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Abstract Title: **Determinants of consumer purchasing decisions during the Christmas season: a study in the Greater ABC/Brazil**

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Determinants of consumer purchasing decisions during the Christmas season: a study in the Greater ABC/Brazil

Summary

This article presents the results of a survey to identify the factors influencing the purchase decision of consumers during the Christmas season. The research is exploratory in nature and was conducted between 17th and 27th November 2011 with a total of 422 consumers in the Greater ABC Region/Brazil. Respondents answered questions in order to identify the profile of income for those who buy a gift for Christmas, how much they were willing to spend for the purchase of this gift and what they considered most important in the decision for choosing the present. After tabulating the data, qualitative and quantitative data were obtained, which allowed to define the determining factors in the decision to purchase gifts for Christmas celebrations. The results show that, in general, price and payment method are still important factors in purchasing decisions.

Keyword: purchasing decision, consumer behavior, Christmas gifts

Introduction

Although consumers who participate in markets of capitalist economies have similar behavior during major holidays, some features may be specific to a single market either because of the dynamic production-distribution-consumption or because of cultural differences that can generate more or less increase in consumption, so this research hopes to cater to different interests of various actors interacting on a daily basis in the process of production and consumption, and thus build the dynamic local economy (Observatório Econômico, 2011).

Buying gifts is part of people's lives on several occasions and for the suppliers of those presents, the more information they have about the behavior and decision-making of consumers, the better for the sale to be made naturally. For companies to achieve the best results in the market where they work, it is needed to evolve from a focus on manufacturing products to focus on winning and retaining customers, so they can attend to what they want inside their needs (Kotler, 2003). Therefore, to achieve successful outcomes in their marketing strategies, marketers should carefully analyze the intrinsic reasons that motivate consumers to respond positively to these marketing stimuli, and how they make their choices (Leng and Botelho, 2010).

In this context, the present study tried,

to identify the determining factors in the decision to purchase Christmas gifts for consumers of the ABC Region/Brazil. This research contributes to companies so that they can stay in a prominent position in the market because they know better the profile of their customers.

Literature Review

Kotler (2008, p.63) considers strategy as the glue that aims to build and deliver a consistent and distinctive value proposition to your target market. Although the organizational simulator acts in a controlled environment, it is possible for managers of one of the participating companies to formulate strategies for short, medium and long term to meet with value the needs of the target market. Porter in Kotler (2008) warns that the operational excellence should not be the strategy pursued by the companies but their actions that differ them from other competitors in a target market.

Marketing mix describes the set of tools available to management to influence sales, as seen in the traditional formula of the 4 Ps - Product, price, promotion and place (KOTLER 2008, p.151). Table 1 shows the marketing strategies related to each marketing mix. Faced with this presentation it is clear that the responsibility for defining the strategies is the marketing director, considering the rules placed by the organizational simulator in this regard.

Table 1: Mix of marketing and market strategies

Marketing mix	Strategies
Product	Desired product by the target market to meet their needs.
Price	The influence on the consumer follows the rules of economic theory to elastic product, i.e., the increase in price which causes a decline in demand.
Point of sale	Obeys the convenience, feature of real markets, i.e., the consumer finds the product with ease because of the availability and proximity to the point of sale.
Promotion	Businesses in the region make an effort to marketing communications so that consumers are aware of discounts and payment methods at the point of sale.

Source: prepared by the authors

Considering the compound of the marketing mix and its effects in the target market according to the strategy adopted by managers, a change in corporate positioning in the market can be considered for both the positive and the negative direction. Thus, if the desire of managers is to achieve a higher position in the market, that is, to have market share expansion, they should adopt a more aggressive strategy of lower price or sales promotions with terms and discounts more attractive than those of the competitor .Therefore, producers should invest in research and development to improve the product and, in the medium term, this will generate market confidence in their product, facilitating the implementation of bolder strategies in relation to price, for example.

Sample and Methods

The aim of this research is to identify the determining factors in consumer buying decision of the Greater ABC Region/Brazil. The ABC region comprises the municipalities of Santo Andre, Sao Bernardo do Campo, Sao Caetano do Sul, Diadema, Maua, Ribeirao Pires and Rio Grande da Serra and together represent the fourth largest consumer market in Brazil with an estimated volume of consumption for the year 2011 of 28 billion dollars.

Table 2 shows that the town of Sao Bernardo do Campo has a GDP of 18.8 billion dollars and a per capita GDP of 23.4 thousand dollars and the town of Sao Caetano do Sul with the highest GDP per capita of all with 42.3 thousand dollars. With this data, the population of these cities are better able to buy gifts for Christmas Day, including the possibility of buying more than one gift for each person in their circle of friends. The region currently has just under 823,000 workers in formal employment, with an average income of approximately US$1.230 per month, according to estimates made from data released by the Ministry of Labor and Employment and unemployment of 8.7% of the economically active population (Observatório Econômico, 2011).

Table 2: GDP and GDP per capita of the ABC Region in 2010 (in million U.S. dollars)

Municipality	GDP In million US dollars	GDP per capita In US dollars
Sao Bernardo do Campo	18,768.5	23,420.0
Santo Andre	8,447.9	12,583.30
Sao Caetano do Sul	6,394,4	42,325.0
Diadema	5,850.55	14,840.5
Maua	3,566,7	8,641.4
Ribeirao Pires	934.4	8,386.3
Rio Grande da Serra	220.55	5,363.8

Source: authors based on data from the Observatório Econômico

The consumer potential of the region is quite significant due to the growth of the economy and the region. With this, the trade can expect a significant volume of sales for the annual Christmas Day, as shown by the data in Table 3, which highlights the city of Sao Paulo with a potential consumption of about 130 billion dollars and the municipalities of Sao Bernardo do Campo and Santo André, which are part of the object of this study, with potential consumption close to 17 billion dollars.

Table 3: Consumption Potential Index in billions of U.S. dollars

Municipality / Region	IPC
Sao Paulo	129,6
Rio de Janeiro	73,8
Federal District	27,2
Greater ABC	26,7
Belo Horizonte	26,1
Sao Bernardo do Campo	8,9
Santo Andre	7,9
Maua	3,3
Diadema	3,2
Sao Caetano do Sul	2,2
Ribeirao Pires	1,0
Rio Grande da Serra	0,31
Greater ABC	26,8

Source: authors based on data from the Observatório Econômico

The research is exploratory and the data were sampled. The main reason why data are collected by sampling and not by complete enumerations is to get lower cost and time (Boyd and Westfall, 1973). A sample requires less field researchers, who can receive better training and have their work supervised more accurately.

To identify the factors influencing the purchase decision of consumers, consumer profiles and identify people who would be given presents, the survey was conducted between 12th and 27th November 2011 by 14 researchers distributed in key locations on each municipality in the region. They administered the questionnaire consisting of 29 multiple choice questions with possible alternatives for each question. Table 4 shows the quantities of questionnaires for each region studied.

Table 4: Application place of the questionnaire, population and total questionnaires

Municipality	Population (by thousand, 2010)	Total questionnaires applied	Place
Sao Bernardo do Campo	765.463	99	Metrópole Shopping Mall; Marechal Ave. (Downtown) and surroundings
Santo Andre	676.407	119	ABC and Grand Plaza Shopping Malls, Oliveira Lima business area (Downtown) and surroundings
Maua	417.064	53	Maua Plaza Shopping Mall; downtown shopping streets and surroundings
Diadema	386.089	53	Downtown shopping streets and surroundings
Sao Caetano do Sul	149.263	43	Santa Catarina and Manoel Coelho Streets (Downtown) and surroundings
Ribeirao Pires	113.068	35	Downtown shopping streets and surroundings
Rio Grande da Serra	43.974	20	Downtown shopping streets and surroundings
Greater ABC Region	**2,551.328**	422	

Source: authors based on data from the Observatório Econômico

Approximately 500 interviews were conducted and, after the analysis, 422 interviews were validated, 46% female and 54% male. The questionnaire consists of direct and objective questions, multiple choice mostly. The methodology of construction of the questions tried to make them as transparent as possible in order to let the interviewee at ease and to ensure efficiency in the application of the questionnaire (Observatório Econômico, 2011).

Analysis of Results

This section presents the most relevant results that characterize the consumer profile of the ABC region.

Knowing where the consumer lives facilitates the distribution of trade, and the suppliers are able to know whether consumers are near or not. It is also possible to know if the item called Point of Sale Marketing Mix is correct or not. The data reveals that respondents are concentrated in the municipality of Santo Andre and Sao Bernardo do Campo, although the comparison with the total number of inhabitants should reveal a total proportion higher to Sao Bernardo and lower to Santo Andre, as shown in Table 5 which presents the total number of inhabitants per municipality in the region studied.

Table 5: Municipality where the respondent resides

Municipality	Percentage
Sao Paulo	9
Sao Bernardo do Campo	22
Santo Andre	27
Maua	11
Diadema	11
Sao Caetano do Sul	9
Ribeirao Pires	7
Rio Grande da Serra	3
Others	1

Source: authors based on data from the Observatório Econômico

The family income consists of income level in the MW unit - minimum wage, being US$297.22 or R$535.00, with an Exchange rate of R$1.80/US$1.00 (see Table 6). As the decision to purchase is made in the family, the question on family income generates better interpretive results in the formation of consumer profile than the questioning of individual income. If the respondent were asked about their individual income, values would generally be overestimated and this leads to a misinterpretation of the information and wrong formation of the determinants of consumer purchase decision.

Table 6: Family Income

Income Level	Percentage
Up to 1 MW	3
1 to 2 MW	4
2 to 3 MW	17
3 to 5 MW	16
5 to 10 MW	38
10 to 15 MW	13
15 to 20 MW	5
Over 20 MW	3

Source: authors based on data from the Observatório Econômico

The survey showed 54.6% of total respondents are formally hired and this is an important finding, because according to the labor laws these workers will be entitled to receive an additional salary in the month of December, contributing to the increase in volume consumption and opportunities for relatives and friends to receive gifts purchased by the consumers. The total number of unemployed people who are not seeking employment represent 2.4% of the total respondents. Considering the data in Table 7, out of the respondents who own income, the percentage of consumers who will buy gifts for Christmas Day is approximately 85%.

Table 7: Status of the respondent in the labor market

Situation	Percentage	Situation	Percentage
Employee formally hired	54.6	**Student without paid activity**	1.9
Self-employed	12.3	**Freelancer**	1.7
Housewife	5.3	**Liberal Professional**	1.4
Unemployed (is looking for a job)	4.8	**Investor**	1.0
Retired	4.3	**Civil Servant**	3.6
Student with paid internship	4.1	**Employee informally hired**	2.4

Source: authors based on data from the Observatório Econômico

Most consumers will buy gifts for their mother, children, father and boy/girlfriend, as reported in Table 8. The research identified in this question that the respondent would buy presents for more than five people on average, being the others employees of the building where the respondent lives or recent acquaintances from school or work.

Table 8: Person gifted by the respondent

Person Gifted	Percentage	Person Gifted	Percentage
Mother	19.9	Grandchildren	3.4
Children	17.1	Godchildren	1.9
Father	14.7	Grandparents	1.4
Boy/Girlfriend	12.7	Cousin	1.2
Brother	9.3	Uncle/Aunt	0.9
Friend	4.7	Stepchildren	0.5
Nephew/Niece	3.9	Other	8.4

Source: authors based on data from the Observatório Econômico

The main presents the respondents will buy are: clothing and footwear, cosmetics and perfumes, as shown by the data in Table 9, and the main determinants declared as the most important in the definition of this were: the desire of the person being gifted, profile, price and product quality.

Table 9: What the interviewee will buy

Present	Percentage	Present	Percentage
Clothing and Footwear	38.3	Beverages	2.8
Perfumes and Cosmetics	13.6	Computer and accessories	2.4
Not decided	11.6	MP3, MP4, MP5 and iPod	2.1
Books	5.2	Cash	2.0
Video game	4.9	Travel	2.0
CD and DVD	4.7	Household appliance	1.3
Others	4.4	Sound and Image	1.2
Mobile phone	3.2	Car	0.2

Source: authors based on data from the Observatório Econômico

The classical junction between price and quality proved to be an important determinant of the strategy to attract customers, who seek to align their budget constraint with the desire and profile of the person who will receive the present, as shown in Table 10. The most desired goods by respondents were clothing and footwear, travel, car, motorcycle and mobile phone, but to give as a present, the most important factor is the budget of the interviewee, for it is he or she who will decide what to buy and retailers should seek to make an offer that try to reconcile how much the customer has to spend and what the person who will receive the present wants.

Table 10: Factors that determine what the consumer will buy

Factor	Percentage	Factor	Percentage
Desire of the recipient	29.0	**Promotion and Discount**	6
Profile of the recipient	21.0	**Others**	4
Price	17	**Technology**	3
Quality	12	**Advertisement**	2
Brand	6		

Source: authors based on data from the Observatório Econômico

Most consumers tend to purchase in the same town where they reside, as shown in Table 11. Analyzing consumer mobility, comparing the place of residence to the local in which they planned to purchase, 40% of the interviewees said they plan to consume in a town other than where they reside. The choice of the town for the purchase took into account the actual distribution of valid interviews between the municipalities, as well as the structure of each municipality to cater for consumers, as the existence of consolidated business districts, shopping malls, transportation and access roads, among other factors (Observatório Econômico).

Table 11: Municipality where the interviewee will do the shopping

Municipality	Percentage
Santo Andre	36.0
Sao Bernardo do Campo	19.1
Maua	13.5
Sao Paulo	10.6
Sao Caetano do Sul	7.2
Diadema	7.0
Not defined	3.4
Ribeirao Pires	1.4
Others	1.2
Rio Grande da Serra	0.5
Others	

Source: authors based on data from the Observatório Econômico

Table 12 shows that in order to facilitate the purchase, the principal means of payment that consumers want to use is cash, followed by credit card, both for better organization of the accounts on a single invoice, and for the possibility of purchasing in installments. The most suitable means of payment also revealed interaction with the income level of individuals, with significant repercussions on the total planned spending. Only three respondents reported having intention to pay by check. As a credit option, the credit card and store cards, which also allow installments, were favored, overcoming the payments on the installment plans. The average price consumers are willing to pay for each present is US$85.00. This information was collected by questioning how much the consumer was willing to spend, on average, for every gift they would buy.

Table 12: Payment Method

Method	Percentage
In cash	39
Credit card	35
Debit card	21
Store card	3
Installment plan	1
Post-dated check	0
Cash check	0

Source: authors based on data from the Observatório Econômico

Final Remarks

The research was conducted with the aim of identifying factors in the consumer decision to buy presents for Christmas Day in the ABC region, based on a research field where 500 consumers were interviewed and 422 questionnaires with 29 questions were validated. For the composition of this article the most relevant questions were selected in order to identify the factors that influence consumers to buy specific products.

After data analysis, we can identify that the consumer in general still considers the price and form of payment important to their decision. While taking into account the person to whom they will purchase the gift and what they want, their budget eventually imposes limits, and then those consumers look for a gift that makes people happy and at the same time does not affect their budget.

The survey showed that consumers try to buy their gifts in the region where they live or work, this means that retailers and manufacturers seek to supply the market in these regions and this is reflected in income generation, employment, and development and expansion of the region itself.

Therefore, the identified factors by this research are relevant to consumer decision making (price, promotion, quality and location of the point of sale). The retailer, knowing how much the consumers want to spend, what and where they want to buy, try to supply the point of sale as they want.

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