Original Researcher Article

Understanding Consumer Behavior in International Markets: A Cross-Cultural Psychological Study

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Abstract

Businesses looking to expand internationally must have a firm grasp of customer behaviour in various cultural settings in order to compete in today's globalised economy. Examining the impact of cultural values, social conventions, and cognitive biases on consumer behaviour, this research delves into the psychological foundations of decision-making in global marketplaces. The study looks at how different demographic groups' views, brand perceptions, and buying motives vary between cultures. Factors like as individuality vs. collectivism, uncertainty avoidance, and power distance are examined in the research, which combines Hofstede's cultural dimensions theory and other psychological frameworks. Businesses may use the results to better engage customers and position their brand in foreign marketplaces by learning how to modify marketing methods for diverse cultural situations. Businesses may improve their cross-cultural marketing efforts by taking into account customer expectations and socio-psychological factors, according to the study's suggestions.

Keywords: Consumer Behavior, Cross-Cultural Psychology, International Markets, Cultural Dimensions, Marketing Strategies, Consumer Decision-Making.

INTRODUCTION

With more and more companies venturing into foreign markets in this age of fast globalisation, it is crucial to comprehend customer behaviour in various cultural and economic settings. Different areas have different psychological and cultural elements that influence consumer preferences, decision-making, and brand impressions. Gaining a better grasp of how consumers behave across cultures is becoming more important for companies looking to gain an advantage in international marketplaces.

Examining the ways in which cultural norms, cognitive biases, and emotional factors affect consumers' choices in global marketplaces, this research delves into the cultural and psychological factors that shape consumer behaviour. By using well-established theories such as Schwartz's value theory and Hofstede's cultural dimensions, this study examines consumer behaviour patterns across various cultural contexts. Additionally, it delves into how digital revolution and globalisation have shaped contemporary consumer patterns, drawing attention to the dynamic between long-standing consumer habits and new global influences.

This research seeks to provide light on successful marketing tactics, product positioning, and consumer involvement in global marketplaces by finding important parallels and variations in consumer behaviour across cultural settings. Businesses may use the data to fine-tune their marketing strategies, making sure they speak to customers' cultural expectations and the psychological elements that influence their purchasing decisions. In the conclusion, this study aims to connect theory with reality by providing strategic advice for organisations that want to grow and succeed in markets with varied cultures.

LITERATURE REVIEW

Culture affects how individuals take in, process, and make sense of their surroundings, as well as their choices within those contexts (Abbasi et al. 2020). According to the GLOBE Project, culture is characterised by common understandings of important events as well as ideas, values, motivations, and identities. The collective wisdom of the group's members has been passed down over the years, and this project is a manifestation of that (Javidan and Dastmalchian 2009). Perception and assessment of a service may differ substantially throughout cultural groups due to differences in thought and behaviour (Jia 2020). That is why it is beneficial to have a multi-cultural perspective in order to better understand the significance of cultural diversity and national culture.

Kaneen and Lee (2002), Kim, Jun, and Kim (2018), Meng and Mummalaneni (2010), and Ranjbaran et al. (2022) are just a few of the many studies that have examined the cultural influences on consumer behaviour. The effect of culture on consumer behaviour has been the subject of several cross-sectoral studies, with the hospitality and tourist sectors among the most studied. According to various studies, travellers' cultural backgrounds greatly impact how they perceive service quality, loyalty to brands, their emotions, and their overall attitude towards services (Diallo and Seck 2018; Malai and Speece 2005). For instance, according to Besbes et al. (2016), cultural influences are among the most influential on visitors' online booking behaviour, and these aspects might vary among cultures. According to another study, cultural background greatly influences international travellers' privacy concerns while staying at hotels. These concerns, in turn, influence their moral judgement, perception of service quality, and the process of brand co-creation for hotels (Ranjbaran et al. 2022).

Cultural similarities and contrasts may be better understood with the help of the GLOBE Project, which paints a complete picture of country cultures (Nadeem and de Luque 2020; Javidan and Dastmalchian 2009). Thus, in order to examine the effect of service quality on return intention in independent hotels via the variables of emotion, satisfaction, eWOM, and loyalty, the GLOBE Project was used. This research is based on comparisons across four nations. According to Clark et al. (2016), the GLOBE Project used 62 nations' cultural traits to create 10 groups based on shared cultural practices. According to Kabasakal et al. (2012), the GLOBE Project has revealed 10 distinct clusters, namely: Eastern Europe, Southern Asia, Latin America, Nordic Europe, Middle East, Sub-Saharan Africa, Confucian Asia, Germanic Europe, Anglo, and Latin America. Cultural similarities also allow us to classify the clusters (Dorfman et al., 2012). In order to accomplish the goal of this research, four nations were selected from two clusters: the Anglo-Saxon United Kingdom and the Southern Asian countries of Iran and India.

Although there has been a lot of study on how culture affects consumer behaviour in general, there is still a lack of knowledge on how cultural factors influence consumer decision-making in particular in distinct market settings. Few studies have investigated consumer psychology across many industries, with the majority concentrating on specific ones like tourism and hospitality. Furthermore, much of the current literature focusses on macro-level cultural influences, ignoring the micro-level psychological aspects that influence consumer behaviour. Additionally, research that include several cultural frameworks, like the GLOBE Project and Hofstede's dimensions, are few and do not provide a thorough examination. To fill these gaps, this research investigates the complex ways in which cultural values influence consumer perceptions, brand loyalty, and decision-making in various markets using a cross-cultural approach.

OBJECTIVES OF THE STUDY:
- •To analyze the influence of cultural values on consumer decision-making in international markets.
- •To examine the role of national culture in shaping consumer perceptions, brand loyalty, and purchasing behavior.
- •To compare consumer behavior patterns across different cultural clusters using the GLOBE Project framework.

Hypothesis
- H_0 (Null Hypothesis): National culture does not have a significant impact on consumer perceptions, brand loyalty, and purchasing behavior.
- H_1 (Alternative Hypothesis): National culture significantly influences consumer perceptions, brand loyalty, and purchasing behavior.

RESEARCH METHODOLOGY
The impact of country culture on customer perceptions, brand loyalty, and buying behaviour is investigated in this study using a cross-cultural comparative research approach. We use a mixed-methods strategy that combines quantitative and qualitative approaches to gather data. Using the GLOBE Project as a guide, primary data is collected via in-depth interviews and structured surveys with customers from certain cultural clusters, including the Anglo (US and UK) and Southern Asian (India and Iran) groups. To gauge consumers' opinions, tastes, and plans to buy, the survey uses Likert scale questions; to delve further into the impact of culture on decision-making, interviews are conducted. Journal articles, company reports, and previous studies on international consumer trends make up the bulk of the secondary data set. The numeric data is analysed using statistical methods like ANOVA and regression analysis, while the qualitative answers are analysed using theme analysis. The research aims to provide light on the influence of cultural values on consumer behaviour and give advice to companies looking to expand into global markets.

Data analysis and discussion
Descriptive Statistics Table

Variable	Anglo Cluster (UK & US)	Southern Asia Cluster (India & Iran)	Total Sample
Consumer Perception (Mean ± SD)	4.2 ± 0.75	3.8 ± 0.85	4.0 ± 0.80
Brand Loyalty (Mean ± SD)	4.1 ± 0.70	3.7 ± 0.88	3.9 ± 0.80

Purchasing Behavior (Mean ± SD)	4.3 ± 0.78	3.6 ± 0.90	3.95 ± 0.85
Sample Size (N)	500	500	1000

The descriptive data show that the two cultural groups, the Anglo (the United Kingdom and the United States) and the Southern Asian (India and Iran), have very different perspectives on brands, loyalty to those brands, and how they buy products. Consumers in the Anglo cluster are more likely to have a good impression of brands, be loyal to those companies, and have a strong propensity to buy than those in Southern Asia, according to the higher mean scores in all three categories.

In particular, the Anglo cluster had higher customer perception ratings (Mean = 4.2, SD = 0.75) than the Southern Asia cluster (Mean = 3.8, SD = 0.85), suggesting that consumers' cultural background affects their product and service evaluations. Similarly, consumers in Southern Asia are less committed to brands over the long term (Mean = 3.7, SD = 0.88 vs. 4.1 in the Anglo cluster), suggesting that there may be

cultural variations in this regard. A similar pattern emerges in the buying behaviour variable, with a higher mean in the Anglo cluster (Mean = 4.3, SD = 0.78) than in Southern Asia (Mean = 3.6, SD = 0.90), indicating that Anglo cluster customers may be more eager to make purchases.

There is a fair amount of variation in the replies, as seen by the standard deviations (SDs). The Southern Asia cluster shows a little higher dispersion, which might be an indication of more varied customer attitudes within this group. A balanced and valid cross-cultural comparison is guaranteed by the total sample size (N = 1000), which is equally divided across both clusters. This research lends credence to the null hypothesis (H₁), which states that consumers' views, brand loyalty, and buying habits are greatly impacted by country culture.

ANOVA OUTPUT

Dependent Variable	Source	Sum of Squares (SS)	df	Mean Square (MS)	F-value	Sig. (p-value)
Consumer Perception	Between Groups	12.45	1	12.45	18.32	0.000
	Within Groups	678.52	998	0.68		
Brand Loyalty	Between Groups	10.30	1	10.30	14.25	0.000
	Within Groups	721.67	998	0.72		
Purchasing Behavior	Between Groups	15.78	1	15.78	21.47	0.000
	Within Groups	734.56	998	0.73		

With p-values (0.000) for all three dependent variables—far below the 0.05 threshold for statistical significance—the ANOVA results demonstrate that there are substantial disparities in customer perceptions, brand loyalty, and buying behaviour between the Anglo (UK & US) and Southern Asia (India & Iran) cultural clusters.

A substantial difference in customer views between the two cultural groupings is shown by an F-value of 18.32 and a p-value of 0.000. Culture is a major factor in how people see goods and services, according to the Between Groups Sum of Squares (SS = 12.45), with the Anglo cluster probably having more positive views than the Southern Asian cluster. Cultural factors continue to play a significant role, despite the large within-group variance (SS = 678.52) that reflects the unique characteristics of each group.

Similarly, brand loyalty (F = 14.25, p = 0.000) shows that customers' levels of brand loyalty are highly influenced by their country culture. The cultural variances in brand loyalty are shown in the Between Groups Sum of Squares (SS = 10.30), while the within-group variation (SS = 721.67) shows that there are variations in loyalty within each cultural cluster. This provides strong evidence that cultural influences play a substantial role in determining the level of brand attachment.

How People Buy Things (F = 21.47, p = 0.000):

Culture is a major factor in consumers' purchasing choices, as shown by the F-value of 21.47 for purchasing behaviour. The cultural impact on consumer behaviour is seen in the huge Between Groups Sum of Squares (SS = 15.78), while the variety of answers within each cluster is shown by the within-group variance (SS = 734.56). customers from the Anglo cluster may show more robust purchase intentions than customers from the Southern Asia cluster, due to the notable distinctions between the two cultural groupings.

Consumer views, brand loyalty, and buying behaviour are substantially impacted by national culture, as shown by the ANOVA findings, which strongly support the alternative hypothesis (H₁). The significance of taking cultural variations into account when crafting marketing strategies for global markets is underscored by these results.

CONCLUSION OF THE STUDY
This research effectively compares and contrasts two cultural clusters, the Anglo cluster (which includes the

United Kingdom and the United States) and the Southern Asia cluster (which includes India and Iran), to determine the effect of national culture on consumer perceptions, brand loyalty, and buying behaviour. Culture is a major factor in influencing consumer behaviour, according to the study, which used a cross-cultural comparison method and statistical analyses like regression and ANOVA.

In comparison to customers in the Southern Asia cluster, those in the Anglo cluster show more positive opinions, better brand loyalty, and higher purchase intentions, according to the data. Businesses should tailor their marketing strategy to cater to the distinct cultural norms, customer expectations, and societal values found in various locations. There is strong evidence from the three dependent variables that country culture has a substantial impact on consumer behaviour, since there are statistically significant variations between them.

This study's practical implications include a stronger case for companies to consider the cultural backgrounds of their target audiences when developing marketing, branding, and customer interaction strategies. With an awareness of these cultural subtleties, businesses can better position their products, increase consumer happiness, and cultivate brand loyalty in a variety of global marketplaces. Furthermore, it emphasises the significance of cultural awareness when creating cross-cultural marketing initiatives, especially in this digital era of ever-increasing global reach and customer contact.

In addition to laying the groundwork for future studies on the interaction between culture and consumer behaviour across other sectors, the study's findings provide useful information for companies planning to grow globally.

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