



Factors influencing consumer behaviour

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A B S T R A C T

Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc.. and is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

Introduction

Buying Behaviour is the decision processes and acts of people involved in buying and using products. Need to understand the concept is

- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society.

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Consumer behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behavior. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the consumer makes an estimate of the available money which he can spend. Lastly, the consumer analyzes the prevailing prices of commodities and takes the decision about the commodities he should consume. Meanwhile, there are various other factors influencing the purchases of *Pinki Rani, Assistant, LIC, Kurukshetra.

Consumer such as social, cultural, personal and psychological. The explanation of these factors is given below.

Consumer's buyer behaviour is influenced by four major factors:

- 1) Cultural,
- 2) Social,
- 3) Personal,
- 4) Psychological.

These factors cause consumers to develop product and brand preferences. Although many of these factors cannot be directly controlled by marketers, understanding of

their impact is essential as marketing mix strategies can be developed to appeal to the preferences of the target market.

When purchasing any product, a consumer goes through a decision process. This process consists of up to five stages:

- Stage 1: problem recognition,
- Stage 2: information search,
- Stage 3: evaluation of alternatives,
- Stage 4: purchase decision
- Stage 5: post purchase behaviour.

The length of this decision process will vary. A consumer may not act in isolation in the purchase, but rather may be influenced by any of several people in various roles. The number of people involved in the buying decision increases with the level of involvement and complexity of the buying decision behaviour.

Consumer's buyer behaviour and the resulting purchase decision are strongly influenced by cultural, social, personal and psychological characteristics. An understanding of the influence of these factors is essential for marketers in order to develop suitable marketing mixes to appeal to the target customer.

Cultural Factors - Culture and societal environment

Culture is crucial when it comes to understanding the needs and behaviors of an individual. Basically, culture is the part of every society and is the important cause of person wants and behavior. The influence of culture on buying behavior varies from country to country therefore marketers have to be very careful in analyzing the culture of different groups, regions or even countries. Throughout his existence, an individual will be influenced by his family, his friends, his cultural environment or society that will "teach" him values, preferences as well as

common behaviors to their own culture. For a brand, it is important to understand and take into account the cultural factors inherent to each market or to each situation in order to adapt its product and its marketing strategy. As these will play a role in the perception, habits, behavior or expectations of consumers.

For example, in the West, it is common to invite colleagues or friends at home for a drink or dinner. In Japan, on the contrary, invite someone home does not usually fit into the local customs. It is preferable to do that this kind of outing with friends or colleagues in restaurant.

While if a Japanese offer you a gift, the courtesy is to offer him an equivalent gift in return. McDonald's is a brilliant example of adaptation to the specificities of each culture and each market. Well aware of the importance to have an offer with specific products to meet the needs and tastes of consumers from different cultures, the fast-food giant has for example: a McBaguette in France (with french baguette and Dijon mustard), a Chicken Maharaja Mac and a Masala Grill Chicken in India (with Indian spices) as well as a Mega Teriyaki Burger (with teriyaki sauce) or Gurakoro (with macaroni gratin and croquettes) in Japan.

Sub-cultures

A society is composed of several sub-cultures in which people can identify. Subcultures are groups of people who share the same values based on a common experience or a similar lifestyle in general. Each culture contains different subcultures such as religions, nationalities, geographic regions, racial groups etc. Marketers can use these groups by segmenting the market into various small portions. For example in recent years, the segment of "ethnic"

cosmetics has greatly expanded. These are products more suited to non-Caucasian populations and to types of skin pigmentation for African, Arab or Indian populations for example.

It's a real brand positioning with a well-defined target in a sector that only offered makeup products to a Caucasian target until now (with the exception of niche brands) and was then receiving critics from consumers of different origin. Brands often communicate in different ways, sometimes even create specific products (sometimes without significant intrinsic difference) for the same type of product in order to specifically target an age group, a gender or a specific sub-culture. Consumers are usually more receptive to products and marketing strategies that specifically target them.

Social classes

Social classes are defined as groups more or less homogenous and ranked against each other according to a form of social hierarchy. Even if it's very large groups, we usually find similar values, lifestyles, interests and behaviors in individuals belonging to the same social class. Every society possesses some form of social class which is important to the marketers because the buying behavior of people in a given social class is similar. In this way marketing activities could be tailored according to different social classes. Some studies have also suggested that the social perception of a brand or a retailer is playing a role in the behavior and purchasing decisions of consumers. In addition, the consumer buying behavior may also change according to social class. A consumer from the lower class will be more focused on price. While a shopper from the upper class will be more attracted to elements such as quality,

innovation, features, or even the “social benefit” that he can obtain from the product.

Cultural trends

Cultural trends or “Bandwagon effect” are defined as trends widely followed by people and which are amplified by their mere popularity and by conformity or compliance with social pressure. The more people follow a trend, the more others will want to follow it.

For example, Facebook has become a cultural trend. The social network has widely grew to the point of becoming a must have, especially among young people.

It is the same with the growth of the tablet market. Tablets such as i-Pad or Galaxy Tab have become a global cultural trend leading many consumers to buy one.

Social Factors

It includes groups (reference groups, aspirational groups and member groups), family, roles and status. This explains the outside influences of others on our purchase decisions either directly or indirectly. Social factors are among the factors influencing consumer behavior significantly. They fall into three categories: reference groups, family and social roles and status.

Reference groups and membership groups

The membership groups of an individual are social groups to which he belongs and which will influence him. The membership groups are usually related to its social origin, age, place of residence, work, hobbies, leisure, etc. Reference groups have potential in forming a person attitude or behavior. The impact of reference groups varies across

products and brands. For example if the product is visible such as dress, shoes, car etc then the influence of reference groups will be high. Reference groups also include opinion leader (a person who influences other because of his special skill, knowledge or other characteristics).

More generally, reference groups are defined as those that provide to the individual some points of comparison more or less direct about his behavior, lifestyle, desires or consumer habits. They influence the image that the individual has of himself as well as his behavior. Whether it is a membership group or a non-membership group. Because the individual can also be influenced by a group to which he doesn't belong yet but wishes to be part of. This is called an aspirational group. This group will have a direct influence on the consumer who, wishing to belong to this group and look like its members, will try to buy the same products.

For example, even if he doesn't need it yet, a surfing beginner may want to buy “advanced” brands or products used by experienced surfers (aspirational group) in order to get closer to this group. While a teen may want the shoe model or smart phone used by the group of “popular guys” from his high school (aspirational group) in order to be accepted by this group. Some brands have understood this very well and communicate, implicitly or not, on the “social benefit” provided by their products.

Within a reference group that influences the consumer buying behavior, several roles have been identified:

- **The initiator:** the person who suggests buying a product or service
- **The influencer:** the person whose point of view or advice will

influence the buying decision. It may be a person outside the group (singer, athlete, actor, etc..) but on which group members rely on.

- **The decision-maker:** the person who will choose which product to buy. In general, it's the consumer but in some cases it may be another person. For example, the "leader" of a soccer supporters' group (membership group) that will define, for the whole group, which supporter's scarf buy and bear during the next game.
- **The buyer:** the person who will buy the product. Generally, this will be the final consumer.

Family

The family is maybe the most influencing factor for an individual. It forms an environment of socialization in which an individual will evolve, shape his personality, acquire values. But also develop attitudes and opinions on various subjects such as politics, society, social relations or himself and his desires. Buyer behavior is strongly influenced by the member of a family. Therefore marketers are trying to find the roles and influence of the husband, wife and children. If the buying decision of a particular product is influenced by wife then the marketers will try to target the women in their advertisement.

Here we should note that buying roles change with change in consumer lifestyles. For example, if you have never drunk Coke during your childhood and your parents have described it as a product "full of sugar and not good for health". There is far less chance that you are going to buy it when you will grow up that someone who drinks Coke since childhood.

Social roles and status

The position of an individual within his family, his work, his country club and his group of friends etc. All this can be defined in terms of role and social status. A social role is a set of attitudes and activities that an individual is supposed to have and do according to his profession and his position at work, his position in the family, his gender, etc. and expectations of the people around him..

For example, a consumer may buy a Ferrari or a Porsche for the quality of the car but also for the external signs of social success that this kind of cars represents. Moreover, it is likely that a CEO driving a small car like a Ford Fiesta or a Volkswagen Golf would be taken less seriously by its customers and business partners than if he is driving a German luxury car. And this kind of behaviors and influences can be found at every level and for every role and social status. Again, many brands have understood it by creating an image associated with their products reflecting an important social role or status.

Personal factors

It includes such variables as age and lifecycle stage, occupation, economic circumstances, lifestyle (activities, interests, opinions and demographics), personality and self concept. These may explain why our preferences often change as our 'situation' changes. Decisions and buying behavior are obviously also influenced by the characteristics of each consumer.

Age and way of life

A consumer does not buy the same products or services at 20 or 70 years. His lifestyle, values, environment, activities, hobbies and

consumer habits evolve throughout his life. Age and life-cycle have potential impact on the consumer buying behavior. It is obvious that the consumers change the purchase of goods and services with the passage of time. Family life-cycle consists of different stages such as young singles, married couples, unmarried couples etc which help marketers to develop appropriate products for each stage. For example, during his life, a consumer could change his diet from unhealthy products (fast food, ready meals, etc.) to a healthier diet, during mid-life with family before needing to follow a little later a low cholesterol diet to avoid health problems.

The factors influencing the buying decision process may also change. For example, the “social value” of a brand generally plays a more important role in the decision for a consumer at 25 than at 65 years. The family life cycle of the individual will also have an influence on his values, lifestyles and buying behavior depending whether he’s single, in a relationship, in a relationship with kids, etc. as well as the region of the country and the kind of city where he lives (large city, small town, country side, etc.) For a brand or a retailer, it may be interesting to identify, understand, measure and analyze what are the criteria and personal factors that influence the shopping behavior of their customers in order to adapt. For example, it is more than possible that consumers living in New York do not have the same behavior and purchasing habits than the ones in Nebraska. For a retailer, have a deep understanding and adapt to these differences will be a real asset to increase sales.

Lifestyle

The lifestyle of an individual includes all of its activities, interests, values and opinions.

The lifestyle of a consumer will influence on his behavior and purchasing decisions. For example, a consumer with a healthy and balanced lifestyle will prefer to eat organic products and go to specific grocery stores, will do some jogging regularly (and therefore will buy shoes, clothes and specific products), etc.

Personality and self-concept

Personality is the set of traits and specific characteristics of each individual. It is the product of the interaction of psychological and physiological characteristics of the individual and results in constant behaviors. It materializes into some traits such as confidence, sociability, autonomy, charisma, ambition, openness to others, shyness, curiosity, adaptability, etc. While the self-concept is the image that the individual has – or would like to have – of him and he conveys to his entourage. For example, since its launch, Apple cultivates an image of innovation, creativity, boldness and singularity which is able to attract consumers who identify to these values and who feel valued – in their self-concept – by buying a product from Apple.

Occupation The occupation of a person has significant impact on his buying behavior. For example a marketing manager of an organization will try to purchase business suits, whereas a low level worker in the same organization will purchase rugged work clothes.

• Economic Situation

Consumer economic situation has great influence on his buying behavior. If the income and savings of a customer is high then he will purchase more expensive products. On the other hand, a person with low income and savings will purchase inexpensive products.

• Lifestyle

Lifestyle of customers is another important factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in his/her surroundings. It is determined by customer interests, opinions, activities etc and shapes his whole pattern of acting and interacting in the world.

• Personality

Personality changes from person to person, time to time and place to place. Therefore it can greatly influence the buying behavior of customers. Actually, Personality is not what one wears; rather it is the totality of behavior of a man in different circumstances. It has different characteristics such as: dominance, aggressiveness, self-confidence etc which can be useful to determine the consumer behavior for particular product or service.

Psychological factors

It affecting our purchase decision includes motivation (Maslow's hierarchy of needs), perception, learning, beliefs and attitudes. Other people often influence a consumer's purchase decision. The marketer needs to know which people are involved in the buying decision and what role each person plays, so that marketing strategies can also be aimed at these people. Among the factors influencing consumer behavior, psychological factors can be divided into 4 categories: motivation, perception, learning as well as beliefs and attitudes.

Motivation

Motivation is what will drive consumers to develop a purchasing behavior. It is the expression of a need is which became pressing enough to lead the consumer to

want to satisfy it. It is usually working at a subconscious level and is often difficult to measure. The level of motivation also affects the buying behavior of customers. Every person has different needs such as physiological needs, biological needs, social needs etc. The nature of the needs is that, some of them are most pressing while others are least pressing. Therefore a need becomes a motive when it is more pressing to direct the person to seek satisfaction. Motivation is directly related to the need and is expressed in the same type of classification as defined in the stages of the consumer buying decision process. To increase sales and encourage consumers to purchase, brands should try to create, make conscious or reinforce a need in the consumer's mind so that he develops a purchase motivation. He will be much more interested in considering and buy their products. They must also, according to research, the type of product they sell and the consumers they target, pick out the motivation and the need to which their product respond in order to make them appear as the solution to the consumers' need.

Perception

Perception is the process through which an individual selects, organizes and interprets the information he receives in order to do something that makes sense. The perception of a situation at a given time may decide if and how the person will act. Selecting, organizing and interpreting information in a way to produce a meaningful experience of the world is called perception. There are three different perceptual processes which are selective attention, selective distortion and selective retention. In case of selective attention, marketers try to attract the customer attention. Whereas, in case of selective distortion, customers try to

interpret the information in a way that will support what the customers already believe.

Selective Attention: The individual focuses only on a few details or stimulus to which he is subjected. The type of information or stimuli to which an individual is more sensitive depends on the person. For brands and advertisers successfully capture and retain the attention of consumers is increasingly difficult. For example, many users no longer pay any attention, unconsciously, to banner ads on the Internet. This kind of process is called Banner Blindness. The attention level also varies depending on the activity of the individual and the number of other stimuli in the environment. For example, an individual who is bored during a subway trip will be much more attentive to a new ad displayed in the tube. It is a new stimuli that breaks the trip routine for him. Consumers will also be much more attentive to stimuli related to a need. For example, a consumer who wishes to buy a new car will pay more attention to car manufacturers' ads. While neglecting those for computers. Lastly, people are more likely to be attentive to stimuli that are new or out of the ordinary. For example, an innovative advertising or a marketing message widely different from its competitors is more likely to be remembered by consumers.

Selective Distortion: In many situations, two people are not going to interpret an information or a stimulus in the same way. Each individual will have a different perception based on his experience, state of mind, beliefs and attitudes. Selective distortion leads people to interpret situations in order to make them consistent with their beliefs and values.

For brands, it means that the message they communicate will never be perceived

exactly in the same way by consumers. And that everyone may have a different perception of it. That's why it's important to regularly ask consumers in order to know their actual brand perception. Selective distortion often benefits to strong and popular brands. Studies have shown that the perception and brand image plays a key role in the way consumers perceived and judged the product. Several experiments have shown that even if we give them the same product, consumers find that the product is or tastes better when they've been told that it's from a brand they like than when they've been told it's a generic brand.

Selective Retention: People do not retain all the information and stimuli they have been exposed to. Selective retention means what the individual will store and retain from a given situation or a particular stimulus. As for selective distortion, individuals tend to memorize information that will fit with their existing beliefs and perceptions. For example, consumers will remember especially the benefits of a brand or product they like and will "forget" the drawbacks or competing products' advantages.

Learning

Learning is through action. When we act, we learn. It implies a change in the behavior resulting from the experience. The learning changes the behavior of an individual as he acquires information and experience. For example, if you are sick after drinking milk, you had a negative experience, you associate the milk with this state of discomfort and you "learn" that you should not drink milk. Therefore, you don't buy milk anymore. Rather, if you had a good experience with the product, you will have much more desire to buy it again next time. The learning theories can be used in marketing by brands.

Beliefs and attitudes

A belief is a conviction that an individual has on something. Through the experience he acquires, his learning and his external influences (family, friends, etc.), he will develop beliefs that will influence his buying behavior. Customer possesses specific belief and attitude towards various products. Since such beliefs and attitudes make up brand image and affect consumer buying behavior therefore marketers are interested in them. Marketers can change the beliefs and attitudes of customers by launching special campaigns in this regard. To change the brand's marketing message or adjust its positioning in order to get consumers to change their brand perception.

Stages of the Consumer Buying Process

Six Stages to the Consumer Buying Decision Process (For complex decisions). Actual purchasing is only one stage of the process. Not all decision processes lead to a purchase. All consumer decisions do not always include all 6 stages, determined by the degree of complexity.

The 6 stages are:

1. **Problem Recognition** (awareness of need)--difference between the desired state and the actual condition. Deficit in assortment of products. Hunger--Food. Hunger stimulates your need to eat.
2. **Information search**—
 - o Internal search, memory.
 - o External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison shopping; public sources etc.

A successful information search leaves a buyer with possible alternatives, the evoked set. Hungry, want to go out and eat, evoked set is

- o Chinese food
 - o Indian food
 - o burger king
 - o Klondike kates etc
 - o
3. **Evaluation of Alternatives**--need to establish criteria for evaluation, features the buyer wants or does not want. Rank/weight alternatives or resume search. May decide that you want to eat something spicy, Indian gets highest rank etc.
 4. **Purchase decision**--Choose buying alternative, includes product, package, store, method of purchase etc.
 5. **Purchase**--May differ from decision, time lapse between 4 & 5, product availability.
 6. **Post-Purchase Evaluation--outcome:** Satisfaction or Dissatisfaction. **Cognitive Dissonance**, have you made the right decision. This can be reduced by warranties, after sales communication etc. After eating an Indian meal, may think that really you wanted a Chinese meal instead.

Types of Consumer Buying Behavior

The four type of consumer buying behavior are:

- Routine Response/Programmed Behavior--buying low involvement frequently purchased low cost items; need very little search and decision effort; purchased almost automatically. Examples include soft drinks, snack foods, milk etc.
- Limited Decision Making--buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar

product category, perhaps. Requires a moderate amount of time for information gathering. Examples include Clothes--know product class but not the brand.

- Extensive Decision Making/Complex high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/performance/psychological risk. Examples include cars, homes, computers, education. Spend a lot of time seeking information and deciding. Information from the companies MM; friends and relatives, store personnel etc. Go through all six stages of the buying process.
- Impulse buying, no conscious planning.

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Conclusion

For a successful consumer oriented market service provider should work as psychologist to procure consumers. By keeping in mind affecting factors things can be made favorable and goal of consumer satisfaction can be achieved. Study of consumer buying behaviour is gate way to success in market.

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