

Abstract

This thesis investigates the relationship between the amount of social influence that occurs in purchasing decisions and people's orientations toward being individualists or collectivists, and whether they have an internal locus of control or an external locus of control. These relationships are investigated both across and within national cultures. As a primary cultural variable reflecting values of different cultures, the individualism/collectivism (I/C) construct has been continuously identified as an orientation that exists with respect to a person's or group's relationship to others.

Locus of control (LOC) is a reflection of one's belief about the relationship between one's own behavior and the consequences of that behavior. People who believe that they are in control of their own destiny have an internal locus of control, while those who believe that what happens to them is the result of uncontrollable factors are said to have an external locus of control.

The impact of people's orientation with regard to I/C and to LOC on the extent to which they are subject to social influence has never been investigated cross culturally in the context of consumer behavior in making purchasing decisions. Previous research has indicated that inter-cultural and intra-cultural variation in marketing-related variables can result in pronounced differences in marketing and consumer-related behavior. Inter-cultural investigations have been conducted on numerous aspects of consumer behavior, and have indicated many differences in consumer behavior across cultures. Intra-cultural differences on culture-related variables, however, have only recently begun to be investigated and most of these studies have

been conducted on distinct ethnic subcultures within nations. This research studies the impact that people's orientation toward I/C and toward LOC have on the extent of social influence they experience both across cultures and within cultures. To this end, eight hypotheses were proposed.

The data used to investigate the impact of I/C and LOC orientation was obtained via classroom-setting questionnaires distributed to undergraduate students in four countries: Thailand, Singapore, Australia, and the United States. The original sample size was 797 students. However, after the elimination of respondents with missing data, the final sample consisted of 770 subjects. The research instrument was composed of scales to measure I/C and LOC, questions pertaining to the influence of parents, friends, and salespeople in a hypothetical buying situation, and classification questions. The scales had been developed by previous I/C and LOC researchers and were reported in several journals.

The responses to each of the scales were factor analyzed, which yielded three components for the I/C construct and three for the LOC construct. For I/C, the factor associated with maintaining group harmony is the strongest, and this factor proved to be the best at distinguishing the differences between individualists and collectivists both within and across cultures. For LOC, the factor related to people's feelings of susceptibility to outside influence provided the strongest results to distinguish between individuals with either an internal LOC or an external LOC. The statistical tests employed to test for inter-and intra-cultural differences between individualists and collectivists, and between those having an internal and external locus of control,

included ANOVA, ANCOVA, MANOVA, and Scheffe tests. All but one of the eight hypotheses were at least partially confirmed.

The findings from this study confirm the importance of I/C and LOC as determinants of consumer behavior. The study identified several cross-cultural differences. Thailand is the most collectivist as well as the most external in LOC orientation, while America is the most individualist and the most internal. In terms of intra-cultural variation, Thailand and America also indicated many differences between individualists and collectivists and between individuals with either an internal or an external LOC. Singapore and Australia, however, represented intermediate cases in many respects. This study also found that the I/C construct could not be used to predict membership in one LOC group or another. This result suggests that although the two constructs appear to have overlapping components, they may in fact be independent of each other. Further research is needed to establish whether this is the case.

Within the limitations of the study, it has been established that both I/C and LOC serve as important determinants of social influence in purchase decision making both within and across cultures. The findings reinforce the idea that culture is enduring, but they also raise questions with regard to the behavioral consequences of culture under changing economic conditions. Firms marketing in both individualist and collectivist cultures may find it necessary to incorporate different appeals in their marketing efforts, as well as to reconsider their positioning and image strategies. Within countries, the findings suggest that meaningful I/C and LOC segments could exist with associated differences in consumer purchasing decisions.