

Does Cultural Diversity Influence Consumer Behavior?

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ABSTRACT

Culture is the fundamental character of a society that separates one from other cultural groups. Diversity, on the other hand, is also referred to as the real or perceived differences among individuals in relation to race, ethnicity, gender, sexual orientation, religion, work ethics and family status, appearance,

and other identity-based attributes that affect interactions and relationships. In connection, cultural diversity is defined as the existence of a variety of cultural or ethnic groups existing within society. Thus, the paper aims to determine the relationship between cultural diversity and how it affects consumers in terms of purchasing products and services, and decision making. Hence, the researchers made use of simple random sampling wherein a total of 100 respondents were gathered and the use of online questionnaires was distributed. The quantitative method was used and One-Sample t-Test for testing the hypothesis, the researchers were able to conclude that the two hypotheses are all accepted which shows that there is a significant relationship and influence of the cultural variety on consumer behavior. Moreover, findings state that the cultural factors (basic values, needs, wants, preferences, perception, and behavior) are the ones that have the most influence on consumer behavior.

Keywords: Culture, Cultural Diversity, Consumer Behavior, Filipino Consumers, Marketing

INTRODUCTION

There have been a lot of definitions of culture and one of which states that culture is the way that people learn from others which eventually generates customs and traditions that bind human lives (Whiten et al., 2011). As years passed, culture became important in different fields and one of which is in business specifically in marketing (Durmaz & Zengin, 2011). Having this said, culture differs in a lot of aspects, and one is based on one's location. In Southeast Asia, the Philippines is one of the most culturally diverse countries on account of the influence of the

Eastern and Western cultures. The cultural diversity in the Philippines makes the consumer behavior of the Filipinos unique compared to other countries in the world.

The identification of consumer needs and wants is essential in a business. This is where the role of marketers is important for they will be able to influence them on which product or service to avail (Durmaz, Celik & Oruc, 2011). Shopping is one of the major leisure activities done by every Filipino given that they are known to be mall-goers and avid e-commerce shoppers. As the changes caused by innovations and change in the economic state of the country, the buying behavior of the Filipino's also change. These findings imply that the buying behavior of the Filipinos are also influenced by the look and brand names of the products. They give importance to physical appearance and personal achievement (Japson, Te, & Velecina, 2017).

Studying how Filipino consumers behave is vital for it could change rapidly given that there is an average annual growth rate of 1.21% in the population of the Philippines according to the Philippine Statistics Authority. The identification of the certain cultural factors that influence their behavior can help not only in a way that the Filipino consumers will be provided with their needs and wants but also help the firms to make profit through the help of the people in the field of marketing.

There has been no research made up to date that identifies which cultural factors influence the consumer behavior that focuses on the Filipinos. Having said that the Philippines has a very rich culture and there is a widespread cultural diversity in every community, this paper aims to point out which of the following cultural factors are considered by the Filipino consumers and how the identification of these factors could help in the business industry especially in the field of marketing. This study is relevant in helping firms recognize which factors they

should focus more on and be able to give quality products and services that would match the preferences of Filipino consumers.

LITERATURE REVIEW

Culture

According to Durmaz (2014), culture is the fundamental character of a society that separates one from other cultural groups. Hence, culture is not a characteristic that a person is naturally born with, rather it is learned and subject to change depending on how fast an individual can adapt. It also varies in many aspects in terms of its dimensions, factors, and elements. Accordingly, culture is said to be the most fundamental determinant of an individual's wants and the way they behave. Moreover, culture is the overall learned behavior of shared quality, purpose, and belief of the members of a society (Durmaz, Mukahit, & Reyhan, 2011). In addition, culture is not constant; it changes over time as people have the tendency to adapt to change due to time and create new kinds of culture (Durmaz, 2014).

According to the research conducted by Shavitt and Barnes (2019), findings indicate that culture is behind connecting on how the consumers will interpret and respond to the given touchpoints of a consumer and shopper journey. As claimed by Nguyen (2019) culture does indeed create an impact on the buying behavior of consumers with different cultural backgrounds and should be widely considered seeing that cultural competence has an effect on the role of decision making. Overall, both studies conducted by Nguyen (2019) and Ivanov (2016) indicate that cultural identity influences consumer behavior the most, based on the circumstances a consumer is in. To reiterate the impact of culture, according to Sagar (2019), research explained the strong influence of culture in decision making. Culture offered reliable and

dependable methods in all the phases of human problem-solving phenomena. Hence further studies to be conducted in the future should focus on the roots of behaviors rather than the differences in people's behaviors (Minas, Kastanakis, & Voyer, 2013). Although it is often difficult to establish stereotypes for the incorporation of similar elements, the resemblance of people having the same culture cannot be overlooked (Altugan, 2015).

Hypothesis 1: *Culture positively influences the purchasing behavior of the consumers.*

Categories of culture

The University of Minnesota (2016) stated that the elements of culture consist of *symbols, language, norms, values, beliefs, and artifacts*. In connection, the study of Durmaz, Mukahit, & Reyhan (2011) indicated that one of the elements that contrive culture is beliefs. Hence, tradition belongs to the elements of culture as well, for it is related to the non-verbal behavior of individuals which makes up a culture (Durmaz, Mukahit, & Reyhan, 2011). According to Lawan and Zanna (2013), a society consists of different kinds of factors that comprise cultures such as norms, conventions, customs, religion, festivity, class, lifestyle, and other subcultures. These elements of culture exert influence on how individuals purchase and consume products and services. Thus, these help explain how and why consumers behave in a certain way. Consequently, the culture of social norms is widely influenced by egoistic values thus, playing a pivotal role in how a person behaves (Kim & Seock, 2019).

Cultural factors are defined as factors that contribute to how an individual is raised. Values, perception, preferences, and patterns of behavior are, on the other hand, results in which socialization occurred either within their family or due to other

key variants. In relation to this, a study conducted by Yoon (2016) further named the factors that affect culture, namely; language, communication, courtesies, rituals, roles, customs, relationships, practices, expected behaviors, values, thoughts, and manners of interacting. Furthermore, according to a study conducted by Spiers, Gundala, & Singh (2014), there is a relationship between consumer behavior and the family structure, local dialect, values, and beliefs of the people that are learned in the process of growing up.

Moreover, social class, which is a major contributor to consumer behavior, belongs to cultural factors as well, which according to Durmaz (2014), contribute to how consumers within the same social class behave in terms of buying. Hence, it is relatively a permanent and an ordered division in a society wherein people in the same social class have similar values, interests, and Behavior (Ramya & Ali, 2016). On the other hand, values as one of the cultural factors that affect consumer behavior, consist of achievement, success, efficiency, progress, material comfort, practicality, individualism, freedom, humanitarianism, youthfulness, and practicality. In relation to that, cultural factors are pivotal in terms of understanding how and why consumers behave in certain ways when they are exposed to advertisements, marketing messages, products, and many more. It is important for marketers to appropriately position their ideas and initiatives at the right time, place, and target market for cultural factors can greatly depict the outcome. Consumers choose products and services based on what fits and satisfies their cultural beliefs for their choices determine their whole being as well as their image. Thus, there is a significant relationship existing found among the variables of lifestyle and cultural values in terms of consumer behavior (Ahmed et al., 2015). Thus, culture has been perceived as a factor that has a direct effect on impulse buying behavior

thus, cultural factors should be evidently considered in many aspects (Jamali & Baloch, 2019).

According to Henderson and Christman (2016), diversity, in general, is also referred to as the real or perceived differences among individuals in relation to race, ethnicity, gender, sexual orientation, religion, work ethics and family status, appearance, and other identity-based attributes that affect interactions and relationships. In connection, cultural diversity is the existence of diversified cultures or ethnic groups existing within society. Cultural diversity covers one's nationality, religion, race, gender, geographical location, and subcultures (Belfield, 2012). Cultural diversity forms smaller groups referred to as; *subcultures*, which is defined as a set of cultures and behavior of individuals with similar values wherein geographical regions and religions are pivotal in how subcultures are formed. The disparity between the variables of subculture affects the subcultural segmentation of marketing activities for these activities are essential in creating marketing strategies (Durmaz, Mücahit, & Reyhan, 2011). According to the study conducted by Durmaz (2014), identifying subcultures are relevant units to marketers seeing that it is generally used in market research analysis where it enables marketers to focus on the sizable and natural market segment. Determining the customs and values of members of a specific subgroup qualifies them for a distinct marketing strategy. With this, consumers are often profiled and segmented based on their particular societal identities and cultural differences wherein cultural diversity takes place. Thus, identity is referred to as any category label wherein a consumer self-associates themselves with a clear depiction of what a person in a certain category looks like, thinks like, feels, and does (Reedet al., 2012). Characteristics distinguish one individual from another wherein these societal labels developed through characteristics provide a convenient

way for marketers to organize and segment consumers based on their specific differences in culture. It is best to address consumers based on their true self wherein they manifest their individual characters (Henderson & Christman, 2016).

As established in the individualistic Western world, the concepts of self and personality include the individual as an independent being with a set of distinct characteristics, behaviors, or processes. Behavior is determined by how these internal characteristics or procedures are configured. Thus, marketer's work knowing that consumers tend to have diverse opinions on products usually grounded on the national image of the country where the product is produced. Findings from years of studies have proved that these opinions influence the attitudes of consumers, their attitudes, their buying intentions, and lastly their behavior (Kreckova, Odehnalova & Reardon, 2014).

One aspect that makes the consumers diverse is their respective identities for it is based on the notion that customers can self-associate with a virtually infinite number of different category labels either by choice or endowment. The category label conjures up an image of what that "kind of person" looks like, how they think, feel, and what they do. Consequently, stating that consumers prefer certain products and brands associated with category labels with which they identify with, is relatively uncontroversial. Several studies on self-concept and identity have shown that; identity influences behavior, however various terms used in these various streams of literature obscure the common mechanisms underlying identity's influence on behavior (Reed et al., 2012).

Consumer buying behavior is a patterned, interconnected phenomenon in which goods are purchased as a part of a "Lifestyle package". Lifestyle is a crucial concept in segmenting markets and understanding target markets. Hence, the

combination of customer purchases and the way they are consumed manifests the lifestyle of a society or the consumer (Krishnan, 2011).

Hypothesis 2: Cultural diversity has a direct and significant effect on consumers' buying behavior

METHODOLOGY

This study attempts to discover whether cultural diversity, given the different cultural components, influences Filipino consumer behavior. The quantitative method for research was used in this study wherein data will be gathered through an online questionnaire. The 6-point Likert scale will be used for the survey questionnaire for it will greatly help in measuring the influence of cultural diversity and will avoid the central tendency bias. The respondents of this study are Filipino consumers residing in the Philippines. Due to the fact that the Philippines is one of the most culturally diverse countries in the world, identifying which of the cultural components influence them the most can help in the business industry in the future.

The study made use of simple random sampling which enabled the researchers to gather sufficient data in a limited time. The data will be collected from a total of 100 respondents to ensure that the study will be able to provide relevant findings and recommendations. Roscoe's Rule of Thumb for Determining Sample Size states that sample sizes that are significantly larger than 30 and smaller than 500 are pertinent for most research studies (Roscoe, 1975). Moreover, the correlational research

requires at least 30 (thirty) respondents in order to establish a relationship (Gay and Diehl, 1992). The questionnaire had undergone a pre-test to ten respondents who passed the qualification. The link to the questionnaire was sent through different messaging applications and social media platforms.

RESULTS AND DISCUSSION

Table 1. Hypotheses Testing

<i>Hypothesis</i>	<i>P%*</i>	<i>N%**</i>	<i>Mean</i>	<i>Mode</i>	<i>Description</i>
H 1	75.31%	24.69%	4.30	4	<i>Slightly Agree</i> ***
H 2	76.09%	23.91%	4.33	5	<i>Agree</i>

* P% - percentage of *strongly agree*, *slightly agree*, and *agree* responses,

** N% - percentage of *disagree*, *slightly disagree*, and *strongly disagree* responses

*** *Strongly Agree* - 5.15 - 6.00, *Agree* - 4.32 - 5.14

From the data summary presented above, the researchers can conclude from the respondents' responses that: (1) 75.31% of the sample size says that the culture positively influences the purchasing behavior of the consumers, (2) 76.09% of the sample size says that the cultural diversity has a direct and significant effect on consumers' buying behavior.

Table 2. One Sample t-Test Results for H1 and H2

<i>Items</i>	<i>Values</i>	<i>Values</i>
Observed Sample Mean (\bar{x})	4.302	4.339
Theoretical Population Mean (μ)	4.228	4.228
SD	0.572	0.536
Sample Size	13	11
Degree of Freedom	12	10
t-Test	0.466	0.685
p-value	0.649	0.509
$p(x \leq T)$	0.675	0.746

From the table shown above, the researchers can conclude the following: (1) Since the calculated t-Test is less than the t-Critical then the H_0 is accepted, (2) Since p-value is greater than α , H_0 is accepted, and lastly, (3) p-value is 0.649348, $p(x \leq T) = 0.675326$, this means we would accept H_0 , the chance of type I error (rejecting a correct H_0) would be too high: 0.6493 (64.93%). Seeing that the results indicate that culture positively influences the purchasing behavior of the consumers, related studies that supports the emerging results of the paper states that culture has been perceived as a factor that has a direct effect on impulse buying behavior thus, cultural factors should be evidently considered in many aspects (Jamali & Baloch, 2019). Culture unquestionably creates a strong influence on the buying behavior and decision-making of consumers with different cultural backgrounds (Nguyen, 2019; Sagar, 2019). All things considered, further studies to be conducted in the future should focus on the roots of behaviors rather than the differences in people's behaviors (Minas, Kastanakis, & Voyer, 2013).

From the data accumulated, the researchers can conclude the following: (1) Since the calculated t-Test is less than the t-Critical

then the H_0 is accepted, (2) Since p-value is greater than α , H_0 is accepted, and lastly, (3) p-value is 0.509, $p(x \leq T) = 0.746$, this means we would reject H_0 , the chance of type I error (rejecting a correct H_0) would be too high: 0.509 (50.88%). We can note that the larger the p-value the more it supports H_0 .

Given that the results confirm that cultural diversity has a direct and significant effect on consumers' buying behavior; in support of the emerging results of the study, considering that consumers tend to have diverse opinions on products usually grounded on the national image of the country, the findings of Kreckova, Odehnalova, & Reardon (2014) proved that opinions influence the attitudes of consumers, their buying intentions, and lastly their behavior. Additionally, as stated by Spiers, Gundala, & Singh (2014), in furtherance of the results, there is a relationship between consumer behavior and the family structure, local dialect, values, and beliefs of the people which are components of cultural diversity. Whereas, Ahmed et al., (2015) suggest that consumers choose products and services based on what fits and satisfies their cultural beliefs which indicates that there is a significant relationship existing found among the variables of lifestyle and cultural values in terms of consumer behavior.

CONCLUSION

Based on the results of the survey, the researchers conclude that the hypotheses presented: (1) Culture positively influences the purchasing behavior of the consumers, (2) Cultural diversity has a direct and significant effect on consumers' buying behavior; were all accepted which shows that there is a significant relationship and influence of the cultural variety on consumer

behavior. Moreover, the researchers concluded that the Cultural Factors (basic values, needs, wants, preferences, perception, and behavior) are the ones that have the most influence on consumer behavior. This helps them in the field of marketing knowing how they would approach and/or attract more customers and what influences the target customers' consumer behavior.

Based on the conclusions concocted through the study, the research can be further improved through the use of the following recommendations. Firstly, offering the respondents examples of products which they could pick between. Secondly, location can be taken into account to know more about how cultural diversity would work in different parts of the country. Thirdly, the social class of the consumers can put into another observation on how the next researchers can understand the consumer behavior more. Fourthly, the economic situation of a country or a market can also put into another observation on how it affects the purchasing power and buying decision of the consumers.

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