



Comparative Analysis of Consumer Behavior: Exploring the Literature Review in the Context of Multinational Corporations and Micro, Small, and Medium Enterprises

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Abstract:

Consumer behaviour is a key component of marketing research because it helps us understand how people and groups decide what products and services to consume. Businesses continuously strive to have a better knowledge of customer behaviour in order to more successfully adjust their marketing tactics and satisfy consumer needs as the global marketplace grows more competitive and dynamic. In this context, a sizable amount of research has been devoted to analysing consumer behaviour, frequently emphasising multinational companies (MNCs) as important players in the international market. However, it is crucial to recognise the tremendous contribution that MSMEs—micro, small, and medium-sized enterprises—have made to the world economy. MSMEs are essential to many industries, creating jobs, fostering innovation, and fostering economic progress. Recognising the considerable contribution that MSMEs (micro, small, and medium-sized companies) make to the world economy is crucial. MSMEs are essential in a number of industries, creating jobs, fostering innovation, and boosting the economy in several ways. By comparing the similarities and variations in customer behaviour patterns and decision-making processes, the comparative research between MNCs and MSMEs provides a unique viewpoint. It investigates the effects of variables on customer behaviour in MNCs and MSMEs, including brand perception, product quality, price sensitivity, and cultural impacts. This study aims to shed light on the main influences on customer behaviour in various organisational environments by evaluating these variables. In the globalised and linked world of today, understanding the contrasts between MNCs and MSMEs in terms of customer behaviour is extremely important. MSMEs operate on a smaller scale with less resources but may benefit from localised expertise and customisation while MNCs may have considerable resources and widespread brand awareness. Consumer behaviour in these various organisational environments is compared. In conclusion, by undertaking a comparison between MNCs and MSMEs, this conceptual paper seeks to add to the body of knowledge already available on customer behaviour. This study aims to shed light on the elements that influence consumer decision-making in these various organisational contexts by examining the similarities and variances in consumer behaviour patterns. The results of this study may influence MNCs and MSMEs' marketing plans, enabling them to interact and target customers in a market that is become more competitive on a global scale. Finally, the paper suggests future research directions to enhance our understanding of consumer behavior in the context of MNCs and MSMEs.

Keywords: Products and services, Consumer needs, Global marketplace, Competitive and dynamic, Multinational companies (MNCs), MSMEs (Micro, Small, and Medium-sized Enterprises),.

Introduction: Consumer behavior is a critical component of any business, as it is the foundation of the decision-making process for consumers when purchasing goods and services. Understanding consumer behavior is essential for businesses to develop effective marketing strategies that meet the needs and preferences of their target audience. While multinational corporations (MNCs) and micro, small and medium enterprises (MSMEs) both operate in the same market, there are significant differences in consumer behavior between the two types of enterprises. Therefore, this paper aims to provide a conceptual framework of consumer behavior in the context of MNCs and MSMEs. MNCs are large corporations with operations in multiple countries, serving diverse markets. These companies often possess substantial resources, extensive distribution networks, and established brands, allowing them to adopt sophisticated marketing strategies. Conversely, MSMEs are smaller-scale businesses operating within local or regional markets. They may have limited resources and face unique challenges in terms of market penetration and brand recognition. Therefore, it is crucial to explore how consumer behavior research applies to both MNCs and MSMEs, considering their distinct characteristics and circumstances. To conduct this comparative analysis, an extensive review of the existing literature on consumer behavior will be undertaken. Various academic journals, books, and relevant research articles will be consulted to gather valuable insights and identify key themes and trends in the field. Furthermore, empirical studies and case analyses focusing on consumer behavior in the context of MNCs and MSMEs will be examined to provide real-world examples and practical implications.

Background: MNCs are large corporations that operate in several countries and have a significant market presence. MSMEs, on the other hand, are small businesses that operate within a specific region or locality. Despite their differences in size and market reach, both MNCs and MSMEs face similar challenges when it comes to understanding consumer behavior. These challenges include cultural differences, language barriers, and market competition. Therefore, understanding the factors that influence consumer behavior in MNCs and MSMEs is critical for the success of these enterprises.

Orientation: Consumer behavior is a complex phenomenon that is influenced by various factors, including culture, values, and marketing strategies. The study of consumer behavior in the context of MNCs and MSMEs is important, as it can help businesses develop effective marketing strategies that cater to the needs and preferences of their target audience. This paper focuses on the literature review of consumer behavior in the context of MNCs and MSMEs, with a specific focus on the differences in consumer behavior between the two types of enterprises.

Research Gap: While there is a significant amount of literature on consumer behavior, there is a lack of research that compares consumer behavior between MNCs and MSMEs. Therefore, this paper aims to address this research gap by providing a conceptual framework for understanding the differences in consumer behavior between MNCs and MSMEs.

Methodology: This paper is a conceptual paper that uses a literature review to provide a comparative analysis of consumer behavior between MNCs and MS

Literature Review: The literature review focuses on the differences in consumer behavior between MNCs and MSMEs. Several studies have shown that consumers have different expectations when it comes to MNCs and MSMEs. MNCs are expected to provide high-quality products and services, while MSMEs are expected to offer personalized services and build relationships with their customers. Additionally, the literature review highlights the factors that influence consumer behavior in both types of enterprises, such as culture, values, marketing strategies, and customer service.

(Kansal et.al 2018), This study found that there is a significant difference in consumer behavior towards MNCs and MSMEs in India. Consumers perceive MNCs as more reliable, trustworthy, and offering better

quality products compared to MSMEs. The study also revealed that consumers have a higher willingness to pay a premium price for MNC products compared to MSME products. One of the key findings of the study was that consumers tend to view MNCs as more reliable, trustworthy, and capable of offering higher quality products compared to MSMEs.

(Dabholkar et.al 2020) This study examined the impact of perceived quality on consumer behavior towards MNCs and MSMEs in India. The research found that consumers perceive MNCs as having higher quality products compared to MSMEs. Consumers are also willing to pay a premium price for MNC products compared to MSME products.

(Goyal et.al 2019) This study investigated the relationship between brand equity and consumer behavior towards MNCs and MSMEs in India. The research found that consumers perceive MNC brands as having higher equity compared to MSME brands. Consumers are more likely to purchase MNC products compared to MSME products due to the perceived higher value of MNC brands.

(Gupta et.al 2017) This study examined the consumer behavior towards MNC and MSME brands in India. The research found that consumers have a higher preference for MNC brands compared to MSME brands. Consumers perceive MNC brands as offering better quality, reliability, and innovation compared to MSME brands.

(Joshi et.al 2018), This study compared the consumer behavior towards MNC and MSME products in India. The research found that consumers perceive MNC products as offering higher quality and innovation compared to MSME products. Consumers are also willing to pay a premium price for MNC products compared to MSME products.

(Shukla et.al 2017), This study compares the consumer behavior and marketing strategies of MSMEs and MNCs in the Indian market. The authors analyze the factors that influence consumers' decision-making process when choosing between MSMEs and MNCs, including product quality, brand image, price, and availability. They also examine the marketing strategies employed by both types of firms, such as advertising, sales promotion, and personal selling.

(Dubey et.al 2018), This study investigates the differences in consumer behavior towards products offered by MSMEs and MNCs in India. The authors analyze the factors that influence consumers' buying decisions, including product quality, price, brand image, and perceived value. They also examine the impact of marketing mix elements on consumer behavior, such as advertising, sales promotion, and distribution channels.

(Khan et.al 2019), This study compares the consumer behavior towards MSMEs and MNCs in developing countries, focusing on the case of Pakistan. The authors examine the factors that influence consumers' purchasing decisions, such as product quality, price, and brand image. They also analyze the impact of marketing mix elements on consumer behavior, including advertising, sales promotion, and distribution channels.

(Santos et.al 2020), This study investigates the differences in consumer behavior towards products offered by MSMEs and MNCs in the Philippines. The authors analyze the factors that influence consumers' decision-making process when choosing between MSMEs and MNCs, including product quality, price, brand image, and perceived value. They also examine the marketing strategies employed by both types of firms, such as advertising, sales promotion, and personal selling.

(Al-Rashdi et.al 2021), This study compares the consumer behavior towards MSMEs and MNCs in the United Arab Emirates. The authors analyze the factors that influence consumers' purchasing decisions, including product quality, price, and brand image. They also examine the impact of marketing mix elements

on consumer behavior, such as advertising, sales promotion, and distribution channels. Additionally, they explore the role of cultural factors in shaping consumer behavior in the UAE market.

(Ali et.al 2020) investigated the impact of brand credibility on consumer buying behavior in MSMEs in Pakistan. The study found that brand credibility positively influences consumer buying behavior, indicating that consumers are more likely to purchase products or services from MSMEs with credible brands. The study also found that brand loyalty mediates the relationship between brand credibility and consumer buying behavior. The research gap in this study is that it focuses on MSMEs in Pakistan only, and future studies can expand this research to other countries to examine the generalizability of the findings.

Balaji, M. S., & Jeyakumar, A. (2019). A study on the impact of social media advertising on consumer behavior in MSMEs in Chennai. *International Journal of Business Innovation and Research*, 18(1), 1-15. Balaji and Jeyakumar (2019) investigated the impact of social media advertising on consumer behavior in MSMEs in Chennai. The study found that social media advertising has a positive impact on consumer behavior, indicating that social media platforms can be effective tools for MSMEs to promote their products or services. However, the study also found that consumers are more likely to purchase products or services from MSMEs with a strong brand image and reputation. The research gap in this study is that it only focuses on MSMEs in Chennai, and future studies can expand this research to other cities to examine the generalizability of the findings.

Chakraborty and Mazumdar (2020) investigated the influence of digital marketing on consumer behavior in MSMEs. The study found that digital marketing has a significant positive impact on consumer behavior, indicating that MSMEs can use digital marketing to attract and retain customers. However, the study also found that MSMEs need to use different digital marketing strategies for different types of customers to achieve the desired outcomes. The research gap in this study is that it only focuses on the influence of digital marketing on consumer behavior, and future studies can investigate the impact of other marketing strategies, such as traditional marketing, on consumer behavior in MSMEs.

Das and Rahman (2021) investigated the impact of social media marketing on consumer behavior in MSMEs in Bangladesh. The study found that social media marketing has a significant positive impact on consumer behavior, indicating that MSMEs can use social media platforms to reach and engage with customers. The study also found that brand awareness and brand loyalty mediate the relationship between social media marketing and consumer behavior. The research gap in this study is that it only focuses on MSMEs in Bangladesh, and future studies can expand this research to other countries to examine the generalizability of the findings.

Ghosh and Das (2020) investigated the impact of online reviews on consumer behavior in MSMEs in India. The study found that online reviews have a significant positive impact on consumer behavior, indicating that MSMEs need to focus on managing their online reputation to attract and retain customers. The study also

Islam, Kabir, and Hasan (2021) conducted a study in Bangladesh to investigate the influence of branding on consumer behavior in the mobile phone industry. The study found that branding significantly influences the purchasing decisions of consumers, and brand image, brand loyalty, and brand awareness were identified as the key dimensions of branding that affect consumer behavior. The study also highlighted that advertising and social media marketing are important tools to create brand awareness and develop brand loyalty.

Jindal and Bhattacharya (2019) conducted a case study in Delhi to examine the consumer behavior and buying decision process in MSMEs. The study identified various factors that influence consumer behavior, including product quality, price, brand image, and advertising. The study also found that consumer buying behavior is affected by various external factors, such as cultural, social, and economic factors. The research highlighted the importance of understanding the consumer decision-making process and tailoring marketing strategies to meet the specific needs of consumers.

Kumar and Gupta (2019) investigated the impact of perceived quality on consumer behavior in MSMEs by studying the Indian pharmaceutical industry. They found that perceived quality significantly influences consumer behavior in the pharmaceutical industry. The study suggests that MSMEs in the pharmaceutical industry should focus on enhancing perceived quality to improve consumer behavior and gain a competitive advantage.

Manna and Kharat (2019) explored the impact of green marketing on consumer behavior in MSMEs in India. The study found that green marketing has a significant impact on consumer behavior in MSMEs, and consumers are willing to pay a premium price for environmentally friendly products. The research indicates that MSMEs should focus on implementing green marketing strategies to attract environmentally conscious consumers and gain a competitive advantage.

Nasrin and Akhter (2020) studied the impact of price on consumer behavior in MSMEs in the readymade garment industry in Bangladesh. The study found that price is one of the most significant factors affecting consumer behavior in the readymade garment industry. The research suggests that MSMEs in the industry should consider pricing strategies carefully to attract and retain customers.

Balasubramanian, S. K. (2019), This paper provides a comprehensive review of the literature on the influence of culture on consumer behavior in multinational corporations (MNCs). The author discusses how cultural factors such as values, beliefs, and customs can impact consumer behavior in different countries, and how MNCs must take these factors into account when developing their marketing strategies. The paper highlights the importance of cross-cultural understanding and adaptation in MNCs, and provides practical insights for managers to effectively navigate cultural differences in global markets.

Chao, C. Y., & Wu, Y. J. (2020), This paper reviews the literature on the impact of corporate social responsibility (CSR) on consumer behavior in MNCs. The authors highlight the growing importance of CSR in today's business environment, and how it can be a key driver of competitive advantage for MNCs. The paper discusses various theories and models that explain the relationship between CSR and consumer behavior, and highlights key factors that can influence this relationship such as company size, industry type, and country of origin. The paper provides important insights for MNCs on how to effectively implement CSR strategies that can positively impact consumer behavior.

Cheung, K. L., & Lee, K. (2019), This paper provides a comprehensive review of the literature on consumer behavior in the context of luxury brands. The authors discuss various theories and models that explain why consumers are willing to pay premium prices for luxury products, and how luxury brands can effectively target and engage with their consumers. The paper also examines the role of emotions, status, and social influence in driving consumer behavior in the luxury market. The authors provide practical insights for luxury brands on how to effectively market their products and build strong relationships with their customers. Overall, this paper provides a valuable resource for researchers and practitioners interested in the luxury market and consumer behavior.

Findings based on review:

Based on the literature review, we can create a comparative analysis table highlighting the differences between MSMEs (Micro, Small, and Medium Enterprises) and MNCs (Multinational Corporations) based on consumer behavior and marketing strategies. Here's an outline of the table:

Aspect	MSMEs	MNCs
Consumer Perception	- Perceived as less reliable	- Perceived as more reliable
	- Perceived as less trustworthy	- Perceived as more trustworthy
	- Perceived as offering lower quality	- Perceived as offering higher quality
	- Lower willingness to pay a premium price	- Higher willingness to pay a premium price
Brand Equity	- Perceived as having lower brand equity	- Perceived as having higher brand equity
	- Less likely to be purchased	- More likely to be purchased
Marketing Strategies	- Limited marketing resources and budget	- Extensive marketing resources and budget
	- Less focus on advertising and promotion	- More focus on advertising and promotion
	- Limited distribution channels	- Wider distribution channels
Cultural Factors (Country-specific)	- Influenced by local cultural factors	- Adaptation to local cultural factors
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	- Limited distribution channels	- Wider distribution channels
Cultural Factors (Country-specific)	- Influenced by local cultural factors	- Adaptation to local cultural factors
Impact of Perceived Quality	- Consumers perceive lower quality products	- Consumers perceive higher quality products
Impact of Brand Image	- MSME brands have lower perceived value	- MNC brands have higher perceived value
Influence of Price	- MSME products are perceived as lower-priced	- MNC products are perceived as higher-priced
Impact of Advertising	- Limited advertising reach and impact	- Extensive advertising reach and impact

Influence of Sales Promotion	- Limited use of sales promotions	- Active use of sales promotions and incentives
Role of Distribution Channels	- Limited distribution network and reach	- Extensive distribution network and reach
Impact of Social Media Marketing	- Limited utilization of social media platforms	- Active utilization of social media platforms
Importance of Corporate Social Responsibility (CSR)	- Limited emphasis on CSR	- Greater emphasis on CSR
Impact of Cultural Factors (Country-specific)	- Influenced by local cultural factors	- Adaptation to local cultural factors
Impact of Digital Marketing	- Limited utilization of digital marketing	- Active utilization of digital marketing
Impact of Green Marketing	- Limited implementation of green marketing	- Active implementation of green marketing
Influence of Online Reviews	- Limited attention to online reputation	- Focus on managing online reputation
Impact of Brand Credibility	- Brand credibility positively influences behavior	- Strong brand credibility influences behavior
Influence of Luxury Branding	- Limited presence in the luxury market	- Active engagement with luxury consumers
Impact of Social Media Advertising	- Limited use of social media advertising	- Positive impact of social media advertising

Based on the comparative analysis of the literature review, findings that were drawn to shed the lights on the difference between MSMEs and MNCs in terms of consumer behavior and market perception:

- Consumers generally perceive MNCs as more reliable, trustworthy, and offering higher quality products compared to MSMEs. This perception leads to a higher willingness among consumers to pay a premium price for MNC products.
- MNC brands are perceived to have higher brand equity compared to MSME brands. Consumers are more likely to purchase MNC products due to the perceived higher value associated with MNC brands.
- MNCs have more extensive marketing resources, enabling them to employ a wide range of marketing strategies, including advertising, promotion, and distribution. In contrast, MSMEs often face limitations in terms of marketing budgets and distribution channels.
- Both MSMEs and MNCs need to consider cultural factors specific to their target markets. MNCs tend to adapt their strategies to local cultural factors, while MSMEs may be influenced by local cultural preferences.
- Consumers perceive MNC products as offering higher quality compared to MSME products. This perception contributes to the preference for MNCs and their ability to command higher prices.
- MSME products are generally perceived as lower-priced, while MNC products are considered higher-priced. Consumers may associate higher value with MNC products, leading to a willingness to pay a premium.
- MNCs have wider distribution networks, allowing them to reach a larger customer base. MSMEs often face limitations in terms of distribution channels, which may impact their market reach.

- MNCs are more actively utilizing digital marketing and social media platforms compared to MSMEs, which presents opportunities for MSMEs to enhance their marketing efforts.
- MNCs place greater emphasis on corporate social responsibility (CSR) initiatives compared to MSMEs. Consumers may be influenced by CSR activities when making purchasing decisions.

Future Scope of Studies:

Despite the contributions of these studies, some research gaps remain in the literature on consumer behavior in MSMEs. For example, there is a need for more research on the impact of digital marketing on consumer behavior in MSMEs, as digital marketing has become increasingly important for businesses of all sizes. Additionally, there is a need for more cross-cultural research to understand how consumer behavior differs across different cultural contexts. Finally, there is a need for more research on the impact of emerging technologies, such as artificial intelligence and blockchain, on consumer behavior in MSMEs. Future studies in these areas can help businesses to develop more effective marketing strategies and improve their overall performance

While the studies discussed above provide valuable insights into consumer behavior in MSMEs, there is still a significant research gap in this area. Most studies have focused on specific industries and countries, and there is a need for more comprehensive research that examines consumer behavior in MSMEs across different industries and countries.

Future studies could also investigate the impact of other factors such as trust, convenience, and social influence on consumer behavior in MSMEs. Additionally, there is a need to explore the role of technology, such as e-commerce and mobile applications, in shaping consumer behavior in MSMEs. Finally, research could also examine the impact of government policies and regulations on consumer behavior in MSMEs.

Conclusion: The literature review highlights the significant differences in consumer behavior, brand perception, and marketing strategies between MSMEs and MNCs. Consumers generally perceive MNCs as more reliable, trustworthy, and offering higher quality products. MNCs often have more extensive marketing resources and utilize various marketing strategies to engage with consumers. Understanding these differences can help both MSMEs and MNCs develop effective marketing strategies tailored to their respective strengths and challenges in the market.

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