CONSUMER BUYING PSYCHOLOGY: THE DECISION MAKING

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ABSTRACT

The consumer behaviour is central to the planning, development, and implementation of marketing strategies. This study has added extensive cases, discussions, and examples relevant to Indian consumers and markets, creating a global perspective and making this pioneering study even more interesting to Indian students. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. Consumer behaviour is influenced by internal conditions such as demographics, psychographics, personality, motivation, knowledge, attitudes, beliefs, and feelings. Psychological factors include an individual's motivation, perception, attitude and belief, while personal factors include income level, personality, age, occupation and lifestyle. Behaviour can also be affected by external influences, such as culture, sub-culture, locality, royalty, ethnicity, family, social class, past experience reference groups, lifestyle, market mix factors. Marketing does not stop at understanding the buying processes customer however; there is need to understand their buying patterns and the market in which they operate. Buyer mind, is a black box, many persons tried to study the buyers mind and are successful to some extent only. Hence Buyer behavior is still a riddle.

Key Words: Consumer Psychology, Buying motive.
1. INTRODUCTION

The buyer is a complex person, influenced by the social environment in which he, his family, his society, his neighbor, his friends, his job, his colleagues live. Every component of his social environment leaves some imprint on him and influences him in his day-to-day life. His purchases and consumption are carried out within the larger context of his living. And his role as a buyer is not distinct from his role as a human being.

Buyer behavior, after all, is a specific aspect of general human behavior and, it is only natural that it is as complex as general human behavior. The Buyer is a riddle. He is not a simple entity. His needs vary from security needs to self-actualization needs. He satisfies his needs by his means. When his needs are costlier, he postpones them. With the revolution in the field of communication, the buyer is exposed to a great deal of information. He does not take all the information, but selects those which suit him. When the buyer takes a buying decision, there is no rigid rule to bind him. His decision may either be spontaneous on the spot or the made after a thorough analysis. Buyer behavior is psychological, social and physical behavior of potential customers as they become aware of, evaluate, purchase, consume, and tell others about products and services. In other words, buyer behavior includes the acts of individuals directly involved in obtaining and using economic goods. These acts are the result of a sequence of decisions made by the buyer. These decisions are influenced by various factors. Hence buyer behavior is the process by which individuals decide whether, what, when, where, how and from whom to purchase goods and services. Buyer behavior involves both individual (psychological) processes and group (social) processes. Buyer behavior is reflected by post-purchase evaluation which indicates satisfaction or non-satisfaction. Buyer behavior includes communication, purchasing and consumption behavior. Buyer behavior is shaped by social environment. Buyer behavior includes both consumer and industrial buyer behavior.

2. BUYER BEHAVIOUR: HISTORICAL APPROACHES

Consumer decision making process has long been of interest to researchers. Consumers are viewed as rational decision makers who are only concerned with self-interest. A number of different approaches have been adopted in the study of decision making. The major emerging approaches are discussed. The buyers are assumed to be rational in their decision-making. Classical psychologists interpret man's needs are coming about through the interplay of drives, stimuli, cues, responses, and reinforcement. Every organism has innate physiological drives connected with survival. Psychologists distinguish between primary drives (such as hunger, thirst, sex, and acquisitiveness). Man is primarily a social animal and his wants and behavior are largely influenced by the group of which he is a member. The tendency of all people is to "fit in" a society in spite of their personal likes and dislikes. Most of the luxury goods are bought primarily because one's neighbor or friend of the same status bought it. Culture, subculture, social classes, reference groups, family are the different factor groups that influence buyer behavior. Culture is the most fundamental determinant of a person's wants. The individual learns the values of his culture through a process called socialization. Culture has a great deal to do with how an individual sees, thinks, and feels. This becomes obvious when one steps into another culture.
3. BUYING MOTIVES

A consumer buys a particular product because he is influenced by certain motives. Motive is a strong feeling, urge, instinct, desire or emotion that makes the buyer to react in the form of a decision to buy. For that matter, every human activity is motivated and is not spontaneous. Consumers, for example, are goal-seekers who gratify their needs by purchases and consumption. In other words, needs are the motivational element behind purchase. Satisfaction proceeds through each of the five stages viz., psychological, safety, social, self-esteem and self-realization. When one need is satisfied, the customer will seek higher goals and thus proceeds up the hierarchy. It seems that distinction between needs and wants is necessary here. Needs are general in nature and common to all people. For example, need for safety is common. But all needs may not become demand. Only when need becomes specific and is consciously felt, it conditioned by certain motives. These are termed as buying motives buying motives are as "those influences or consideration which provides the impulse to buy, induce action or determine choice in the purchase of goods or services. These buying motives may be classified into two Product Motives & Patronage Motives.

Product Motives may be as those impulses, desires and considerations which make the buyer to purchase a product. Product motives may still be classified on the basis of nature of satisfaction as Emotional Product Motives and Rational Product Motives. Emotional product motives are those impulses which persuade the consumer on the basis of his emotion. The buyer does not try to reason out or logically analyze the need for purchase. He makes a buying to satisfy pride; sense of ego, urge to imitate others and his desire to be distinctive. Rational product motives are defined as those impulses which arise on the basis of logical analysis and proper evaluation. The buyer makes a rational decision after cheap evaluation of the purpose, alternatives available, cost benefit, and such other valid reasons. Product motives may also be classified in two ways Operational product motive and Socio-psychological product motives. Operational product motive may be defined ‘as an impulse arising out of the ability or function that a product is likely to provide. Socio-psychological product motive may be defined as the desire to buy the product which shall arise as a result of psychological or social significance that a buyer attaches to the product. Patronage Motives may be as consideration or impulses which persuade the buyer to patronize specific shops. Just like product motives, patronage can be grouped as emotional and rational. Emotional Patronage Motives are those that persuade a customer to buy from specific shops, without any logical reason behind this action. Consumer may be subjective for shopping in his favorite place. Rational Patronage Motives are those which arise when selecting a place depending on the buyers’ satisfaction that it offers a wide selection; it has latest models; it offers good after-sales services etc.

4. AFFECTING BUYER BEHAVIOUR

The buyer today is exposed to a veritable flood of information. There is a deluge of information unleashed on him from different sources. These sources inform him about new products and services, improved versions of existing products, new uses for existing products and so on. The common information sources that persuade people to try a product are advertising; samples and trials; display in shops; salesmen’s
suggestions. The buyer is living in a society, influenced by it and in turn influencing its course of development. He is a member of several organizations formal and informal. He is a unit of several groups. He belongs to a family, he is a member of some religion or caste, and he belongs to a certain language group. He may be a member of a professional forum; he may belong to a particular political group, or a cultural body. There is constant interaction between the individual and the organizations to which he belongs. And all these interactions leave some imprint on him. This influences him in his day-to-day life and consequently, his buying behavior. Actually group influence on buyer behavior is of two types since there are two types of groups exercising an influence on buyers the intimate group and the broad social classes. Intimate groups are family, friends, close colleagues, and small, closely-knit organizations. These groups exercise a strong influence on the life styles and the buying patterns of the members. Among these groups, the most influential and primary groups are the family and peer groups. The peer groups are close-knit groups composed of individuals, who have a common social background and who normally belong to the same age group. Buying behavior of individuals is also influenced by the social class to which they belong. Structurally, the social class is a larger group than the intimate groups. The constitution of a social class is decided by occupation, place of residence etc., of the individual members. The members of a social group will enjoy more or less the same community status and prestige. Each class develops its own standard of life style and behavior patterns. And the members of the class normally select a product or a brand which caters to their group norms. Marketers stand to gain considerably form a proper study of group influence on individual buying behavior; it will help them to develop proper marketing strategies for different customer segments. Every culture, every religion and every language group dictate its own unique patterns of social conduct. Within each religion, there may be several set and sub-sects; there may be orthodox groups and cosmopolitan groups. In dress and food habits, education or marriage in almost all matters of individual life, religion and culture exercise an influence on the individual directly or indirectly. The do's and don'ts listed out by religion and culture, control significantly the individual's life style and buying behavior. People are becoming more and more concerned about their image or their status in society. This concern is a direct outcome of the material property of the society. The desire to be somebody, 'to feel that you are somebody, are to show that you are one, is a compelling one in modern society. Status is announced through various symbols like dress, ornaments, possessions, and general lifestyle. The values attached to these status-symbols may change over time. It is for the marketing man to know and capture the marketing opportunity behind these changing symbols-symbols of status.

Marketers should also know the buying habits of customers-how, when and where they buy. Buying habits can be best studied in relation to the types of products purchased. In fact, classifications of consumer goods have been made on the basis of buying habits. One such classification divides them into convenience goods, shopping goods and specialty goods. Convenience Goods are certain products which the consumers would like to purchase with the least possible effort. Such items are purchased frequently and their unit price is low. There is not much of planning behind the purchase. Products like toothpaste, soap, cigarettes, etc., come under this category. Manufacturers make these products available in as many outlets as possible ensuring maximum exposure. If the products are not available easily, the consumer is not prepared to make a special shopping trip for buying the products, and he may readily switch over to any substitute product or brand available at the immediate vicinity. Shopping Goods include items like
furniture; dress materials, electrical appliances, etc. and are not purchased so frequently. There is an element of planning behind the purchase. It is not necessarily purchased at the easily accessible store. The buyer is willing to make one or more shopping trips to buy these items. These purchases involve considerable expenditure. The customer would certainly like to compare the prices, quality, patterns etc., in a number of stores before finalizing the purchase. Such products are normally not standardized items. There is an element of fashion in them. In accordance with these buying habits, marketing methods of these goods have been modified. Manufacturers of convenience goods make their products available through innumerable sales points, in the case of shopping goods, normally there will be a smaller number of selling points. And the manufacturers normally sell directly to the retailers without routing the supplies through a wholesale tier. Specialty goods are high-priced goods-care, watches, high priced dresses and ornaments, etc. Purchases of specialty goods involve substantial investment and the periodicity of purchase is less frequent than that of shopping goods. Especially goods are not purchased out of instant decisions. The various aspect of the purchase the cost angle, the utility angle, the prestige angle, the alternatives available, the experience of others who have purchased the product are analyzed before deciding on the purchase. Normally the entire family takes part in the decision-making process in the purchase of specialty goods. Since the buyers of such products are prepared to make special purchase efforts, the manufacturers need not have a wide distribution. They have a selective distribution, normally entrusting the job to selected retailers. In certain cases, the manufacturers of specialty goods operate their own retail outlets.

5. BUYING PROCESS

The buyer will postpone the less important motives. Marketing management should offer appropriate cues to promote the sale of the product. Aroused needs can be satisfied promptly when the desired product is not only known but also easily available. But when it is not clear what type or brand of the product can offer best satisfaction, the person will have to search for information. This may relate to the brand, location and the manner of obtaining the product. Consumers can use many sources, like family, friends, neighbors, opinion leaders and acquaintances. Marketers also provide relevant information through salesman, advertisements, dealers, packaging, sales promotion and window-displaying. Mass-media like newspapers, radio and television provide information. Marketers are expected to provide reliable, up-to-date and adequate information regarding their products and services. This is the pressing demand of consumerism. This is the critical stage in the process of buying. There are several important elements in the process of evaluation. A product is viewed as a bundle of attributes. These attributes or features are used for evaluating alternative brands. For example, a product like it has certain common attributes such as taste, flavor, strength, aroma, color, number of cups per packet and price. Information cues or hints about a set of characteristics of the product in brand such as quality, price, distinctiveness, availability etc. brand images and brand concepts can help in the evaluation of alternatives. In order to reduce the number of alternatives, some consumers may consider more critical attributes and mention the level of for those attributes. Occasionally, consumers may use an evaluation process permitting trade off among different alternatives. Marketers should grasp thoroughly the process and utility functions for designing and promoting the product.
While the consumer is evaluating the alternatives, he will develop some likes and dislikes about the alternative brands. This attitude towards the brand influences the intention to buy. Thus the prospective buyer heads towards final selection. In addition to all other factors, situational factors like dealers terms, falling prices etc., also are considered. Perceived risk may also influence the decision to purchase. High priced products involve higher risk. Sophisticated products involve performance risk. Consumers may not have confidence in foreign products involving higher cost and they would prefer national brands to reduce risks and problems of service after sale. The brand purchase and the product use provide feedback of information regarding attitudes. If the derived satisfaction is as per the expected satisfaction, it will create brand preference influencing future purchase. But if the purchased brand does not yield desired satisfaction, negative feelings will occur and this will create anxiety and doubts. This phenomenon is called cognitive dissonance. There will be lack of harmony between the buyer's beliefs and his purchase decision. Marketer may try to create dissonance by attracting users of other brands to his brand. Advertising and sales promotion can help marketer in this job of brand switching.

6. ORGANIZATIONAL BUYER

Most organizational purchase decisions are influenced by the firm's external and internal variables. For example, the fiscal policy of the government has a direct influence on the organizational customer's decision to buy a product. There are four major variables influencing buyer decisions Environmental, Organizational, Interpersonal and Individual.
The determinant in organizational purchases is the environmental factor. This includes factors like competitive developments in the industry, rate of technological change and the value of money. For example, if the buyer perceives that the government is likely to increase taxation, which will in turn increase the price of a crucial input, the buyer may resort to buying more material and holding its stock. Likewise, if the buyer anticipates new competition with a better technology, he may not repeat his entire purchase order with the existing suppliers. Internal variables like culture and environment of an enterprise affect buying decisions. For example, most Indian family owned firms have a centralized structure where purchase decisions often require the family's consent. This can delay purchases and sometimes even affect the firm's capability to compete in the market. As opposed to this, a decentralized structure allows for quicker decisions. The buying center usually involves several individuals with different formal authority status and persuasiveness. The marketer needs to know who exerts the maximum authority and able to persuade others to agree with his viewpoint. An understanding of group dynamics helps the marketer to evolve his strategy on selling to the buying center. Even though there are several individuals, organizational factors and environmental variables affecting buyer’s decisions, at the end, it is a human decision involving the individual that matters. It is important that the marketer has complete personal details of all individuals who are involved in the decision making process. Because, personal factors like age, income, education, job position, and so forth are likely to affect individual perception, motivation and preference.

7. SUMMARY

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. Over the years, several models have been put forward, with the intention of explaining buyer behavior. They do not fully explain the complex subject of buyer behavior. Nor do they establish a straight input-output equation on buyer behavior. A consumer buys a particular product because he is influenced by certain motives. But there are many other factors influencing consumer behavior such as Information; The Socio-Cultural Environment; Religion, Culture, Language, Status; buying habits etc., most organizational purchase decisions are influenced by the firm’s external and internal variables. Further, industrial buying will change, depending or whether the economy is going through a boom or a recessionary phase.

REFERENCES