

CONSUMER BEHAVIOR AMONG GEORGIANS LIVING OUTSIDE GEORGIA

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RESUME

At the current stage of globalization, international economic trends can have substantial impact on customer behavior and can influence consumer behavior to a great degree. To explore differences in consumer behavior associated with substantial changes of external factors, such as moving to a very different living environment, we compared consumer behavior between residents of Georgia and persons originating from Georgia who currently live in other countries in the context of the coronavirus pandemic.

We found that changing the country of residence had a substantial impact on the behavior of Georgian consumers. Their behavior underwent significant modification compared to those living in Georgia, especially in the direction of better control of their own resources, reassessment of priorities and assuming more personal responsibility. At the same time, a number of characteristics of purchasing behavior, primarily the factors reflecting the potential impact of effective stimulation, were preserved even after changing the living environment. The response of Georgian consumers to challenges posed by the COVID-19 pandemic and the coping strategies were largely identical irrespective of the country of residence, except wider use of online shopping among those living outside Georgia. Overall, the survey demonstrated the importance of the research of consumer behavior in relation to the change of a country of residence in order to gain a broader understanding of global customer behavioral trends.

Key words: Consumer Behavior, COVID-19 pandemic, International economics

შეჯამება

გლობალიზაციის ამჟამინდელ ეტაპზე, საერთაშორისო ეკონომიკურ ტენდენციებს შეიძლება ჰქონდეს არსებითი გავლენა მომხმარებელთა ქცევაზე და აგრეთვე შეიძლება გავლენა იქონიოს მომხმარებელთა ქცევაზე. მომხმარებლის ქცევის განსხვავებების შესასწავლად, რომლებიც დაკავშირებულია გარე ფაქტორების არსებით ცვლილებებთან, როგორიცაა რადიკალურად განსხვავებულ საცხოვრებელ გარემოში გადასვლა, ჩვენ შევადარეთ მომხმარებლის ქცევა საქართველოს მაცხოვრებლებსა და ქართველ პირებს შორის, რომლებიც ამჟამად სხვა ქვეყნებში ცხოვრობენ კოროვირუსული პანდემიის კონტექსტში.

ჩვენ აღმოვაჩინეთ, რომ საცხოვრებელი ქვეყნის შეცვლამ არსებითი გავლენა მოახდინა ქართველი

მომხმარებლების ქცევაზე. მათმა ქცევამ მნიშვნელოვანი ცვლილებები განიცადა საქართველოში მცხოვრებებთან შედარებით, განსაკუთრებით საკუთარი რესურსების უკეთესი კონტროლის, პრიორიტეტების გადაფასების და მეტი პირადი პასუხისმგებლობის ალების მიმართულებით. ამავდროულად, შესყიდვის ქცევის მთელი რიგი მახასიათებელი, უპირველეს ყოვლისა, ეფექტური სტიმულირების პოტენციური ზემოქმედების ამსახველი ფაქტორები, შენარჩუნდა საცხოვრებელი გარემოს შეცვლის შემდეგაც. ქართველი მომხმარებლების პასუხი COVID-19-ის პანდემიის გამოწვევებზე და დაძლევის სტრატეგიები ძირითადად იდენტური იყო საცხოვრებელი ქვეყნის მიუხედავად, გარდა საქართველოს ფარგლებს გარეთ მცხოვრებთა შორის ონლაინ შოპინგის ფართო გამოყენებისა. მთლიანობაში, გამოკითხვამ აჩვენა მომხმარებელთა ქცევის კვლევის მნიშვნელობა საცხოვრებელი ქვეყნის შეცვლასთან დაკავშირებით, რათა უფრო ფართო გაგება მივიღოთ მომხმარებელთა გლობალური ქცევითი ტენდენციების შესახებ.

საკვანძო სიტყვები: მომხმარებლის ქცევა, COVID-19 პანდემია, საერთაშორისო ეკონომიკა

BACKGROUND

Consumer behavior is determined by multiple factors, such as economic and financial resources, family and social relationships, societal values, motivations etc. (Schiffman L, 2010). Relocating from the original place of residence to a setting with different cultural, economic, and societal landscape could potentially lead to substantial changes in consumer behavior (Cote, J.A., Leong, S.M, 1992). We previously reported results of a survey describing basic consumer behavior in Georgia and the impact of the COVID-19 pandemic on consumer behavior (გვენეტაძე თ. 2022; Gvenetadze T, 2022). To explore potential differences in consumer behavior associated with substantial changes of external factors, such as moving to a very different living environment, we compared consumer behavior between residents of Georgia and persons originating from Georgia who currently live in other countries.

We conducted a survey to describe purchasing behavior of Georgians residing outside Georgia and explored differences in purchasing behavior among Georgians by their residence place. We also explored the impact of basic demographic and social factors as well as the coronavirus pandemic on these behaviors among Georgians living outside their country of origin.

METHODS

We surveyed persons aged ≥ 18 years who were born and raised in Georgia but now live in other countries. We enrolled Georgians residing in the United States and England, as examples of countries with economic, cultural and societal structures that are very different from those in Georgia. (Cote, J.A., Leong, S.M, 1992)

We used the same questionnaire as the one used for surveying residents of Georgia. The questionnaire was self-administered and included questions on basic demographic characteristics, impact of responders' personal economic situation on their purchasing decisions and their attitudes and practices when choosing the product. Since the survey was conducted during the COVID-19 pandemic, which had substantial impact on the consumer behavior (Coccia M. 2021; Silagadze A., et al; 2022) we also asked questions about the impact of the pandemic on their purchasing habits. The responses were recorded using seven-category Likert scale (Jammieson, S. 2004)

The participant enrolment was conducted in two stages: during March-August 2020, which corresponded to the early period of the pandemic and during September 2020–January 2021, which coincided with the second wave of the pandemic (Worldometers, 2022). The comparison group included persons enrolled in the survey among current residents of Georgia during the same time frame, i.e. during March-August 2020 and September 2020–January 2021 (residents of Georgia surveyed during the third stage in September 2021 were excluded).

In the analysis, Group 1 refers to participants residing outside Georgia; Group 2 refers to participants currently residing in Georgia. The outcome measures were

percentages for responses in each category. We described characteristics of purchasing behavior of persons in Group 1 and analyzed their associations with independent variables such as age group, sex, student and employment status, and explored differences between the groups by site of residence (in Georgia versus outside Georgia). To assess changes in consumer behavior over time, we compared distributions of responses to survey questions between the two enrollment periods.

Comparisons between groups were made using bivariate analysis (chi-square) and multivariate logistic regression. To ensure sufficient statistical power for analysis, the seven-category answers to questions were compressed to three categories: "positive", "neutral", and "negative". For odds ratios (OR), the following categories were considered as reference groups for independent variables: residence in Georgia, male, age 18–29 years, currently employed, currently student, and enrolled during the first stage of the survey (March–August 2020). We also calculated 95% confidence intervals (CI) for OR. P values < 0.05 were considered statistically significant. Because of the large number of comparisons, p values and ORs are presented only for variables with statistically significant associations.

RESULTS

The survey among Georgians residing outside Georgia included 96 persons (49 residing in the United States and 47 residing in England). The 327 persons enrolled during the first two phases of the survey among residents of Georgia comprised the comparison group, for a total of 423 persons included in the analysis. Demographic characteristics of survey participants by residence site are presented in Table 1.

Table 1. Characteristics of survey respondents (N=423) by residence site

Characteristics	Group 1 - residing outside Georgia (N=96)	Group 2 - residing in Georgia (N=327)
	No. (%)	No. (%)
Age Group		
18-29 years	11 (11.5)	131 (40.1)
30-49 years	51 (53.1)	128 (39.1)
≥ 50 years	34 (35.4)	68 (20.8)
Age, median (range), years	44 (19-76)	33 (18-80)
Gender		
Male	38 (39.6)	158 (48.3)
Female	58 (60.4)	169 (51.7)
Currently employed		
Yes	85 (88.5)	223 (68.2)
No	11 (11.5)	104 (31.8)
Currently student		
Yes	11 (11.5)	79 (24.2)
No	85 (88.5)	248 (75.8)
Timing of enrolment		
March-August 2020	59 (61.5)	141 (43.1)
September 2020-January 2021	37 (38.5)	186 (56.9)

PURCHASING BEHAVIOR AMONG GEORGIANS RESIDING OUTSIDE GEORGIA

Responses to survey questions by Georgians who currently reside outside Georgia are presented in Table 2.

In this group, nearly all respondents (99.0%) reported that their financial situation affected their purchasing decisions and that their choice of products/services changed along with changes in their economic situation. Few respondents (17.7%) have continued to buy products despite the economic problems. This behavior was much more common among females than among males (25.9% vs 5.3%; OR, 13.0; 95% CI, 2.31–72.5); $p=0.0360$) and increased during March–August 2020 than during September 2020–January 2021 (27.0% versus 11.9%; OR, 5.5; 95% CI, 1.44–21.0; $p=0.0126$). Similarly, small proportion of responders reported feeling irritated when they could not afford to buy the desired product (16.7%) or avoided some stores because they were worried they would buy too much (14.6%). Only 1.0% of respondents had asked someone to go shopping with them to limit spending. The persons who

avoided going to some stores to avoid buying too much, were more likely to be younger than those who did not. This behavior was noted by 45.5% of respondents aged 18–29 years versus 11.8% among respondents aged 30–49 and 8.8% among ≥ 50 -year-olds (30–49 years versus 18–29 years – OR, 0.17; 95% CI, 0.03–0.99; $p=0.0481$; ≥ 50 years versus 18–29 years – OR, 0.08; 95% CI, 0.01–0.65; $p=0.0180$). Also, this behavior increased during September 2020–January 2021 period compared with March–August 2020 (21.6% versus 10.2%; OR, 4.3; 95% CI, 1.09–17.02; $p=0.0375$).

Most respondents (68.8%) thought that expensive products were better than cheaper ones. Having this opinion was associated with the timing of the interview decreasing from 81.4% during March–August 2020 to 48.7% during September 2020–January 2021 (OR, 0.21; 95% CI, 0.08–0.56; $p=0.0018$). Slightly lower proportion (62.5%) of respondents reported that personally for them, luxury meant quality. This opinion was associated with age group, declining from 90.9% among 18–29-year-olds to 68.6% among 30–49-year-olds and to

Table 2. Responses to survey questions by participant's residence place – in Georgia versus outside Georgia

Questions	Responses by category, %						P value, bivariate analysis*	Multivariate analysis**, OR (95% CI); p value
	Group 1 - residing in Georgia (N=327)			Group 2 - residing outside Georgia (N=96)				
	Pos.	Neut.	Neg.	Pos.	Neut.	Neg.		
Impact of respondent's economic situation on buying behavior								
My choice of products/services changes as my economic situation changes	89.9	6.4	3.7	99.0	1.0	0.0	0.0157	8.9 (1.3-75.4); 0.0270
My financial situation affects my purchasing decisions	82.1	1.5	6.4	99.0	1.0	0.0	NS	
I have avoided some stores because I was afraid that I would buy too much	38.5	17.1	44.4	14.6	4.2	81.3	0	0.27 (0.14-0.50); 0.0000
I have asked someone to go shopping with me so that I would not spend too much	35.5	5.2	59.3	1.0	6.3	92.7	0	0.02 (0.003-0.161); 0.0002
I have felt irritated when I have not been able to buy	37.9	13.8	48.3	16.7	28.1	55.2	0	0.35 (0.20-0.64); 0.0005
I have continued to buy products despite the economic problems	25.4	20.8	53.8	17.7	13.5	68.8	0.0337	NS
Respondent's purchasing behavior and preferences								
I think that expensive products are better than the cheaper ones	69.4	16.8	13.8	68.8	13.5	17.7	NS	
Personally for me, luxury means quality	79.8	8.3	11.9	62.5	21.9	15.6	0.0004	0.37 (0.21-0.64); 0.0004
It would make me happy if I could afford to buy luxury products	55.7	24.4	19.9	60.4	25.0	14.6	NS	
I try to purchase the products that will enhance my image in other people's eyes	40.4	18.6	41.0	30.2	25.0	44.8	NS	
It is highly important for me that the logo of the brand is visible	55.4	17.7	26.9	40.6	13.5	45.8	0.0020	0.54 (0.32-0.91); 0.0200
If I see that the product I want to buy is owned by too many people, I change my mind since there is no uniqueness	41.9	17.1	41.0	50.0	18.8	31.3	NS	
The preferences of my family and friends influence my choice of a product I purchase	57.8	20.8	21.4	41.7	18.8	39.6	0.0013	0.55 (0.34-0.91); 0.0192
I seek information about a product I want to buy from those who work in the industry/	58.4	13.8	28.8	49.0	19.8	31.3	NS	
The quality of advertisements changes my perceptions about the product	74.3	11.0	14.7	71.9	7.3	20.8	NS	
Impact of the COVID-19 pandemic								
The coronavirus pandemic has affected my social activity and buying behavior	95.1	1.2	3.7	93.8	2.1	4.2	NS	
The coronavirus pandemic has affected my choice of retailers from which I buy	79.8	7.3	12.9	76.0	5.2	18.8	NS	
Since the start of the coronavirus pandemic, I try to purchase more practical products	89.3	7.3	3.4	84.3	9.4	6.3	NS	
The coronavirus pandemic has made me think how to allocate my budget more adequately	83.2	12.2	4.6	78.1	13.5	8.3	NS	
During the coronavirus pandemic, I mainly buy products online	35.4	26.6	37.0	81.3	11.5	7.3	0	18.8 (8.8-39.8); 0
Pos. – positive; Neut. – neutral; Neg. – negative; CI – confidence interval; NS – not significant (p≥0.05)								
* Chi square								
** Residence outside Georgia versus residence in Georgia (reference group)								

44.1% among persons aged ≥ 50 years (≥ 50 years versus 18–29 years – OR, 0.07; 95% CI, 0.01–0.71; $p=0.0246$). Being able to buy luxury products would make happy 60.2% of respondents. Having the logo of the brand visible was highly important for 40.6% of respondents. This opinion became less common as the COVID-19 pandemic continued, declining from 54.2% during March–August 2020 to 18.9% during September 2020–January 2021 period (OR, 0.19; 95% CI, 0.07–0.51; $p=0.0012$). Approximately 1/3 of respondents (30.2%) reported that they try to purchase the products that will enhance their image in other people's eyes. This behavior was more common among younger persons (72.7% among 18–29-year-olds versus 29.4% among 30–49-year-olds and 17.7% among ≥ 50 -year-olds; OR, 0.31; 95% CI, 0.02–0.86; $p=0.0347$ for ≥ 50 years vs 18–29 years) and among students than among non-students (72.7% versus 24.7%; OR, 0.15; 95% CI, 0.02–0.86; $p=0.0338$), and declined over time from 39.0% during March–August 2020 to 16.2% during September 2020–January 2021 (OR, 0.28; 95% CI, 0.09–0.88; $p=0.0290$). Half of the respondents (50.0%) reported that seeing that the product they want to buy was owned by too many people, would make them change their mind. In multivariate analysis, this behavior was associated with younger age group, declining from 81.8% among 18–29-year-olds to 52.9% among 30–49-year-olds and 35.3% among ≥ 50 -year-olds (≥ 50 years versus 18–29 years – OR, 0.11; 95% CI, 0.02–0.74; $p=0.0227$).

Opinion of persons working in the industry mattered for approximately half of respondents, with 49.0% reporting that they seek information about a product they want to buy from those who work in the industry. For substantial proportion of respondents (41.7%), the preferences of their family and friends influenced their choice of a product to purchase. This influence was more common among persons aged 18–29 years (63.6%) than among persons aged 30–49 years (41.2%) and persons aged ≥ 50 years (35.3%); for ≥ 50 years versus 18–29 years – OR, 0.17; 95% CI, 0.03–0.98; $p=0.0480$) and became more common with time (33.9% among those interviewed during March–August 2020 versus 54.1% among those interviewed during September 2020–January 2021; OR, 2.8; 95% CI, 1.15–6.97; $p=0.0263$). Quality of advertisements changed respondent's perception of the product for most (71.9%) survey participants. However, this behavior declined over time from 93.2% among persons interviewed during March–August 2020 to 37.8% among those interviewed during September 2020–January 2021 (OR, 0.04; 95% CI, 0.01–0.15; $p=0$).

Responses to questions to assess the impact of the COVID-19 pandemic on customer behavior revealed a substantial impact of the pandemic. A very high propor-

tion of respondents (93.8%) reported that the pandemic has affected their social activity and buying behavior. Coronavirus pandemic has made most (78.1%) of respondents think how to allocate their budgets more adequately. This behavior was very common in the early phase of the COVID-19 pandemic and declined substantially as the pandemic continued (93.2% among those interviewed in March–August 2020 versus 54.1% among those interviewed during September 2020–January 2021 (OR, 0.07; 95% CI, 0.02–0.26; $p=0.0001$). Most respondents (84.3%) reported trying to purchase more practical products during the pandemic. The coronavirus pandemic has affected the choice of retailers for 76.0% of respondents. This effect was also more common among those interviewed during March–August 2020 than among those interviewed during September 2020–January 2021 (88.1% vs 56.8%; OR, 0.17; 95% CI, 0.06–0.49; $p=0.0001$). Most respondents (81.3%) have been buying products mainly online. These COVID-19-related influences were observed across all subgroups and were not associated with gender, age group, or employment or student status.

COMPARISON OF PURCHASING BEHAVIOR AMONG GEORGIANS RESIDING IN AND OUTSIDE GEORGIA

Comparison between the two groups of Georgians interviewed during the same time frame but residing in and outside the country revealed certain differences (Table 2). Responder's personal financial situation influenced the decisions related to purchasing for nearly all respondents in both groups to a similar extent, but the impact of changing economic situation was greater among those residing outside Georgia (OR, 8.9; 95% CI, 1.3–75.4). Feeling irritated when unable to buy a desired product (OR, 0.35; 95% CI, 0.20–0.64), avoidance of some stores (OR, 0.27; 95% CI, 0.14–0.50) or shopping together with someone (OR, 0.02; 95% CI, 0.003–0.161) to limit spending, were significantly less common among respondents residing outside Georgia than among those living in Georgia (Table 2). In both groups, a minority of respondents reported that they had continued to buy products despite economic problems, but this behavior was less common among those living outside Georgia (13.5 % in Group 1 versus 25.4% in Group 2). This difference was significant in bivariate but not in multivariate analysis (Table 2).

Questions on responders' purchasing habits and preferences revealed no significant differences between groups in the proportions of respondents who considered expensive products better than the cheaper ones or reported that being able to afford luxury products would make them happy. Georgians residing outside Georgia thought significantly less commonly that "luxury means quality" (OR, 0.37; 95% CI, 0.21–0.64) (Ta-

ble 2). Similarly, having the brand logo displayed was significantly less important for respondents in Group 1 (OR, 0.54; 95% CI, 0.32–0.91) (Table 2). There were no significant differences by residence site in the proportions of responders who tried to purchase products that would enhance their image in other people's eyes or who would change mind about buying a product if it is owned by many other people (Table 2).

The preferences of family and friends influenced a choice of product for Georgians residing outside Georgia significantly less commonly, than for residents of Georgia (OR, 0.55; 95% CI, 0.34–0.91) (Table 2). There were no differences by site of residence in proportions of respondents who sought information about products from persons working in the industry or who reported that the quality of advertisements changed their perceptions about the product (Table 2).

Responses to questions to assess the impact of the COVID-19 pandemic on customer behavior revealed a substantial impact of the pandemic for both groups of responders for all questions, with one exception: the proportion of Georgians residing outside Georgia who affirmed, that since the start of pandemic, they mainly buy products online, was much higher than among those living in Georgia [OR, 18.8; 95% CI, 8.8–39.8] (Table 2).

In summary, in multivariate analysis, the following aspects of consumer behavior were significantly associated with the place of residence: impact of changes in economic situation on the choice of products; use of strategies to limit spending, such as shopping with someone else or avoiding certain stores; feeling of irritation when unable to buy the desired product; equating luxury with quality; importance of displaying the brand logo; influence of family and friends' preferences on product choice, and the utilization of online shopping.

DISCUSSION

Overall, the survey demonstrated the importance of the research of consumer behavior in relation to the change of a country of residence in order to gain a broader understanding of global customer behavioral trends. The present survey revealed that changing the country of residence had a substantial impact on the behavior of Georgian consumers. Their behavior underwent significant modification compared to those living in Georgia, especially in the direction of better control of their own resources, reassessment of priorities and assuming more personal responsibility.

Consumers originating from the same background reacted differently to changes in the economic situation when placed in a different economic, social and political environment. When making purchasing decisions, Georgians living outside Georgia took into account their financial situation more seriously and adapted their

purchasing behavior to the changed economic conditions to a greater extent than those living in Georgia. In addition, they assumed more personal responsibility for their own purchasing decisions and resorted less commonly to various strategies for limiting expenses, such as avoidance of certain stores or asking someone to go shopping with them. Also, their product choices were less influenced by their family and friends than was the case among Georgians living in Georgia. Georgian consumers living abroad also demonstrated certain changes in their values and priorities, mostly in terms of lesser interest in buying and displaying luxury products and less irritation when they could not afford to buy a desired product.

These changes in the behavior of Georgian consumers highlight the importance of living environment for consumer behavior and are likely related to the lack of support from the family and friends and familiar social and other networks. As a result, they likely become more self-dependent and have to assume more responsibility for their own actions, which leads to reassessment of certain values and priorities and making of more realistic purchasing decisions.

At the same time, the survey demonstrated that a number of characteristics of purchasing behavior are preserved even after changing the living environment. These were primarily the factors reflecting the potential impact of effective stimulation, such as the trust in industry representative when seeking information about a product, the belief in higher quality of expensive products versus cheap ones, interest in exclusivity and changing purchasing decisions under the influence of advertisements.

The COVID-19 pandemic had a substantial impact on every subgroup of Georgian consumers. Notably, the response of Georgian consumers to challenges posed by the COVID-19 pandemic was largely identical irrespective of the country of residence. The strategies used by Georgian consumers to cope with the pandemic challenges were also identical and included optimizing the use of available budgetary resources, focusing on purchasing more practical products etc.

The only difference with this regard – a much greater degree of utilization of online platforms for shopping among consumers outside Georgia is related to a much broader availability of such systems in the countries where the survey was conducted (USA and England), than in Georgia. Notably, during the pandemic, this indicator has not changed over time among Georgians residing abroad but increased substantially among Georgians living in Georgia by the final, third phase of survey in September 2021 (გვერდი 3, 2022), reflecting the expansion and increased availability of online commerce in Georgia during the pandemic.

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