sequential time versus Synchronus
- Internal direction versus external direction

**Factors influencing a luxury car purchase decision in India & UAE:**

Age	Style	Power	Reference	Ownership Pride	Value for Money
<b>INDIA (Out of 100)</b>					
18-25	7	5	11	7	3
25-45	5	5	15	4	4
45 Above	3	4	18	3	5
<b>UAE (Out of 100)</b>					
18-25	8	8	10	4	3
25-45	7	8	11	4	3
45 Above	4	7	14	3	5

From the above table, we can see that Reference groups are the most powerful influencing factors for a purchase decision making which can be associated with cultural orientations. A purchase decision by the same ethnic group will be more or less the same.

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