Examining the Decision-Making Styles of Purchasing Products Among Customers Tehrani (Case Study: Shahrvand Chain Stores)

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ABSTRACT

Today, the organizations and firms namely marketers make efforts to achieve high profit by marketing and consumer behavior. One of the sub-branches of science is recognition of decision making styles in customers purchase and by recognition of the decision making method in customers purchase can help the marketers of firms and organizations to predict their decision before customers decision making and regulate the marketing plans of firm and the organization. By perception test of Sproles & Kendall (1986) as localized for time conditions and cultural reasons is used as combination and by this combinational tool, we can investigate the decision making styles in Shahrvand chain stores customers as effectively and efficiently in Tehran city. Chi-square and Friedman Binomial tests, all the hypotheses are supported and we can receive the customers’ priorities and provide a good marketing strategic plan for the future of Shahrvand chain store in Tehran city. It is worth to mention that this study is used also for other commercial brands and stores.

INTRODUCTION

People are encountered with many decisions in their routine life to achieve a good or a need. One of the common points between all people ignoring inclinations, education, positions and etc. is that all are consumers and their decisions are affected by direct and indirect effects of decision making styles of consumers in purchase.

To purchase a product or service, the consumer performs the set of measurements as consumer decision making process. After determining his need, he can collect data and evaluates the purchase choices by this information and finally decides [9]. Consumers decide many purchase decisions and purchase decision is the main point of market attempts. Partial studies of many great firms on purchase decision makings of consumers are regarding responding the basic questions that what the consumer buys, where does he buy, how, how much, when and why he purchases [13].

In marketing, consumer branch investigates how the people and organizations select the services and products and buy to meet their needs and inclinations [12]. Consumer behavior is not a simple issue and the attempt to perceive consumers behavior is one of the most important marketing managers activities. As consumer behavior knowledge is applied to explain the reason of consumers behavior in market, the recognition of this behavior can help the marketers considerably [20]. The marketing science attempts to affect the attitude and reaction of consumers [13].

This study attempts to use a tested perception model of customers decision making styles as presented for the first time by Sproles and Kendall (1986). The inclination of customers of Shahrvand chain stores in Tehran city was evaluated regarding the application of each of styles and the priority of these customers were determining in using decision making styles in this model in purchase decision making process.

Statement of problem:

Establishment of big stores was fulfilled by establishment of French merchant Aristid Boskio in 1852 by the establishment of a small store called Marshe. The global experiences reached Iran 1959 and the first chain store called Sepah consumption cooperatives was started to work. Later, another store was established in 1971 as with the names of city and village, Kosar, Refah, Shahrvand and etc.
After more than 50 years, these stores are not turned into a serious power in market and are not serious form the customers. It seems that chain stores or retail industry in Iran are encountered with some problems avoiding the progress of distribution services. On one hand, it is job creation and also it guarantees the sale of domestic manufactures products and it meets the people needs better.

One of the mechanisms of the governments to cover various regions in terms of reduction of distribution costs and presentation of goods with suitable price is creating and encouraging the establishment of chain stores. Reduction of intracity commutation costs, saving in the time of customers purchase, reduction of traffic, reduction of environment pollution and easy government supervision on performance of retailer are other important reasons of development of chain stores in Iran.

This study selects Shahrvand chain store of Tehran city as Tehran Municipality is pioneer in presenting good urban services and has good specific goals and missions and many suitable services for Iranian population from economic, cultural, Islamic aspects and etc.

By this study we can increase the efficiency and effectiveness in marketing and true understanding of consumers behavior during selling as applied and practical to develop the power and wealth of Shahrvand chain stores and its effects as indirect can be on the society. As establishment goals of store is to help the government in suitable distribution of goods and services in various sectors with suitable price for high comfort of people. This requires true understanding of decision making styles in customers’ purchase of chain stores namely real stores of Shahrvand in Tehran.

Applied purpose of study:

The key point of success of marketing strategy from local and international aspect is perceiving consumer behavior. This issue is applied in commercial companies, non-profit organizations and state organizations formulating the rules of market [7].

Marketing science attempts to affect consumer behavior methods. These attempts have some effects for organizations, customers and society. Thus, recognizing and perception of consumer behavior is necessary for all of use.

The investigation of the decision making styles of customers in goods purchase and services and even the ideas of Shahrvand chain stores and great stores and all commercial institutions and firms and various brands in market deal with the decision making of consumers and customers.

By exact study of the recognition of decision making styles of Iranian customers in purchase as in maturity stage is of great importance as: by recognition of decision styles in customers and consumers purchase, we can predict the behavior and decisions of customers and put the strategies of marketing path of organization and firms in the direction as efficient and effective performance to increase profitability and productivity of firm.

Significance of study:

The significance of recognizing the decision making styles of customers in products purchase is as the study to recognize decision making styles of customers is for survival of commercial firms. In case of complete recognition of the personality evolution and internal factors (attitudes, emotions and believes of people to a product) and the recognition of external factors and their impact on customers decision making (experienced norms and cultures by people) and suitable perception of interests and desires turning into mental involvements. All these factors create and product some sensitivities. By recognizing these key factors, we can predict the type of selection and decision style and control them finally. By these goals, we can start by full recognition of people and decision making styles and awareness of knowledge and behavior of consumer by taking effective tactics and methods on marketing to change decision making of customers and can use self-fulfilling prophecy developed by Merton [18].

Theoretical basics of study:

The studies regarding consumer decision making styles in consumer behavior have been taken into consideration since 1950 by researchers. Consumer decision making style refers to a model or mental inclination and cognitive direction to purchase as observed in the form of selections or consumer [1],[6]. Sproles& Kendall (1986) defines consumer decision making style as: A mental inclination explaining the consumer direction to selection. The studies about consumers decision making styles are classified in three views:

1-Psychological view/ life style based on life style conditions, consumer traits can be classified [15].
2-Typological view: The consumers attempting to define the consumers based on the various preferences of consumers and their purchase source [4],[7].
3-The view of consumer traits and it is based on the assumption that consumers follow a series of definite decision making traits and features [26],[24],[21].

Among three views, Lesionaska et al., (1996), refers to the point that third view has strong and explanatory views compared to two other views on mental orientations of consumers in decision making. Sproles& Kendall (1986) reviewed the previous questionnaire with new and economical scale and reduced the dimensions of their
model to eight styles. They considered four effective items in the new study. Their eight styles based on the latest studies include as:
1- Perfectionism or high-quality consciousness
2- Brand consciousness
3- Novelty-fashion consciousness
4- Recreational, hedonistic consciousness
5- Price conscious, and “value-for-money” shopping consciousness
6- Impulsiveness
7- Confused by overchoice
8- Habitual, brand-loyal

A review of Consumer Styles Inventory (CSI):

Profiling Consumers Decision-Making Styles model was formulated by Sproles and Kendall (1986) and it is one of the successful and perfect models in consumer behavior. This model in many local and international studies is the main framework of study. After many years, we can criticize the implementation method and the results of studies. CSI model was tested for the first time in US on a sample composed of consumers with finite financial sources and it is one of the problems of this model. In formulation of these questions, we are faced with some general terms and ambiguities. For example, in one of the quality style items, the author considers the high quality product as the best or perfect one. For all people, the best choice is not the highest quality one. On the other hand, the results of data are supported to support some styles with relatively low confidence and this reduces the significance of this model. Also, this model is used in international scales without considering cultural, social, family and economic differences of consumers and some of the results are not supported frequently. On the other hand, after more than two decades and by changing the micro and macro social, economic, family and communication conditions of consumers, it seems that many factors are effective on their decision making and the change of position of people in family in decision making (spouse-children) are the factors increasing the complexity of this process. Thus, it seems that for optimal use of this model, we should make some changes for modification and localization (by specific conditions of Iranian society and existing technologies in society and their services in Shahrvand chain store and many environmental problems and the pressures of people during purchase imposed on them). This study can modify some of the items as adding new styles showing the variables with current social changes and can add its validity and reliability. As regarding criticism of CSI, by new theoretical studies and investigation of society scales and existing master case, two variables are added to the variables of main model and the relationship between these two variables with three main variables can be evaluated and the new conceptual model is changed as follows and required explanations are presented later.

Conceptual model:
The definition of variables:

**Perfectionism or high-quality consciousness:**
A characteristic that measures the degree to which a consumer searches carefully and systematically for the highest or very best quality in products, regarding the first purchase of the first product or brand as available [21].

**Brand consciousness:**
Measures a consumer’s orientation to buying the more expensive, and well-known brands in [21].

**Novelty-fashion consciousness:**
A characteristic that identifies consumers who like new and innovative products and gain excitement from seeking out the latest versions [21].

The researchers consider fashion as an important factor in consumer decision making [11].

**Recreational, hedonistic consciousness:**
A characteristic measuring the degree to which a consumer finds shopping a pleasant activity and shops just for the fun of it in shops for purchase [2, 21].

**Price conscious, and "value-for-money” shopping consciousness:**
Sproles and Kendall, defines price identifying those consumers who have a high consciousness of sale prices and lower prices in general [21].

**Impulsiveness:**
Sproles and Kendall identifies those consumers who tend to buy on the spur of the moment and appear to be unmindful of the amount they spend on purchase [21].

**Confused by overchoice:**
A characteristic identifying those consumers who perceive too many brands and stores from which to choose, and thus experience an information overload [21].

**Habitual, brand-loyal:**
A characteristic indicating consumers who have favorite brands and stores, who have formed habits in choosing these repetitively [21].

**Sensitivity to one’s health-society and environment:**
This style of purchase includes two definite items in significance of the community of purchase issues, allowable purchases and on the other hand, in the importance of individual health, some issues as evaluation of sensitivity and orientation of consumers to use organic or divided products can be considered. Today, considerable dynamics and competition and increasing concern about environment and obligatory state rules and increasing awareness of consumers and companies showed that they should be careful regarding the physical, mental health and cleanliness of consumers environment. Gradually, some concepts as green marketing and environmental and social marketing entered marketing literature to perform social responsibility of enterprises into marketing literature [5]. The western studies show that environmental awareness of American customers and Western Europe in the past decade were increased and green goods consumption is started in Asian regions [16]. Thus, the firms are faced with serious item of green marketing and reliable goods production from ecological and many packaging and disposable packs and much supervision on pollution and the operations requiring much saving in energy are the solutions the companies resort to them [14]. Green product is the most important element in marketing mix of product. Green product helps the environment protection or reduction or elimination of pollutants and wastages [19].

**The existing sensitivity due to the others pressures and recommendations:**
The researches have shown the importance of verbal advertisement in formation of attitudes in purchase decision making and reduction of purchase decisions of customers’ risk [25].

There are many theoretical supports regarding the impact of word of mouth advertisement on consumers’ measurements. Hung (2008) presented a model showing the influencing mechanism of people by others beliefs as well [8]. According to the results of the study of Bush et al., word of mouth advertisement among the family, friends and peers is one of the most effective and powerful selection methods of goods, products and services [3]. The studies of Sweeney, Mazarol and Sweter showed that word of mouth advertisement not only reduces people risk in purchase, their perception of firms is improved and it leads to mental improvement (trust) and it increases their excitation for purchasing products. They showed that positive word of mouth advertisement can
increase excitement, trust and optimism in a person. Negative word of mouth advertisement can create empathy with the message sender and their view is weakened to the organization. It seems that decision maker satisfaction of organization is improved by positive recommendation of reference groups of each person and the opposite is also true [10].

Review of literature:

Based on the local and foreign studies, as divided like local tables (Iran) to lower the items and foreign items, these styles are different in various times and places as follows.

Local studies:

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Price Conscious</td>
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<td>High Quality Conscious</td>
<td>Recreational-Hedonistic</td>
<td>Habitual, brand</td>
<td>High Quality Conscious</td>
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<td>Brand Loyalty</td>
<td>Price Conscious</td>
<td>Recreational-Hedonistic</td>
<td>Fashion Conscious</td>
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<td>Confusion</td>
<td>Recreational-Hedonistic</td>
<td>Confused by Overchoice</td>
<td>Recreational-Hedonistic</td>
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<tr>
<td>Recreational-Hedonistic</td>
<td>Well-known brand consciousness</td>
<td>Price Conscious</td>
<td>Brand Loyalty</td>
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<tr>
<td></td>
<td>Confused by Overchoice</td>
<td></td>
<td>Searching cheap prices</td>
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<tr>
<td></td>
<td>Impulsiveness</td>
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<td>Searching at shortest time</td>
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Foreign studies:

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<td>Perfectionist</td>
<td>Brand Conscious</td>
<td>Perfectionist</td>
<td>Perfectionist</td>
<td>Perfectionist</td>
<td>Perfectionist</td>
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<tr>
<td>Recreational-Hedonistic</td>
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<td>Confused by Overchoice</td>
<td>Recreational-Hedonistic</td>
<td>Recreational-Hedonistic</td>
<td>Confused by Overchoice</td>
<td>Price Conscious</td>
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<td>Price Conscious</td>
<td>Impulsiveness</td>
<td>Recreational-Hedonistic</td>
<td>Time-Know Conserving</td>
<td>Impulsiveness</td>
<td>Price Conscious</td>
<td>Satisfaction-based</td>
<td>Confused by Overchoice</td>
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<td>Impulsiveness</td>
<td>Confused by Overchoice</td>
<td>Impulsiveness</td>
<td>Brand Habitual</td>
<td>Confused by Overchoice</td>
<td>Confused by Overchoice</td>
<td>Value-based</td>
<td>Brand Conscious</td>
</tr>
<tr>
<td>Confused by Overchoice</td>
<td>Brand Habitual</td>
<td>Confused by Overchoice</td>
<td>Price Conscious</td>
<td>Variety</td>
<td>Brand Habitual</td>
<td>-</td>
<td>Novelty-Fashion Conscious</td>
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<td>Brand Habitual</td>
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<td>Recreation-Hedonistic</td>
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<td>-</td>
<td>Store loyalty</td>
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</tbody>
</table>

Study methodology:

The study is applied and descriptive-survey study. The study population is customers of Shahrvand chain stores in Tehran city and the sampling method is probable. The probabilistic sampling method advantage as is the researcher in definite range of reliability can generalized the selected sample to society. As the study population is all people we are encountered in purchase place and the sample size is not definite we can use simple sampling method,

\[ n = \frac{z^2 \cdot p(1-p)}{d^2} \Rightarrow n = \frac{1.96^2 \cdot 0.5(1-0.5)}{0.05^2} = 384/1 \approx 385 \]

Or we can use Cochran’s formula/Morgan sampling Table as defining the number of study population as the acceptable sample. Based on the items, the study sample is 385 people purchasing from Shahrvand chain stores more than once.

A combination questionnaire, as consumer styles inventory (CSI) as 6-Likert scale with 41 items with Cronbach’s alpha 0. 83 is used. Due to localization with existing conditions, master case and adding two variables (three hypotheses), 10 questions are added to test the three hypotheses. The entire items in the questionnaire are evaluated by experts of marketing to support the validity before giving it to the customers of Shahrvand chain store customers. The questions of questionnaire are distributed among people and 51 questions with Cronbach’s alpha 0.989 are evaluated.

The applied tests of the study:

Due to the ranking of study variables and non-normality, non-parametric tests are used. To test the hypotheses 1-80 (variables), for the effect of decision making styles for orientation to customers purchase, Binomial test (ratio test) is used and it is used for the effect or non-effect of variable in the definite item [22]. To test hypotheses 9-11 (variables), to investigate the relationship of variables with decision making styles, Chi-
Binomial test to evaluate the effect or non-effect of variables 1-8 is decision making styles for orientation to purchase of customers.

<table>
<thead>
<tr>
<th>Result</th>
<th>Binomial test (sig)</th>
<th>Hypotheses</th>
<th>Main groups ups of variables</th>
<th>h.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Perfectionism or high-quality consciousness</td>
<td>h1</td>
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<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Brand consciousness</td>
<td>h2</td>
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<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Novelty-fashion consciousness</td>
<td>h3</td>
</tr>
<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Recreational, hedonistic consciousness</td>
<td>h4</td>
</tr>
<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Price conscious, and “value-for-money” shopping consciousness</td>
<td>h5</td>
</tr>
<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Impulsiveness</td>
<td>h6</td>
</tr>
<tr>
<td>Supported</td>
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<td>H0 : μ &lt;= 3.5</td>
<td>Confused by overchoice</td>
<td>h7</td>
</tr>
<tr>
<td>Supported</td>
<td>0.00</td>
<td>H0 : μ &lt;= 3.5</td>
<td>Habitual, brand-loyal</td>
<td>h8</td>
</tr>
</tbody>
</table>

Chi-square test to test the independence or correlation (relation) of variables with decision making styles can lead finally to orientation to purchase of customers.

<table>
<thead>
<tr>
<th>The result of variable effect</th>
<th>Asymp. Sig. (2-sided)</th>
<th>Likelihood Association</th>
<th>Likelihood Ratio</th>
<th>Pearson Chi-Square</th>
</tr>
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<tbody>
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<td></td>
<td>Value df</td>
<td>Value df</td>
<td>Value df</td>
<td>Value df</td>
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<tr>
<td>It has direct effect</td>
<td>0.00</td>
<td>225.71</td>
<td>6</td>
<td>364.82</td>
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<tr>
<td>It has direct effect</td>
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<td>364.82</td>
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<tr>
<td>It has direct effect</td>
<td>0.00</td>
<td>314.78</td>
<td>1</td>
<td>577.82</td>
</tr>
</tbody>
</table>

Friedman test is for testing and ranking the decision making styles.

- Decision making styles or hypotheses: Mean Rank
  - Perfectionism or high-quality consciousness: 7.11 2
  - Recreational, hedonistic consciousness: 6.79 3
  - Sensitivity to individual health and society and environment on relationship between price consciousness: 6.62 3
  - Habitual, brand-loyal: 6.62 4
  - Confused by overchoice: 6.05 5
  - Brand consciousness: 5.84 6
  - Impulsiveness: 5.78 7
  - Price conscious, and “value-for-money” shopping consciousness: 5.76 8
  - People sensitivity and being influenced by others in relationship between Novelty-fashion consciousness: 5.19 9
  - Novelty-fashion consciousness: 5.19 10
  - People sensitivity and being influenced by others in relationship between Recreational, hedonistic consciousness: 5.05 11

| N=385                   | df = 10            | chi-square 660.589 | sig = 0.000 |

**Conclusion and Recommendations:**

The results of data analysis and the findings of previous studies integrated in a table are as follows:

By investigation and comparison of the study with other studies, it can be said in the countries with various cultures, decision making styles can be different. Among various generations, there are some differences as various generations (X,Z,Y) follow different styles in their decision makings.

In Iran, namely Tehran, people with different beliefs and attitudes can have different needs and desires to other people and by true understanding of formation and selection and taking a decision for consumers purchase, we can predict and control type of selection and taking a decision for purchase and we can organize the customers decision making.

In this study, based on the findings of statistical issues of this study, 11 variables of decision making styles in customers purchase were supported and these items are used in marketing as balanced combination of this...
recognition of decision making style in customers purchase with marketing update science can help the marketers to sell the products and above all development of product in various markets and increasing market share.

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