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The role of external influences in high involvement purchase behaviour

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Abstract

Purpose – The purpose of this paper is to discover the consumer decision-making style clusters within the context of automobile purchases in Australia. It also examines the differences between consumer decision-making styles in terms of the importance given to external influences, such as importance of dealers, importance of friends/family members, number of cars test driven, time spent researching final decision and importance of information sources (e.g. internet, magazines, TV ads, word of mouth, etc.), prior to making their final purchase decision.

Design/methodology/approach – Data were collected from 209 respondents using self-administered questionnaires. Cluster analysis and ANOVA were employed to identify and analyse the differences between consumer decision-making style clusters. Consumer Styles Inventory (CSI; Sproles and Kendall, 1986) was used to measure respondents’ consumer decision-making styles in relation to automobile purchases.

Findings – Three clusters were identified from the analysis, namely “innovative informed”, “rational confused”, and “traditional habitual”. Significant differences were found between the clusters in terms of the average time they spent with each car dealer, the time they spent on researching final decision and the importance of consulting with family members prior to making their final purchase decision.

Practical implications – The paper found that some consumers rely heavily on friends/families and dealers as the most important sources of information. Other sources of information consumers use include television advertisements, newspapers, billboards and magazines. Based on the findings, marketers should focus on providing similar types of information/messages by using these above-mentioned sources when communicating with this type of consumers. Dealers could be trained to spend time explaining product features and benefits in full with these consumers and their friends and family members whom they are likely to bring along before making the final purchase decision.

Originality/value – The findings of this study have extended the knowledge by determining the impact of external influences on consumer decision-making styles using the CSI in context of specific product which is yet to be known in relation to Australian automobile consumers.

Keywords Culture, Automobile, Consumer decision making, External influences

Paper type Research paper

Introduction

The investigation of consumer decision-making styles has a long tradition in marketing and consumer behaviour research (Correia et al., 2011). It is useful to identify consumers’ decision-making styles so that advertisers and marketers can use such profiles to segment consumers into profitable clusters (Lyonski et al., 1996). The most commonly used measure of consumer decision-making styles in consumer behaviour studies is Sproles and Kendall’s (1986) Consumer Styles Inventory (CSI) (Walsh et al., 2001; Radder et al., 2006; Bauer et al., 2006; Hanzae and Aghasibeig, 2008).

Consumer decision-making style is defined as the way a person reacts to the overall purchase decision. Consumer decision-making styles have been variously defined in the literature. Broadly
speaking, three alternative frameworks have been proposed: the psychographic/lifestyle approach, which identifies hundreds of characteristics related to consumer behaviour; the consumer typology approach, which classifies consumers into several types; and the consumer characteristics approach (Sproles and Kendall, 1986; Kwan et al., 2008), which focuses on different cognitive dimensions of consumer decision making.

The psychographic/lifestyle approach focuses on the personal characteristics that influence consumer behaviour. In psychology, psychographics is often used to describe personality traits. However, in the consumer behaviour literature, psychographics may also incorporate the consumer’s lifestyle more generally, including attitudes and values. Lifestyle may be influenced by demographic variables such as age, social class, organisational membership and types of products owned (Ohubuchi et al., 1999). Broadly then, the psychographics approach is concerned with the effect of socio-cultural variables on consumer behaviour (Correia et al., 2011). In contrast, the consumer typology approach is concerned with identifying general “types” of consumers based on product and/or store preferences (Walsh et al., 2001). Consumer decision-making styles have also been defined in terms of the person’s overall reaction to the purchase process, including physiological factors (Bauer et al., 2006). For instance, the consumer characteristics approach focuses on consumers’ cognitive and affective or “mental” orientation towards the decision-making process (Sproles and Kendall, 1986; Durvasula et al., 1993). Of these three approaches, however, the consumer characteristics approach seems to be the most powerful and explicit since it focuses on the mental orientation of consumers in making decisions. As such, this approach deals with the cognitive and affective orientation of consumers in their process of consumer decision making. It assumes that decision-making styles can be determined by identifying general orientations towards shopping and buying (Durvasula et al., 1993; Lyonski et al., 1996). The Consumer Style Inventory (CSI; Sproles and Kendall, 1986) was developed to measure the decision-making styles of consumers’ shopping orientations. The scale has been widely validated and applied in several countries (Hafstrom et al., 1992; Durvasula et al., 1993; Lyonski et al., 1996; Bauer et al., 2006; Hanzae and Aghasibeig, 2008) and proven to be a significant counselling device for consumer affairs specialists and a good instrument for segmentation and developing clusters for marketers (Zhou et al., 2010).

With so much interest in the CSI, there are a number of gaps in the literature that this study aims to address. First, the majority of CSI studies in the past measures general shopping orientation on non-specific product types (Lyonski et al., 1996; Shim, 1996; Mitchell and Bates, 1998; Hiu et al., 2001). Recently, a small number of studies have examined the CSI in relation to low involvement purchases (e.g. see Leo et al., 2005; Radder et al., 2006) but the validity of the CSI in the context of high involvement purchases is not known (Hanzae and Aghasibeig, 2008). Second, past studies on CSI were mostly based on student samples (see Canabal, 2002; Kwan et al., 2008) and its suitability for other types of consumers is still unclear. The CSI needed to be tested on non-student samples in order to establish its generalisability to broader consumer groups (Leo et al., 2005). Finally, little attention has been devoted to the role of external influences in affecting consumer decision making, particularly in high involvement purchase decisions.

The purpose of this study is to discover consumer decision-making clusters in the context of automobile purchases in Australia. More precisely, this study aims to explore whether there are significant differences between consumer decision-making clusters in terms of the importance given to external influences, such as importance of dealers, importance of information sources and importance of family members, prior to making their final purchase decision.

**Theoretical background**
Consumer decision-making styles: past and present
As previously mentioned, the CSI is based on preliminary work done by Sproles (1983), in which he argued that there are certain fundamental styles that all consumers apply to their shopping and buying. These styles include brand, price or quality consciousness, and provided a conceptual framework for describing consumer decision-making styles. Sproles and Kendall (1986), later developed a revised model of eight consumer decision-making styles based on cognitive and personality characteristics. Each of these styles independently characterises a fundamental intellectual approach to consumption (Hanzaee and Aghasibeig, 2008; Kwan et al., 2008). Sproles and Kendall’s (1986) model of eight consumer decision-making styles are outlined as follows:

(1) Perfectionist, high quality conscious decision-making style: this style is characterised by a consumer’s search for the very best quality in products. Consumers scoring high on this factor are expected to be systematic or comparison shoppers.
(2) Brand conscious, “price equals quality” decision-making style: the consumer with this style is expected to buy expensive, well-known brands, believing that the higher the price of a product, the better the quality. Those scoring high on this factor are likely to display some level of fashion consciousness.
(3) Recreational/hedonistic shopping decision-making style: a consumer gains pleasure from the shopping experience. This style characterises people who are likely to shop just for fun/leisure and find shopping pleasant. Recreational shoppers engage themselves in the purchase situation, since they like to know more about the product as a form of enjoyment (Bellenger and Korgaonkar, 1980). They also think the information they have gathered might help them to choose products for future purchases. They continually track product information and thus engage themselves in an “ongoing search”.
(4) Rational/price-conscious, “value for money” decision-making style: a consumer consistently searches for sales, bargains and lower-priced products. This style identifies consumers who exhibit price and value for money consciousness. People scoring high on this factor shop carefully for low or sale prices.
(5) Impulsive, careless decision-making style: this style describes a consumer who does not plan their shopping, and is not concerned with how much they spend or with value for money. Impulsive buyers do not reflect on their thinking and are very emotionally attracted to the object.
(6) Confused by over choice decision-making style: the consumer is confused and overwhelmed with too much product information and/or too many product choices. Therefore, these consumers may not make decisions that satisfy them in the long term. This style characterises consumers who are confused about the quality of different brands and by the information available.
(7) Habitual/brand loyal decision-making style: the consumer tends to consistently stick with the same brand of product. This style characterises shoppers who have favourite brands and stores and use these habitually. Habit presumes that the consumer identifies a decision satisfactorily and follows a similar purchase pattern with little re-evaluation.
(8) Novelty fashion-conscious decision-making style: these consumers are characterised as novelty seekers. They find seeking out new things pleasurable and exciting. Consumers are likely to shop less carefully, are more impulsive and are also less-price sensitive. Table I shows a comparison of the consumer decision-making traits in the literature.

The CSI has become the most commonly used measure of consumer decision-making tyles, and has been widely applied and validated in several countries including Australia, UK, China, India, Malaysia, New Zealand and the USA (Leo et al., 2005; Bakewell et al., 2006). The CSI has also proven to be a useful instrument for marketers, enabling the segmentation and positioning of consumers (Zhou et al., 2010).
External influences in relation to automobile purchases

Consumer decision making for high involvement purchases is defined as a thought process of selecting a logical choice from the variable options (Grewal et al., 2003). For example, when a consumer makes a high involvement purchase decision (e.g. automobiles), he or she should be aware of all the positives and negatives of each option such as quality, price and innovation, and consider all the alternatives (e.g. various brands). A consumer must be able to forecast the outcome of each option and then determine which option is best for that particular situation to make a reasoned decision (Punj, 1987). Consumers usually consider all these conditions for automobile purchases because consumers’ decision making for high involvement purchases is known as a complex problem-solving exercise and therefore involves a sequential process: problem recognition, information search, brand evaluation and selection, purchase and post-purchase (Quester et al., 2007). As a whole, consumers are more likely to be rational when buying infrequent, expensive and/or high involvement products (Kotler et al., 2007). In terms of automobile purchases, the rational decision-making style emerged as a most likely relevant factor because an automobile is a considerable investment, warranting more care in decision making.

Table I. Consumer decision making traits identified within several studies

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Perfectionist, high quality, conscious</td>
<td>Perfectionist, high quality, conscious</td>
<td>Perfectionist, high quality, conscious</td>
<td>Perfectionist, high quality, conscious</td>
<td>Perfectionist, high quality, conscious</td>
</tr>
<tr>
<td>Value, consciousness</td>
<td>Price-value, conscious</td>
<td>Price-value, conscious, rational/price</td>
<td>Conscious, conscious, conscious</td>
<td>Conscious, conscious, conscious</td>
</tr>
<tr>
<td>Brand, consciousness</td>
<td>Brand, conscious</td>
<td>Brand, conscious</td>
<td>Brand, conscious</td>
<td>Brand, conscious</td>
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<tr>
<td>Novelty fashion, consciousness</td>
<td>Novelty fashion, conscious</td>
<td>Novelty fashion, conscious</td>
<td>Novelty fashion, conscious</td>
<td>Novelty fashion, conscious</td>
</tr>
<tr>
<td>Confused by overchoice</td>
<td>Confused by overchoice</td>
<td>Confused by overchoice</td>
<td>Confused by overchoice</td>
<td>Confused by overchoice</td>
</tr>
<tr>
<td>Impulsiveness, Recreational, Shopping, Consciousness</td>
<td>Impulsiveness, Recreational, Shopping, Consciousness</td>
<td>Impulsiveness, Recreational, Shopping, Consciousness</td>
<td>Impulsiveness, Recreational, Shopping, Consciousness</td>
<td>Impulsiveness, Recreational, Shopping, Consciousness</td>
</tr>
<tr>
<td>Habitual, brand loyalty</td>
<td>Habitual, brand loyalty</td>
<td>Habitual, brand loyalty</td>
<td>Habitual, brand loyalty</td>
<td>Habitual, brand loyalty</td>
</tr>
<tr>
<td>Shopping, avoiding</td>
<td>Time, energy, conservation</td>
<td></td>
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</tbody>
</table>

In addition, previous studies have found that in relation to automobile purchases, consumers can use several types of information sources which they might consider trustworthy and reliable (Doran, 2002). The selection of information sources for automobiles may involve numerous criteria. For instance, consumers may find valuable information through external sources such as information from dealers, information from family/friends, number of family/friends consulted, number of test-driven cars and time spent researching before a final decision, etc. Last but not the least, the internet as an information source has a considerable impact on several stages of the consumer decision-making process. The internet is an extremely efficient medium for accessing, organising and communicating information. As previously mentioned, many customers seek advice from car experts or friends/family when purchasing a car. However, there are times when the price, colour, size of the car, looks or special features do not match the budget. As a whole, it is a long process; therefore, consumers prefer to collect relevant information through the internet before visiting dealers and/or even speaking to experts (Nayeem, 2012). This study focuses on these external influences and recognises their importance when attempting to understand their role/impact on automobile purchase decisions.
It is also important to mention that consumers’ cultural backgrounds and/or their individual characteristics such as brand consciousness (de Mooij, 2010), quality consciousness (Prendergast and Wong, 2008), price consciousness (Lichtenstein et al., 1988), brand loyal/habitual consciousness (Bloemer and Kasper, 1995) and innovation consciousness (Leo et al., 2005) may influence their preferences regarding information sources for high involvement purchases. This study postulates that certain consumer decision-making styles may place more importance on external influences when it comes to making high involvement purchase decisions. For instance, “perfectionist, high quality conscious” decision makers may spend more time with dealers prior to making their final purchase decision as compared to those who are “brand conscious”. “Habitual/brand loyal” decision makers may spend less time on researching about cars and interacting with dealers because they may rely on their previous purchase experience in making decisions. “Innovative” consumers, on the other hand, may place more importance on family/friends, spend more time with dealers and in researching about cars because they are open to new ideas and may want to get as much information as possible prior to making their final decision. Innovativeness requires one to initiate behaviours that differ from those of others. Innovative consumers enjoy taking chances in buying unfamiliar brands just to get some variety. They are also not very anxious about trying new product brands.

Segmentation via cluster analysis
Cluster analysis has been widely used in consumer research as a classification tool for market segmentation, understanding consumer behaviour, development of potential new product concepts, test market selection and as a general data reduction technique (Kimiloglu et al., 2010). Within the marketing literature, clustering-based segmentation is often used to categorise consumers on the basis of the relative importance placed on various product attributes and benefits (Ness et al., 2002). The present study uses cluster analysis to categorise respondents into consumer decision-making styles cluster. This will then serve for further analysis to examine whether significant differences exist between the clusters in terms of the relative importance given to the external influences affecting their automobile purchase decision.

Method
Sample and data collection
The sample consisted of 209 Australian consumers (46 per cent) men and (54 per cent) women living in Melbourne, Australia. To qualify for inclusion in the research sample, a number of criteria had to be met. For example, the sample population for this research was Australian-born consumers only. The sampling frame consisted of Australian-born consumers living in Melbourne, Australia, who were aged between 18 and 75 years, held a current driver’s license and had purchased a car within the past 12 months. It was reasoned that participants would not be able to recall their purchase accurately if the purchase had been made more than one to two years previously (Park and Kim, 2003). Therefore, the researcher had set 200 potential respondents as the sample size in this research to meet the criteria for satisfactory statistical analysis. Potential respondents were invited to complete an anonymous survey questionnaire that would take approximately 20 minutes of their time. It was also mentioned in the questionnaire that all information collected would be treated in the strictest confidence and stored securely, and at no time would any individual be identified in any reports resulting from the research. The participants were recruited through 12 motor vehicle dealerships in Melbourne, Australia. Participants completed an adapted version of the CSI (Sproles and Kendall, 1986). For the purpose of the current study, the items were rephrased to be specific to car purchase behaviour: e.g. “My standards and expectations for cars I buy are very high” (perfectionist, high quality conscious); “There are so many car brands to choose from that often I feel confused” (confused by overchoice); and “I am impulsive when purchasing cars” (impulsive vs rational; high scores reflect a rational style). Of the 422 surveys that were distributed for this study, 219 were returned, of which ten incomplete
surveys were discarded because more than 10 per cent of the results were missing values. For thorough estimates and analyses, only those surveys that were filled out correctly and completely were used for this study (49 per cent of the total distribution).

Measures of construct
The study measures were selected for the purpose of examining consumer decision-making styles and the external influences for automobile purchase behaviour. The questionnaire was divided into the following three sections.

(i) Demographic questions. This was used for the purpose of describing the characteristics of the respondents. Information on participants’ demographic characteristics was sought to enable sample description and facilitate replication of the current findings in future research. Participants were asked to provide information about their age, citizenship, country of birth, gender and education.

(ii) CSI (Sproles and Kendall, 1986). This was used to measure respondents’ consumer decision-making styles in the context of automobile purchases. Participants rated their agreement or disagreement with each statement on a six-point scale ranging from “strongly disagree” (1) to “strongly agree” (6). This research retained all of the Sproles and Kendall (1986) subscales, except novelty fashion-conscious. This subscale was excluded because many of the items were specific to low involvement purchases or clothing-specific purchases and, consequently, were not applicable to automobiles. For example, two of the excluded items were, “I usually have one or more outfits of the very newest style” and “I keep my wardrobe up to date with the changing fashions”. To assess the “novelty” aspect of consumer decision-making styles for automobiles, one subscale, “innovation consciousness” (nine items; Raju, 1980) was added alongside the seven factors retained from Sproles and Kendall (1986). The innovation conscious decision-making style is a characteristic of consumers who seek novelty and variety in their purchase decisions. Innovativeness requires one to initiate behaviours that differ from those of others. Consumers scoring high on this factor enjoy taking chances in buying unfamiliar brands just to get some variety. They are also not very anxious about trying new product brands.

(iii) External influences on consumer decision making. Participants supplied information about (potential) external influences on consumer decision-making regarding their car purchase behaviour. These factors included the perceived importance of dealers, number of dealers consulted, time spent with dealers, number of cars test-driven, time spent on research, perceived importance of family and friends and number of family/friends consulted. The response format for these questions was “tick the most appropriate alternative”. In addition, participants rated the relative importance of different information sources (such as dealers, the internet, magazines, television advertisements, “word of mouth” communication) on a five-point scale (ranging from 1¼ “very unimportant” to 6¼ “very important”). As previously mentioned, external influences are likely to exert some impact on consumers’ automobile purchase behaviour (Hii et al., 2001). Several questions were asked in order to identify these influences, such as the number of family members consulted, number of dealers consulted, etc., before purchasing the automobile.

Reliability and validity of measures
The reliability of the constructs was measured using “composite reliability” (CR) (Fornell and Larcker, 1981). With the exception of “openness to experience” (CR¼0.64), all constructs possess good level of reliability (0.70 and above). The validity of the measures was assessed through the measurement model in AMOS. It was found that the AVE for each construct is greater than all related correlations, thus indicating discriminant validity (Fornell and Larcker, 1981). The final measurement model
demonstrated acceptable fit with the data as reflected in the fit indices including $x^2(116)=268.32$, normed chi-square (NC) of 1.996, goodness-of-fit index (GFI) of 0.902, comparative fit index (CFI) of 0.913 and root mean square error of approximation (RMSEA) of 0.053.

Findings of the study
The findings of the study were presented in two sections. In the first part, cluster analysis was used to classify respondents based on their scores on consumer decision making styles inventory. In the second part of the findings, the aim was to examine the differences between these clusters in the relative importance given to various external influences. Consequently, analysis of variance (ANOVA) was employed to examine these differences.

Part 1: cluster analysis
In the first stage, we conducted a hierarchical cluster analysis using Ward’s method on our data to decide the initial number of clusters which were required in the next stage. Based on the observation of the squared Euclidean distance between the resulting cluster solutions, it was identified that three clusters was the most optimal solution as succeeding clustering solutions add very much less to differentiating between cases. We then rerun the hierarchical cluster analysis with three clusters specified as the single solution.

Discriminant analysis can be used as a means to validate the final cluster solution (Punj and Stewart, 1983). It was found that the distribution of discriminant scores for each cluster is substantially separate. To assess model fit, Wilk’s $\gamma^2$0.370 was found for the first discriminant function, which suggests that the model splits cases into groups effectively with the proportion of total variance in the discriminant scores not explained by differences among the groups at 37 per cent.

Next, we conducted one-way ANOVA to test the differences between the three clusters in their performance across CSI. Table II shows the mean scores of each cluster across the six consumer decision-making styles. The ANOVA results indicated that the three clusters are significantly different in their scores across all consumer decision-making styles with the exception of “perfectionist” and “brand-conscious”:

- Cluster 1: innovative informed – the lowest in “confused by overchoice” and the highest in “innovative” decision style. This indicates a well-informed buyer who is open to new product ideas and choices. The majority of respondents in this cluster are female with income over $100,000.
- Cluster 2: rational confused – the highest in “confused by overchoice” and “rational” style. This indicates a logical buyer who has collected enough important information to be safe and rational but confused by information overload (e.g. various brands, dealers, series, etc.) in relation to automobiles.
- Cluster 3: traditional habitual – the highest in “habitual” and lowest in “innovative” styles. This indicates a conservative buyer who prefer to buy the brands which they have had experience with. They are unlikely to purchase any new make of cars. In all, 15 per cent of the respondents in this cluster are 56 years of age or older.

Table III indicates the demographic characteristics of each cluster.

Table II. Final cluster centers

<table>
<thead>
<tr>
<th>Consumer style inventory</th>
<th>Cluster 1 Innovative informed</th>
<th>Cluster 2 Rational confused</th>
<th>Cluster 3 Traditional habitual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perfectionist</td>
<td>3.7531</td>
<td>3.6687</td>
<td>3.7547</td>
</tr>
<tr>
<td>Rational</td>
<td>2.0209</td>
<td>3.6047</td>
<td>2.0647</td>
</tr>
<tr>
<td>Brand-conscious</td>
<td>3.1111</td>
<td>3.1521</td>
<td>3.2038</td>
</tr>
<tr>
<td>Habitual</td>
<td>2.5622</td>
<td>3.5000</td>
<td>3.5041</td>
</tr>
<tr>
<td>Confused by over-choice</td>
<td>2.3578</td>
<td>3.7813</td>
<td>3.3015</td>
</tr>
<tr>
<td>Innovative</td>
<td>3.7633</td>
<td>3.5726</td>
<td>2.8774</td>
</tr>
</tbody>
</table>
Table III. Demographic Characteristics of respondents

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Cluster 1</th>
<th>Cluster 2</th>
<th>Cluster 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17-25</td>
<td>25.9</td>
<td>20.8</td>
<td>13.2</td>
</tr>
<tr>
<td>26-35</td>
<td>33.3</td>
<td>38.5</td>
<td>47.2</td>
</tr>
<tr>
<td>36-45</td>
<td>18.5</td>
<td>14.6</td>
<td>13.2</td>
</tr>
<tr>
<td>46-55</td>
<td>14.8</td>
<td>18.8</td>
<td>11.3</td>
</tr>
<tr>
<td>56-65</td>
<td>5.6</td>
<td>6.3</td>
<td>9.4</td>
</tr>
<tr>
<td>66 and above</td>
<td>1.9</td>
<td>1.0</td>
<td>6.7</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>33.3</td>
<td>52.1</td>
<td>49.1</td>
</tr>
<tr>
<td>Female</td>
<td>66.7</td>
<td>47.9</td>
<td>50.9</td>
</tr>
<tr>
<td>Highest education qualification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school</td>
<td>14.8</td>
<td>16.7</td>
<td>9.4</td>
</tr>
<tr>
<td>TAFE</td>
<td>20.4</td>
<td>16.7</td>
<td>11.3</td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>35.2</td>
<td>36.5</td>
<td>34.0</td>
</tr>
<tr>
<td>Postgraduate degree</td>
<td>24.1</td>
<td>29.2</td>
<td>45.3</td>
</tr>
<tr>
<td>Other</td>
<td>5.6</td>
<td>1.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under $20,000</td>
<td>1.9</td>
<td>2.1</td>
<td>5.7</td>
</tr>
<tr>
<td>$20,000-$89,999</td>
<td>9.3</td>
<td>30.5</td>
<td>11.3</td>
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<td>$80,000-$99,999</td>
<td>16.7</td>
<td>18.9</td>
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<td>$90,000-$149,999</td>
<td>20.4</td>
<td>22.1</td>
<td>20.8</td>
</tr>
<tr>
<td>Over $100,000</td>
<td>37.0</td>
<td>13.7</td>
<td>13.2</td>
</tr>
</tbody>
</table>

Part 2: ANOVA between three clusters on external influences

In this section of the findings, the three consumer decision-making style clusters derived from the previous analysis are investigated further with respect to the importance they give to external influences.

The ANOVA test reveals that three items of external influences were found to be significantly different across consumer decision-making clusters. As depicted in Table IV, post hoc tests reveal that the “rational confused” buyers score significantly lower than the “traditional habitual” buyers in “the time spent with each dealer”.

Table IV. ANOVA between three clusters on external influences

<table>
<thead>
<tr>
<th>External influences</th>
<th>Consumer decision clusters</th>
<th>Mean difference</th>
<th>MS</th>
<th>F</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time spent with each dealer</td>
<td>Rational confused</td>
<td>Innovative</td>
<td>−0.061</td>
<td>2496</td>
<td>4.043</td>
</tr>
<tr>
<td>Time spent researching</td>
<td>Innovative</td>
<td>Traditional habitual</td>
<td>−0.374*</td>
<td>7340</td>
<td>4.712</td>
</tr>
<tr>
<td>Importance of consulting with family/friends</td>
<td>Rational confused</td>
<td>Innovative</td>
<td>−0.736*</td>
<td>13851</td>
<td>7.159</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Traditional habitual</td>
<td>−0.819*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The mean difference is significant at 0.05 level

The “rational confused” buyers also score significantly lower than the “innovative informed” and “traditional habitual” in “the importance of consulting with family/friends”. The “innovative informed” buyers were found to score significantly lower than the “traditional habitual” buyers in the “time spent researching” about cars prior to making purchase decision.
Discussion

The major purpose of this study was to examine the differences among consumer decision-making clusters with regards to the importance they place on external influences. The results have revealed several interesting findings. First, it was found that the “rational confused” buyers scored significantly lower than the “traditional habitual” buyers in “the time spent with each dealer”. The “rational confused” clusters reflect logical buyers who have collected enough important information but are confused by information overload on car purchases. This type of buyer tends to spend less time with car dealers, perhaps to avoid information overload.

The results of this study also indicated that there are significant differences between the consumer decision-making clusters with regards to the importance of consulting with family or friends. The “rational confused” buyers place less importance on consulting with family/friends than do the innovative informed and the “traditional habitual” buyers. The “rational confused” buyers believe that they have collected more/enough important information about cars and which results in them being confused by over choice. This type of buyer was found to place less importance on consulting with family or friends to avoid further complications or confusion in making their decisions.

The “innovative informed” buyers were found to score significantly lower than “traditional habitual” buyers in the amount of time they spent researching about cars prior to making a purchase decision. The “innovative informed” cluster reflects well informed buyers who are open to new product ideas and choices. This is a rather interesting finding because it was expected that this type of buyer would spend more time researching about cars than any other types of buyers. However, it worth noting that the “innovative informed” cluster also scored the lowest in the “confused-by over choice” items. The findings therefore imply that buyers who are least confused by over choice tend to spend less time researching because they want to simplify their decision making and avoid any possible confusion which may arise as they spend more time researching about cars.

The “traditional habitual” cluster was found to score the highest among all three elements of external influences. This cluster reflects conservative buyers who prefer to buy the brands with which they have had experience. It is also worth noting that this cluster scored the highest in the “perfectionist, high quality conscious” inventory items. The findings suggest that although some buyers are conservative in their brand selection, they still spend a substantial amount of time researching on cars, interacting with dealers and consulting with family/friends because they want to ensure that they make the “perfect” choice/decision when it comes to high involvement purchases such as automobiles.

Managerial implications

There are a number of implications flowing from this research which may contribute to marketing practice. The findings of this research provide insight into how automobile companies could position themselves with respect to consumers’ needs in Australia. Australian consumers seem to have clear needs associated with their characteristics which marketers might engage with when designing new or refining existing automobiles.

This study showed that automobile consumers are rational but confused by the various types of information that they collect before making the automobile purchasing decision. Consumers are likely to collect adequate information, and also to use many types and sources of information, before they purchase automobiles (Doran, 2002). As mentioned previously, some consumers rely heavily on friends/families and dealers as the most important sources of information. Other sources of information that consumers use include television advertisements, newspapers, billboards and magazines. Therefore, marketers need to be aware of this situation and provide similar, or even the same, types of information/messages by using these above-mentioned sources when communicating with consumers, so that they do not become confused. The information/messages could include simple information on mechanical and innovative features of the automobiles so that consumers are aware of the newest trends but are not overloaded with excessive information. This could be an excellent strategy for Australian automobile companies which, in recent times, have
been focusing on new technology such as the eco-friendly (the Toyota Prius) and the high performance (Holden and Ford vehicles). In addition, Australian automobile consumers use the internet as their most preferred information source. For example, previous studies found that Australian consumers chose the internet as the most important source of information followed by dealers, magazines and TV advertisements, in relation to automobile purchases (Nayeem, 2012). Therefore, in terms of communicating with Australian consumers, marketers might use the internet as a major source of promotion or communication technique for distributing automobile information and to emphasise the cutting edge, innovative aspects of their products.

The study also found that the “traditional habitual” cluster scored the highest among all three elements of external influences. In relation to communicating with these consumers, automobile companies need to use the information sources on which consumers rely most. The traditional consumers are likely to rely on dealers more than any other sources (de Mooij, 2010). Therefore, dealers could be trained to spend time explaining product features and benefits in full with these consumers and their friends and family members whom they are likely to bring along before making the final purchase decision. This could be a successful approach to adopt when developing strategies for automobile consumers.

Limitations and future research

There are a number of limitations which can be addressed in future research. In this research, participants were asked to describe/rate consumer decision-making styles retrospectively. Respondents had purchased a car within the last 12 months. Twelve months was expected to be a reasonable time frame for recalling consumer decision-making styles (see Park and Kim, 2003). However, 12 months is quite a long lag for respondents to remember every detail about their purchase decisions. Therefore, future research should follow consumers during the actual purchase process, in real time, to deliver more accurate results.

Future research could also involve a larger sample size across various regions in Australia to examine whether there are significant differences between various geographic and demographic groups in terms of the importance given to external influences in high involvement purchase decisions. A replication of this study in other high involvement contexts such as real estate and luxurious items purchase behaviour can also be an avenue for future research as it will be interesting to examine the various external influences which affect consumers’ decisions regarding different product categories.

References


Further reading


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