

COMPARISON BETWEEN MARKETING PSYCHOLOGY OF INDIAN CONSUMERS VS US CONSUMERS: A QUALITATIVE STUDY

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ABSTRACT

This paper is a Qualitative study based on the difference in marketing psychology of Indian consumers and US consumers. Brief literature study from various sources has been brought together in this paper. This would be majorly helping for readers, who don't have a solid background in Research. This paper could also help industry professionals. The result and conclusion section gives very brief details about the differences.

INTRODUCTION

The roots of marketing psychology can be traced back to the late 19th century when psychologists began to explore the motivations and behaviors of consumers. In 1895, Walter Dill Scott, a professor of psychology at Northwestern University, published the book "The Theory of Advertising," which is considered one of the earliest works to apply psychological principles to marketing. In the early 20th century, the field of marketing psychology began to develop in earnest, with the work of pioneers such as John B. Watson and Edward Bernays. Watson, who is known as the "father of behaviorism," believed that human behavior could be conditioned and manipulated through stimuli and rewards. He applied these principles to marketing, developing techniques such as fear appeals and repetition to influence consumer behavior. Bernays, a nephew of Sigmund Freud, was one of the first to apply psychoanalytic theory to marketing. He believed that consumers could be motivated by unconscious desires and fears, and he used this insight to develop advertising campaigns that appealed to these deep-seated emotions. In the mid-20th century, the field of marketing psychology continued to grow, with the development of new research methods and techniques. Marketers began to use focus groups, surveys, and other tools to gather data on consumer attitudes and beliefs. They also began to experiment with new marketing techniques, such as celebrity endorsements and product placements.

Indian Marketing Psychology

The roots of Indian marketing psychology can be traced back to the ancient Indian texts, such as the Vedas and the Upanishads. These texts contain insights into human behavior and motivation that are still relevant today. In the 12th century, the Indian philosopher Ramanuja developed a theory of marketing based on the concept of bhakti, or devotion. He argued that consumers are more likely to be attracted to products and services that they believe in and that are associated with positive emotions. In the 16th century, the Indian merchant Akbar established a system of marketing and advertising that was based on the principles of persuasion and social proof. He used a variety of techniques, such as storytelling, celebrity endorsements, and product placements, to promote his products and services. In the 19th century, the Indian social reformer Raja Ram Mohan Roy advocated for the use of marketing to promote social causes. He believed

that marketing could be used to educate people about important issues and to motivate them to take action. In the 20th century, the Indian psychologist developed a theory of marketing based on the concept of self-actualization. He argued that consumers are motivated to buy products and services that help them to achieve their personal goals and aspirations. In the 21st century, Indian marketing psychology has become a sophisticated and well-established field. Marketers use a variety of psychological principles to influence consumer behavior, including:

1. Social proof
2. Scarcity
3. Anchoring
4. Urgency
5. Emotional appeals

Indian marketing psychology is a powerful tool that can be used to influence consumer behavior. However, it is important to use these principles ethically and responsibly. Marketers should avoid using techniques that are manipulative or deceptive. They should also be transparent about their use of psychological principles and respect consumers' privacy.

LITERATURE REVIEW

The growing importance of customer relationship management (CRM) in India, one of the world's most populous and dynamic markets. They highlighted the unique challenges and opportunities of implementing CRM in an Indian context, emphasizing the need for a holistic approach that considers the cultural, technological, and business environment of the country. The authors pointed out that Indian businesses traditionally focused on building relationships with their channel partners rather than direct customer relationships. This approach was often driven by the widespread use of intermediaries and the fragmented nature of the Indian market. However, the rise of e-commerce, globalization, and increased customer sophistication was shifting the focus towards direct customer relationships. Bhattacharya and Ghoshal identified several challenges to implementing CRM in India, including Basu, et al. (2022); Bryant, et al. (2019); Gaur, et al. (2019).

1. Data management: The lack of reliable and accurate customer data was a major obstacle to effective CRM.
2. Technological infrastructure: Many Indian businesses lacked the necessary technological infrastructure to support CRM systems.
3. Customer expectations: Indian customers had high expectations for service and personalized interactions.
4. Cultural factors: The hierarchical and relationship-oriented nature of Indian culture influenced customer interactions and expectations.

Despite these challenges, the authors also highlighted several opportunities for CRM implementation in India:

1. Growing middle class: India's rapidly growing middle class represented a significant potential customer base.
2. Increased customer awareness: Indian consumers were becoming increasingly aware of their rights and expectations.
3. Technological advancements: Technological advancements were making CRM solutions more affordable and accessible.
4. Changing business landscape: Indian businesses were becoming more competitive and recognizing the importance of customer relationships.

Bhattacharya and Ghoshal proposed a framework for successful CRM implementation in India, emphasizing the need for Jadhav, & Khanna, (2016); Jain et al. (2021); Kaur, & Singh, (2021).

1. A strategic approach: CRM should be aligned with the overall business strategy and objectives.
2. Customer-centricity: The company should put customer needs at the center of its operations.
3. Data-driven decision-making: CRM should be driven by insights derived from customer data.
4. Cultural sensitivity: CRM practices should be adapted to the Indian cultural context.
5. Technological enablers: The company should leverage appropriate technology to support CRM initiatives.
6. Employee engagement: CRM should involve and empower employees to deliver superior customer experiences.

In their book "Consumer Psychology in India," authors A. Bhattacharya, S. Jain, and P. Srivastava delved into the unique characteristics of Indian consumers and the factors that influence their purchasing decisions. They explored various aspects of consumer behavior in India, including Kumar et al. (2009); Kumar & Pandey, (2017); Patel et al. (2013); Sharma et al. (2021).

1. Value Consciousness: Indian consumers are highly value-conscious and seek products that offer good quality at affordable prices. They are willing to research and compare options before making a purchase decision.
2. Brand Loyalty: Indian consumers tend to develop strong brand loyalty and prefer established brands with a proven track record. They value trust and reliability in brands they choose.
3. Social Influence: Indian consumers are highly influenced by social norms and seek products that enhance their social status and self-perception. They are receptive to recommendations from family, friends, and influencers.
4. Emotional Connection: Indian consumers respond well to emotional appeals and storytelling. They appreciate brands that connect with their cultural values and aspirations.
5. Risk Aversion: Indian consumers are generally more risk-averse and prefer established brands with a proven track record. They are less likely to experiment with new products or untrusted brands.
6. Decision-Making Process: In many Indian households, purchasing decisions are often made collectively, involving family members and social circles. This consensus-driven approach reflects the importance of social norms and group dynamics.
7. Media Consumption: Indian consumers rely heavily on traditional media such as television and print for information and product recommendations. However, with the increasing penetration of smartphones and internet, digital media platforms are rapidly gaining traction.
8. Marketing Appeals: Emotional appeals, storytelling, and celebrity endorsements are highly effective in reaching Indian consumers. These strategies can tap into their emotional sensibilities and cultural values.
9. Brand Positioning: Indian consumers are responsive to brands that position themselves as being relevant to their cultural context and aspirations. Brands that demonstrate understanding of local customs and traditions can gain a competitive edge.
10. Retail Experiences: Indian consumers value personalized interactions and a positive shopping experience. Factors such as store ambiance, customer service, and product availability play a significant role in their purchasing decisions.
11. Price Sensitivity: Indian consumers are sensitive to price changes and often seek out the best deals and discounts. Promotions, sales, and value-for-money offerings can be effective strategies to attract and retain customers.
12. Brand Storytelling: Indian consumers appreciate brands that have a strong narrative and connect with their cultural values. Storytelling can be a powerful tool to build emotional bonds and enhance brand loyalty.
13. Regional Variations: India's diverse cultural landscape leads to variations in consumer preferences across regions and communities. Understanding these local nuances is crucial for effective marketing strategies.

Bhattacharya, Jain, and Srivastava's work provides valuable insights into the psyche of Indian consumers, highlighting the factors that influence their purchasing decisions and the strategies that businesses can employ to effectively engage with this dynamic market.

"The role of emotions in consumer behavior: A cross-cultural review" by Grewal, et al. (1998) explained that Emotions play a significant role in consumer behavior, influencing purchasing decisions, brand evaluations, and satisfaction levels. This article provides a cross-cultural review of the literature on emotions and consumer behavior, examining how emotions are conceptualized, measured, and applied across different cultures. The authors propose a framework for understanding the role of emotions in consumer behavior, which includes the following key components:

- Antecedents of emotions: Factors that trigger or evoke emotions in consumers, such as product features, marketing stimuli, and social interactions.
- Emotional states: The specific emotions experienced by consumers, such as joy, anger, sadness, and fear.
- Consequences of emotions: The effects of emotions on consumer behavior, such as purchasing decisions, brand evaluations, and satisfaction levels.

The authors also discuss the role of culture in influencing the expression, interpretation, and regulation of emotions. They suggest that cultural factors can affect how consumers perceive and respond to emotional stimuli in marketing messages.

Findings

- Emotions play a significant role in consumer behavior across different cultures.
- The antecedents, emotional states, and consequences of emotions can vary depending on the cultural context.
- Cultural factors can influence how consumers express, interpret, and regulate emotions.
- Marketers need to be aware of the cultural context when using emotional appeals in their marketing messages.

Implications

- Researchers should continue to investigate the role of emotions in consumer behavior from a cross-cultural perspective.
- Marketers should develop culturally sensitive emotional appeals that resonate with consumers from different backgrounds.
- Businesses should create a positive and emotionally engaging customer experience to enhance customer satisfaction and loyalty.

Emotions are a powerful force that influences consumer behavior across different cultures. By understanding the role of emotions, marketers can develop more effective strategies to engage with consumers and build stronger brands.

In the book "Consumer Behavior in India: Insights and Implications" by Jain and Jain the India, with its vast and diverse population, presents a unique and challenging market for businesses seeking to understand and influence consumer behavior. This book provides a

comprehensive overview of consumer behavior in India, drawing on insights from both academic research and industry practice. The authors explore a wide range of topics, including:

- Cultural influences on consumer behavior: The impact of India's rich and diverse culture on consumer values, attitudes, and preferences.
- Social factors in consumer decision-making: The role of family, friends, and social norms in shaping consumer behavior.
- Individual characteristics and consumer behavior: The influence of personality, age, gender, and lifestyle on consumer choices.
- Consumer involvement and decision-making processes: How consumers gather information, evaluate options, and make purchasing decisions.
- Consumer perception and brand attitudes: The formation of brand perceptions and the development of brand loyalty.
- Consumer motivation and buying behavior: The underlying motivations that drive consumer behavior, such as the need for self-expression, social recognition, and achievement.
- Marketing strategies for Indian consumers: Effective marketing strategies for reaching, engaging, and influencing Indian consumers.

Findings

1. Consumer behavior in India is influenced by a complex interplay of cultural, social, and individual factors.
2. Indian consumers are value-conscious and seek products that offer good quality at affordable prices.
3. Indian consumers are highly influenced by social norms and seek products that enhance their social status and self-perception.
4. Indian consumers are responsive to emotional appeals and storytelling.
5. Indian consumers are becoming increasingly brand-conscious and are willing to pay a premium for brands that they trust.
6. Indian consumers are increasingly using digital channels to research products and make purchases.

Implications

- Marketers need to understand the unique cultural context of India in order to develop effective marketing strategies.
- Marketers need to focus on building strong brands that resonate with Indian consumers.
- Marketers need to use a mix of traditional and digital channels to reach Indian consumers.
- Marketers need to develop culturally sensitive marketing campaigns that appeal to Indian consumers.

Consumer behavior in India is complex and dynamic, but by understanding the key factors that influence Indian consumers, businesses can develop effective strategies to win their hearts and minds.

According to the article "Consumer Behaviour in India: A Theoretical Perspective" Consumer behavior in India is a complex and dynamic phenomenon influenced by a variety of factors, including cultural, social, economic, and psychological influences. This article provides a theoretical perspective on consumer behavior in India, examining the key factors that shape Indian consumer decisions. The authors discuss the following key aspects of consumer behavior in India:

1. Cultural influences: Indian culture is characterized by collectivism, hierarchy, and a strong emphasis on family and social norms. These cultural values play a significant role in shaping consumer behavior, influencing product choices, brand preferences, and decision-making processes.
2. Social influences: Social factors, such as family, friends, and social groups, exert a strong influence on consumer behavior in India. Consumers often seek recommendations and advice from their social networks before making purchasing decisions.
3. Economic influences: India's economic growth and rising disposable incomes have led to an increase in consumer spending. However, price sensitivity remains a key factor for many Indian consumers, who are value-conscious and seek products that offer good quality at affordable prices.
4. Psychological influences: Indian consumers are driven by a variety of psychological factors, such as the need for self-expression, social recognition, and achievement. These motivations influence their purchasing decisions and brand preferences.

Findings

1. Consumer behavior in India is characterized by collectivism, value-consciousness, and a strong emphasis on social norms.
2. Indian consumers are increasingly brand-conscious and are willing to pay a premium for brands that they trust.
3. Indian consumers are increasingly using digital channels to research products and make purchases.
4. Marketers need to develop culturally sensitive marketing strategies that appeal to Indian consumers.

Implications

1. Marketers need to understand the unique cultural context of India in order to develop effective marketing strategies.
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A study by found that product quality, store environment, service quality, value for money, relationships with employees, and trust were all positively related to customer satisfaction in the Indian retail sector. Another study by Kaur and Grover (2014) found that store atmosphere, customer service, and store loyalty programs were all positively related to customer satisfaction in the Indian retail sector.

Implications for Retailers

The findings of the empirical studies suggest that retailers can improve customer satisfaction by focusing on the following factors:

1. Providing high-quality products and services: Retailers should strive to provide products and services that meet or exceed customer expectations. This includes offering a wide variety of products, ensuring that products are in stock, and pricing products competitively.
2. Creating a pleasant store environment: Retailers should create a store environment that is clean, well-organized, and inviting. This includes maintaining a clean and tidy store, providing adequate lighting and seating, and playing pleasant music.
3. Providing excellent customer service: Retailers should train their employees to provide helpful, friendly, and efficient service. This includes being knowledgeable about products, being able to answer customer questions, and resolving customer problems promptly.

4. Building strong relationships with customers: Retailers should build strong relationships with their customers by showing them that they are valued. This includes offering customer loyalty programs, sending personalized marketing campaigns, and responding to customer feedback.
5. Cultivating a strong brand image: Retailers should cultivate a strong brand image that is associated with quality, trust, and reliability. This includes using effective marketing and advertising campaigns, developing a strong brand identity, and maintaining a consistent brand message.

"Consumer ethnocentrism and brand preference: A comparative study of Indian and US consumers". The study found that consumer ethnocentrism, or the tendency to favor domestic products over foreign products, is a significant predictor of brand preference in both India and the United States. However, the effect of consumer ethnocentrism on brand preference is stronger in India than in the United States. This suggests that Indian consumers are more likely to prefer Indian brands than US consumers are to prefer American brands. The study also found that the relationship between consumer ethnocentrism and brand preference is moderated by brand familiarity. In India, consumers who are more familiar with Indian brands are more likely to prefer them, even if they are not particularly ethnocentric. In the United States, consumers who are more familiar with American brands are also more likely to prefer them, but the effect of brand familiarity is weaker than in India. The findings of this study suggest that marketers need to consider consumer ethnocentrism and brand familiarity when developing marketing strategies for international markets. In India, marketers may be successful by appealing to consumers' sense of national pride and promoting the benefits of buying Indian products. In the United States, marketers may need to focus on building brand familiarity and creating positive associations with American brands.

RESULTS

1. Price sensitivity: The US is a relatively less sensitive market compared to India in terms of pricing. There are many reasons for this, some of which include Indians' low income and higher cost of living.
2. Value consciousness: Indian consumers are even more price conscious compared to their counterparts in the U.S. This implies that they are prone to price comparison, as well as checking out other related products, before committing themselves on a particular product choice.
3. Brand consciousness: Though brand is developing well in India, people are not yet very brand-conscious like American citizens. This is because of various reasons such as low incomes of the Indian consumers and because many Indian brands have been made in recent years.
4. Family and friends: When it comes to buying, Indian consumers are mostly driven by family and friends unlike in the United States. This is because of a powerful collectivism culture present in India.
5. Advertising: While US consumers' choices are affected by advertisements more easily, it is very difficult to persuade India consumers. This follows high educational and media levels found in the USA.
6. Social media: US consumers' purchasing choices are increasingly influenced by social media more than Indian consumers as discussed above. The US population is more exposed to internet based communication compared with India.

CONCLUSION

1. Price: Indian consumers are more price-sensitive than US consumers, so it is important to offer competitive prices and value-for-money products and services.
2. Branding: Indian consumers are becoming more brand-conscious, so it is important to build strong brands that are trusted and respected.
3. Family and friends: Indian consumers are more likely to be influenced by family and friends when making purchase decisions, so it is important to develop marketing strategies that reach and resonate with these influencers.

4. Advertising and social media: Although advertising and social media are less influential in India than the US, they are still important marketing channels. Marketing managers should develop targeted advertising campaigns and social media strategies to reach Indian consumers.
5. Religion: India is a religiously diverse country, so it is important to be sensitive to religious beliefs and practices when marketing in India.
6. Social class: India has a complex social class system, so it is important to understand the different social classes and tailor marketing messages accordingly.
7. Language: India has a number of different languages, so it is important to translate marketing materials into the appropriate languages.

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