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ENHANCING PRODUCTIVITY THROUGH PSYCHOLOGICAL PERSPECTIVES IN THE ERA OF GLOBAL TRANSFORMATION

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## Consumer Psychology's Perspective on the Collectivist Culture That Shapes Purchasing Decisions: A Review of The Literature

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**Abstract:** A strong collectivist culture is one of the characteristics of Indonesian society and plays a role in shaping consumption behavior. This literature review aims to review how collectivist culture influences the purchasing decision-making process in the realm of consumer psychology. The study was based on 10 previous studies published in the span of 2021 to 2025 and found that social values and group identities have an influence on brand referral and consumer loyalty. The results of this study show that Indonesian consumers tend to make purchases based on social considerations such as recommendations from the community, brand image that supports solidarity, and carries cultural values. In addition, the development of social media strengthens another form of collectivism, namely, the formation of digital interactions such as online communities which are an important factor in forming trust and brand engagement. This literature confirms that purchasing decisions are not only a form of economic activity but also a manifestation of social processes and cultural identity. This study is expected to enrich insights and theoretical understanding of consumer behavior in the context of collectivist culture, as well as providing practical implications for marketing strategies oriented to the social values of Indonesian society.

Keywords: Consumer Psychology, Collectivist Culture, Purchasing Decisions

#### Introduction

Indonesia has become a country with a variety of cultures and consumption behavior patterns that are based on functional opinions and also social opinions such as family, society, and peer groups, which makes the formation of a collectivist culture in society. Culture is the main actor in the realization of a consumer purchase decision in Indonesia even though it has been driven by changes in technology and economic standards (Rialisnawati et al., 2024).

Purchasing decisions are further discussed as the result of the interaction between individual factors (e.g., attitudes and motivations), social factors (e.g., group influence), and the cultural context that gives meaning to a product. Theories from various cross-cultural

and consumer behaviors have a connection explanation, why collectivist cultures tend to seek social approval, buy products that conform to the common identity in society, and are more interested in one's recommendations for public figures (Firdausiah et al., 2025).

Entering the current era, collectivist culture has begun to adapt to digital developments, such as online reviews, community testimonials, and social media influencers play their respective roles in influencing purchasing decisions, especially in the younger generation (Fadli et al., 2025). Meanwhile, the tendency of collectivist culture and selection towards local brands excels in several market segments. For example, research by Febrian & Fadly, (2021) Offending the collectivist culture as a moderator to strengthen the influence of e-WOM and brand equity against purchase intention in Indonesian e-commerce.

Consumer behavior research itself in Indonesia has been done a lot and some focus on rational factors such as price, perception, brand, or product quality (Febrian & Fadly, 2021). Meanwhile, the psychological aspects that come from collectivist culture have not been studied in depth. In fact, in the context of Indonesian society which has a high collectivist culture, purchasing decisions are not only taken individually but are also influenced by other considerations (Dhewi & Oktaviani, 2023). Looking at the existing phenomenon and considering various benefits, the author is interested in examining how collectivist culture shapes the purchasing decisions of Indonesian people which is reviewed based on the perspective of consumer psychology.

## **Literature Review**

Based on the literature review obtained by the author, a table was made as a determination of the literature of search results which was used as a reference for the preparation of this article. It was compiled using a literature review method from 10 scientific articles that have been reviewed.

There are several article reviews that highlight the purchase model, related to product loyalty, to sustainable product purchases. Based on the search results, the following discussions were obtained:

## Consumer Behavior in the Context of Traditional (Direct) Purchasing

Indonesian people tend to emulate social life and listen to public opinion when making a decision to purchase products, especially in the culinary realm (Amaliadanti et al., 2024). This reflects that consumption decision-making is not only limited to individual parties but also from a social perspective brings things to consideration. Similar findings in the study Amalia et al., (2021) which explains that individuals with a high collectivistic orientation will be more inclined to buy products that are booming or becoming a trend among their peers.

## **Transforming Consumer Behavior in Digital Marketing**

Another thing related to the context to digital marketing is that it encourages collectivism to respond consumers to public figures especially on social media (Hidayatullah et al., 2025). The young generation in Indonesia has confidence in recommendations from figures who are considered to represent the identity of their group (Kembau et al., 2024). This goes hand in hand with the results of a study by Susilo et al., (2022) which emphasizes that trusting believes social interaction in digital media has a mediating role.

## The Role of Collectivist Culture on Local Product and Brand Loyalty

Seeing how this collectivism can strengthen loyalty to local products or a type of brand. The culture of collectivism can increase the selection of brands in the country on the grounds of supporting national works and as a form of social solidarity (Yunitasari & Parahiyanti, 2022). Strengthened by findings from Dhewi & Oktaviani, (2023) who said that collectivism can improve the relationship between brand community and also consumer loyalty because consumers feel an emotional connection to a group of users of a certain type of brand. And this helps identify the identities of social groups that can influence perceptions of national brands, where consumers with a high sense of solidarity are more likely to choose products that reflect those values (Suwandi & Balqiah, 2023).

## **Collectivistic Culture and Sustainable Purchasing Decisions**

More broadly, this collectivist culture has a role as a driver of a sustainable product purchase decision. Subjective norms and social values can both increase purchasing decisions for products, this characterizes that not only the influence of direct and digital purchases but the existence of other awareness such as environmental awareness can affect social norms that originate in a community (Judijanto et al., 2025). This is supported by the study by Sabur et al., (2025) which highlights the application of collectivist culture in a creative industry marketing strategy in Indonesia, where local products contain elements of collective culture that are easier to accept and buy by the community because they are considered to bring the identity of the culture of the community itself.

Overall, the above findings show that from the perspective of consumer psychology, purchasing decisions are not only individual but also influenced by other values, such as social values and also cultural values that emphasize solidarity and group identity. Collectivism is a psychological factor that leads consumers to build a perception of the brand, foster trust, and loyalty to a product. In this modern era, the culture of collectivity is not only traditional but also adapts or transforms into a digital social value that still maintains the spirit of solidarity, especially for the Indonesian people.

## **Research Methods**

The article employs a literature review approach by examining a range of previous studies relevant to the topic, using keywords such as "'TikTok Made Me Buy It': Generation Z's Consumer Behavior in the Social Media Era". A literature review involves identifying and gathering various written sources books, journal articles, archives, magazines, and other documents that have a direct connection to the subject under investigation. Data were collected by searching for references through Google Scholar, while Mendeley was used to organize citations and manage the reference list.

### **Result and Discussion**

The literature review shows that collectivist culture has a very dominant influence in shaping Indonesian consumers' purchasing decisions, both in traditional and digital contexts. Of the ten articles analyzed, the most consistent pattern is that Indonesian consumers do not make purchasing decisions solely based on individual considerations such as personal needs or rational preferences, but are strongly influenced by social values, group identities, and the collective norms that develop within society. In the context of direct or traditional purchasing, several studies have found that consumers tend to follow public opinion, group recommendations, and prevailing social trends. This confirms that purchasing is considered

a social act reflecting membership in a particular group, not simply a personal economic decision.

Significant changes are also evident in consumer behavior in the digital era. Literature discussing social media and digital marketing indicates that new forms of collectivism are emerging through online communities, online reviews, and the influence of digital public figures. Consumers, especially the younger generation, are heavily influenced by influencers or figures perceived as representing their group identity. Trust in these digital recommendations not only strengthens purchasing intention but also builds emotional bonds between consumers and brands. This is confirmed by several studies, which state that social interactions in digital media have a mediating function that strengthens purchasing decisions based on collectivist values.

Furthermore, collectivism has also been shown to strengthen loyalty to local products. Indonesian consumers show a tendency to choose domestic brands not only for product quality, but also for reasons of social identity, cultural solidarity, and support for national heritage. Several studies have shown that consumers with high levels of group solidarity tend to choose products perceived as reflecting local cultural values. This is demonstrated through the emotional bond formed between the brand and the brand community, which then increases loyalty and preference for local brands.

In the realm of sustainable consumption, collectivist values have also been shown to be an important driver. Subjective norms and environmental awareness developed by the community have strong implications for consumer interest in choosing environmentally friendly products. The presence of social norms such as joint campaigns, community appeals, and public support contribute to shaping positive perceptions of sustainable products. Several studies confirm that Indonesian consumers are more receptive to products with sustainable values if these values align with the group identity and collective culture of the community.

Overall, the literature findings indicate that Indonesian consumers' purchasing decisions are the result of a complex interaction between psychological factors and collectivist culture. Social influence, group identity, and solidarity values form the psychological foundations that shape consumer perceptions, beliefs, and loyalty. Collectivist culture operates not only in the context of face-to-face interactions but also in the digital space, expanding the role of communities in shaping consumption behavior. In the context of marketing and consumer psychology, these findings confirm that consumption in Indonesia is inextricably linked to strong social ties and the shared values that underpin the culture.

## Conclusion

The literature review produced shows that collectivist culture is still an important and dominant psychological value in shaping consumer behavior, especially in Indonesia. This collectivism is a driver for individuals to make purchasing decisions that are in line with social norms, group expectations, and also social solidarity. The view of consumer psychology in this regard is that the purchase decision reflects not only a cognitive process but also a social process that is fulfilled by the existence of a group identity. Thus, the culture of collectivity places consumer behavior as a form of social participation, not just limited to individual economic activities.

The development of technology and social media has brought forms of collectivism that have shifted from traditional to digital contexts. This reinforces the view that although

social circumstances have changed, the value of togetherness and the need for recognition from a group remain the main drivers of the consumption behavior of the Indonesian people. This makes the collectivist culture the basis that forms trust, loyalty, and brand selection that is oriented towards social relations.

The study also identified conceptual and empirical gaps from previous studies, where most of the research focused on the correlation between culture and consumer behavior but did not delve into how the psychological mechanisms that link the two more specifically. In addition, the context of research centered on the younger generation population is a limitation of generalizations to the general public, such as, for example, consumers in region X or in the early adulthood age group. Further research is expected to further expand the demographic context and test and explain how these collectivist cultural values can affect each stage of the purchasing decision-making process.

In practical terms, this literature review has an important impact on the world of marketing, business organizations, and policymakers. Marketers need to emphasize communication strategies that emphasize the values of solidarity such as mutual cooperation and unity in building a brand image. In the digital era, a company can utilize the community of brands and public figures to strengthen the sense of belonging between members of the consumer group. Another thing for policymakers or social institutions, understanding collectivist culture can add insight related to the design of more ethical and sustainable consumptive behavior campaigns, such as approaches based on social norms and local communities.

In the end, this collectivist culture is not only a value that influences purchasing behavior but also as a psychological foundation that shapes the social dynamics and consumption of Indonesian society. The perspective of consumer psychology considering the cultural context is expected to be able to enrich scientific insights about people's economic behavior and encourage practical strategic marketing that is more adaptive and relevant.

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