

How Consumer Identity Shapes Purchasing Decisions

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Abstract: With the continuous development of society and the improvement of living standards, consumption patterns have undergone significant changes. People's purchasing decisions are no longer solely based on the functional value or price of products. Instead, consumers increasingly focus on whether a product aligns with their personal identity, values, and social image. This shift in consumer behavior highlights the growing influence of consumer identity in shaping purchasing choices. Therefore, understanding how consumer identity impacts purchasing decisions is essential for businesses to tailor their marketing strategies effectively. By recognizing different consumer identities, companies can adopt personalized advertising and promotional methods, fostering a deeper emotional connection between consumers and brands. This approach not only helps consumers identify with the products but also enables businesses to differentiate themselves in a competitive market, establishing stronger customer loyalty and gaining a sustainable competitive advantage.

Keywords: Identity, consumer psychology, consumer identity

1. Introduction

Traditionally, the explanation of 'why customers buy' has been based on the theory of utility maximisation in economics, which implies that people always seek to maximise utility in their purchases. However, in today's diverse society, and even more so in today's consumer era, consumers' purchasing choices are no longer limited to the function and price of the underlying product, but are increasingly influenced by their personal identity. Meanwhile, in today's context of globalisation and digitalisation, consumers purchasing decisions have become more complex, with the rise of social media and e-commerce leading to more choices and higher expectations on the one hand, and consumers' identity and values playing an increasingly important role in the purchasing process on the other.

In terms of the social identity theory put forward by Henry Tafel and John Turner, an individual identifies with his or her own group through social categorisation, by integrating himself or herself into a certain community, and develops in-group preferences and out-group prejudices, and the same is true for consumers, as a consumer, whichever product you choose to buy, you are probably in whichever category you are in. Today, when consumers buy a product or a service, their consumption decisions are often influenced by their subconscious social identity, or their desire to express their social identity to the outside world, and by realising this positive identity, and comparing favourably with the out-group, they are able to raise their own stature and improve their self-esteem and psychological satisfaction. For example, as a basketball player, or if he sees himself as a basketball player, his behaviour and purchasing decisions will be driven by his identity as a basketball player,

and he may buy basketball shoes or focus on the peripheral products of his identity as a basketball player. Basketball players may buy basketball shoes, or focus on the peripheral products of the 'basketball player' identity, such as sports drinks and Gatorade. This 'identity-driven effect' causes consumers to buy products that express their unique 'selves' and 'personalities'.

The expression of unique 'self' and 'personality' also means that consumers are mobilizing their own emotions, and the regulation of emotions can also have an impact on purchasing decisions. As a subjective feeling, including likes, dislikes, pleasures, sadness, etc., emotions are able to as a subjective feeling, including preference, aversion, pleasure, sadness, etc., emotions can stimulate consumers to generate demand for a certain product or service, and influence consumers to make a purchase decision among the many options, which is mostly reflected in the consumer's impression of the brand as well as the emotional evaluation, i.e., 'favorability'. For example, consumers face two brands of mineral water, Nongfu Spring and Laughing baby. If consumers 'love' Laughing baby, it is clear that consumers will choose to buy Laughing baby, so in the purchase decision, consumers will often choose to buy products with a high degree of goodwill. If a higher level of consumption of consumers who believes that the purchase of Nongfu Spring and Laughing baby cannot reflect their own identity, but feel that the purchase of Gentenn (Another brand of water which is more expensive than Nongfu Spring and Laughing baby) to the outside world to show their own identity and brand identity. Therefore, this unique 'self' and 'personality' expressed by consumers to the outside world has an important role in marketing, is an important source of enterprises and businesses to understand the psychology and needs of consumers, consumption has become an important way to build people's identity. Purchase decisions made through the psychological cues expressed in consumer body image can enable businesses to better understand consumer needs, so as to formulate marketing plans, create trading opportunities, and enhance their own corporate competitive advantage.

2. Literature review

2.1. The concept of identity

In many studies on consumer identity and consumer purchasing, there are different perspectives and dimensions of the interpretation of identity, so the concept of identity involves the knowledge of many fields, such as management, sociology and psychology and so on. The interpretation of identity varies greatly from field to field. In management, identity is often considered to be a form of organizational identification, i.e. how an individual identifies with an organization, e.g. how an employee perceives his or her own company, and how high or low this identification is usually corresponds to the employee's loyalty to the organization. In sociology, identity is often formed during the process of identifying one's own social position from the perspective of the individual, and this process is influenced by many factors such as the social, cultural, and historical background of the individual, as these factors are part of the law of sociality, and to a certain extent, they can constrain the individual's choice of social identity and identity. In psychology, identity focuses more on the internal psychological processes within an individual and often helps psychologists to understand how individuals gain self-identity through group belonging, as well as to address some of the individuals' mental health problems. Simply put, identity is a commitment and confirmation that addresses the value and meaning of existence. Identity and identification are fundamentally different; identity expresses a model of behavior and a sense of belonging, through which people express similarity or dissimilarity to others, whereas identity is a marker that reveals origin or social position. Nowadays, the model of consumption has shifted from the consumption of objects to symbolic consumption, and what consumers pursue on social media is not just the value of use, but the symbolic value under the media socialization, which is based on the identity and emotional recognition of the media. For example, if a stamp collector shows the stamp collection he just found on his friend circle,

then people in his social circle, that is, people around him, know that he is a person who is interested in collecting stamps. Therefore, every time we express ourselves to social media and the outside world, it is also a process of expressing our identity, building up a persona, and shaping our social circle, so people can often assess a person's consumption level and guess his social identity or interests through the products he buys. This paper draws on the psychological definition of identity, that identity is the individual's confirmation of self-identity and the cognition of the group to which they belong, as well as the accompanying and accompanying emotional experience of the integration of behavioral patterns of the psychological process [1], the content of the above is the concept of identity embodied in the purchase of the product by the consumer.

2.2. Consumer Identity Concept

Since the 1980s, many traditional research theories of consumption have been unable to fully explain the changes in the contemporary society of symbolic consumption [1]. Wei Li describes the concept of consumer identity from the perspective of product transformation, through the relationship between consumption and consumer identity, transforming the purchased products into personal possessions, and then utilizing the symbolic significance of the products to shape the identity that one wants to display to others as a way to construct the self and extend the self [2], in the experimental perspective of consumption identity, Zhuo Zhang used regression analysis to study the consumption identity on the willingness to purchase products, the results of regression analysis can show that consumption identity will positively and significantly affect the willingness to purchase brands (Research on the mechanism of the influence of consumption identity on the willingness to purchase brands [3]. In the society of consumer symbols, consumption has become an important means of expressing oneself and distinguishing others. Individuals also unconsciously distinguish and compare themselves with others in the process of consumption and purchase, and shape and modify their own identities through the purchase experience over and over again, so as to achieve their own psychological identity expectations and satisfy their own consumption identity. In general, when consumers buy a product, they recognize that the product is “worthy” of their identity, which is consumer identity. In Weber's theory of social stratification, Weber believed that consumption patterns and lifestyles were linked, and that different lifestyles would influence people's consumption patterns and preferences, further categorizing people into different “circles of life”. At the same time, Van Buren proposed in *The Theory of the Idle Class* that consumption is stimulated by social competition and comparison, and that in modern society, people will use objects to display themselves, thus reflecting their level of consumption and social status, because in the case of social status is not strictly imprinted by birth, class and social hierarchy, people are able to equate the social status through their level of consumption[4]. Baudrillard's theory of symbolic consumption argues that the order of the modern object system is a placement of social structure, and that consumers find their place in the social hierarchy through consumption, and that symbolic consumption is essentially a construction of people's social identity [5]. Meanwhile, from the point of view of distinguishing social classes, French scholar Bourdieu examined the relationship between consumption practices and social classes in *The Zone: A Social Critique of Interesting Judgments*, arguing that consumption is a strategy for the middle class to maintain and enhance their social identities and status while being able to differentiate themselves from the rest of the class. For example, the middle and upper classes have more cultural capital and economic base, and pay attention to the grade, brand and quality of consumption, focusing on the spiritual and emotional value of consumption; relatively speaking, the lower classes are limited by the shackles of necessities for survival, so their requirements can only be lower and lower, and they are far away from each other. In addition, Wei Chen and Jianjun Shi explain the relationship between consumer identity and consumption from the perspective of brand consumption behavior to the customer's purchasing behavior. Why international brand luxury goods are wildly popular among

people with consumption ability? To a large extent, it is related to the connection between brand and identity. Expensive Swiss watches such as Rolex and Longines have become the symbol of status for European and American male consumers; while internationally famous handbags such as LV and Cartier are the symbol of status for European and American female consumers. These luxury goods have a “symbolic value” beyond the practical value, and have become the symbols for people to show off their wealth, status and lifestyle [6]. Why Customers Buy - An Explanation Based on Consumer Identity. We can understand “symbol” as the logo of the brand, and the needs of consumers who buy luxury goods are often not the pursuit of the functional value of the product, but the pursuit of the product's logo and emblem. The American economist Van Buren pointed out in “The Theory of the Idle Class” that the idle class is psychologically different from the laboring class, and they want to show that they have money and power everywhere. For them, consumption is mainly to satisfy the requirements of vanity rather than physical requirements. In terms of luxury brands' marketing strategies, luxury brands are often good at telling emotionally resonant stories that are closely related to consumers' identity, through which the brand confirms consumers' sense of high status and evokes unique emotions about “status”. For example, luxury car manufacturer Bentley focuses on the moment of King Charles III's coronation, where he leaves in one of the two Bentley state cars designed years ago, so that consumers riding in a Bentley can feel their own elevated status and fulfill the emotional value of the consumer. Alternatively, luxury brands increase the scarcity and uniqueness of their products by offering them in limited quantities and in restricted areas, a marketing strategy that makes the owner feel different and satisfies their quest for a unique identity. In summary, previous studies have explained consumer purchasing behavior in terms of the product being purchased, or have dissected consumer identity to explain consumer purchasing behavior from the perspective of identity. However, there is still a lack in how companies utilize this level of consumer identity.

3. Dimensions of consumer identity

3.1. Social Identity of Consumer Identity

Social identity refers to an individual's role and position in society, which is influenced by culture, social structure and group affiliation. Social identity can be expressed in a number of ways, and traditionally, people usually use the occupation they have to describe their identity, such as occupation, level of education, social class, race, gender and religion. In addition, gender, age or marital status are also useful. Together, these factors constitute an individual's social identity.

3.2. Consumer Identity of Individuals

In consumption, personal identity can be interpreted as one's unique characteristics, values, interests and lifestyle. Consumers will choose what type of product to buy based on these points. For example, a person likes to play basketball, this is Ta's interest, so Ta is a basketball enthusiast, this is one side of personal identity, then this consumer may choose to buy basketball shoes, jerseys, basketballs, and other related products, but Ta is not a professional basketball player, so Ta's social identity can be any identity, Ta can be a father, mother, teacher, lawyer, and so on.

Overall, these two dimensions of consumer identity-social identity and personal identity-are intertwined and work together to influence consumers' purchasing decisions. Understanding how these dimensions' influence consumer buying behavior is critical for marketers and will be mentioned later in this article.

4. Relevance analysis

4.1. The link between consumer identity and consumption

Consumer identity theory mainly explores how individuals construct and express their social identity through consumption behavior. In modern society, consumption is no longer just an act to satisfy basic needs, but also carries the function of expressing personal identity and social status. Usually we call this kind of consumption “symbolic consumption”. In today's consumer society, the purpose of some consumption is not purely to buy, but to buy the symbolic value contained in the commodity, and people are not only concerned about the commodity itself or getting the commodity, but also to achieve self-realization and cultural identity through consumption. Therefore, consumers demonstrate their social status, taste and personality by purchasing specific goods or services. According to Baudrillard, the whole modern society is composed around the consumption and display of goods, through the consumption and display of which an individual receives prominent fame, identity and status. The characteristics of purchases are the codes of consumer identification, and the attitudes and behaviors of consumers on purchases, to some extent, figuratively describe the degree to which the person is recognized in the society. For example, some luxury brand products are often seen as symbols of high social status, while eco-friendly products may be used to express consumers' environmental awareness and social responsibility.

4.2. Consumer decision theory (CDT)

Consumer decision-making theory focuses on how consumers make purchase decisions among many choices. The Engel model analyzes consumer decision-making in terms of the process of buying. First is the consumer's central area control system, that is, the consumer's mental activity process; then information processing, and then the decision-making process, in which external information in the role of tangible and intangible factors into the central control system, that is, the brain to cause, discovery, attention, comprehension, memory and the brain stored in the personal experience, evaluation criteria, attitudes, personality and so on filtering and processing, constitutes the information processing program, the And research and evaluation of choice within, and external exploration, i.e., choice assessment, which results in a decision-making program.

5. How identity affects purchasing behavior

5.1. Purchase decision

Symbolic consumption was mentioned earlier, which means that nowadays people pay more attention to the symbolic value of commodities in their consumption, and by purchasing specific commodities or services to show their social status, in this process, consumers identify themselves with their own identities, which is why consumers tend to choose to purchase commodities or services related to their identities. Meanwhile, this paper focuses on analyzing this identity from another perspective, where different identities have different concerns and focuses when purchasing the same goods or services. For example, for the domestic large-scale ARPG (Action Role-Playing Game, a branch of role-playing game RPG that combines elements of action games) Black Myth: Wukong, which was launched on August 20, 2024, consumers engaged in the engineering industry may pay more attention to the game's technical details, underlying logic design, and optimization level as reflected by the smoothness of the game's operation. The consumers engaged in the engineering industry may pay more attention to the technical details of the game, the underlying logic design, the optimization level reflected by the smoothness of the operation, the physics engine and rendering technology. For example, Unreal Engine 5 and NVIDIA are the two main technology bases used in the game. At the

same time, Nanite (A kind of Rendering technology which virtual micro-polygon geometry) and Lumen (full dynamic global illumination) technology, saving graphics computing power, can be realistic dynamic lighting, while avoiding the traditional multi-light mapping, cost savings. For consumers engaged in the art industry, they may pay more attention to the detailed drawing, visual style, character design, environment composition and color matching of the game. In this domestically produced ARPG, the game is full of Chinese aesthetics, and there are 36 attractions matching the real landscape architecture, including the Mingshan Temple in Anyue, Sichuan, the Dazu Stone Carvings in Chongqing, the Lingyin Temple in Hangzhou, the Jade Emperor Temple in Shanxi, and the Time Si Temple in Zhejiang. Black Myth Art Director Yang Qi has mentioned that they traveled all over the country, scanning ancient monuments on the ground, forming their own digital assets, and then processing and beautifying them for up to several months before finally presenting such exquisite images. For example, when scanning the first version of the Chongqing Dazu stone carvings, the modeling once reached an exaggerated “1.2 billion sides”. Consumers in the clerical and educational sectors are likely to be more interested in the game's plot, educational value and learning potential. In terms of the game's difficulty, the number of people who pass the six chapters of the game decreases in the following order: 77.9%, 64.5%, 49.9%, 39.8%, 35.6%, and 30.1%; therefore, the difficulty is gradually increasing. The total of 991 difficulties, pass the “full achievement players” only 5.6% (data as of September 15, 2024) in terms of educational significance, with domestic games with the world's quality to tell the story of the traditional Chinese culture Journey to the West, in Shanxi Jincheng Jade Emperor Temple scenic spot after the scene, the number of tourists hit a record high, about 40% of the tourists know the place through the game. tourists knew about the place through the game. Meanwhile, abroad, game enthusiasts are actively posting cultural interpretation videos related to Black Myth: Wukong. While some of the content isn't very accurate, the creative team doesn't mind about it. “The game is such a product that allows players from all over the world to exchange experiences and share happiness, and we are happy to see different voices.” Feng Ji said. This is the educational aspect, allowing the world to go from knowing about a certain cultural trend, to loving it, and finally promoting and buying into it.

5.2. Corporate Strategy

Since different consumer identities have an impact on purchasing decisions, companies can develop different sales strategies for different consumer identities to increase marketing volume.

5.2.1. Creating identity and group belonging

In the decision-making process of purchasing a product, consumers think about whether the product can “match” their own identity and generate identity, and at the same time observe whether there are similar people buying similar products, which affects whether consumers can feel a sense of belonging to the group [7]. For example, in 2019, based on the insight that people have the most real and profound need for belonging and the desire for identity, Guangzhou's Poly Flower City Chronicle launched a marketing campaign called “There are no strangers in Flower City”, which stimulated consumers' sense of belonging to a social group and ultimately contributed to sales of 800 million yuan. Jiang Xiaobai, for example, put forward the slogan “I am Jiang Xiaobai, I am the spokesman for young people”, coupled with the text corresponding to the young identity groups, so that many young people have a sense of identity: we drink this bottle of wine, not to make money or want to exchange for some kind of social resources, but only to share and express; we are brothers do not need to pretend to be rich, do not need a bottle of wine to act as the so-called “brothers”, and do not need a bottle of wine to be the so-called “brothers”. We don't need to pretend to be rich, and we don't need to use a bottle of wine to act as a so-called “card face”.

5.2.2. Stimulate consumer emotions

In the article “Research on Consumption Decision Making Based on Social Identity and Emotion Regulation,” Wang Lu used advertisements as a medium for conveying emotions, and experimentally confirmed that products as emotion regulators have a practical impact on consumers' emotional states. By showing subjects a print advertisement and audio clip, which creates an emotional tone of anger or sadness by using different colors and music, the subjects responded about the effectiveness and level of persuasion of the advertisement. In order for a consumer to develop an identity and create a sense of belonging to a group, the first thing is that the consumer originally belongs to the group or circle, if you want to pull and encourage the consumption of outsiders, so that this type of consumer to develop an identity and a sense of belonging to the group, this paper argues that it is necessary to stimulate the consumer's emotional point of view, so as to make the consumer to create a purchasing decision [8].

5.2.3. Creating cultural identity for consumers

As mentioned above, Chinese players make up the vast majority of Black Myth: Wukong's player base. According to market researcher Game World Observer, 60 to 70 percent of the game's wish list collection users on Steam originate from China. In addition, according to GameDiscoverCo (A company specializing in game data analytics, offering data-driven services designed to provide comprehensive market analysis for the gaming industry) founder and analyst Simon Carless, 88.1% of online players on Steam are from mainland China, meaning that the vast majority of Chinese players are willing to pay for “sentiment”, which essentially creates a sense of identification with the local culture. Similarly, with the IP of Spider-Man, “Marvel Spider-Man 2” developed by Insomniac Games, a video game developer based in the U.S., has been extremely popular in the U.S., and Sony PlayStation's latest financial report shows that as of April 20, 2024, “Marvel Spider-Man 2” developed by Insomniac Games has sold more than 11 million units worldwide. As of April 20, 2024, the Marvel Spider-Man 2 game developed by Insomniac Games has sold more than 11 million units worldwide. So how can companies capitalize on the strengths of their local cultures to enable consumers to make purchasing decisions [9]? However, in today's interconnected world of cultural exchanges, it is also important for companies to capitalize on the consumer's desire for dissimilarity and the pursuit of novelty, and to use targeted marketing strategies in a dialectical manner [10].

6. Conclusion

This paper explores the impact of consumer identity on purchase decisions. It begins by defining key concepts such as personal identity and social identity in the context of consumer behavior. The paper then discusses the relationship between consumer identity and decision-making processes, highlighting how personal values, social roles, and group affiliations influence purchasing choices. Using Black Myth: Wukong as a case study, the paper analyzes how consumers with different identities, such as cultural background, gaming experience, or social status, prioritize distinct aspects of the game, such as storyline, graphics, or brand reputation. Lastly, the paper offers marketing strategies tailored to various consumer identities, suggesting personalized approaches to advertising and product positioning that can effectively resonate with diverse consumer groups, thereby fostering stronger connections and improving sales outcomes.

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