

## UNIT 5

### UNDERSTANDING CONSUMER BUYING BEHAVIOR

#### 1. CONSUMER BEHAVIOR

Consumer behavior is the study of how individuals, groups, or organizations make decisions to select, purchase, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. Understanding it helps marketers develop effective strategies by predicting how consumers will respond to their products and messages.

#### 2. FACTORS INFLUENCING CONSUMER BUYING BEHAVIOR

Consumer buying behavior is influenced by a complex mix of cultural, social, personal, and psychological factors. These factors shape an individual's preferences, perceptions, and decisions when they consider, select, and purchase products or services.

##### 1. Cultural Factors

These factors are the most fundamental influences on a person's wants and behavior.

- **1.1 Culture:** Culture is the set of values, perceptions, and behaviors learned by a member of society from their family and other key institutions. It is the broadest influence on consumer behavior. For example, cultural norms in India may emphasize saving, leading to different spending habits than in a more consumer-driven culture.
- **1.2 Subculture:** A subculture is a group of people within a culture that shares common experiences and value systems based on shared life situations, such as nationality, religion, race, or geographic region. Marketers often tailor products and marketing to these specific groups, such as targeting the Indian diaspora with ethnic products.
- **1.3 Social Class:** Social class is a relatively permanent and ordered division in a society whose members share similar values, interests, and behaviors. It's determined by a combination of occupation, income, education, and wealth. A person's social class influences their choice of brands, stores, and leisure activities.

##### 2. Social Factors

These influences come from a person's interactions with others.

- **2.1 Reference Groups:** A reference group is a social group that an individual uses as a standard for comparison. They can directly or indirectly influence a person's attitudes and behaviors.
  - **2.1.1 Primary Reference Group:** These are groups with whom a person has regular, informal interaction, like family, friends, and close co-workers.
    - **2.1.1.1 Membership reference group:** A group a person currently belongs to and identifies with. For example, a college student buying merchandise to show their affiliation with a sports club.
    - **2.1.1.2 Aspiration reference group:** A group a person aspires to belong to. For example, a young professional buying a certain brand of car to align with the image of a successful entrepreneur they admire.
    - **2.1.1.3 Disclaimant reference group:** A group a person belongs to but whose values and behaviors they reject. For example, an artist avoiding

the "corporate uniform" of a specific work environment to express their nonconformity.

- **2.1.1.4 Avoidance reference group:** A group whose values a person wants to avoid. For example, a person deliberately choosing not to wear a particular style of clothing associated with a social group they dislike.
- **2.1.2 Secondary Reference Group:** These are more formal and less frequent interactions, such as professional associations or religious organizations.
- **2.2 Family:** The family is the most important consumer-buying organization in society. Marketers study the roles and influence of family members on the purchase of different products and services. The buying habits of children, for example, often influence the entire family's purchases.

### 3. Personal Factors

These are individual characteristics that influence buying decisions.

- **3.1 Age and Lifecycle Stage:** A person's tastes and preferences for products like clothing, food, and furniture change with their age and family life cycle. A single young adult will have different buying habits than a retired couple.
- **3.2 Occupation and Financial Status:** A person's job and income directly affect their purchasing power and the types of products they can afford. A CEO will buy different products than a construction worker.
- **3.3 Lifestyle:** This refers to a person's pattern of living as expressed in their activities, interests, and opinions. Marketers often segment markets by lifestyle groups, such as fitness enthusiasts or adventure seekers, and design products to fit their specific needs.

### 4. Psychological Factors

These are internal mental processes that influence a person's behavior.

- **4.1 Motivation:** Motivation is the driving force that prompts a person to satisfy a need. Theories like Maslow's Hierarchy of Needs suggest that people are motivated to fulfill basic physiological needs before moving on to higher-level needs like safety, social belonging, and self-actualization.
- **4.2 Perceptions:** Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world. Marketers must understand how consumers perceive their products and brand messages.
- **4.3 Beliefs and Attitudes:** A **belief** is a descriptive thought a person holds about something, like "organic food is healthier." An **attitude** is a person's consistently favorable or unfavorable evaluation, feeling, and tendency toward an object or idea. Both are difficult to change and are major influences on a person's buying decisions.

### 3. BUYING DECISION

Every person makes a number of decisions every day without stopping to think about the process involved in arriving at such decisions. Decision-making is a process of selecting an appropriate option from two or more alternatives. A customer enjoys the freedom of choosing a particular brand or product when there is more than one brand or product to choose from.

#### 1. Buying Roles

A buying role is the specific part a person plays in a buying decision. In many purchase processes, multiple people are involved, each taking on a different role. Understanding these roles helps marketers target the right individual with the right message.

- **Initiator:** The person who first suggests or thinks of the idea of buying a particular product or service.
  - **Example:** A child asking their parent for a new video game.
- **Influencer:** The person whose views or advice influence the buying decision.
  - **Example:** A tech blogger's review of a new smartphone that convinces a consumer to buy it.
- **Decider:** The person who ultimately determines any part of the buying decision, such as whether to buy, what to buy, how to buy, or where to buy.
  - **Example:** A parent who decides to purchase a particular brand of cereal after hearing their child and a friend's recommendation.
- **Buyer:** The person who makes the actual purchase.
  - **Example:** The parent who goes to the store and pays for the cereal.
- **User:** The person who consumes or uses the product or service.
  - **Example:** The child who eats the cereal.
- **Maintainer:** The person who services or repairs the product to keep it running.
  - **Example:** A car owner who takes their vehicle to a service center for routine maintenance.
- **Disposer:** The person who disposes of the product after it is no longer used.
  - **Example:** A person who recycles an old smartphone.

#### 2. Buying Behavior

Buying behavior refers to the different levels of effort and thought consumers put into their purchasing decisions. This behavior varies widely depending on the product's price, importance, and the consumer's experience with it.

- **Extensive Problem Solving Buying Behavior:** This occurs when a consumer is buying an expensive, infrequently purchased, or high-risk product. The consumer is highly involved in the purchase and will spend a significant amount of time and effort on information search and evaluating alternatives.
  - **Example:** Buying a new house or a car.
- **Routinized Buying Behavior:** This applies to low-cost, frequently purchased items where the consumer already has a set preference. The buying process is quick, with little or no information search or evaluation. This is also called habitual buying.
  - **Example:** Buying a specific brand of toothpaste or bread every week.
- **Variety Seeking Behavior:** This is characterized by low consumer involvement but a significant perceived difference between brands. The consumer often switches brands out of boredom or a desire for variety rather than dissatisfaction.
  - **Example:** Trying a different brand of biscuits or soft drink each time you go to the store.

#### 4. BUYING DECISION PROCESS

Consumers pass through different stages before actually buying products. The buying decision process is the journey a consumer takes from identifying a need to making a purchase and evaluating the outcome. Data regarding these stages in the buying decision process can be obtained from the consumers who have already purchased the product or from prospective customers. It is a fundamental concept in marketing, as it helps businesses understand how to influence consumers at each stage. Generally the buying decision process can be divided into five stages:

##### 1. Problem Recognition

The process begins when a consumer recognizes a need or a problem. This could be triggered by an internal stimulus (like hunger or thirst) or an external one (like seeing an advertisement for a new smartphone). The consumer senses a difference between their current state and a desired state.

- **Example:** You're sitting on your couch and notice your phone's battery is dying quickly. You realize you need a new phone that has better battery life.

##### 2. Information Search

Once a need is recognized, the consumer starts to look for information about potential solutions. This search can be either passive or active.

- **2.1 Personal Sources:** Family, friends, neighbors, and acquaintances. This is often the most trusted source of information.

- **Example:** You ask your friend what kind of phone they have and if they're happy with its battery.
- **2.2 Commercial Sources:** Advertisements, salespeople, dealer websites, packaging, and displays. These sources are controlled by the marketer.
  - **Example:** You see an ad for the new Samsung Galaxy and visit the company's website to read its specifications.
- **2.3 Public Sources:** Mass media, consumer-rating organizations, and online reviews.
  - **Example:** You read a review of the latest smartphones on a technology blog or watch a YouTube review video.
- **2.4 Experiential Source:** Handling, examining, or using the product.
  - **Example:** You go to a store and try out a new phone in person to see how it feels and works.

### 3. Evaluation of Alternatives

In this stage, the consumer uses the gathered information to evaluate the different brands and products in their consideration set. They weigh the pros and cons based on specific attributes they find important, such as price, quality, features, and brand reputation.

- **Example:** You create a mental list of three phones you're considering. You compare their battery life, camera quality, and price to see which one best fits your needs and budget.

### 4. Purchase Decision

After evaluating the alternatives, the consumer decides which product to purchase. This decision includes not just the brand, but also the store, the quantity, and the timing of the purchase. The consumer's final decision is influenced by others' attitudes and unexpected situational factors.

- **Example:** You decide to buy the Samsung Galaxy phone because it has the best battery life among your options and you find a good deal on it at a local electronics store.

### 5. Post-Purchase Behavior

The consumer's experience with the product after the purchase is crucial. Their satisfaction or dissatisfaction will influence their future buying behavior and their communication with other potential buyers.

- **5.1 Post-purchase satisfaction:** When the product's performance meets or exceeds the consumer's expectations. This often leads to repeat purchases and brand loyalty.

- **Example:** You're happy with your new phone; its battery lasts all day, and you tell your friends how great it is.
- **5.2 Post-purchase dissonance:** A feeling of unease or anxiety after making a difficult or expensive purchase. This is also known as "buyer's remorse."
  - **Example:** After buying the expensive phone, you wonder if you made the right choice or if another, cheaper phone would have been just as good.
- **5.3 Post-purchase use and disposal:** This final stage involves how the consumer uses and eventually disposes of the product. This can provide valuable insights to marketers.
  - **Example:** You use your new phone daily for two years before upgrading and trading in the old one.