

# CONSUMER BUYING BEHAVIOR

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## **Abstract**

***The study of consumer behavior is very essential in the field of marketing as it assists firms to develop smarter marketing strategies by getting an insight about what affects the decision making of consumers. Consumer behaviour is the study of people and the products that helps to shape their identities. The purpose of this paper is to analyze the theoretical aspects of consumer buying behavior and the factors that influence it. This paper also reviews the relationship between consumer buying behavior and the factors that influence the consumer's purchasing process and purchase decision.***

***Keyword: Consumer, Behaviour, Internal and External factors, Purchase decision.***

## **1.INTRODUCTION**

There is a growing literature on the importance of consumer behavior in the field of marketing .With the growing advancement of technology, the growing globalization, increasing socio-economic involvement of businesses in foreign countries and the rising political interference in corporate world, it is becoming very challenging for organizations to manage and develop their business. They come up with several strategies to make proper utilization of their resources. They also make every effort to minimize their costs and generate maximum revenue. However, organizations cannot achieve their objectives if they have scrawny 'marketing strategies'. And when it comes to marketing strategies, the customer is always bound to be the 'core'. The aim of marketing is to meet and satisfy target customers' needs and wants. The field of consumer behavior studies how individuals, groups and organisations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires. Understanding consumer behavior and "knowing

customers" is never simple. Customers may say one thing but do another. They may not be in touch with their deeper motivations. They may respond to influences that change their minds at the last minute. Customers have a very crucial role in the success of any organization since they are the people who generate revenue for the organization by buying, using and influencing others to buy their products and services. Hence, companies always want to know what makes the customer buy or not to buy their products and services. The perspective of marketing is about creating demand for the organization's products and services and also fulfilling their customer needs – present or future. For this reason, it is imperative that marketing professionals recognize the manner in which the consumers react when they are exposed to 'N' number of available options varying in price, payment mode, and purchasing and delivering method. Consumers do not purchase a product and service only because of its actual utility, but also because of its perceived worth. There are several reasons for why an individual purchases a particular thing, for example; he/she actually needs it, or perhaps he/she just wants to try it out, or he/she buys it just to honor someone who recommended that product. The present study focuses on identifying the relationship between consumer buying behavior and the factors that influence the consumer's purchasing process and purchase decision. This paper will help marketing managers in getting a better understanding about what affects the decision making of consumers, and help them utilize these factors in constructing better marketing strategies.

## **2.RESEARCH METHOD**

In this research paper the focus is on combining the most important "previously established studies and concepts" that I have identified in the academic literature based on which I provide a synthesis that "advances our understanding". In this study I identify the

most important factors that help in the current business or organizational situation to build our goal to achieve a competitive advantage.

### 3.FACTORS INFLUENCING CONSUMER BUYING BEHAVIOR

#### 3.1 RELATIONSHIP BETWEEN CONSUMER BUYING BEHAVIOR AND CULTURAL, SOCIAL, PERSONAL AND PSYCHOLOGICAL FACTORS:

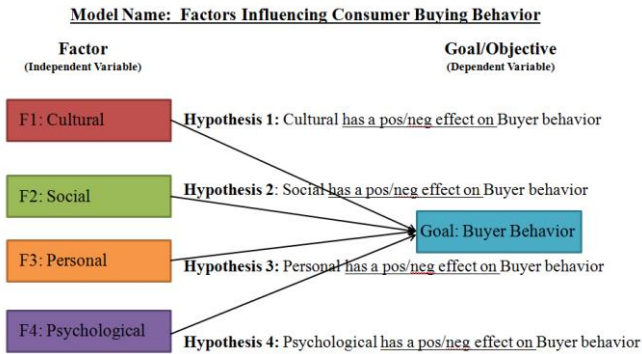


Fig. 1. The relationship between consumer buying behavior and the factors influencing it.

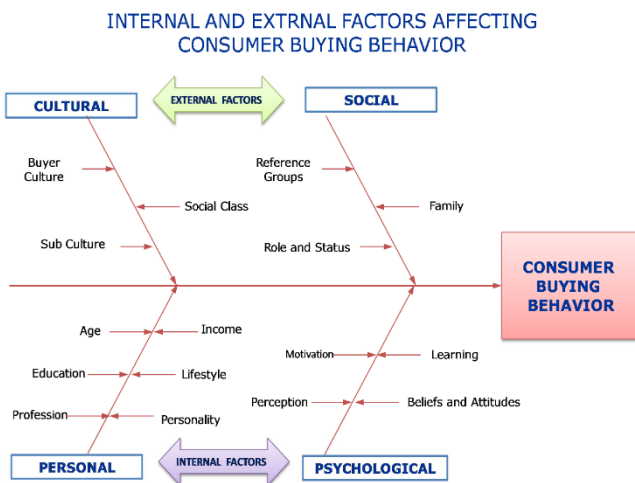


Fig. 2. Fish bone diagram, presenting the important internal and external factors affecting consumer buying behavior

The main objective of this research was to develop and review a conceptual model that depicts the relationship between buying behavior and four factors: culture, society, personal and psychological. The model presented in Figure 3 clearly identifies and classifies (internal and external) the important factors affecting

the consumer buyer behavior. In addition it depicts the relationship between buying behavior and main four factors: culture, society, personal and psychological.

### 4.EXPLANATION AND DISCUSSION

There is much to discuss as far as the roles that these specific factors play in determining the consumer's behavior. In marketing, the functions of consumer buying behavior, and the factors influencing it are correlated. For this reason, the outcome of purchasing process may depend on various factors. This model focuses on understanding the consumer's buyer behavior and the relationship between consumer's buyer behavior and the impacting factors. Firstly, it is important to understand the meaning of consumer behavior and secondly, it is important to understand the impacting factors and their meaning. A complete explanation of these factors and their sub factors is presented below.

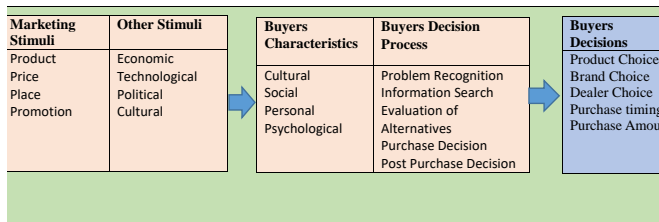
### 5.CONSUMER BUYING BEHAVIOR

One of the few common features among all of us is that we are all buyers irrespective of what we are. As buyers, we play a vital role in the economy-local, national, and international. Consumer behavior is the behaviour that buyers or consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior refers to all the thought, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behavior is the concept which answers what, why, how, when, and where an individual makes purchase. As a result, the outcome of buyer behavior is the buyer's decision.

The entire purchasing process involves giving a thought on what should be bought, which brand is good or suitable, from where or whom should the purchase be made, when to purchase, how much to spent, and how many time to buy and in what intervals. Consequently the end result of the buyer behavior is the customer's final decision regarding the product choice, brand choice, dealer choice, purchase timing, purchase amount and purchase frequency

## 6. FACTORS INFLUENCING CONSUMER BUYING BEHAVIOR

The starting point for understanding buyer behavior is the stimulus-response model. Marketing and environmental stimuli enter the buyer's consciousness. The buyer's characteristics and decision processes lead to certain purchase decisions. The marketer's task is to understand what happens in the buyer's consciousness between the arrival of outside stimuli and the purchase decisions. The factors that come in picture while finding the answers to the what to buy, where to buy, why to buy, when to buy how to buy, to buy or not to buy questions are the ones which influence the buyer behavior. These factors knowingly or unknowingly influence the consumer; they may be in or beyond control of the buyer.



### Model of Buyer Behavior

## 7. EXTERNAL FACTORS

### 7.1 CULTURAL FACTORS

Cultural factors exert the broadest and deepest influence on buyer behavior. The marketers need to understand the roles played by the buyer's culture, sub-culture and social class. Culture deeply impacts the buying behavior of an individual and thus marketing professionals should focus on segmenting their markets based on the cultural needs and wants of consumers. "Culture represents the mix of norms, financial and moral values, convictions, attitudes and habits developed in time by mankind, which the members of the society share and which highly determine their behavior, including the purchase and consumption behavior." "The concept of culture has two primary implications for marketing: it determines the most basic values that influence consumer behavior patterns, and it can be used to distinguish subcultures that represent

substantial market segments and opportunities." Furthermore, "an individual's consumption behavior may be viewed and imitated or rejected by others. It can then become the group's norm of behavior and be identified as part of the culture of a given population." The process of absorbing a culture is called socialization. It continues throughout one's life and produces many specific preferences for products and services, shopping patterns, and interactions with others. Applied to marketing and consumer behavior, it is referred to as consumer socialization.

#### 7.1.1. Buyer Cultural

Culture refers to the entire way of life of a group of people from a particular society, place or time. Culture encompasses every aspect of life including the thoughts, behavior, practices, technology, rituals, norms, language, beliefs, ethics, lifestyle, institution, and art of any given group of individuals. Therefore, individuals differing in cultural background may have different views about a particular product or service. They may have preference for goods and services which suit their culture. For example, wearing western outfit on festivals is not accepted in Indian culture.

#### 7.1.2. Subculture

A sub-culture is an identifiable and distinct group that has unique characteristics. Every culture consists of several varied subcultures such as, nationalities, geographic regions, racial groups, religions etc. Subculture can be referred to as the group of people who have common experiences and situations.

#### 7.1.3. Social Class

Social class is a ranking within a society determined by the members of the society. Every culture has some forms of division based factors like on income, profession, and education. These divisions can be referred to as social classes; people from the same social class generally have common interests and behavior.

## 8. SOCIAL FACTORS

"Social factors also influence the buying behavior of consumers. The important social factors are: reference

groups, family, role and status. "Social criteria concern the impact that the purchase makes on the persons perceived relationships with other people, and the influence of social norms on the person." "The importance attached to children, to education, to health, to husband's status, the type of house in which one lives and display off consumer durables and other status symbols are indeed all very relevant to buyer behavior of the housewife." Therefore, studying the social factors will improve the marketing effectiveness of firms.

### **8.1 Reference Groups**

A person's reference groups consists of all the groups that have a direct or indirect influence on the person's attitudes or behavior. Individuals are knowingly or unknowingly a part of some groups.

For example – female students studying at a particular university are a part of the female student group in that university.

The group to one belongs are known as membership group, and the group to which one compares against to evaluate self's of the group's achievements, behavior or attitudes, is called as reference group.

### **8.2. Family**

Preferences or opinion of family members have great influence on individual or the family's purchases. "The habits in terms of consumption are influenced--to a higher or lower extent--by the family, in relation to its functions--traditional or modern, with a less significant role, as a consequence of involving other social groups and institutions."

### **8.3. Role and Status**

A person participates in many groups- family, clubs, and organizations. The person's position in each group can be defined in terms of role and status. The role individuals perform and the status they have in the group determine their position in the group. Thus, they are tending to select and use goods that suite their position.

## **9.INTERNAL FACTORS**

### **9.1 PERSONAL FACTORS**

Buyer's purchasing process is influences by his/her personal factors, and these personal factors are unique for every individual. "The decisions of a buyer/consumer are also influenced by personal characteristics, especially by age and the stage of the life cycle that the consumer crosses, sex, occupation, financial status, lifestyle, personality and opinion of self." "Demographic factors play an important role in the consumer purchase process. Income, age, occupation, and a myriad of other demographics can influence decision making at every step in the process." For example, "in the family, women are those who influence the consumption decision especially for children and old people."

#### **9.1.1. Age**

People buy different goods and services over a lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years. Obviously the individual's needs depend on his age. Wants and preferences change as the person's age change. At every stage in a human's life the needs and desires are different. For example - A 70yrs diabetic patient will not regularly buy high calories and high sugar chocolates, whereas a 10 year old boy would like to buy chocolates very often.

#### **9.1.2. Education**

The educational level or educational field also determines the behavior of the consumers. Generally, an educated person tends to make wise decisions as compared to an uneducated person. It is because they differ in the ability of collecting, processing and analyzing information.

Educational field also has an impact on the buying behavior of the consumers. For example, doctors may incline more towards healthy food as they are aware about the advantageous of it.

#### **9.1.3. Occupation**

The occupation of an individual impacts his buying decision. Individuals select items which suite their profession and/or are required for them in their professional life.

For example, a teacher would buy simple clothes, means of communications, books, pens, transparencies, etc. while a company executive would buy expensive clothes, visit by air, get membership of resorts and clubs etc.

#### **9.1.4. Income**

Obviously, everyone thinks about their income and expenditure before spending. Therefore, the economic condition of individuals influence what price range product they buy. Consumers always hunt for economic deals; however, if the economic condition of the buyer is very good he/she may buy premium products.

#### **9.1.5. Personality**

Personality is not just the appearance of a person but personality is also that characteristic of individuals which determine how they behave in situations and interact with others. A person's personality impacts his/her buying behavior, the incline towards products which suite their personality. However, it is difficult to identify the association between the individual personality and the pattern of exhibited behavior.

#### **9.1.6. Lifestyle**

Lifestyle is the way one lives and connects with others. "Lifestyle describes a person's pattern of living as expressed in activities, interests, and opinions. Lifestyle traits are more concrete than personality traits and more directly linked to the acquisition, use, and disposition of goods and services."

### **10. PSYCHOLOGICAL FACTORS**

A consumer calculates at mental level to determine choices for buying the products. Individual's perception, motivation, learning, beliefs and attitudes are the main psychological factors that affect the consumer buying behavior. The value of a product or service for any individual depends on how he perceives it, what attitude he/she has toward it, what he believes about it and what motivates his purchase. "When analyzing the process by which consumers make purchase decisions, marketers should understand such psychological factors as motivation, perception, learning, personality, and attitudes because they help explain the why of consumer behavior." "Consumers' skills and knowledge are connected to learning and predestinate changes of behavior. Therefore to cause changes of consumer

behavior concerning the concrete product, it is necessary to give the adequate information. Knowledge and positive or negative feelings influence humans' perception and consequently decision making and behavior."

#### **10.1. Perception**

Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world. Two individuals exposed to exactly same marketing communication may have different perception of the same product. "At the same time, elders prefer hospitalization rather than ambulatory treatment as a consequence of the perception that they are better cared after in the hospital, while younger people prefer ambulatory treatment and investigations."

#### **10.2. Motivation**

There are several reasons behind why an individual purchases anything. Most human behavior is learned. He may have several justified grounds on the basis of which he/she decides to go for a buy decision. These reasons may be referred as motives. "Motive means the inner driving force that orients human/consumers' activities towards meeting the needs or achievement of the definite aim. In every decision-making process several motives plays role, not only one."

#### **10.3. Learning**

Learning involves changes in an individual's behavior arising from experience. Individuals learn from their past experience, current observations and interaction with others. Then they make use of their learning while making any buying decisions. They collect information from several sources and utilize it while making any decision.

#### **10.4. Beliefs and Attitudes**

Beliefs are the feelings and thoughts that one strongly believes to be true about something. Attitudes are the individual positive or negative evaluations regarding something. Purchasers tend to have certain beliefs and attitudes towards different products. These beliefs and attitudes form the brand image of the product and thus impact the final decision of the purchaser. That is why marketers are concerned about the beliefs and attitudes

the customers have about the product, service or idea. Marketers attempt to alter the beliefs and attitudes of consumers by aggressive marketing campaigns.

## 11. CONTRIBUTION AND NEW INSIGHT

Consumer behaviour is the cornerstone of marketing strategy. Firms must understand buyer behaviour to achieve the objective of customer satisfaction. Consumer behavior refers to all the thought, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behavior is the concept which answers what, why, how, when, and where an individual makes purchase. This research has sufficient evidence to prove that the consumer's buyer behavior is significantly influenced by the consumer's internal and external factors. The main factors that have immense impact on the buying process and final decision of consumers are cultural, social, personal, and physiological.

The Cultural background of the consumer plays an important role in the decision making of consumers. People from different culture have different opinions about the same product; as a result, marketers should focus on segmenting their markets based on the cultural needs and wants of consumer. It is very imperative that organizations understand the importance of culture in the buyer's life. They should try to understand aspects of every culture that they wish to target.

Social factors also have considerable impact on the buyer behavior as every individual is concerned about how other people from his/her society see him/her. His/her status in the society and people's views about him/her matter a lot to him/her. And therefore, the social factors also impact the way the act and behave, leading to an impact on their purchasing decisions. It is vital that marketing professionals study the personal factors and figure out suitable marketing plans. Subsequently it is vital that organizations examine such social factors that influence the buyer's behavior to implement effective marketing strategies.

Moreover, the personal factors are unique to every individual; they drive the behavior of individuals. The personal characteristics of individuals have significant impact on what their needs are, what they select, what they like and consider being valuable. Consequently, these personal factors govern their purchase behavior.

It is very necessary that marketing professionals study the personal factors and figure out suitable marketing plans.

Furthermore, the psychology of human beings is the partial ruler of their behavior and personality. The psychological factors have substantial impact on the buyer behavior. The purchase decision is the reflection of an individual's inner feelings and thoughts. The study of psychological affecting consumer buying behavior will help marketers to launch smarter marketing plans.

These main external and internal factors have several sub factors which influence the buyer behavior. The chief sub factors identified from this research are Buyer Cultural, Subculture, Social Class, Reference Groups, Family, Role and Status, Age, Education, Profession, Income, Personality, Lifestyle, Perception, Motivation, Learning, and Beliefs and Attitudes. This research suggests that it is apparent that marketers should evaluate the factors that influence the 'to buy or not to buy decision' of the consumers. Consumers are influenced by the internal and external factors knowingly or unknowingly. For this reason, even after identifying all the impacting factors, the consumer's behavior is very complex to predict. Furthermore, it is very complicated to know the degree to which a specific factor influences the decision making of consumers. As a consequence, it ends up being very difficult to predict the exact behavior even after taking into consideration all the factors. Hence, I advocate that marketers should undergo a detail analysis of all these factors for specific target customer, for a specific product or service, and in a particular environment, while implementing marketing strategies. Certainly, deeply understanding the factors will lend a hand in developing better marketing strategies to create demand and increase the sales of the organization's products and services.

The most important contribution of this research towards the marketing literature is that, the buying behavior should not be studied and considered only while selling the products; rather, it should be taken into consideration in the very initial stage. My recommendation is that organizations should identify and consider the factors that affect the buying behavior while developing new products. There is a lot of cost, time and efforts involved in developing and rolling out a new product; unfortunately, a number of new products

do not succeed when they are launched in the market. If organizations include the buyer behavior study in their new product development stage, they will be able to develop a product that might have a higher probability of success.

### CONCLUSION

In today's world of high technology, buyer tastes are also changing rapidly. To survive in such a rapidly changing market, a firm has to constantly understand the latest consumer trends and tastes. Buyer behavior provides in valuable clues and guidelines to marketers on new technological frontiers which they should explore. The study of consumer behavior is very important in the marketing field as it forms the basis of marketing strategies. It is the consumer behavior whether, positive or negative, that makes or break the business. His behavior can run or ruin the business. The study of consumer buying behavior facilitates to comprehend the concern such as what the buyers think, what their feelings are, what the reasons behind their decision are, and how they pick among several options. The external and internal factors have significant influence on consumer's behavior which impacts their purchasing process and decision. Having an insight into these factors enables marketers to better know and predict not only the demand of their product or service, but also the purchasing motives and purchasing frequency of the product or service. More importantly, if these factors are considered whilst developing new products, it will support in developing products with higher probability of success. However, consumer behavior is very difficult to predict; therefore, further study is suggested to closely understand the degree to which these factors impact the consumer's buying behavior, as getting an insight into this will help organizations to create more suitable products and marketing professionals to build more effective marketing strategies. The study of consumer behavior can help the marketer to go for "Marketing Segmentation", "Marketing Positioning", "Marketing Positioning", "Relationship Marketing", and developing appropriate "Marketing Mix"

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