THE DETERMINANTS OF CONSUMER BEHAVIOUR

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ABSTRACT

We are all consumers. Each of us undertakes many forms of consumer behaviour during our lives. The reasons for our behaviour are not always clear. Our actions as consumers are really difficult (and sometimes also impossible) to predict and to explain. The consumption system operates and it is an integrated part of our daily lives. As a consumer we are all unique and this uniqueness is reflected in the consumption pattern and process of purchase. The study of consumer behaviour provides us with reasons why consumers differ from one another in buying, using products and services. We receive stimuli from the environment and the specifics of the marketing strategies of different products and services, and responds to these stimuli in terms of either buying or not buying product. In between the stage of receiving the stimuli and responding to it, the consumer goes through the process of making his decision.

Keywords: Determinants, Buyer Behaviour, Consumer Behaviour, Cyber Shopping

Diversity in Market Place

We as consumers differ in age, gender, education, occupation, marital status, activities and interests, preferences, opinions, foods we eat and products we buy. There is diversity among marketers; not only among producers but also sellers, i.e., traditional retailers, mass merchandisers, discount stores, and off-price stores. But there has been a shift from mass marketing to niche marketing to direct marketing, from custom catalogs to television shopping to cyber shopping. There is a great diversity in advertising media. In addition to the traditional broadcast and print media, we have ethnic media within a great variety of alternative media.

Recognising the high degree of diversity among us, consumer research seeks to identify the constants that exist among the people of the world. Consumers have changed over three

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decades. In fact, you can see in your own family, if you take your parents as buyers and
yourself as a buyer and then see the difference in your behaviour. To match the varying
consumer tastes and behaviour, marketers have also adopted strategies like stressing on value
pricing *i.e.*, high quality at a reasonable lower price and relationship marketing which in simple
words would mean servicing to add to customer delight which can in the long run result in
brand or store loyalty). They have also taken steps by moving away from the traditional
distribution channels, to customised designed channels and now to direct marketing or to
selling directly to the customers.

**Factors Influencing Buyer Behaviour**

According to Duncan, 2005, consumer motive is defined as “internal impulses that when
simulated initiate some type of response.” Consumers are continuously reacting to their
internal impulses as well as the external environment. Since internal impulses and the external
environment also interact, resulting in psychological motivations to fulfil needs and wants, Kim
and Jin (2001) argue that consumer motives are known to be the drivers of behaviour that
bring consumers to the retail store. Whenever we buy anything our final decision, as a
consumer will definitely be affected by certain factors. Based on past research, consumer
motives can be categorised from four perspectives. Firstly, the social influences on consumer
motives such as the culture, sub-culture, social class, reference groups and families (Peter &
Donnell, 2007). Secondly, the situational influences on consumer motives such as physical
features, social features, time, task features and current conditions (Belk, 1975). Thirdly,
psychological influences on consumer motives include product knowledge and product
involvement (Peter & Olson, 2005). Finally, the marketing mix influences on consumer motives
such as product, price, promotion and place (Peter & Donnell, 2007).

The first stage of understanding buyer behaviour is to focus on the factors that determine
the “buyer characteristics”. These can be summarised as follows:
The Determinants of Consumer Behaviour

Fig 1 Factors affecting Buyer behaviour
Figuring out not only what they wanted, but who would buy it, why they would buy it, where they would buy it, and how often they would buy it, is the cornerstone of understanding consumer behaviour. Consumer behaviour is the study of people: how we buy, consume and dispose of products. Each of us is a consumer of hundreds of products every day. As consumers, we can benefit from a better understanding of how we make our decisions so that we can make wiser ones. Marketers can benefit from an understanding of consumer behaviour so that they can better predict what consumers want and how best to offer it to them.

There are two major forces that shape who we are and what we buy. Our personal motives, attitudes, and decision-making abilities guide our consumption behaviour. At the same time, our families, cultural background, the ads we see on television, and the sites we visit on the Internet influence our thoughts and actions.

Understanding Consumers: Internal Factors

Our consumption behaviour is a function of who we are as individuals. Our thoughts, feelings, attitudes, and patterns of behaviour determine what we buy, when we buy it, and how we use it. Internal factors have a major impact on consumer behaviour.

Consumer Motivation

A marketer’s job is to figure out what needs and wants the consumer has, and what motivates the consumer to purchase. Motivation is the drive that initiates all our consumption behaviors, and consumers have multiple motives, or goals. Some of these are overt, such as a physiological thirst that motivates a consumer to purchase a soft drink or the need to purchase a new suit for an interview. Other motives are more obscure, such as a student’s need to plug in to an iPod or wear designer clothes to gain social approval.

Most consumption activities are the result of several motives operating at the same time. Researchers specially trained in uncovering motives often use qualitative research techniques in which consumers are encouraged to reveal their thoughts (cognitions) and feelings (affect) through probing dialogue. Focus groups and in-depth interviews give consumers an opportunity to discuss products and express opinions about consumption activities. Trained moderators or interviewers are often able to tap into preconscious motives that might otherwise go undetected. Sentence completion tasks (e.g., Men who wear Old Spice are ) or variants of the thematic apperception tests, in which respondents are shown a picture and asked to tell a story surrounding it, are additional techniques that provide insight into underlying motives.

Consumer motives or goals can be represented by the values they hold. Values are people’s broad life goals that symbolise a preferred mode of behaving (e.g., independent, compassionate, honest) or a preferred end-state of being (e.g., sense of accomplishment, love and affection, social recognition). Consumers buy products that will help them achieve desired values; they see product attributes as a means to an end. Understanding the means-end
perspective can help marketer’s better position the product and create more effective advertising and promotion campaigns.

**Consumer Perception**

The consumer information-processing approach aids in understanding consumptive behaviour by focusing on the sequence of mental activities that people use in interpreting and integrating their environment. The sequence begins with human perception of external stimuli. Perception is the process of sensing, selecting, and interpreting stimuli in one’s environment. This means we chose what info we pay attention to, organise it and interpret it. Information inputs are the sensations received through sight, taste, hearing, smell and touch.

- **Selective Exposure**—This means we tend to select inputs to be exposed to our awareness. This is more likely if it is linked to an event, and/or satisfies current needs.
- **Selective Distortion**—This happens when we change or twist current received information, which is inconsistent with our beliefs.
- **Selective Retention**—In this case we remember only those inputs that support our beliefs, and forget those that don’t.

For instance, an average supermarket shopper is exposed to 17,000 products in a shopping visit lasting 30 minutes-60 per cent of purchases are unplanned and is also exposed to 1,500 advertisement per day. Hence they cannot be expected to be aware of all these inputs, and certainly will not retain many.

Interpreting information is based on what is already familiar, on knowledge that is stored in the memory. We begin to perceive an external stimulus as it comes into contact with one of our sensory receptors; eyes, ears, nose, mouth, or skin. Perception of external stimuli influences our behaviour even without our conscious knowledge that it is doing so. Marketers and retailers understand this, and they create products and stores specifically designed to influence our behaviour. Fast-food chains paint their walls in; colors, such as red, to speed up customer turnover. Supermarkets steer entering customers directly into the produce section, where they can smell and touch the food, stimulating hunger.

Did you watch television last night? You may have paid attention to many of the ads you saw during the commercial breaks; you may even have laughed out loud at a few of them. But how many can you recall today? Consumers; ability to store, retain, and retrieve product information is critical to a brand’s success. When information is processed, it is held for a very brief time (less than 1 minute) in working, or short-term, memory. If this information is rehearsed (mentally repeated), it is transferred to long-term memory; if not, the information is lost and forgotten. Once transferred to long-term memory, information is encoded or arranged in a way that provides meaning to the individual. Information in long-term memory is constantly reorganised, updated, and rearranged as new information comes.
Attitude Formation and Change

We can say that attitudes are knowledge and positive and negative feelings about an object or activity. It may be tangible or intangible, and living or non-living. Generally it seen that attitudes drive perceptions. We learn attitudes through experience and interaction with other people. Consumer attitudes towards a firm and its products greatly influence the success or failure of the firm’s marketing strategy. For instance, Honda says, “You meet the nicest people on a Honda”, dispelling the unsavory image of a motorbike rider, in the late 1950s. Changing market of the 1990s, baby boomers aging, and Honda’s market returning to hard core. To change this they have a new slogan ‘Come ride with us’ Attitudes and attitude change are influenced by consumer’s personality and lifestyle. Again, we tend to screen information that conflicts with their attitudes and distort information to make it consistent and selectively retain information that reinforces our attitudes. But, bear in mind that there is a difference between attitude and intention to buy, i.e., ability to buy.

The set of beliefs consumers have stored in long-term memory provides another critical function to marketers: It provides the basis for a consumer’s attitude towards a brand or an ad. An attitude is an overall evaluation of an object, idea, or action. Attitudes can be positive or negative, and weakly or strongly held.

A popular perspective is that attitude has three components: cognitive, affective, and co-native. The cognitive component reflects the knowledge and beliefs one has about the object (e.g. Two pieces of Jolt chewing gum contains as much caffeine as one cup of coffee&;), the affective component reflects feelings (e.g., I like the energy boost I get after chewing Jolt Gum) and the co-native component reflects a behavioral tendency towards the object. Thus, attitudes are predispositions to behave in a certain way. If you have a favourable attitude towards a politician, you will likely vote for him or her in the next election. Because of this, many marketers use attitude measures for forecasting future sales.

It is important to note, however, that the link between attitudes and behaviour is far from perfect. Consumers can hold positive attitudes towards multiple brands but intend to purchase only one. External economic, social, or personal factors often alter behavioural plans.

Attitudes are dynamic, which means they are constantly changing. As an individual learns new information, as fads change, as time goes on, the attitudes one once held with confidence may no longer exist. Did you ever look at old photos of yourself and wonder What was I thinking wearing clothes like that?

Understanding Consumers: External Factors

In addition to the internal factors, consumer behaviour is also shaped to a large extent by social factors, such as culture, family relationships, and other aspects of the external environment. Awareness of these influences can help marketers to identify groups of consumers who tend
to think, feel, or act similarly and separate them into unique market segments. Aspects of the marketing programme such as product design, advertising, and pricing can then be tailored to meet the unique needs, values, and goals of these distinct groups.

**Group Influences on Individual Consumer Behaviour**

The influence of groups on consumer behaviour tends to vary with a variety of group- and product-related factors. For example, the more the group is perceived to be a credible, valued source of approval or disapproval to the consumer, the more likely that consumer is to conform to group values. In addition, the more frequently group members interact, and the more outwardly visible use of the product is to group and non-group members, the greater the group’s influence on individual consumption behaviour.

**Family Influences on Consumer Behaviour**

Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. Some individuals are information gatherers/holders, who seek out information about products of relevance. These individuals often have a great deal of power because they may selectively pass on information that favors their chosen alternatives. Influencers do not ultimately have the power decide between alternatives, but they may make their wishes known by asking for specific products or causing embarrassing situations if their demands are not met. The decision maker(s) have the power to determine issues such as:

- Whether to buy;
- Which product to buy (pick-up or passenger car?).
- Which brand to buy;
- Where to buy it; and
- When to buy.

Note, however, that the role of the decision maker is separate from that of the purchaser. From the point of view of the marketer, this introduces some problems since the purchaser can be targeted by point-of-purchase (POP) marketing efforts that cannot be aimed at the decision maker.

**The Consumer Decision-making Process**

Buyer decision processes are the decision-making processes undertaken by consumers in regard to a potential market transaction before, during, and after the purchase of a product or service.

More generally, decision making is the cognitive processes of selecting a course of action from among multiple alternatives. Common examples include shopping, deciding what to eat.
Decision making is said to be a psychological construct. This means that although we can never ‘see’ a decision, we can infer from observable behaviour that a decision has been made. Therefore we conclude that a psychological event that we call “decision making” has occurred. It is a construction that imputes commitment to action. That is, based on observable actions, we assume that people have made a commitment to effect the action.

What consumers think and the social environment they live in determine what they buy and how that purchase decision is made. Typically, the decision process is described as a series of five stages. The first stage, need recognition, occurs when consumers perceive a difference between their ideal and actual states. Need recognition is often prompted by persuasive advertising. Consumers then begin the information search process by conducting an internal search of their own knowledge structures, followed by an external search for information from friends, family members, salespeople, and advertisements. This step can clarify the problem, providing criteria to use for assessing product alternatives and resulting in a subset, or consideration set, of potential choices.

These options are then assessed more completely in the third stage, alternative evaluation. In this stage, products in the consideration set are compared with one another. Sometimes a simple heuristic rule of thumb, such as I am going to buy the cheapest product; is used. At other times a more complex strategy, such as a weighted-average model that compensates for product strengths and weaknesses, is used.

After examining each alternative, consumers are ready to purchase, the fourth step in the decision process. Finally, after buying, the consumers enter the post purchase phase of the process, during which the performance of the chosen alternative is evaluated in light of prior expectations. Consumers will be satisfied with the product if it meets or exceeds expectations; dissatisfaction occurs if the product does not meet expectations.

This model of consumer behaviour, while very useful, is highly simplified and does not always accurately reflect the decision process consumers follow. Consumers may not always proceed linearly through the five steps as described, and sometimes they may skip certain steps entirely. The model, however, is a close approximation of the process for most consumers for most purchase occasions. This is summarised in the diagram below:
This model is important for anyone making marketing decisions. It forces the marketer to consider the whole buying process rather than just the purchase decision (when it may be too late for a business to influence the choice!).

The model implies that customers pass through all stages in every purchase. However, in more routine purchases, customers often skip or reverse some of the stages.

For example, a student buying a favourite hamburger would recognise the need (hunger) and go right to the purchase decision, skipping information search and evaluation. However, the model is very useful when it comes to understanding any purchase that requires some thought and deliberation.
The buying process starts with need recognition. At this stage, the buyer recognises a problem or need (e.g., I am hungry, we need a new sofa, I have a headache) or responds to a marketing stimulus (e.g., you pass Starbucks and are attracted by the aroma of coffee and chocolate muffins).

An “aroused” customer then needs to decide how much information (if any) is required. If the need is strong and there is a product or service that meets the need close to hand, then a purchase decision is likely to be made there and then. If not, then the process of information search begins.

In the last we can conclude that there are four main applications of consumer behaviour: The most obvious is for marketing strategy—i.e., for making better marketing campaigns. A second application is public policy. Third one is social marketing involves getting ideas across to consumers rather than selling something. As a final benefit, studying consumer behaviour should make us better consumers.

REFERENCES


