

## National Institute of Technology Raipur

### *Factors affecting consumer buying behavior*

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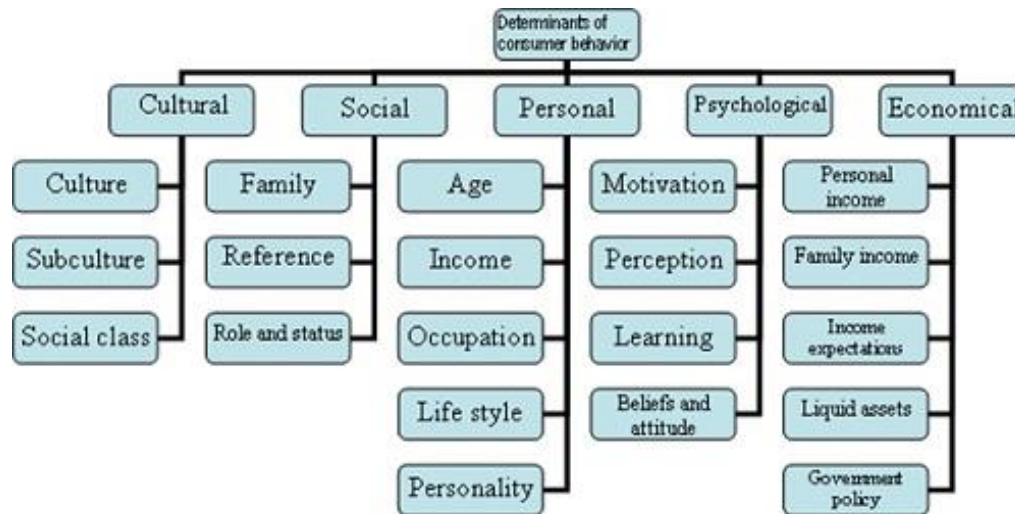
#### **Abstract:-**

This paper will give you a brief overview on the factors affecting the buying behavior of the ultimate consumer. There are various factors which influences the decision making process, purchasing power, shopping habits and the brands or the retailer with which the consumer most resonates. Understanding these factors help the brand to design an effective strategy, marketing message (UVP) so that they can inline the marketing and sales campaign with the consumer needs.[1], [2]

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#### **Introduction:-**

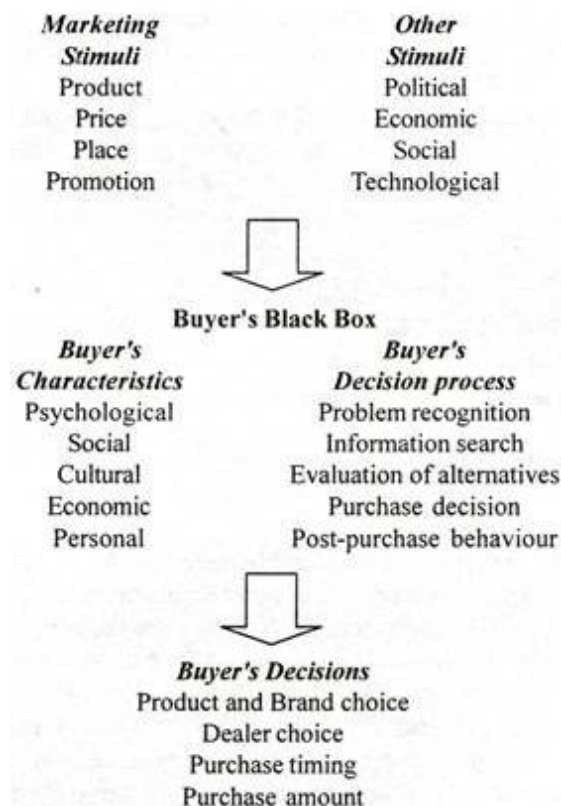
Initially the consumer tries to find out what products/ commodities they would like to consume and after that they find out which products promises a greater utility. After selecting the product, buyer finds out the available money they can spend on the product and then analyze which product offers a great utility in that price segment which the buyer can afford. There are also various factors which influence s the buying nature which are :- a)Psychological factors b)Social Factor c)Cultural Factors d)Economic Factors



To understand the buying persona we need to answer this five questions

- Who is our target market? What is their power with regard to their organization?
- How do they buy?
- When do they buy?
- Why do they buy?
- What do they buy? Who is involved in the buying process?

The answer of this questions lies on how the buyers would react to the marketing stimuli. The model for their stimulus response have been shown below.[3], [4]



The external stimuli along with the marketing stimuli mix and enter the Buyer's black box where they interact with the Buyer's characteristics and decision to produce a series of output in the form of purchase decision. The task of the marketing professionals is to understand the operation of Buyer's black box for which two main components of the box must be considered a) the factors that influences the buying decision b) the process for making the decision. The buyer's behavior are influenced by several factors which are:-

## 1.) Psychological Factors

They are also referred to as internal factors, the buying behavior is largely influenced by these factors and the most important one are a) Motivation b) Perception

### a) Motivation

Motive can be defined as an urge to meet the satisfaction and this becomes buying motive when the consumer seeks satisfaction through the purchase. Motivation is defined as the force which drives the goal-oriented process it pushes the individual to take action to achieve the goal. A need becomes a motive when it is raised above a certain level of intensity. There can be two types of needs which are:-[5], [6]

- a) **Biogenic needs** - it arises from physiological state of tension ex:- thirst and anger.
- b) **Psychogenic needs** - it arises from psychological states of tension such as needs for recognition, esteem.

### b) Perception

Men have 5 senses from which they are constantly receiving information and the amount of the information will seriously overload the system if it is processed at one go. So the brain cuts out extra information and this information is said to be as extraneous noise. Thus the processed information does not give you a complete overview. When the individual makes a world view they assemble the information. Any gaps are filled with imagination and experience. The mapping is affected by the following factors :-

- a) **Subjectivity** - This is the unique world view with in an individual.
- b) **Categorization** - This is defined as pigeon-holding and this is achieved by chunking where the individual organizes the information on various chunks of related items.
- c) **Selectivity** - This is defined as the degree to which brain is selecting information from the environment and this is a function of how much is going on and how the brain is selective the information

- d) **Past Experiences** - This is defined as interpreting the latter information in a specific way this is often referred to as law of primacy by the psychologists.

## 2.) Social Factors

Man is a social creature. Subsequently, our ways of behaving, likes furthermore, hate are impacted by individuals around us to a great degree. We generally look for affirmation from individuals around us and rarely do things that are not socially acceptable. The social elements affecting customer behavior are a) Family, b) Reference Groups, c) Roles and status.[2], [4]

### a) Family

There are two kinds of families in the buyer's life viz. Nuclear family and Joint family. Nuclear family is that where the family size is little and people have higher freedom to take decisions while in joint families, the family size is large and collective decision making gets more inclination than individual. Members of the family can unequivocally impact the buyers conduct, especially in the Indian context. The preferences, likes, dislikes, ways of life and so forth of the individuals are established in the family purchasing conduct. The impact of the family on the buying behavior of the individual is classified in two ways i) The family impact on the singular character, qualities, mentalities and assessment models and ii) The impact on the dynamic cycle included in the purchase of goods and products. In India, the head of the family may alone or mutually with his significant other decides the purchase. So marketers ought to concentrate on the job and the general impact of the spouse and kids in the purchase of good and services.

An individual generally lives through two families which are:-

### Family of orientation

This is the family wherein an individual takes birth. The impacts of parents and upbringing have a solid impact on the buying propensities. For example, an individual coming from a conventional Tamil or Gujarati vegetarian family may not consume meat or egg even however she might see the value in its dietary benefits. [5]

### Family of procreation

This is the family shaped by a person with their life partner and children. Generally, after marriage, a person's buying habits and needs change under the impact of spouse. As the marriage ages, the individual's typically get comfortable in certain roles. For example, a dad ordinarily takes choices on investment while the mother takes choice on strength of youngsters. From the marketing perspective, the degree of interest for some items is directed more by the quantity of households than by the quantity of families. The significance of families in the context of marketing is in this way considerably more about consumer behavior than about customer demand levels.

**b) Reference group**

A group is at least two people who share a bunch of standards furthermore, whose relationship makes their way of behaving associated. A reference group is a gathering with whom an individual associates. It is a gathering who emphatically impact an individual's perspectives values and conduct straightforwardly or by implication.[2], [4]

**c) Roles and status**

An individual takes an interest in many gatherings like family, clubs, and associations. The individual's situation in each group can be characterized in terms of job and status. A job comprises of the exercises that an individual is supposed to perform. Every role conveys a status. Individuals pick items that impart their job and status in the public eye. Marketers should know about the superficial point of interest capability of items and brands.

**3. Cultural Factors**

Kotler saw that human way of behaving is to a great extent the outcome of a learning cycle and as people grow up learning a bunch of values, perceptions, inclinations and behavioral pattern as the result of socialization both inside the family and a series of other key organizations. From this we foster a bunch of values, which decide and drive standards of conduct to a large extent. As indicated by Schiffman and Kanuk, values incorporate accomplishment, achievement, proficiency, progress, material solace, independence, opportunity, compassion, energy. This wide set of values is then impacted by the subcultures like nationality groups, religious gatherings, racial gatherings and topographical regions, all of which display levels of contrast in ethnic taste, social inclinations, taboos mentalities and way of life. Culture factor comprises of a) Culture, b) Sub culture and c) Social class. [1], [2]

**a) Culture**

Culture is the most crucial determinant of an individual's want. The growing child inculcates through a bunch of values and perceptions through their family and institutions. Culture impacts significantly the pattern of utilization and decision making. Marketers need to investigate the social powers and need to frame marketing strategies for each class of culture independently to push up the sales of their products . culture isn't permanent and changes slowly and such changes are logically acclimatized inside society.

Culture is a bunch of convictions and values that are shared by most individuals inside the group .The groupings considered under culture are generally somewhat enormous, yet entirely from a certain point of view a culture can be shared by a couple of individuals. Culture is passed on starting with one group part then onto the next, and specifically is

generally passed down starting with one age then onto the next; it is learned, and is subsequently both abstract and erratic. For instance, food is firmly connected to culture. While fish is viewed as a delicacy in Bengal, and the Bengalis brag of a few hundred distinct assortments, in Gujarat. Rajasthan or Tamil Nadu, fish is viewed as generally unacceptable food item. These distinctions in preferences are made sense of by the culture as opposed to by a few arbitrary contrasts in taste between people; Culture can change throughout some stretch of time, albeit such changes will generally be slow, since culture is profoundly incorporated into individuals' way of behaving. From the marketing perspective, accordingly, it is likely a lot simpler to work inside a given culture than to attempt to transform it.

### **b) Sub-Culture**

Each culture comprises of smaller sub-societies. Sub-culture alludes to a bunch of convictions shared by a subgroup of the primary culture, which incorporate identities, religions gatherings and geographic districts. Many sub- Societies make up significant market sections and marketers need to plan items and advertising programs custom-made to their necessities. Albeit this subgroup will share a large portion of the convictions of the fundamental culture, they share among themselves with different kind of convictions, which might be at odd with those held by the fundamental group . For instance, Indians are typically viewed as customary, moderate individuals, yet rich youths don't hesitate to enjoy night parties.

### **c) Social class**

Customer behavior is governed by the social class to which they belong. The grouping of financial bunches is known as Socio-Economic Classification (SEC). Social class is somewhat a permanent and requested division in the society whose individuals share common values interest and conduct. Social not entirely settled by a solitary variable, but is estimated by a combination of different variables, like pay, occupation, education, authority, power, property, proprietorship, life style, utilization, design and so on. There are three distinct social classes in our general public. They are privileged, working class and lower class. These three social classes vary in their buying behavior. Privileged buyers need posh products to keep up with their status in the general public. Working class customers buy cautiously and gather data to analyze various makers in the same line and lower class buyers buys without much forethought. Hence marketing managers are expected to study cautiously the connection between different classes and their utilization.

## **4. Economic Factors**

Consumer behavior is impacted generally by monetary factors. Economic variables that impact buyer's conduct are

- a) Personal Income,
- b) Family income,
- c) Income expectations,
- d) Savings,
- e) Liquid assets of the Consumer,
- f) Consumer credit,
- g) Other economic factors.

#### **a) Personal Income**

The individual income is determinant of his buying conduct. The gross individual income of an individual comprises of disposable income and discretionary income. An increase in the disposable income promotes the expenditure.

#### **b) Family income**

Family income alludes to the total pay of all the individuals from a family. Family income impacts the purchasing conduct of the family. The excess family pay, staying after the consumption on the fundamental necessities of the family, is made accessible for purchasing shopping merchandise, extravagances etc.

#### **c) Income Expectations**

It is one of the significant determinants of the buying behavior of a person. Assuming he anticipates any increment in his income, he is enticed to spend more on shopping products, strong merchandise and extravagances. On the other hand, assuming that he expects any fall in his future pay, he will shorten his consumption on solaces and extravagances and confine his use to minimum essentials.

#### **d) Savings**

Saving funds likewise impact the buying conduct of an person. A change in saving reserves effect the overall expenditure of an individual this effecting the buying behavior.

#### **e) Other economic factor**

Other economic elements like business cycles, expansion, and so on. additionally impact the purchaser conduct.

### **5. Personal Factors**

Individual factors additionally impact buying behavior. The significant individual variables, which impact buying behavior, are a) Age, b) Occupation, c) Income and d) Life Style

### a) Age

Age of an individual is one of the significant individual variables affecting buying behavior.

### b) Occupation

Occupation or profession of an individual impacts his buying behavior. The ways of life and purchasing contemplations vary generally as indicated by the idea of the occupation. For example, the purchasing of a specialist can be effectively separated from that of a legal counselor, educator, agent money manager, landowner, and so forth. Along these lines, the marketing team need to plan different strategies suiting the buying intentions of various groups.

### c) Income

Income level of individuals is another element which can apply impact the buying behavior. Income is a significant wellspring of buying power.

### d) Life Style

life style of an individual's is depicted in his action, interests and conclusions that portrays the "entire individual".

## **Conclusion**

For a successful sales and marketing campaign the service team ought to function as analyst to procure buyers. By remembering factors influencing things can be made favorable and objective of consumer satisfaction can be accomplished. Investigation of buyer purchasing conduct is door step to progress in market.

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