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# THE RELATIONSHIP BETWEEN SOCIAL IDENTITY AND CONSUMER BEHAVIOR

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# **Abstract**

The article demonstrates the results of the study of the relationship between the characteristics of social identity and consumer preferences when choosing products of domestic manufacturers. In the context of the growing role of the economic environment, there is an increasing interest in understanding the role of socio-psychological mechanisms of consumer behavior. It is relevant to study the relationship between the components of social identity and the features of its consumer behavior when making decisions about goods. The paper examines the relationship between the cognitive and value components of social identity and consumer preferences of a person when choosing domestic goods. The sample consisted of 62 people aged 20 to 55 years (M = 33.06; SD = 9.73). As research methods, were used open and projective questions, the methods of" Who am I "by M. Kuhn, T. McPartland, and a modification of the" Must-test " method by P. N. Ivanov to study the value component. Statistical processing of the obtained data was carried out using correlation-search factor analysis using the statistical package SPSS 19. The relationship between the indicators of identity and consumer preferences in relation to the "attached" characteristics of goods that are of particular importance to a person is revealed. Preference for goods produced by domestic producers is positively associated with civic, ethical, religious, and patriotic characteristics of identity, and negatively with material values. Thus, the relationship between cognitive and value indicators of social identity and consumer preferences of the individual is revealed.

*Keywords:* social identity, components of social identity, civic identity, consumer behavior, consumer preferences

# **1. INTRODUCTION**

Currently the market needs to understand the needs and behavior of customers and stakeholders. Since the consumer's choice of a product is influenced by a large number of factors, it is important for the manufacturer to know as many nuances about the person and behavior that can affect the customer's preference for a particular product. Despite a large number of studies on product preferences, new questions arise about consumer behavior in the context of high economic and political instability in the world.

In modern conditions of market development, many products are purchased by customers based not on their physical characteristics, but because they are symbols of status, role, belonging to a particular social group, etc. In the context of the growing role of the economic environment in the socialization of modern man, it is important to understand how economic realities are reflected in the self-identification of the individual in relation to other people and social structures. On the one hand, the process of globalization is taking place, and the role of the country of origin is erased. Consumer pays attention on brand of the product. But recent research found the effect of country of origin or consumer ethnocentrism to become main factors in consumer decisionmaking process.

The problem of consumer preferences of domestic and foreign products is well-studied. Researchers documented the impact of ethnocentrism as economic motive of choosing local goods, which refers to the beliefs of consumers about the appropriateness and morality of purchasing foreign made products (e.g. Shimp & Sharma 1995) on the product judgements and willingness to buy (e.g. Josiassen 2011; Strizhakova and Coulter 2015). Also, it was highlighted that for deep understanding of the biases of consumer ethnocentrism it is important to consider this problem through the perspective of the social identity theory (Tajfel and Turner 1986). It is important to study the relationship between the components of social identity that demonstrate the perception of a person's involvement in certain social groups, and the characteristics of his consumer behavior when choosing national products. So the effect of national identity which refers to "the importance of national affiliation as well as the subjective significance of an inner bond with the nation" (Blank and Schmidt 2003, p. 296) on consumer preferences of domestic products was found in different studies (e.g. Verlegh 2007; Zeugner-Roth, Žabkar, Diamantopoulos 2015).

Many political and economic events that take place in the world, test the strength of the existing system of human perceptions of their place in social groups, lead to a crisis of social identity (e.g. Andreeva 2011; Vyatkin 2014). All of this can affect people's behavior not only within individual families, but also within broader communities, even countries.

There is a need to study the role of civil identity in consumer behavior. In the research, focus was made on studying the relationship of civil identity with the consumer's preferences of goods from different countries. Objective: analysis of the relationship between indicators of civil identity and consumer preferences for products from different countries (case of Russia). The hypothesis is that there is a relationship between indicators of civic identity and consumer preferences for products. The higher level of civic identity has got consumer, the higher preference for domestic products he has.

The results obtained in this study can serve as a basis for further study of the formation of consumer preferences, as well as for studying the relationship between the consumer's civil identity and consumer preferences for goods from different countries. In addition, the research results will also be useful for of companies interested in increasing sales of their products, and who, thanks to the results of this research, will be able to correctly build the positioning of their products and competently build communication with the consumer.

#### 1.1. Conceptual background

Consumer's preference is considered to influence future consumer outcomes, including intentions, willingness to buy, and word-of mouth (e.g. Bagozzi, 1992; Dodds et al., 1991) Consumer preferences are well studied from different perspectives: O. S. Posypanova (2012) considered the dynamics of consumer preferences, T. Smorkalova (2011) studied the relationship between consumer preferences and the Selpf-concept.

Our research was conducted on the methodological basis of business psychology as an interdisciplinary branch of applied psychology aimed at studying psychological factors in solving a wide range of business problems (Ivanova, Benton, Waddington, Makhmutova, 2019). Business psychology helps to enrich the research base of consumer behavior with socio-psychological and general psychological methods (Antonova, Patosha, 2017).

In the context of the growing role of the economic environment in the socialization of modern man, there is an increasing interest in understanding the role of the individual's selfconsciousness in his consumer behavior. Economic realities are reflected in the self-identification of the individual in relation to other people and social structures. Social identity is the result of socialization, self-determination of a person in a social environment, correlation with a certain social community [2]. Initially, the concept of social identity was revealed in the works of A. Tashfel, as a field of research in social psychology, aimed at studying the mechanisms of intergroup interaction and the formation of intergroup relations. This problem arose, in many respects, in connection with the search for an answer to the society's request to study the mechanisms of interpersonal interaction, to overcome conflicts, to develop ways of psychological assistance to an individual to be included in new social groups. It was considered as an internal "tool" for dividing people according to the principle of "ingroup- outgroup", "us and them", as a process of structuring in the knowledge of a person all the groups in which he is a person, as a basis for choosing behavior in a more significant group, etc. [30]. Turner's theory of self - categorization, social identity is viewed as that part of the individual Self-concept that comes from an individual's knowledge of their own belonging to a social group or groups, together with the value and emotional manifestations of this belonging. The formation of identity is based on the process of self categorization and social comparison with others, thanks to which a person is aware of his own groups, separates them from others, and behaves with other people in accordance with this awareness, who share his picture of the world [30, 31]. This approach has laid the foundation for numerous studies of various aspects of an individual's interaction with groups and other people. Recently, there has been a growing interest in the problem of social identity from the perspective of the problem of consumption, economic socialization, aimed at assimilation of norms and values related to the economic conditions of society.

In modern research, the process of consumption is considered not only from the point of view of meeting basic needs, but also as a socio-cultural process of communication between people with each other through the symbols produced in the process of consumption. In this sense, consumption is a means of communication through which a person seeks to understand himself, to express himself to others [14]. The mechanism of self-identification of the individual is manifested in the fact that it is thanks to the purchased goods that a person supports and demonstrates his personal and social definition, communicates information about himself to other people.

The country of origin is highlighted by researchers as a "attached" characteristic of a product, which plays a significant role in making a decision on the choice of a product, along with such Characteristics as price, product warranty, and so on (Makienko, 2002). This effect connects to stereotypes that are caused by the country's image and consumer's perceptions about the goods that are produced in that country.

Our paper is aimed at identifying the relationship of consumer behavior in the context of consumer preferences in the selection of goods of domestic production with the expression of value-semantic and cognitive components of social identity. Taking into account the current socio-

economic realities of recent years (the introduction of sanctions, the program of import substitution, etc.), in our opinion, it is relevant to study the socio - psychological factors of the choice of domestic goods. It is necessary to investigate the relationship between the social components of a person's consumer preferences and their attitude to the producing countries, with those actualized components of identity that are more "responsive" to the socio-economic reality in the buying process. In terms of predicting consumer behavior, perhaps it is the processes in the identity structure that will help to understand the mechanisms of choice and preference.

# 1.2. Model and Data

The method of collecting quantitative data was a written survey, which was conducted by sending a questionnaire to respondents via the Internet and e-mail. The questionnaire consisted of two parts. The first part was devoted to the peculiarities of consumer behavior and included: a) open questions: purchase experience, attitude to goods, preferences, evaluation of the quality and price of goods; b) projective questions: loose associations, incomplete proposals about goods and the people who buy them. When answering open-ended questions, respondents indicated: from which country they most often buy goods; goods from which countries they consider the most high-quality and cheap. The parameters of the purchase of goods of domestic production (interval scale) were also studied: frequency; preference when there is a choice; influence on the choice of the current economic, social, etc. situation; the idea of the guality and price of goods. Among the answers to the projective questions were the attitude towards domestic goods and the people who buy them: the modality of the attitude (the number of positive and negative responses); the characteristics of people who prefer domestic goods (the number of responses about civil and patriotic feelings). The second part included questions aimed at: a) cognitive and b) value semantic components of identity. To identify the cognitive component of identity, the "Who am I" method was used by M. Kuhn and T. McPartland. On the basis of the content analysis, the total number of responses in the following categories was recorded: family, professional, personal, social, ethnic, and physical categories of identity. In addition, they assessed (from 1 to 7) how much they feel like representatives of different localities: local, civil, European, and world. Identification of the value-motivational component of identity was carried out on the basis of the analysis of the most significant values according to the adapted method of P. M. Ivanova "Must test". The statistical data package SPSS 19.0 was used for mathematical analysis of the data. Correlation analysis (Spearman's rank correlation coefficient) and exploratory factor analysis (the principal component method was used, followed by the rotation of the matrix of factor loads by the varimax method) were performed.

Sample. The study sample included 62 residents of Russia, 48 women and 14 men. Age range from 20 to 55 years old. Responses from respondents aged 18 to 65 were taken into account, as respondents in this age group are the most. The sample of respondents includes representatives of young people (from 18 to 25 years), representatives from 25 to 35 years, adults from 35 to 45, as well as representatives from 45 to 65 years. The most common age of the Respondent in this study was 18-23 years.

# 2. THE RELATIONSHIP BETWEEN COGNITIVE CHARACTERISTICS OF IDENTITY AND INDICATORS OF CONSUMER BEHAVIOR

1. The relationship between cognitive characteristics of identity and indicators of consumer behavior

The results of the survey showed that of all the cognitive characteristics of identity (social categories), only four categories are significantly associated with indicators of consumer behavior in relation to goods of domestic producers (Table 2). 1 it can be seen that people with pronounced

ethnic, religious, civil and local categories have a more positive attitude to goods of high - quality production. At the same time, people with a civil and local identity prefer to buy these products. The significance of the current socio-economic situation affects the consumer behavior of respondents with professional categories. The analysis of the relationship between the value-semantic component of identity and indicators of consumer behavior also revealed the role of values associated with the significance for a person of his country, patriotic moral position (Table 2). In the table 2 it can be seen that people with the values of patriotism and public benefit, as well as personal development, showed a positive attitude to domestic goods. While the intention to buy them is often observed only in those who value the values of society and patriotism.

Table 1 The relationship between cognitive components of identity and indicators of consumer
preferences of domestic goods (PP)

PP indicators/ Identity Categories	Positive modality	Prefer to buy	Buy in the current situation
Ethnic, religious	0,326*		
Civic	0,363*	0,467**	
Local		0,341*	
Professional			0,429*

0 \* correlations at the significance level p<0.05

\*\* correlations at the significance level p<0.01

Table 2 Relationship between value-semantic components of identity and indicators of consumer preferences of domestic goods

PP indicators/ Value components of identity	Positive modality	Often buy
Patriotism and public benefit	0,306*	0,315*
Personal development and free expression	0,345*	

0 \* correlations at the significance level p<0.05

\*\* correlations at the significance level p<0.01

#### 2. Psychological factors of the preference of domestic products

Content analysis of qualitative techniques reviled, that domestic product associates with certain product categories, such as food, cars etc. Also the most frequent association was import substitution and GOST quality standard. The respondents believe that consumers buy domestic goods because they are available, have a good value for money. In addition, the respondents noted that an important reason for the preference for goods of domestic production is a desire to support domestic manufacturer.

There were also negative attitude towards domestic products. The respondents believe that the quality of imported goods is higher, than domestic, and consumers do not trust domestic manufacturer. Consumers looking to buy only domestic goods, the respondents regard as patriots, low-income or retired people.

## **3. CONCLUSIONS**

The data obtained by us show that the respondents who clearly prefer the products of a domestic manufacturer have the most pronounced identity, which manifests the disinterested involvement of a person in their own country.

The results of our study confirmed the existence of a link between the characteristics of social identity and consumer behavior, showed a complex picture of this relationship and the need

for further research in this area. Our data can serve as a basis for a more in-depth analysis of the role of identity components in consumer behavior, consumer motivation, the semantic content of the argumentation of the attitude to goods of domestic and foreign production, etc. The relationship between the indicators of identity and consumer preferences is revealed in relation to the" assigned " characteristics of goods that have a special value for a person. In the structure of the identity of consumers who prefer products from a high - quality manufacturer, civil, ethical, religious and patriotic indicators are expressed, which are opposed to material values. Identity categories may have a contradictory relationship with indicators of consumer behavior, perhaps because they are differently inscribed in the structure of a person's social identity.

Results of qualitative analysis indicate that these customers perceive the increase of the quality of domestic products, the process of import substitution creates conditions for the development of domestic manufacturers and the formation of competition. According to the results, consumers strive to support domestic producers, which can also indicate the growth of civic identity of the society.

In practical terms, the study of the relationship between identity and consumer behavior can give new ideas to domestic manufacturers for the development of marketing concepts and strategies, will allow a deeper understanding of the socio-psychological mechanisms of human behavior in the market of goods and services. Today, in the context of sanctions and competition, it is important for companies to look for psychologically sound tools for differentiating and positioning goods for the population. All this could contribute to improving the competitiveness of domestic manufacturers.

Although the present study has its own strengths, there are a number of limitations to note. Despite the fact that the number of respondents allows for a full statistical processing of data using correlation and factor analysis, to obtain more reliable data, it is necessary to expand the sample. Different social groups of Russians (by gender, age, and occupation) are unevenly represented in the sample. This creates limitations for generalizing results to a wide audience. The results of our study confirmed the existence of a link between the characteristics of social identity and consumer behavior, showed a complex picture of this relationship and the need for further research in this area. Data can serve as a basis for a more in-depth analysis of the role of identity components in consumer behavior, consumer motivation, the semantic content of the argumentation of the attitude to goods of domestic and foreign production, etc.

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