

# MAJOR RESEARCH PROJECT

On

## Influence of Consumer Behaviour on Multinational Corporations

*Submitted in partial fulfilment of the requirements for the award of the degree of*

**MASTERS OF BUSINESS ADMINISTRATION**

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# Chapter I

## INTRODUCTION

### **1.1 Introduction of the study**

Consumer behaviour research is broad, and numerous studies have been conducted to learn more about human behaviour. One of the most important influences in the formation of human behaviour is the environment. Furthermore, each person's brain is distinct from that of another, resulting in a wide range of how people think, act, and make decisions.

Firstly, who is a **Consumer**?

A consumer is someone who buys goods and services from the market for their own personal use. Simply said, a consumer is someone who buys and consumes goods and services from the market.

Secondly, what is **Consumer Perception**?

"Marketing notion that comprises a customer's impression, awareness, or consciousness about a firm or its services," according to the definition.

The customer gathers information about a product and analyses it in order to construct a meaningful image of that thing. "Customer perception is the term for this. When a customer sees commercials, promotions, customer reviews, social media feedback, and other information about a product, they form an opinion about it.

When a customer sees or learns about a particular product, the entire process of customer perception begins. This cycle repeats itself until the consumer has an opinion about the product."

Everything a business does has an impact on how customers perceive it. The way things are displayed in a store, the colours and shapes in your brand, and so on

Thirdly, what is **Consumer behavior**?

Customer behaviour is a discipline of psychology that studies the steps that a consumer goes through before buying things or services for personal consumption. There are various aspects that influence a consumer's purchasing decision, including psychological, social, and economic concerns.

## **The Three Factors affecting the buying decision**

To fully understand how consumer behavior affects marketing, it's vital to understand the three factors that affect consumer behavior: psychological, personal, and social.

### **Psychological Factors**

In daily life, consumers are affected by a lot of issues that are very unique to the thought process. “Psychological factors can include personal opinion of someone’s need or situation, the person's ability to learn or understand information, and an individual's response or attitude. Each person will respond to a marketing message based on their perceptions and attitudes.” Therefore, marketers must take these psychological factors into account when creating campaigns, ensuring that their campaign will appeal to their target audience.

### **Personal Factors**

Personal factors are traits that are specific to a person and may not relate to other people inside the same organisation. These characteristics may also consist of how people make choices, their precise traits, habits and critiques. When considering personal factors, selections are also prompted with the aid of age, gender, demographic, background, tradition, and different non-public troubles. For instance, an older female or man will possibly showcase one of a kind client behaviors than a more youthful individual, which means they'll select merchandise in a different way and spend their money on items that may not interest a more youthful era.

### **Social Factors**

Social qualities are the third factor that has a significant impact on buyer behaviour. Social influencers can range from one's own family to social interactions, art or school communities, or any group of people with whom one is associated. It can also include a person's social status, which encompasses their money, living condition, and educational level. When developing advertising strategies, social elements can be difficult to research.

### **Stages of the Consumer Buying Process**

The Decision-Making Process (For complex decisions). The actual purchase is just

one step in the process. Not every selection will result in a buy. The degree of complexity determines whether or not all consumer decisions contain all six stages. The six stages are as follows:

1. **Problem Recognition** (awareness of need)- It is defined as the discrepancy between the desired and actual state, or, to put it another way, the product assortment shortfall. Take, for instance, Hunger-Food. Hunger makes you want to eat more.
2. **Information search**- This is the search to fulfil the desire and can be of two types-
  - **Internal search**- This involves your memory and the ability of your brain to recall previously learned knowledge in order to satisfy the desire and match the current situation.
  - If you require additional information, use an external search. Close relatives and friends (word of mouth). Sources dominated by ex-marketers, such as comparison shopping and public sources.
3. **Evaluation of Alternatives**- This usually necessitates the establishment of evaluation criteria comprising aspects that the buyer desires or does not desire. For instance, you may decide that you want to eat something spicy or try something Indian.
4. **Purchase decision**- This process involves Choosing, Buying, Selecting an Alternative, and also includes product, package, store and method of purchase etc.
5. **Purchase**- This process might differ from decision, time lapse between 4 & 5, product availability.
6. **Post-Purchase Evaluation**- Usually leading to one of two stages: contentment or dissatisfaction. Have you made the right choice with Cognitive Dissonance? Warranties, after-sales communication, and other measures can help to mitigate this. For example, you might assume you desired a Chinese lunch after having an Indian one.

## **Types of Consumer Buying behavior**

The four type of consumer buying behavior are:

1. **Routine Response/Programmed behavior**- This type of buying entails low participation, regularly purchased, low-cost things; requires little search and decision effort; and is virtually always acquired automatically. Soft drinks, snacks, milk, and other dairy products are examples.

2. **Limited Decision Making**- This entails purchasing things on occasion. Perhaps when you require information on an obscure brand in a well-known product area. Information collection usually takes a reasonable amount of time. Examples include Clothes--know product class but not the brand.
3. **Extensive Decision Making**- This is a decision that requires a lot of thought, is unfamiliar, and is costly. These are products that are rarely purchased. These choices carry a high level of financial, performance, and psychological risk. Automobiles, houses, computers, and education are all examples.
4. **Impulse buying**- It doesn't involve any conscious planning. It is generally triggered purchasing behavior which happens automatically when the consumer likes the product or desires the product at the moment.

## **What exactly does Human behaviour mean?**

The study of human behaviour in unique places and environments necessitates a comprehensive and detailed investigation of people. B.F. Skinner, a well-known psychologist and researcher, was one of the few people who spent his whole life studying human behaviour and character.

The majority of human processes are precise. Human observation is complicated because of this. This requires the researchers to make a bold statement and pay close attention to their actions. B.F.'s lifestyles will be discussed in this context. Skinner's contributions to psychology will be highlighted. It will also explain several of Skinner's theories. Burrhus On the 20th of March, Frederic Skinner was born.

Skinner was encouraged to write about behaviourism by John Watson, an inventor. Skinner was influenced by his thoughts to better his understanding of psychology. Skinner became dedicated to establishing his precise emblem known as Radical behaviourism in his views.

He coined the term "radical behaviourism" to describe a philosophy of behaviour science that aims to see behaviour as reliant on environmental histories for reinforcement. Skinner began researching the problems of human behaviour. The philosophy of science of behaviour, which attempts to recognise conduct as reliant on environmental history for consequence reinforcement, is known as radical

behaviourism. He argued that examining people's hidden and unconscious aspects had become a waste of time.

Skinner spent most of his time studying various types of consumer behaviour. He devoted most of his professional life to improving reinforcement theories. He repeatedly claimed that personality is a detail that develops in people as well as the behaviour response to external events. He also described persona as one of the factors that encompasses the collection of human behaviours in a specific setting. He also claimed that the basic grounds for human behaviour disparities are variances in mastering experiences.

As a result, learning about differences has an impact on human personality. Humans are the way they are because they are rewarded for being that way. He further claimed that this ideology ignores emotions, the mind, and the ability to choose.

He went on to say that it is natural for humans to act in specific ways in order to reap favourable outcomes. This concept states that if a person desires reinforcement, the character generates excellent character developments. Some of the new advances fall within the Big Five's area of agreeability, which includes information, empathy, compassion, and amazing philosophy. He proposed that in order for someone to exchange their undesirable trends, the environment must be modified first, before any other factor. This concept states that if a person desires reinforcement, the character generates excellent character developments. The character development of a man or woman is the inner self.

This behaviourist approach is rigid, and it strives to contradict other psychologists' opinions. Before one can completely experience change, this viewpoint suggests that one must first trade one's inner self. The character development of a man or woman is the inner self.

He also discusses how humans adjust their behaviour in order to improve or worsen their situation. The environment's behaviour exchange may have an effect on the body's predicament, resulting in a few rewards.

As Skinner puts it, behaviour is learned based on the circumstances. A person's

personality may be influenced by their increased behaviours as a result of their pleasant circumstances. Skinner argued that attempting to decipher the hidden and subconscious components of human behaviour was a waste of time.

This conviction led him to reject a number of brilliant theories in the mental realm. Skinner's convictions were his inspirations, and they helped him to stay strong in the face of criticism and opposition. This was Skinner's model of how people should behave.

## **What Exactly is behaviour?**

In scientific research, human behaviour is a complex interplay of three components: actions, cognitions and emotions

### **Actions are behaviour**

Any activity can be defined as anything that can be seen with the naked eye or assessed using physiological filtering measures. Consider an action as a beginning or transition from one state to another - for example, during a movie shoot, the director will shout out "action" for the next scene to be filmed. Behavioral acts can occur over a wide range of time scales, from muscular contraction to sweat gland activity, food ingestion, and sleep.

### **Cognitions are behaviour**

Cognitions are the thoughts and mental images that you carry with you, both verbally and nonverbally. "I need to remember to buy groceries," and "I'd like to know what she thinks of me," are examples of verbal cognitions. Nonverbal cognition, on the other hand, is imagining how your home will look after remodelling. Cognitions are made up of abilities and information, such as knowing how to use tools safely (without hurting yourself), singing karaoke, and so on.

### **Emotions are behavior**

A feeling that is not regarded as originating from either logic or knowledge is commonly referred to as an emotion. An emotion is a relatively brief conscious experience characterised by high mental activity. This is usually expressed on a scale ranging from positive to negative (unpleasant). Other physiological indicators of emotional processing, such as increased heart rate or respiration rate due to greater



arousal, are typically hidden from view. Emotions, like cognitions, are difficult to witness firsthand.

## **Everything is Interconnected**

Actions, cognitions, and emotions do not operate in isolation; their proper interplay allows you to perceive the world around you, listen to your inner desires, and respond appropriately to individuals in your immediate environment. However, it is difficult to determine what is cause and effect — turning your head (activity) and seeing a familiar face may result in an outburst of excitement (feeling) followed by an internal realisation (cognition).

## **Daniel Kahneman & Tversky's Theory**

While behaviour is learned, the related incentives, benefits, and hazards influence whether the acting individual chooses to perform an action or refrain from doing so.

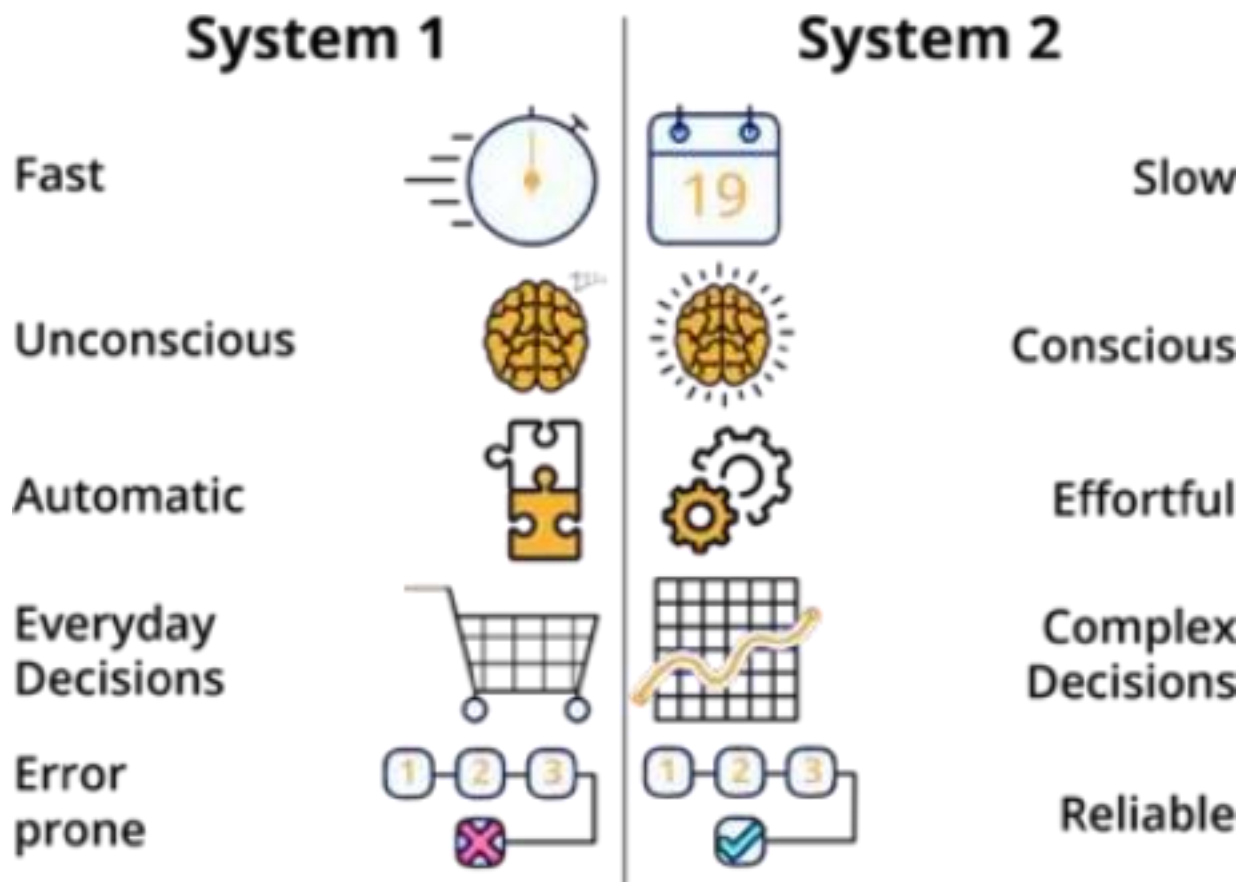
But what are the things that influence our choices? Although ideas like social learning theory provide a foundation, one of the most famous psychological theories regarding decision-making originated in an economics journal. Daniel Kahneman and Amos Tversky released a paper in 1979 establishing the Prospect Theory as a theoretical framework.

This established the groundwork for Kahneman's later ideas and research on human behaviour, which he detailed in his best-selling book "Thinking, Fast and Slow."

## **System 1 and System 2 theory**

Theoretically, Kahneman was interested in how humans process information. He proposed that we have two decision-making systems: System 1 (which is fast but somewhat inaccurate) and System 2 (which is slow but more accurate).

From buying our morning coffee to choosing a career, the theory says that we make our daily decisions in one of two ways. Depending on the situation, we will use different approaches.



Picture Credit- [www.researchgate.com/prospecttheory/wxplexit](http://www.researchgate.com/prospecttheory/wxplexit)

## Decision-making and Emotions

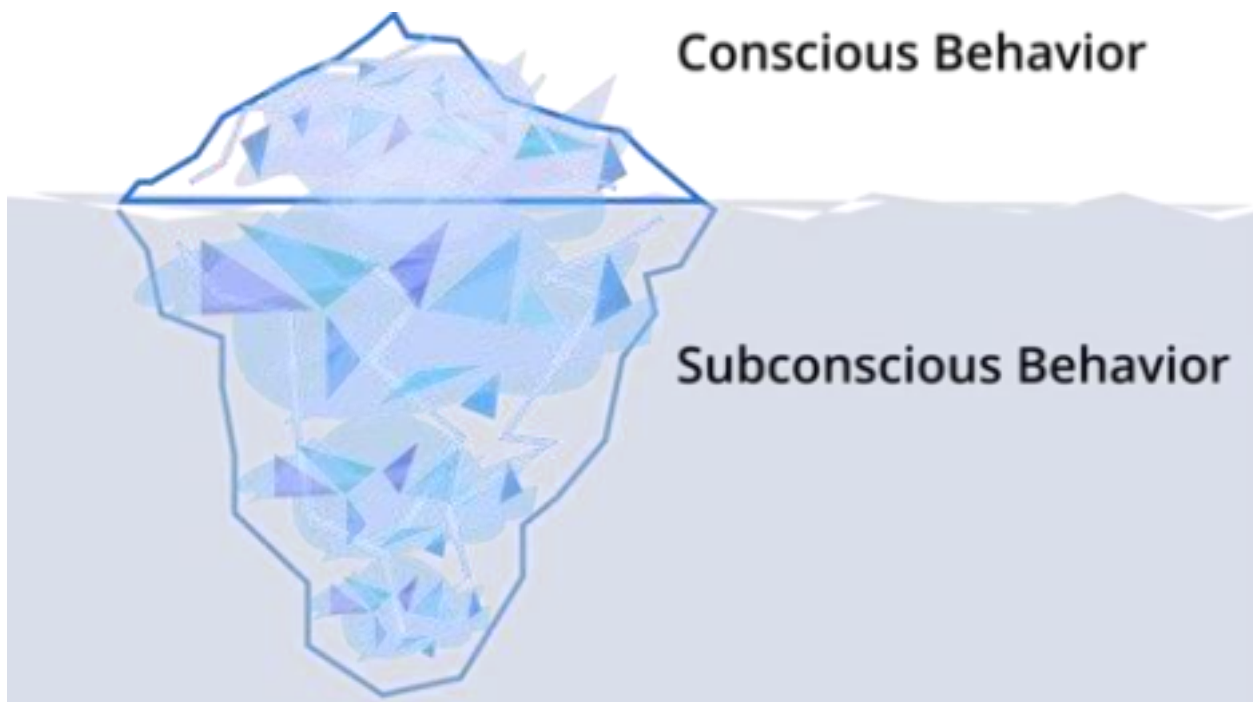
Emotions have a significant impact on consumer behaviour and decision-making, even in subtle ways that we may not notice. We tend to continue to utilise the flawed thinking behind an emotionally driven decision, and "a moderate incidental emotion in decision-making can last longer than the emotional experience itself."

## Getting Started with Human behavior Research

Human behaviour research looks into how and why people behave the way they do. However, as you've seen in the preceding sections, human behaviour is highly intricate because it is influenced, modulated, and shaped by a variety of circumstances that are sometimes unnoticed by the individual: overt or covert, logical or illogical, voluntary or involuntary.

**Conscious vs. unconscious behavior** Internal thoughts and feelings, as well as proper perception and uptake of information from your environment, are all part of consciousness.

Unconscious processes guide a large portion of our actions. There is a lot of concealed information, just like on an iceberg, and only a small portion of it is visible to the naked eye.



Picture credit- Wikipedia.com

**Voluntary vs. involuntary behaviour**

Behavior that is voluntary vs. involuntary Your desires and decisions drive your voluntary activities. Involuntary actions, on the other hand, refer to any action taken without intent or despite attempts to prevent it. Patients are subjected to challenging circumstances, often known as flooding, in cognitive-behavioral psychotherapy, such as spiders, social exposition, or a transatlantic aircraft flight.

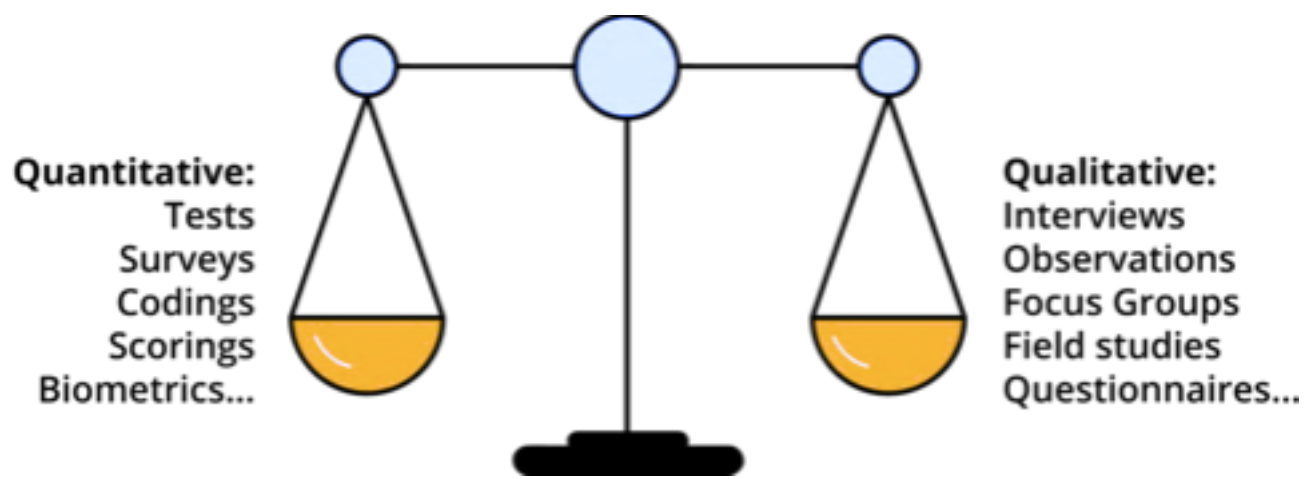
## Measuring Human behaviour

In experiments, specific hypotheses about stimulus-response relationships can be clarified. Generally, research techniques employed by scientists can be classified into qualitative and quantitative procedures.

### Qualitative studies

Non-numerical data is gathered through diary entries, open surveys, unstructured interviews, and observations, among other methods. Rather than counting responses and statistically analysing the data, qualitative field / usability studies, for example, strive to understand how respondents see the world and why they behave in specific ways.

Quantitative studies are statistical, mathematical, or computational methods for describing and classifying human behaviour. Structured surveys, tests, and observations with dedicated coding schemes are examples of quantitative approaches.



Picture credits- [Myphdresearch.com/different-types/qualitative-and-quantitative](http://Myphdresearch.com/different-types/qualitative-and-quantitative)

## What Does **Multinational Corporation** Mean?

A multinational corporation (MNC) has facilities and assets in at least one other country in addition to its home country. Such companies usually have offices and/or manufacturing facilities in exotic international locations, as well as a centralised headquarters where worldwide control is coordinated. Many huge international firms have budgets that greatly exceed those of many small foreign sites. Transnational, global, and stateless companies are all terms used to describe multinational corporations.

## **Categories of Multinationals**

This include four categories of multinationals that exist as mentioned below:

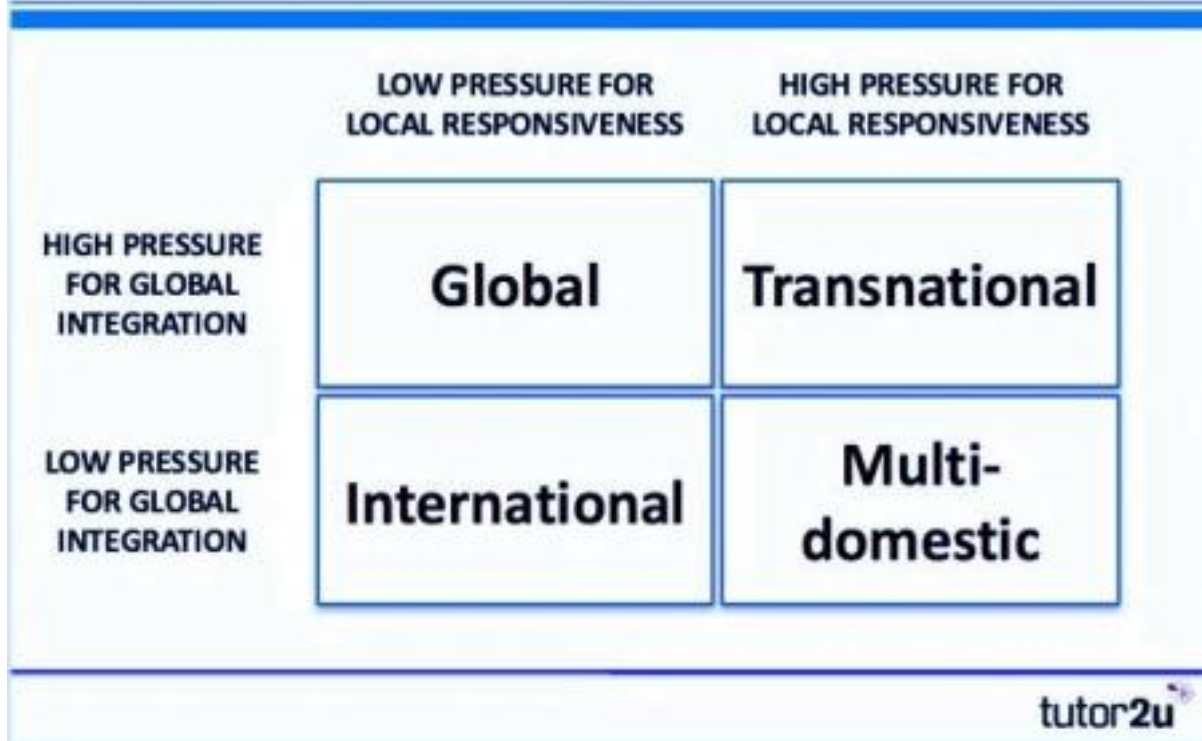
1. A decentralised corporation with a strong presence in its origin country
2. A globally, centralised corporation which acquires cost advantage where economical resources are available
3. A global company that builds on the parent corporation's R&D
4. A transnational enterprise that uses all three categories

It makes strategic sense for businesses to expand their activities across national borders in today's globalised environment. They gain access to new markets and important resources such as specialised skills, mineral resources, and new information sources. However, the advantages that come with their global presence must be translated into competitive advantage. MNCs must launch the correct strategies, establish organisational capabilities, and manage operations in a diverse, complex, and dynamic international competitive environment to do this. According to international strategy experts, no two multinational corporations have the same plan. The model below explains the most common tactics used by different MNCs for ease of understanding.

## **B&G Model Matrix**

The Bartlett & Ghoshal Model indicates the strategic options for businesses wanting to manage their international operations based on two pressures: local responsiveness & global integration

## The Bartlett & Ghoshal Matrix



Picture Credit- [www.tutor2u.net/business/reference/bartlett-ghoshal-model-international-strategy](http://www.tutor2u.net/business/reference/bartlett-ghoshal-model-international-strategy)

What does **Expansion** mean in Business?

The stage of a company's life when it expands is filled with both opportunities and dangers. On the one hand, business expansion frequently results in increased financial fortunes for both owners and employees. Furthermore, expansion is frequently viewed as a confirmation of the entrepreneur's initial business concept and subsequent efforts to bring that vision to fulfilment.

However, as Andrew J. Sherman points out in *The Complete Guide to Running and Growing Your Business*, business expansion comes with a slew of challenges that must be addressed: "Growth brings about a slew of changes, each of which has its own set of management, legal, and financial issues. New personnel will be hired as a result of the expansion.

## **Conclusion**

Consumer behaviour is a dynamic and multi-faceted field of study, requiring many points of interrogation to yield insights. Learning processes lay the foundation for determining many of our behaviours, although we are constantly changing in response to our environment. Understanding our behaviors is a tricky task, but one that we are getting ever closer to accomplishing. It has to be understood on a very microscopic level with tools and equipment of scientific research to not end up in a close-in and decipher the total complexity of how actually a consumer thinks and behaves. An MNC on the other hand has to look into various perspectives of users, markets, environments and what not to extrapolate the profit making chances in a totally new environment. Hence, research into the new market is very necessary and imperative to understand how a consumer there behaves and responds to particular stimulus. This will give them an edge over other competitors and help them grow and expand into more international economies.

### 1.2 Objective of the study

The following are the objectives of the Study

1. To distinguish clearly between the consumer buying behavior amongst the Domestic and the Multinational corporation.
2. To understand the consumer perception towards multinational products.
3. To perform a comparative analysis of customer satisfaction towards domestic products and multinational products. People generally don't consider such minute differences between the behavior pattern of a consumer relating to which manufacturer the product is being manufactured from, but it can lead to a great distinguishing factor between success and failure of a corporation. This study hence, studies the different factors that a consumer finds different in a domestic and an international organization. This study tends to develop a research which helps study the consumer behavior pattern of buying a commodity.

### 1.3 Scope of the study

This study covers the influence of consumer behavior on multinational companies.

It inculcates the consumer perception of multinational brands against the domestic brands. This study may also help in understanding why multinational corporations should adapt strategic alignment when entering new markets to compete with domestic brands. This project includes a diverse sample as varied geographical locations have been targeted with varied features to make the whole sample very random. Although, convenient sampling was also used to reach out to get the maximum number of responses. Two hundred and sixty eight people filled in the online as well as offline survey. It covers people from different geographical locations – Delhi, Ghaziabad, Rohtak, Mumbai and Nagpur.

## Chapter II LITERATURE REVIEW

- Thaler (1983) The primary concept of this study was that a consumer's behaviour is influenced not only by the worth of available goods and services in relation to their individual costs, but also by the consumer's sense of the quality of the teal's financial conditions. Using the elements of Kahneman and Tversky's prospect theory, a simple technique of incorporating the terms of the transaction is offered. The difference between the selling price and a reference price is used to model the new concept transaction utility. This new notion is used to explain why people are sometimes unwilling to buy or sell a product at a certain price, why sellers may find it profitable to charge a lower price than the market clearing price, and how consumers can benefit from it.
- Rondinelli, Rosen and Drori (2001) say “As corporations expand internationally, their ability to align their internal business strategies and management practices to conditions in external marketplaces becomes critical for sustaining growth and expanding market share. When international expansion decisions become ‘unaligned’ with business strategy, organizational structure, and managerial processes, corporations can lose sales and market share, incur increasing costs and inefficiencies, generate discontent among customers and suppliers, engender internal organizational conflict, and lose strategic direction. Spontaneous international expansion creates challenging opportunities for some managers, but makes others confused about their roles, responsibilities, and reporting relationships.”
- Papadopoulos, Heslop & Bamossy (1990) Consumer perceptions of native versus international products were investigated. Product integrity, price-value, market presence, and market response are four key underlying aspects that determine



consumer evaluations of items from varied origins, according to historical research and factor and reliability studies. Preferences for foreign items over domestic products are frequently based on perceptions of the degree of industrial development of diverse origins and other variables. This study also included implications for exporters, host governments, and domestic manufacturers, as well as recommendations for further research.

- Hauser and Urban (1979) a potential method for measuring and modelling consumer choice For alternative preference models, its theoretical foundations provide explicit risk assessments and testable behavioural circumstances. This study outlines some of the theory's findings, analyses measurement and validity concerns, and considers the theory's relevance to consumer research.
- Jin & Suh (2005) proposed a model that integrates four consumer characteristic variables (price consciousness, value consciousness, perceived price variation, and consumer innovativeness) toward private brands' attitude and purchase intention.
- Icek Ajzen (1991) proved that the theory of planned conduct can be used to deal with the intricacies of human social behaviour. The theory includes some of the most important concepts in the social and behavioural sciences and explains them in a way that allows for the prediction and comprehension of specific behaviours in specific situations. In most cases, attitudes toward the action, subjective norms about the behaviour, and perceived control over the behaviour are found to accurately predict behavioural intentions. As a result, these intents, when combined with perceived behavioural control, can account for a significant part of behavioural variation.
- Madden, Ellen & Ajzen, I. (1992) recommended adding perceptions of behavioural control as an additional predictor of intents and action to the planned behaviour theory. For ten behaviours chosen to reflect a spectrum in terms of control over completing the conduct, the researchers compared Ajzen's theory of planned behaviour with the theory of reasoned action. The inclusion of perceived behavioural control improves the prediction of behavioural intention and conduct, according to his findings. According to the theory of planned behaviour, the effects of perceived behavioural control on a target behaviour are most pronounced when the activity has a control problem.

- John Watson (1920) Explains that “in infancy the original emotional reaction patterns are few, consisting so far as observed of fear, rage and love, then there must be some simple method by which the range of stimuli which can call out these emotions and their compounds is greatly increased. Otherwise, complexity

in adult response could not be accounted for. These authors without adequate experimental evidence advanced the view that this range was increased by means of conditioned reflex factors. It was suggested there that the early home life of the child furnishes a laboratory situation for establishing conditioned emotional responses.”

- Daniel Kahneman and Tversky (1980) Proposed the Prospect theory, which is a behavioural economic theory that describes how people choose between probabilistic choices that involve risk and when the outcomes' probabilities are known. People make decisions based on the prospective value of losses and gains rather than the ultimate outcome, according to the idea, and these losses and profits are evaluated using heuristics. The model is descriptive: rather than modelling ideal decisions, as normative models do, it attempts to reflect real-life choices.
- Hawkins Stern (1962) argued that surprising shopping for impulses match along rational purchasing decisions to color a complete photo of the average customer. Impulse purchases are pushed largely by means of external stimuli, and feature nearly no dating to traditional selection-making. Stern set up four categories of impulse shopping for. First are the purely impulse purchases, like a sweet bar at the checkout line of a grocery store. Second, clients make reminder impulse buys, like putting a display of warm canine buns subsequent to a meat cooler. Third are recommended impulse purchases, along with an assurance for an electronic tool. Finally, clients make deliberate impulse choices, in which they recognise they want to buy a product, however are unsure approximately the specifics.

## Chapter III RESEARCH METHODOLOGY

### 3.1 Purpose of the study

The main purpose of this paper is to investigate the importance of understanding the Consumer behaviour in Multinational Corporations expansion and growth. This is to see how a consumer actually reacts to a product of a Multinational Agency and if it differs from a domestic agency. This paper addresses different factors that a consumer looks for in a commodity and compares it between both the Domestic and The International (MNC) Corporations.

A consumer might react differently to the same products from different manufacturers. Hence this paper addresses this confusion as to between the two major parties at hand, i.e. the Domestic Producer and the International or the Multinational Producer. Both of these entities produce, market, finance and operate in a totally different manner, if at all, we'd be able to distinguish amongst the two after this paper's conclusion.

Furthermore, this paper will help in determining the consumer buying behaviour pattern and what the consumer basically looks for in a commodity as a whole.

### 3.2 Research objective of the study

The following are the objectives of the Study

1. To distinguish clearly between the consumer buying behavior amongst the Domestic and the Multinational corporation.
2. To understand the consumer perception towards multinational products.
3. To perform a comparative analysis of customer satisfaction towards domestic products and multinational products.

People generally don't consider such minute differences between the behavior pattern of a consumer relating to which manufacturer the product is being manufactured from, but it can lead to a great distinguishing factor between success and failure of a corporation. This study hence, studies the different factors that a consumer finds different in a domestic and an international organization. This study tends to develop a research which helps study the consumer behavior pattern of buying a commodity

### 3.3 Research methodology of the study

#### 3.3.1 Research Design:

A Research Design is the arrangement of methodology and techniques utilised in gathering and breaking down the proportions of the factors determined in the issue looked into. The research design used in this project is Descriptive Research. It is structured in a particular way to take care of various differing group of onlookers as could be allowed. A Quantitative technique is chosen with a five point Likert scale survey that grows explicitly to will in general fill the Research hole and help the Multinationals read and concentrate how perusing shopper conduct could enable them to extend in a productive and successful way (If it does). The survey was filled through on the web and offline in spots like Mumbai, Delhi, Ghaziabad, Gurgaon, Karnal, Rohtak and even Nagpur. This makes the populace very varied with legitimate Metropolitans like Mumbai and littler urban areas like Rohtak included as well. The information gathered will at that point be examined through factor investigation to check concerning what all components really influence the Multinationals extension designs in another market. Further after the investigation, an extent of further research will be referenced to proceed with the examination in this specific field.

#### 3.3.2 Instrument Design:

I have used questionnaires as the instrument for collecting the data for the research project. It is a list of research or survey questions asked to respondents and designed to extract specific information. It serves four basic purposes:

1. Collecting appropriate data,
2. Make data comparable and use the data to perform analysis,
3. Minimise the bias in formulating and asking the question,
4. Make questions engaging and varied.

The options in the questionnaire are the 5 point Likert scale or multiple answers. Also, the questions are formed based on the independent variables of the study. Therefore, this questionnaire has covered all the questions as per the variables.

Google forms were used to make a questionnaire and the survey was sent via Emails, messages and posted on social media for responses. To get qualitative data and no biased responses, personal surveys were also taken in some areas like CP in Delhi,

Marine drive in Mumbai etc.

The particular questionnaire is designed in a way to extract both quantitative and qualitative facts and information about the matter at hand. Some questions are kept to check the general understanding of the consumer and some are kept to know how exactly the consumer feels about the matter at hand. These qualitative sets of questions help us understand the consumers view point and understanding altogether, about which a summary is given after the data analysis.

Then the questionnaire contains individual questions on each factor which could affect and should be kept in mind, including all the major factors which could affect the successful expansion of a corporation.

### 3.3.3 Sampling

In this project, the sample size is taken to be 268 exactly. The sample population includes the consumers of multinational brands as well as domestic brands. The type of sampling used is random sampling method or simple random sampling as this technique of sampling justifies the fact that everyone is a consumer of some or the other Commodity. Hence one cannot differentiate between them. Age classification is done on the other hand to understand the consumer behavior according to their particular age period.

Simple random sampling is the purest and the most straightforward probability sampling strategy. It is also the most popular method for choosing a sample among the whole population for a wide range of purposes. It has been stated that «the logic behind random sampling is that it removes bias from the selection procedure and should result in representative samples».

Apart from the simple random sampling techniques, convenient sampling has also been used. It is a method adopted by researchers where they collect market research data from a conveniently available pool of respondents. It is the most commonly used sampling technique as it's incredibly prompt, uncomplicated, and economical. In many cases, members are readily approachable to be a part of the sample.

### 3.3.4 Data Collection

The data collection technique used in this project is online surveys. It includes a questionnaire to collect the numerical data or data that can be transformed into usable statistics. The tools used to finally summarize the data collected are graphs such as pie charts and bar graphs. Further, it is used to quantify Attitudes, Opinions, Behaviors, and other defining variables and generalizes results from larger sample population of nearly 300. Quantitative Research uses measurable data to formulate facts and cover patterns in research. Thus, helping to get the result of the study.

Primary data is collected by using the questionnaire as mentioned above. An advantage of primary data is that it is specifically tailored to your research needs. Also, the data collected would be pure, and less prone to data hampering and other window dressing mis-attributes. It also has one disadvantage that it might be inappropriate and biased towards one particular direction. This could happen if the survey is taken specifically in a centred geographical location. To avoid this, proper measures were taken up to make sure this kind of error does not occur in the research. Secondary data is the published data and the data collected in the past by other parties. It was used in the study to get the statistics and data of consumers' behavioral patterns according to various theory's by renowned authors and scholars. The study of Human Psyche was a major part of this data as the scientific data on how it works was adopted from previous researches done on the same.

## Chapter IV

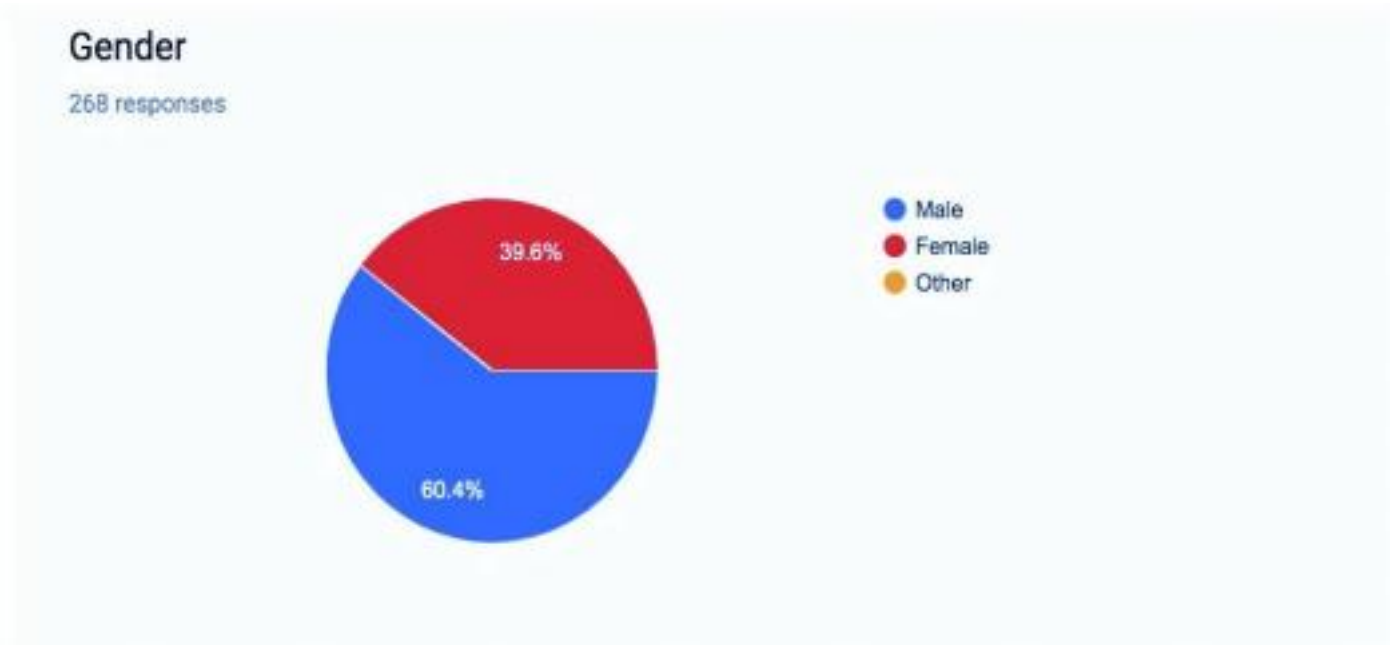
### ANALYSIS AND INTERPRETATION

The Study has a total of 268 responses from different kinds of respondents of various age groups and various sexes and other demographics.

#### A. DEMOGRAPHIC STUDY

##### . Gender Distribution

Out of the total 268, **162** respondents were Male and **106** were Female. It can be seen in the graph given below.



Pie chart 1: gender of respondents

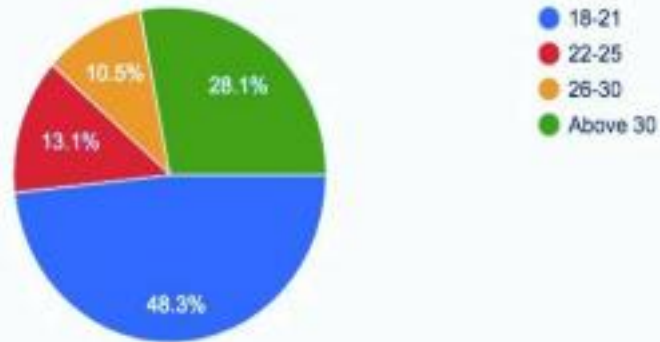
We can see that almost **60%** of the total population out of the total 268 Responses are Male and almost **40%** are Female.

## 2. Age Distribution

Out of the total 268, **129** respondents (i.e. 48%) belong to the age group of 18-21, **35** (i.e. 13%) belong to the age group of 22-25, **28** (i.e. 10%) belong to the age group of 26-30 and the remaining **75** (i.e. 28%) belong to the Above 30 age group.

## Age

267 responses



Pie chart 2: age of respondents.

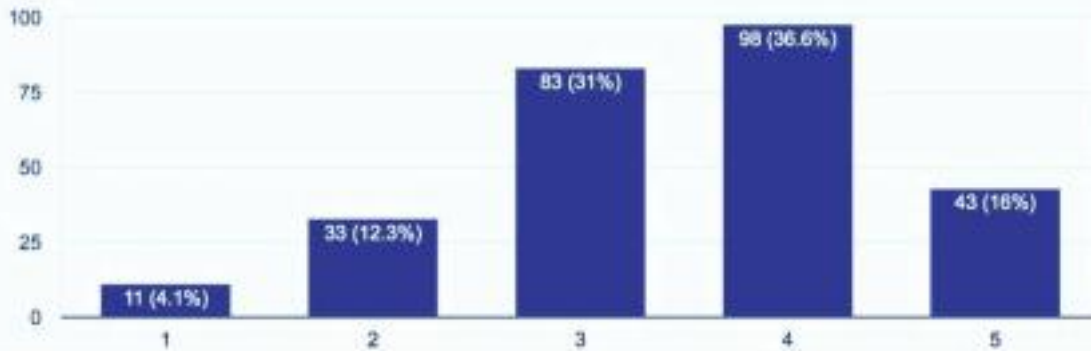
## B. QUALITATIVE STUDY

Bar Graph 1: I generally buy Imported Goods or goods from Multinational Corporations.



### I generally buy Imported goods or Goods from a Multinational Corporation.

268 responses

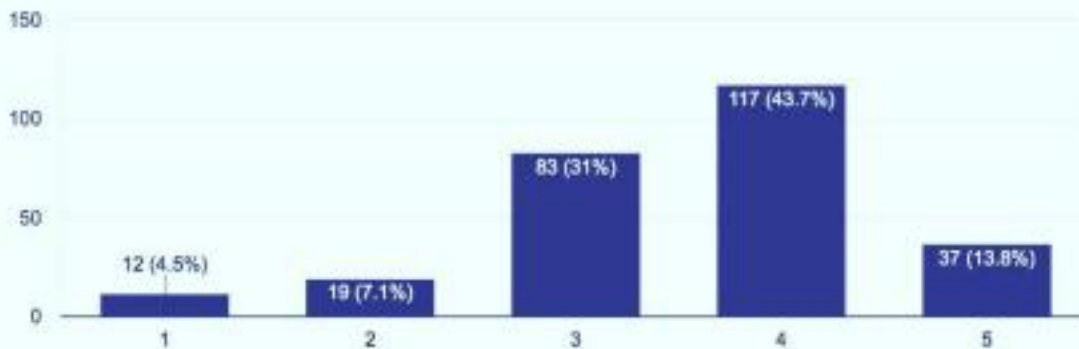


We can see that out of 268 responses, **11**(i.e. 4%) have strongly disagreed, **33**(i.e. 12%) have disagreed, **83**(i.e. 31%) neither agree nor disagree, **98**(i.e. 37%) the majority agree and **43**(i.e. 16%) strongly agree.

Bar graph 2: Products from a Multinational Corporation largely distinguish itself from the Products of a Domestic Corporation

### Products from a Multinational Corporation largely distinguish itself from the Products of a Domestic Corporation

268 responses

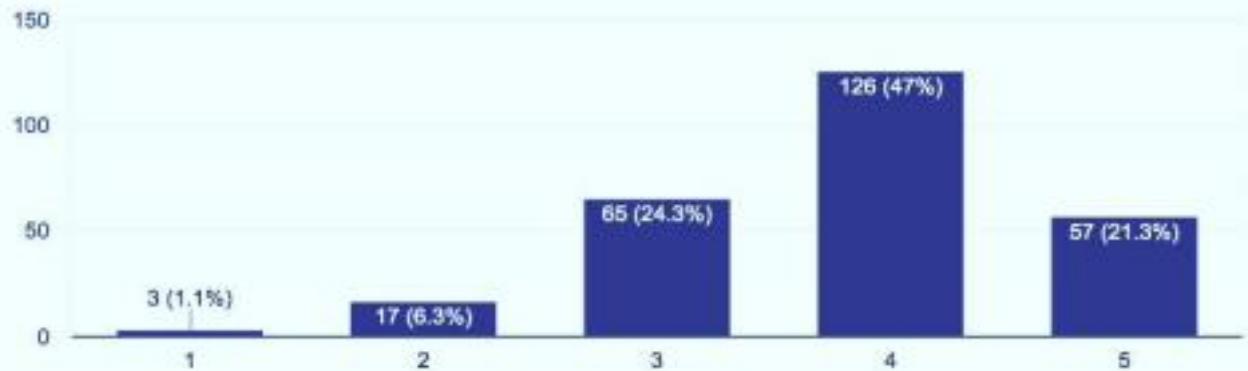


We can see that out of 268 responses, **12**(i.e. 4.5%) have strongly disagreed, **19**(i.e. 7%) have disagreed, **83**(i.e. 31%) neither agree nor disagree, **117**(i.e. 44%) agree and **37**(i.e. 14%) strongly agree.

Bar graph 3: Multinational Corporations distinguishes itself by the way it Markets itself

### Multinational Corporations distinguishes itself by the way it Markets itself.

268 responses

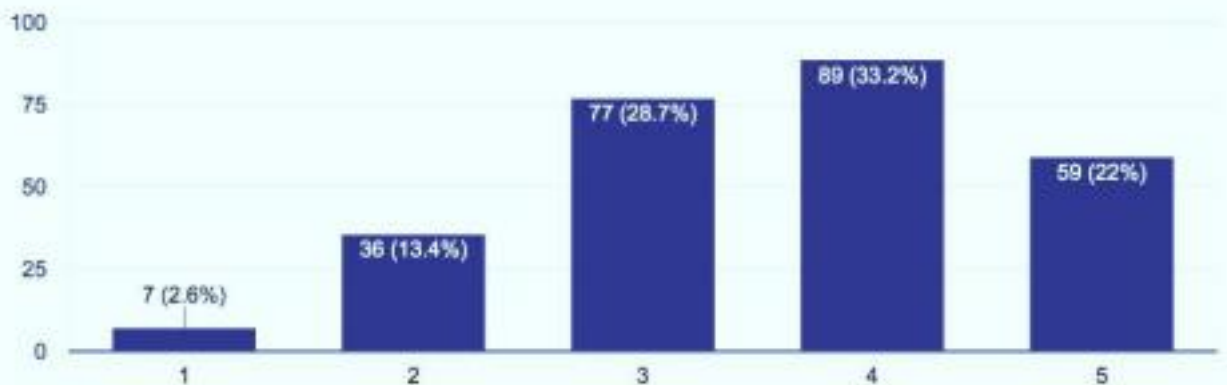


We can see that out of 268 responses, **3**(i.e. 1%) have strongly disagreed, **17**(i.e. 6%) have disagreed, **65**(i.e. 24%) neither agree nor disagree, **126**(i.e. 47%) agree and **57**(i.e. 21%) strongly agree.

Bar graph 4: Multinational Corporations end up Harming the Domestic Economy?

### Multinational Corporations end up Harming the Domestic Economy?

268 responses

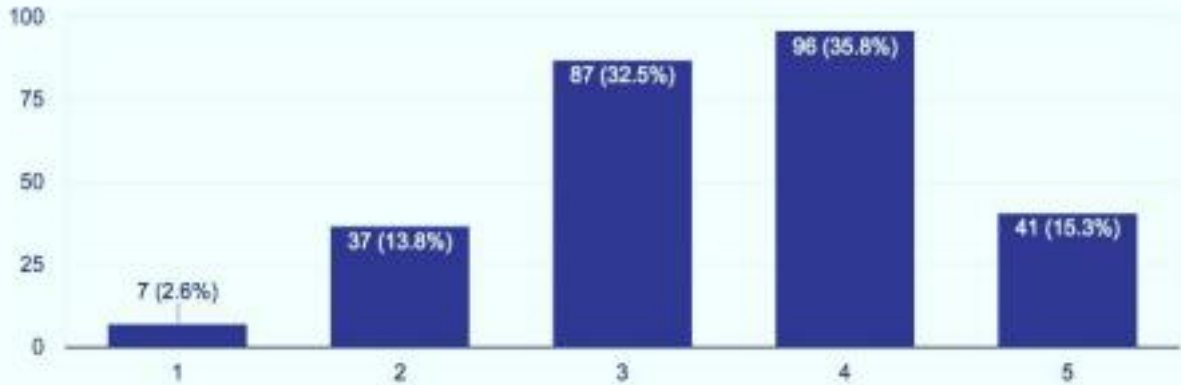


We can see that out of 268 responses, **7**(i.e. 2.6%) have strongly disagreed, **36**(i.e. 13%) have disagreed, **77**(i.e. 29%) neither agree nor disagree, **89**(i.e. 33%) agree and **59**(i.e. 22%) strongly agree.

Bar graph 5: Multinational Corporations add to the Growth and Development in the Domestic Economy

## Multinational Corporations add to the Growth and Development in the Domestic Economy.

268 responses

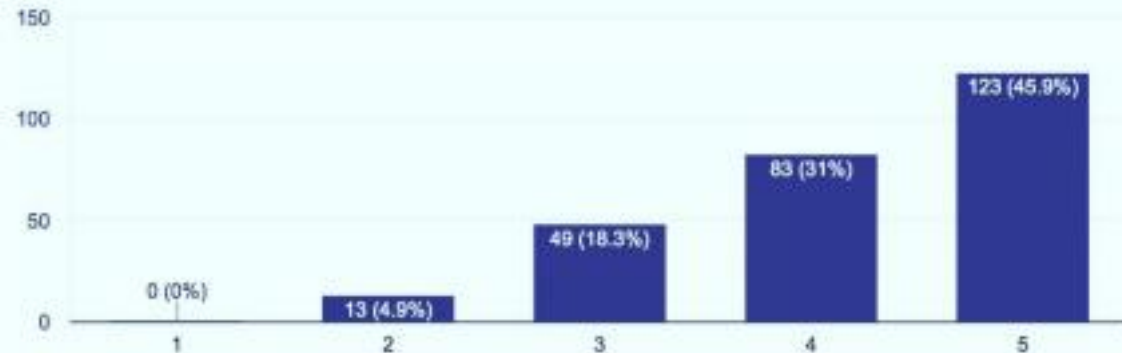


We can see that out of 268 responses, **7**(i.e. 2.6%) have strongly disagreed, **37**(i.e. 14%) have disagreed, **87**(i.e. 33%) neither agree nor disagree, **96**(i.e. 36%) agree and **41**(i.e. 15%) strongly agree.

Bar graph 6: Multinational Corporations must understand Consumer behavior before expanding into new Markets.

## Multinational Corporations must understand Consumer Behaviour before expanding into new Markets.

268 responses



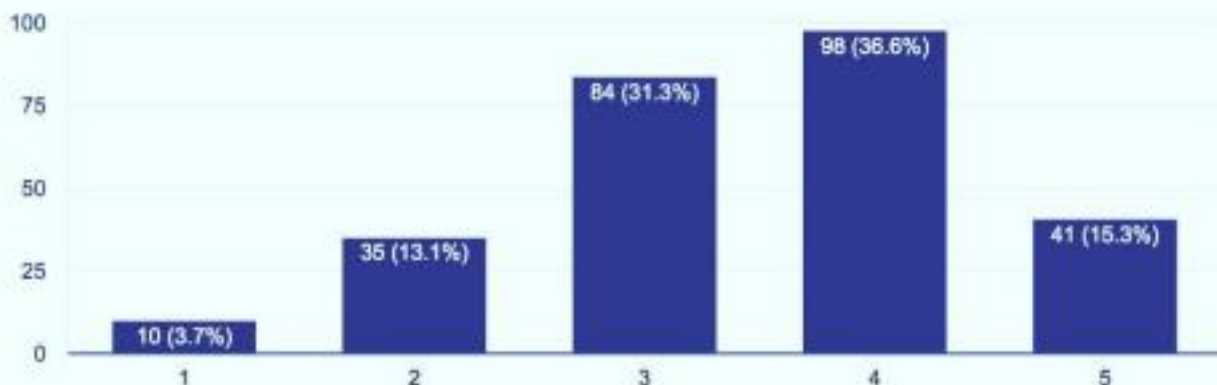
We can see that out of 268 responses, **0**(i.e. 0%) have strongly disagreed, **13**(i.e. 5%) have disagreed, **49**(i.e. 18.3%) neither agree nor disagree, **83**(i.e. 31%) the majority agree and **123**(i.e. 46%) strongly agree

## C. QUANTITATIVE STUDIES

### Bar graph 7: Quality

## Multinational Corporations have better Quality products than the Domestic Corporations.

268 responses



We can see that out of 268 responses, **10**(i.e. 4%) have strongly disagreed, **35**(i.e. 13%) have disagreed, **84**(i.e. 31%) neither agree nor disagree, **98**(i.e. 37%) the majority agree and **41**(i.e. 15%) strongly agree.

Bar graph 8: Price



We can see that out of 268 responses, **10**(i.e. 4%) have strongly disagreed, **35**(i.e. 13%) have disagreed, **84**(i.e. 31%) neither agree nor disagree, **98**(i.e. 37%) the majority agree and **41**(i.e. 15%) strongly agree

Bar graph 10: Customer Service

We can see that out of 268 responses, **8**(i.e. 3%) have strongly disagreed, **19**(i.e. 7%) have disagreed, **77**(i.e. 29%) neither agree nor disagree, **110**(i.e. 41%) agree and **54**(i.e. 20%) strongly agree

Bar graph 11: After Sales Service

We can see that out of 268 responses, **6**(i.e. 2%) have strongly disagreed, **25**(i.e. 9%) have disagreed, **78**(i.e. 29%) neither agree nor disagree, **107**(i.e. 40%) agree and **52**(i.e. 19.4%) strongly agreed.

Bar graph 12: Marketing

We can see that out of 268 responses, **4**(i.e. 1.5%) have strongly disagreed, **25**(i.e. 9%) have disagreed, **67**(i.e. 25%) neither agree nor disagree, **111**(i.e. 41%) agree and **61**(i.e. 23%) strongly agree.

Bar graph 13: Product Life

We can see that out of 268 responses, **8**(i.e. 3%) have strongly disagreed, **30**(i.e. 11%) have disagreed, **83**(i.e. 31%) neither agree nor disagree, **105**(i.e. 39%) agree and **42**(i.e. 15.7%) strongly agree.

Bar graph 14: Value for Money

We can see that out of 268 responses, **9**(i.e. 3.4%) have strongly disagreed, **49**(i.e. 18%) have disagreed, **102**(i.e. 38%) neither agree nor disagree, **77**(i.e. 29%) agree and **31**(i.e. 11.6%) strongly agree

Bar graph 15: Multinational Tag

We can see that out of 268 responses, **3**(i.e. 1%) have strongly disagreed, **25**(i.e. 9%) have disagreed, **57**(i.e. 21%) neither agree nor disagree, **108**(i.e. 40%) agree and **75**(i.e. 28%) strongly agree

Bar graph 16: Overall Satisfaction



We can see that out of 268 responses, **4**(i.e. 1.5%) have strongly disagreed, **31**(i.e.11.6%) have disagreed, **82**(i.e. 30.6%) neither agree nor disagree, **116**(i.e. 43.3%) agree and **35**(i.e. 13%) strongly agree

## Summary

When people were asked if they generally buy goods from a multinational, Majority agreed (98 i.e. 37%) but a good amount of respondents neither agree nor disagreed (83 i.e. 31%). This showcases the need of Multinationals to create awareness amongst the consumers about their presence and their products and services they are offering. Although the majority knew about their purchasing of multinational goods, this shows that they are aware of the multinational reach and presence.

When people were asked if products from Multinationals largely distinguish themselves from the domestic corporations, a majority again agreed (117 i.e. 43.7%). This showcases that the multinationals brand positioning in the minds of their consumers is working in a distinguished manner and they have a different spot. They have managed to position their presence as a separate entity.

When people were asked if Multinationals distinguish itself on the basis of how it markets itself, a great majority Agreed (128 i.e. 47%). So we basically got to know that the brand positioning of multinationals was distinguished in a way from the domestic corporations, but now, one of the main reasons that consumers think how they distinguish themselves have come up as marketing.

When people were asked if they think that Multinationals must understand Consumer behavior before expanding into new markets, a strong Majority voted as

strongly agreed (123 i.e. 45.9%) while 31% agreed.

This makes it around 77% of the respondents agreed that multinationals have to and should read and understand the consumer behavior before expanding into new markets to attain the knowledge and the understanding on how the consumers actually behave in the markets and their buying behavior.

Altogether we could see that multinationals have a good holding over their image in the minds of consumers i.e. positioning.

## Chapter V FINDINGS AND SUGGESTIONS

### Findings

1. A Major factor which came out through the Qualitative study was the way the Multinationals market themselves. They need to undertake such unconventional and creative ways to market their product or services for the consumers to understand and interpret it in that certain way.
2. Multinationals tend to add up competition for the domestic corporations making them innovate too in order to sustain. This could lead to a higher GDP and total economical benefit for the country. With new tech, they tend to bring new found zeal in domestic corporations as they have to do that in order to survive in the new competitive market.
3. Multinationals should understand that Consumer behavior and its understanding is a non negotiable if they want to succeed in their expansion to a new territory and make profits if not sustain.

### Suggestions

1. Multinationals should read what the consumer actually wants in that particular territory and make the product and other strategic plans accordingly because the customer is the whole and soul which could make or break the whole

ordeal these multinationals go through in expansion.

2. The Multinationals have to work on affecting the domestic economy image and work towards developing it on the contrary to change that perspective. This could be done through various initiatives like green drive and other environmental or economical drives which could be undertaken.
3. The economy should be a little more welcoming towards the Multinationals as they tend to add a different perspective with their new kind of technology and products and services. They bring something totally different from a distant land mostly which could give us a perspective of a different kind.
4. Some restrictions from the governing side have to be there as to control the FDI and Multinationals entering the domestic economy. Things like brain drain and

taking money out of the domestic country should not happen as they are the downside of Multinationals and FDI in particular

## Chapter VI CONCLUSION AND LIMITATIONS

### Conclusion

Understanding Consumer behavior is not a piece of cake and definitely not wholly possible. It's a dynamic concept with some general theories proving that it could be read somewhat in the right direction, but it has to be somewhat linked to Human Psyche and hence comes the role of old and new theorists making it all a big possibility. Many researchers have concluded that human behavior is complex and sometimes unpredictable. The environment is one of the major factors in the development of human behavior.

The unpredictability of human behavior tries to show that people are unique and operate on different ideas and backgrounds. In addition, the brain of a human being is independent of that of another person, therefore, this creates a diversity of how people think, act and make decisions. The study has been done in both the Qualitative as well as Quantitative aspect to be more to the point and illustrated.

We could see that Consumers do not have a negative image about the Multinationals and multinationals should read and understand the consumer behavior thoroughly

before expanding into new markets abroad. The study had 268 respondents from as varied locations and age groups as possible. Almost more than 10 locations were targeted at random to be surveyed upon. Other sources included online and email surveys.

The outcome showcased that people actually know and purchase from the Multinationals on a frequent basis. They tended to have the knowledge as to what all commodities are from a multinational and what all are not and are from a domestic corporation.

It also showcased that the consumers tend to believe that MNC's harm the domestic economy. Now this is a problem for the Multinationals as their positioning tends to get affected and hence the perceived behavior. On the contrary, people also believe that Multinationals tend to add growth and benefit the domestic economy in a way.

When asked about if the Multinationals are distinguished in their opinion, a majority voted agreed, which signifies that it stands out. But then the research led to finding the reason behind it and the majority of people voted on the kind of marketing that the Multinationals do makes them different.

## Limitations

Even though the paper works on other research gaps found, the major limitations are as follows;

1. The research is restricted only to Consumer behavior on the basis of their preferences.
2. Geographically it is restricted only to India.
3. Due to limited resources and scope, the sample size is not a large one particularly.
4. Concentrates on only one of the stages of buying behavior of the consumer which neglects other attributes.
5. It includes all the disadvantages which Random Sampling generally has.
6. Primary method of data collection tends to be biased sometimes. Hence a little of both Primary and Secondary sources are used.

7. This method of Random Sampling lacks the use of available knowledge concerning the population.
8. It was difficult to have a completely catalogued universe, hence a little selective random sampling had to be done.
9. Limited number of responses, 268 people have their own point of view and certainly cannot 100 percent up-vote or down-vote certainly.

Altogether there were many limitations with the survey and respondents being from almost only two states largely, but the study was made as diverse and bias free as possible by the researcher.

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### *Annexure*

## QUESTIONNAIRE

1. Name

-Short text

2. Gender

-Male/ -Female/ -Other

3. Age

- 18-21/ - 22-25/ - 26-30/ - Above 30

4. I generally buy Imported goods or Goods from a Multinational Corporation.

- 1 -2 -3 -4 -5

5. Products from a Multinational Corporation largely distinguishes itself from a Product from a Domestic Corporation

- 1 -2 -3 -4 -5

6. Multinational Corporations have better Quality products than the Domestic Corporations.

- 1 -2 -3 -4 -5

7. Multinational Corporations have better(cheaper) Priced Products than the Domestic Corporations.

- 1 -2 -3 -4 -5

8. Multinational Corporations have better Customer Service than the Domestic Corporations.

- 1 -2 -3 -4 -5

9. Multinational Corporations have better After Sale Service than the Domestic Corporations.

- 1 -2 -3 -4 -5

10. Multinational Corporations market their product better than the Domestic Corporations do?

- 1 -2 -3 -4 -5

11. Multinational Corporations distinguishes itself by the way it Markets itself. - 1  
-2 -3 -4 -5

12. Products of Multinational Corporations have a better Product life than the  
Domestic Corporations.  
- 1 -2 -3 -4 -5

13. Products of Multinational Corporations have more VALUE for Money than the  
Domestic Corporations.  
- 1 -2 -3 -4 -5

14. Products having a Multinational Corporation tag on them, appear to be more  
attractive to you as a Consumer.  
- 1 -2 -3 -4 -5

15. Products of Multinational Corporations in overall Satisfy you more than the  
Domestic Corporations.  
- 1 -2 -3 -4 -5