

BCOS-186
Personal Selling and Salesmanship

BLOCK
2

Buying Motives and Sales Force Motivation

UNIT 5

Buying Motives

UNIT 6

Buyer Behaviour

UNIT 7

Sales Force Motivation

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BLOCK 2 BUYING MOTIVES AND SALES FORCE MOTIVATION

In the previous Block 1, you have been acquainted with the concept of personal selling and sales management. Now in this block, you will be given a tour of the concepts of buying motives, buyer behavior and sales force motivation. This block consists of three units.

Unit 5 explains the meaning of concept of buying motives, importance of buying motives, types of buying motives, and application of buying motives in personal selling and buyers' motivation

unit 6 explains the meaning of concept of buyer behaviors, difference between buyer and consumer, and factors affecting buyer behavior

unit 7 explains the meaning and importance of concept of motivation, dynamic nature of motivation, motivation and need, maslow's theory of need hierarchy and motivational techniques for the salespersons (financial & non-financial motivators).

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UNIT 5: BUYING MOTIVES

Structure

5.0. Objectives

5.1. Introduction

5.2. Meaning of Buying Motives

5.3. Importance or application of buying motives in personal selling

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5.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of buying motives;
- discuss the importance of buying motives in personal selling;
- describe the types of buying motives;
- apply the concept of buying motives in personal selling; and
- describe the notion of buyer motivation.

5.1. INTRODUCTION

The slogan “Consumer is the king of the market” is what forms the basis for the modern marketers today. A consumer is said to have a motive behind his each and every purchase. In other words, A consumer’s purchase depends upon the motives that he wishes to fulfil by buying that product. These motives are stimulated by various customer. Specific factors like physiological, societal, and financial factors etc. influence the buying motives. A customer is susceptible to buy a particular product if it fulfils his motive of purchase. To rephrase it, a marketer is likely to sell the product to the customer if he is able to identify his motive of purchase. For instance, during monsoon season, a customer is motivated to buy an umbrella to protect himself from the rain. Similarly, a customer is motivated to buy a detergent in order to wash his dirty clothes. The factors that stimulate or motivate the customer to buy a particular product are referred as ‘buying motive’.

A customer is said to make a purchase not just to own that particular product but to satisfy these forces that are the ‘buying motives.’ To reiterate, ‘buying motives’ are the “internal

feelings” of a customer/ buyer and he tries to gratify them to the fullest. Buying motives relate to the feelings and emotions of people which generates a desire to purchase. Buying motives are the motive to persuade the desires of people so that they buy a particular good or service. In this unit you will learn :

5.2. MEANING OF BUYING MOTIVES

Various authors have made significant contribution to the literature of buying motives in personal selling. Few of them have put forward the following definitions of buying motives:

As defined by W. J. Stanton, *“A motive may be defined as a drive or an urge for which an individual seeks satisfaction. It becomes a buying motive when the individual seeks satisfaction through the purchase of something.”*

As per D. J. Duncan, *“Buying motives are those influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods and services.”*

Prof. S. Davar defined it as *“A motive is an inner urge that moves or prompts a person to some action.”*

In the words of Berelson and Steiner *“A motive is the inner state that energizes, activates or moves and that directs or channels behaviour towards goals.”*

Prof. William G. Carter has given a long list of buying motives such as *“money, vanity, acquisitiveness, rivalry, adornment, cleanliness, collecting, amusement, construction, companionship, mental culture, appropriateness, ambition, inhibitive-ness, reverence, affection, tastes, sex, limitation, curiosity, self-preservation, sympathy, gratitude, patriotism, and so on.”*

From the above mentioned definitions we can conclude that buying motive is a psychological human urge which inspire the consumers to buy the products or services to satisfy their needs. In other words, a buying motive is the desire, stimulus, thoughts, urge, instinct, feelings that makes a buyer to buy a commodity.

5.3. IMPORTANCE OR APPLICATION OF BUYING MOTIVES IN PERSONAL SELLING

The understanding of the ‘Buying motives’ concept is necessary due to the following reasons:

1. Improvising salesmanship : As a buying motive is the sole reason behind every purchase, therefore a salesperson can improve his skills of salesmanship by understanding the buying motive of his customer. Once he understands the motive of his customer behind the purchase, he will be able to better cater his needs in terms of the quality, price, size, colour etc. of the product. Also, by understanding the purchase motive of the customer, the salesman will be in a better position to guide him and influence his purchase behaviour. The understanding of this concept will definitely help the salesperson to polish his skills on existing job and look forward to better career opportunities.

2. Assists in product planning : Buying motives facilitate the marketing experts and the firms, in taking product planning decisions in line with the customers' preferences. Under this, the various market experts conduct a thorough market research wherein they try to explore the buying motives of their target audience. They try to understand what colour, size, features, occasions, design etc, the target audience is looking for. Accordingly, these experts or firms take decisions pertaining to the planning of the product.
3. Facilitates in pricing decisions : Pricing decision is one of the critical factors that influence a firm's survival or growth in the market. Therefore, a firm must undertake a comprehensive analysis of the data while setting up the price of a product. Buying motives helps the firms in determining the motives of their target audience and further classifying them into rational or emotional buying motive categories. Based on these buying motives classification, their price sensitively can be determined. A rational buying motive buyer is likely to be more price sensitive than an emotion driven buyer.
4. Role in promotion- mix : A firm uses various promotional techniques viz. personal selling, advertising, direct marketing, sales promotion, and publicity etc. to spread awareness or communicate about its product or services to the target audience. Knowledge of the buying motives of the target audience can help the marketers to understand the forces that stimulates their target audience to make a purchase. A decision can be made whether the target audience is driven by rationality or is stimulated by emotions. Accordingly, a suitable promotion mix comprising of appropriate promotional technique, the type of advertising appeal used in the message, the body copy of the message/ advertisement etc. can be determined to communicate with the target audience effectively.
5. Determining channels of distribution : There are some consumers that prefer buying product or service from the wholesaler itself. They do not prefer buying commodities from some middlemen or retailer. Such customers are influenced by "self- protective" buying motives while making a purchase. Therefore, a marketer must take into consideration the 'buying motives' of the customers before taking any logistics related decision.
6. Contributes to firm's goodwill : Firms try to satisfy their customers by understanding their buying motives and cater their needs accordingly. Customer satisfaction in turn results into a positive image of the firm in the market which leads to the creation of firm's goodwill in the market.
7. Increases Customer trust and loyalty : Since, firms ensure their customers' satisfaction by analysing their buying motives, it builds the customer's trust in the brand or firm. Customer trust further induces the customer's loyalty to the brand or firm.

5.4. TYPES OF BUYING MOTIVES

Buying motives can be classified as follows (Figure1):

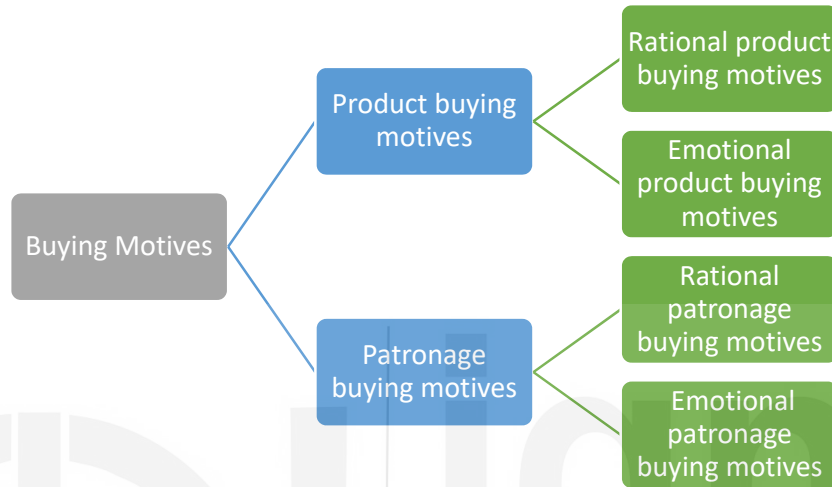


Figure 1: Types of buying motives flow chart, let us learn them in detail.

1. Product buying motives :

Under product buying motives, a customer is said to be motivated to buy a specific product. This motivation is induced by various product specific factors like size, colour, package, quality, quantity, and design etc.

Product buying motives can be further classified into rational buying motives and emotional product buying motives.

i. Rational product buying motives

When a buyer decides to purchase a certain product after carefully or logically considering each and every aspect associated with the purchase. Such purchase is said to be influenced by rational buying motives.

Some of the rational product buying motives are listed below:

- *Safety or Security:* Security or safety is one of the significant rational products buying motive of the customers which influences their purchase decision. For example, if one wishes to buy an iron safe or a locker to safeguard his jewellery or any other expensive item, he shall examine each and every aspect of the iron safe or the locker in terms of its strength, space, and security etc. to make sure that his belongings remain safe therein.
- *Economy:* Operating or maintenance cost of the product also plays a crucial role while making purchase decision. Customers often, prefer buying those

goods or commodities whose operating or maintenance costs are comparatively low. For instance, customers belonging to middle income group prefer buying a diesel or CNG operated cars since their prices are lower than petrol prices. Also, they give better mileage than petrol cars.

- Price of the product: It is the first and foremost factor that buyers consider while making a purchase decision. Buyers have a tendency of comparing the prices of the similar goods (substitute in nature) and buy the one which is relatively cheaper.
- Suitability of the product: Suitability is one of the buying motives which influences a buyer's purchase decision. A smart buyer usually buys those products that suits to his requirements. For instance, a buyer owns a small house and is looking for a dining table for his house, will go for a compact one rather than a big dining table as it will occupy more space.
- Versatility of the product: A product is said to be versatile when it can be put to multiple uses. A buyer's purchase decision is influenced by the versatility of the product.
- Durability of the product: Durability means long lasting that is something superior in quality which lasts longer in comparison to other products. Durability is one such factor that influences a buyer's purchase behaviour. Buyers even pay premium price for durable products. For example, buyers usually prefer teak or rosewood, though they are comparatively costlier over any other inferior wood for the furniture.
- Convenience/ comfort of the product: Buyers prefer buying those products that are convenient to use. For instance, a domestic gas stove. Here, the buyer prefers the most convenient model so that he can easily use it.

Emotional product buying motives

When a buyer decides to purchase a certain product without carefully or logically, but emotionally considering every aspect associated with the purchase. Such purchase is said to be influenced by emotional buying motives.

ii. Emotional product buying motives include the following:

- Prestige or Pride: Prestige is the one of the strongest emotional buying motives that buyers possess. Buyers feel proud of possessing certain products and purchase those products to ensure their social status in the society. For instance, preference for diamond jewellery, buying a newly launched iPhone model, new luxurious automobiles etc.
- Emulation: Some people buy certain products just because some other person owns that product. In other words, some buyers try to imitate others and tend to buy what others own. For instance, a boy is likely to buy a new bike just because his friend has bought the latest model of that bike. Similarly a housewife wishes to buy a diamond ring just because some of her relatives has bought one.

- **Affection:** Affection or love is the most common emotional buying motive. Buyers tend to buy certain commodities or goods out of their love or affection for someone. For example, a son buys an expensive watch for his dad and a mother gifts a costly ring to her daughter out of her love and affection.
- **Individuality or distinctiveness:** Desire to look different from others is one of the emotional buying motives. For instance, some people wear a specific type of clothes to make himself different and ensure their individuality.
- **Pleasure or recreation:** A wish for pleasure or recreation also induces a buyer to buy certain goods. People buy goods like musical instruments, radios etc with a desire for pleasure or recreation.
- **Habit:** Habit is a significant emotional buying motive. People become habitual of some goods and they need them at any cost. For instance, People get addicted with alcohol or cigarettes; some facewash that suits your skin; sleeping pills etc.

2. Patronage buying motives

Under patronage buying motives, a customer is said to be motivated to buy from a specific seller or shop. This motivation induced by various seller or shop specific factors like convenience, variety, shop reputation, and credit facility etc.

Patronage buying motives can be further classified as rational patronage buying motives and emotional patronage buying motives. Let us learn them.

i. Rational patronage buying motives

When a buyer decides to patronize or purchase from a certain shop or seller after carefully or logically considering each and every aspect associated with it. Such purchase is said to be influenced by rational patronage buying motives.

Some rational patronage buying motives are as follows:

Convenience: Convenient location or working hours is the most common rational patronage buying motive. A Buyer is likely to patronise a shop which is located at a convenient place. For example, local grocery shops, chemist shops, dairy etc.

In addition to convenient location convenient working hours also induces a buyer to patronise a specific shop. For instance, a 24- hours open chemist shop; grocery shop with long working hours; other convenience shops like 24*7 etc.

Lower prices: Price has always been the most dominating factor influencing a buyer's purchase decision. A buyer is most likely to patronise a shop which charges him a price which is comparatively lower than the price charged by

others. A special discount or rebate always motivates a customer to patronise the shop.

Credit facilities: Shopkeepers tend to offer certain privileges to the customers to engage them. One such privilege is credit facility. Many shopkeepers sell their products to the customers on credit basis and maintain a register/ record of the same. Later, the buyer at his convenience pays back to the seller.

Wider choices: Customer always prefers shops that offers them with wide variety of options. Hence, wider choice factor induces a customer to patronise a shop and is considered as an important rational consideration.

Reputation of the shop: Shopkeepers who are honest in their dealings and offer fair prices to their clients are always preferred by the customers. A customer automatically starts patronising a shop or shopkeeper who has good reputation in the market.

ii. Emotional patronage buying motives

When a buyer decides to patronize or purchase from a certain shop or seller without logically but emotionally considering each and every aspect associated with it. Such purchase is said to be influenced by emotional patronage buying motives.

Some emotional patronage buying motives are as follows:

- **Shop appearance:** Sometimes, customers find some shop attractive because of their ambience, display of the goods, theme of the shop etc., so they start patronising that particular shop.
- **Recommendations:** Recommendations plays a significant role in determining a buyer's purchase behaviour. Word of mouth or recommendation by some person for example family member, peer group, friends, relatives etc. plays an important role in influencing a buyer purchase pattern.
- **Emulation:** Some people buy certain shops or shopkeeper just because other people buy from that shop. In other words, some buyers try to imitate others and tend to buy from those shops from where other people buy.
- **Prestige:** Status or prestige is one of the significant emotional patronage buying motives. For example, people prefer visiting five- star hotels for dinner; people buy clothes from certain top brands etc.
- **Habit:** Habit is one of the emotional patronage motives. People are often seen buying products from some shops simply out of their habit of buying it from that particular shopkeeper or shop.

5.5. BUYER MOTIVATION

Buyer motivation refers to a set of psychological factors that influences a buyer's purchase decision. In other words, these are the factors that drive a person to buy a product or service. For instance, a hungry person is motivated to buy food; people are motivated to buy new clothes during festivals etc. The concept of 'buyer motivation' has originated from a process known as the "Buyer's Journey." (Figure 2)



Figure 2: Stages of a buyer's journey

There are mainly three stages involved in a buyer's journey:

1. Awareness: This is the first stage of the buyer's journey. In this stage, the buyer becomes aware of the problem, need or want. To rephrase it, the buyer tries to identify the problem for instance, the buyer is feeling hungry or thirsty etc. In this, the buyer recognises the need, want or problem. The identified problem, need or want acts as stimulus that motivates the buyer to involve in information search. However, the stimulus can be internal or external. For example, a buyer was feeling hungry and started searching for a restaurant is an internal stimulus on the other hand the buyer searching for a restaurant on some friend's recommendation is an external stimulus.
2. Information search: At this stage, the buyer is well aware of the problem. The buyer has successfully identified his want or need. Now, the buyer tries to explore the various options that can satisfy his need or solve his problem. The buyer undertakes extensive research and gathers information about each available option. For example, the buyer was feeling hungry and started exploring the nearby restaurants.
3. Decision: This is the final stage where the buyer makes the decision and chooses the best suitable option among all other available options. The buyer is determined that the chosen option will solve his problem or satisfy his need or want to the fullest.

Check Your Progress

1. State whether the following statements are: True or False
 - i. A motive is an inner urge that moves a person to some action.
 - ii. Buying motives assists in product planning.
 - iii. Buying motives has no role in promotion- mix.
 - iv. Safety is a type of emotional product buying motive.

v. Rational Patronage buying motives are influenced by emotions.

2. Fill in the blanks:

i. Buying motives can be classified as _____ and _____ motives.

ii. The three stages of a buyer's journey are _____, _____ and _____.

iii. Emulation or imitation is a type of _____ product buying motive.

iv. Patronage buying motives are concerned with patronising a specific _____.

v. _____ and _____ are examples of rational patronage buying motives.

vi. Reputation is a type of _____ buying motive.

vii. _____ stage of buyer's journey is concerned with identification of the problem.

viii. A stimulus can be _____ or _____.

ix. A buyer's motivation is driven by a set of _____ factors.

x. Individuality is a type of _____ buying motive.

3. What do you mean by Buying motives? What is its importance in personal selling?

4. What do you mean by emotional patronage buying motive?

5.6. LET US SUM UP

A consumer is said to have a motive behind his each and every purchase. In other words, A consumer's purchase depends upon the motives that he wishes to fulfil by buying that product. These motives are stimulated by various customer – specific factors like physiological, societal, and financial factors etc.

The factors that stimulate or motivate the customer to buy a particular product are referred as 'buying motive'. A customer is said to make a purchase not just to own that particular product but to satisfy these forces that are the 'buying motives.' To reiterate, 'buying motives' are the "internal feelings" of a customer/ buyer and he tries to gratify them to the fullest.

The understanding of the 'Buying motives' concept is necessary due to the reasons: 1. Improvising salesmanship 2. Assists in product planning 3. Facilitates in pricing decisions 4. Role in promotion- mix 5. Determining channels of distribution 6. Contributes to firm's goodwill 7. Increases Customer trust and loyalty.

Buying motives can be classified into product buying motives and patronage buying motives, which can be further classified into emotional product buying motives and rational product buying motives and emotional patronage buying motives and rational patronage buying motives respectively.

Some emotional product buying motives are prestige, emulation, affection, individuality, pleasure, habit. Some rational product buying motives are safety, economy, price, suitability, versatility, durability, convenience.

Some emotional patronage buying motives are appearance, recommendations, habit, emulation, prestige. Some rational patronage buying motives are convenience, lower prices, credit facilities, wider choices, reputation of the shop.

Buyer motivation refers to a set of psychological factors that influences a buyer's purchase decision. In other words, these are the factors that drive a person to buy a product or service. There are mainly three stages involved in a buyer's journey: Awareness, information search, decision.

5.7. KEY WORDS

Buying motives: factors that stimulate or motivate the customer to buy a particular product

Buyer motivation refers to a set of psychological factors that influences a buyer's purchase decision.

Emotional patronage buying motives: When a buyer decides to patronize or purchase from a certain shop or seller without logically but emotionally considering each and every aspect associated with it.

Emotional product buying motives: When a buyer decides to purchase a certain product without carefully or logically, but emotionally considering every aspect associated with the purchase.

Patronage buying motives: a customer is said to be motivated to buy from a specific seller or shop.

Product buying motives: a customer is said to be motivated to buy a specific product.

Rational product buying motives: When a buyer decides to purchase a certain product after carefully or logically considering each and every aspect associated with the purchase

Rational patronage buying motives: When a buyer decides to patronize or purchase from a certain shop or seller after carefully or logically considering each and every aspect associated with it.

5.8. ANSWERS TO CHECK YOUR PROGRESS

1. i. True ii. True iii. False iv. False v. False

2. i. Product and patronage ii. Awareness, information search and decision iii. Emotional iv. Shop or shopkeeper v. Lower prices and wider choice vi. Rational vii. Awareness viii. Internal and external ix. Psychological x. Emotional product

5.9. TERMINAL QUESTIONS

1. Define buying motives.
2. Discuss the significance of buying motives in personal selling.
3. Explain the various types of buying motives with examples.
4. Differentiate between rational and patronage buying motives
5. Write short note on the following:
 - a) Buyer motivation
 - b) Emotional patronage buying motives
 - c) Rational product buying motives
 - d) Buyer's journey
 - e) Emulation



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UNIT 6: BUYER BEHAVIOUR

Structure

- 6.0. Objectives
- 6.1. Introduction
- 6.2. Concept of Buyer Behavior
- 6.3. Difference between Buyer and Consumer
- 6.4. Factors affecting/ influencing Buyer Behavior
- 6.5. Let Us Sum Up
- 6.6. Case Study
- 6.7. Key Words
- 6.8. Answers to Check Your Progress
- 6.9. Terminal Questions

6.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of buyer behaviour;
- differentiate between a buyer and consumer; and
- describe the factors affecting/ influencing a buyer's behaviour.

6.1. INTRODUCTION

Buyers are the foundation of any business organisation. No business organisation can grow, survive or excel without buyers or customers. Therefore, marketing firms must aim at understanding the behaviour of its buyers. They must conduct thorough research to find out “What factors drive his buyer to act?” “Who are the people influencing the buying decision of the buyer?” “What are the needs of their buyers” “What is the occasion for which the buyer is likely to make purchase?” “What is the frequency of buying?” Such questions will help the marketers to develop a deeper understanding of their buyer and formulate more appropriate strategies.

Since, buyer behaviour is a psychological construct which is complex to understand and act. Therefore, well-planned and equipped strategies are required to conduct an extensive market research and analyse the results carefully. In this unit, you will learn

6.2. CONCEPT OF BUYER BEHAVIOUR

Buyer behaviour refers to the way a buyer acts while making a purchase. It refers to the way in which a buyer takes decision to actually buy a product or not. Buyer behaviour is also termed as “consumer buying behavior”. However, the term consumer buying behaviour is limited to an individual buyer while using the term “buyer behaviour” a buyer can be an individual, group of individuals, organisation etc. A marketer tries to understand the underlying conditions or circumstances that drives a buyer to behave in a particular manner. In other words, the marketer tries to understand what makes a buyer to buy a given product and not some other product. Some important definitions of buyer behaviour are as follows:

According to Prof. Philip Kotler, *“Buying behavior is the decision process and acts of customers involves in buying and using products.”*

According to E. W. Condiff, R. R. Still and R. A. Govoni, *“Buyer behavior may be viewed as orderly process whereby the individual interacts with his/her environment for the purpose of making market place decisions on products and services.”*

According to C. G. Walthers and W. G. Paul, *“Consumer behavior is the process whereby individuals decide what, when, where, how and from whom to purchase goods and services.”*

According to Frederick Webster, *“Buyer behavior is all psychological, social and physical behavior of potential customers as they become aware to evaluate, purchase, consume and tell other people about the product and services.”*

Buyer behaviour is the process where people make decisions regarding what, when, how to buy and use the products. Buyer behaviour is the driving force behind any market process as it helps in understanding what the consumer actually wants.

From the above definitions we can conclude that The concept of ‘buyer behaviour’ facilitates the marketer to understand his customer well and make its ‘marketing mix’ strategies after considering his target buyers’ behaviour with due diligence.

6.3. DIFFERENCE BETWEEN BUYER AND CONSUMER

A buyer also known as customer, is the person who actually buys the product or service. Buyer is the person who pays for the product or services availed. A buyer may buy a product or service with an intent to resell or consume it. On the contrary, a consumer is the person who ultimately consumes the product or service. A consumer is said to be the end user of the product or service. For instance, Ram’s father buys a pair of shoes for Ram. In this case Ram’s father is the buyer or customer and Ram is the consumer. On the other hand, Ram’s father buys a pair of shoes for himself. In this case Ram’s father is the buyer as well as the consumer of the product. The following table outlines the difference between a buyer and a consumer taking various basis into consideration (Table 1).

Table 1: Difference between buyer and consumer

Basis	Buyer	Consumer
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Meaning	A person who purchases the product or service.	A person who uses or is the end user of the product or service.
Resell	A buyer can resell the goods.	A consumer can not resell the goods since he is the end user of the product or service.
Purchase of goods	A buyer needs to buy a product or service.	A consumer need not buy a product or service.
Purpose	To resell or consume the goods and services	To consume the goods and services
Price of the product	Price is paid by the buyer	Price may or may not be paid by the consumer
Target group	Individual or organisation	Individual, family or group of people

6.4. FACTORS AFFECTING BUYER BEHAVIOUR

There are five major factors that affects a buyer behavior viz. cultural, social, personal, psychological, and economical factors. The below given flowchart explains these factors in detail (Figure 1). Let us learn them in detail.

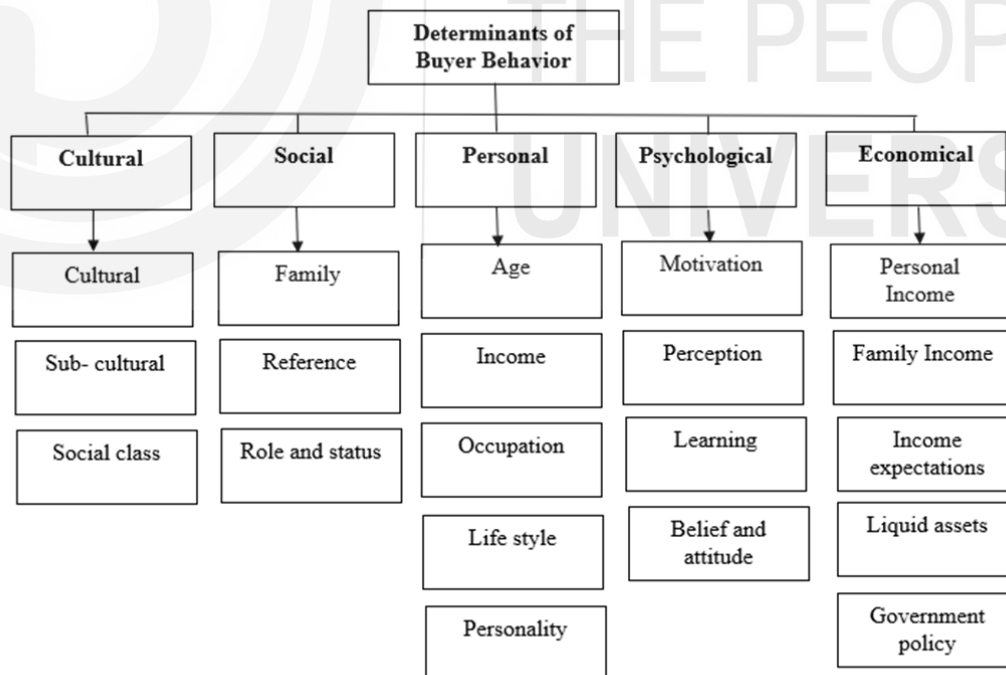


Figure 1: Factors affecting buyer's behavior flowchart

1. **Cultural factors:** Buyer's behavior is influenced by various cultural factors like the buyer's culture, social class and sub- culture. Let us learn various cultural factors.
 - (a) Culture: Culture is the most significant factor affecting a buyer's purchase behavior. Cultural factors include factors like ethics, values, wants, needs, preferences, perceptions etc. Cultural factors are the observed factors that a person deduces by observing his family members or the ecosystem he lives in.
 - (b) Sub- culture: A culture generally, consists of various subcultures like religions, geographic groups, racial group, nationality, caste etc. These subcultures share same set of values or beliefs. A marketers may segment the market on the basis of these subcultures and can accordingly cater the needs of the target segment. For instance, a marketer may target a specific religious group.
 - (c) Social class: Every society possess some form of social class. A social class is determined on basis of various factors like education, wealth, income, occupation etc. A marketer may aim at targeting a specific segment of social class. For example, apple inc. targets people falling in higher income group.
2. **Social factors:** Social factors also influence a buyer's purchase behaviour. These factors include various factors like family, reference group, roles and status etc. let us learn various social factors.
 - (a) Family: Family plays a significant role in influencing a buyer's decision about a product or brand. Family is said to be the strongest factor that impact a person's decision. Marketers must aim at understanding the role of the family members like parents, husband, wife, children, siblings etc. in influencing a purchase decision.
 - (b) Reference group: Reference group consists of the people whose suggestions or advices matter to one. Reference group generally consists of people like friends, colleagues, relatives, neighbours etc. who we look up to while making a purchase decision. For instance, buying an iPhone instead of an android phone because your friend has an iPhone.
 - (c) Role and status: A person's buying behaviour is significantly influenced by the role or status one holds in the society. A person's role or status is determined by the profession or the group of people one is associated with. For example, working in a finance company, a teacher, a housewife, a doctor, chairman of a housing society etc. A female playing dual roles of housemaker and a teacher, her purchase decision will be influenced by both the roles she is playing in the society.
3. **Personal factors:** Personal factors are equally important in determining a buyer's purchase decision. These include factors like age, income, occupation, lifestyle, personality. Let us learn various personal factors.
 - (a) Age: The age of a person influences his purchase decisions. As you must be aware that people pass through various stages of life cycle like from a child to an adult, from unmarried to a married couple, from parents to old age etc. at each stage a person's preference of products or services varies. For example, young buyers prefer flashy or fashionable clothes whereas an elderly person may prefer a comfortable and simple attire.

- (b) **Income:** Income is the most critical factor influencing a buyer's purchase decision. The first and the foremost requirement to make a purchase is affordability. A buyer is said to form demand of a product only if the product is in the reach of the buyer's income or affordability. People belonging to higher income group may purchase expensive items as they can afford it.
 - (c) **Occupation:** Occupation influences a buyer's behaviour while making a purchase. A buyer tends to make purchase as per his/ her profession. For instance, a teacher will buy clothes according to his/her profession and a doctor will buy clothes as per his job considerations.
 - (d) **Lifestyle:** Lifestyle is a way or an attitude that person follows to live in a society and lead his/ her life. Lifestyle is another important factor influencing a buyer's behaviour. For instance, a person leading a healthy lifestyle, tend to buy more healthy stuff than unhealthy or junk food.
 - (e) **Personality:** Personality refers to the totality of the behaviour a person in given situations at different point of times. Personality traits consists of factors like introvert, extrovert, aggressive, submissive, dominant etc. A marketer may always segment the audience on the basis of their personality and cater their needs accordingly.
4. **Economic factors:** Economic factors are concerned with the purchasing power of a buyer. These includes factors like personal income, family income, income expectations, liquid assets, consumer credit etc. let us learn various economic factors.
- (a) **Personal income:** Many economists have tried to correlate a person's income with his/ her spending. As per them, a person's spending increases with an increase in his/ her income. Therefore, personal disposable income of a buyer is a significant factor influencing a buyer's behaviour.
 - (b) **Family income:** The size of the buyer's family or the aggregate income of the family influences a buyer's purchase decision. A small or nuclear family is said to spend less whereas a big family may spend more.
 - (c) **Income expectations:** Expectations plays an important role in determining a buyer's purchase behaviour. A buyer expecting a lower income is tend to spend less. On the other hand, buyer expecting a higher income may spend more. Therefore, marginal propensity to consume or save of a buyer is greatly influenced by the level of expected income.
 - (d) **Liquid assets:** Liquid assets refer to those assets which can easily be converted into money without much variation in the value of the asset, for example: cash, marketable securities etc. A buyer's behaviour shall be influenced by the amount of liquid and fixed assets held by the buyer.
 - (e) **Consumer credit:** Nowadays, marketers have started offering credit to their buyers. Marketers are following the notion of "Buy now, Pay later". For example, Bajaj finance offers zero cost EMI to buyers.

5. **Psychological factors:** Psychological factors consist of four factors these are motivation, perception, learning and attitude (figure 2). Let us learn various psychological factors.

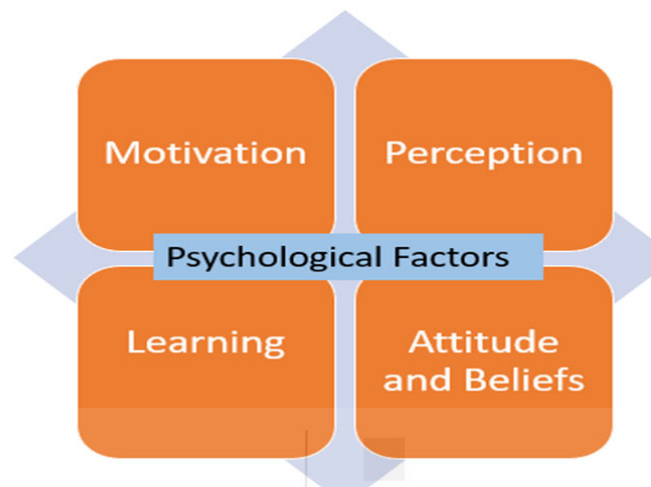


Figure 2: Psychological factors affecting buyer's behaviour

- (a) **Motivation:** Motivation plays an important role in determining a buyer's behaviour. People have various needs that motivates them and influences their behaviour. Some of these needs are physiological needs, safety needs, social needs, esteem needs, and self- actualisation needs. An unfulfilled need is said to motivate a buyer. However, once a need is fulfilled it no longer motivates the buyer. Hence, it may not be able to influence the buyer's behaviour. For instance, a person working at a higher position in an organisation might not feel motivated with an increment in the salary. However, a job promotion may interest him.
- (b) **Perception:** A buyer's purchase behaviour is critically influenced by the buyer's perception about the brand or product. Perception refers to the image that a person holds about a particular product or brand in his/ her mind. This perception is formed on the basis of cognitive processing going through a buyer's mind. A buyer or customer comes across various advertisements, reviews, comments etc. about a brand or product. These brand or product related activities may lead to formation of cognition in buyer's mind based on which a buyer forms an impression of the brand or product. For instance, a product having maximum positive customer reviews or comments is likely to form a positive perception in the buyer's mind.
- (c) **Learning:** Learning is an ongoing process that takes place over a period of time. It begins before a person buys a product or service and continues after he/ she buys it. However, when a buyer buys a product or service, he/she is likely to gather more information about the product or service.

Learning may be conditional learning, cognitive learning, social learning, etc. In conditional learning, a buyer is exposed to a recurring situation. Hence, he/ she develops a strategy to tackle the situation. Under cognitive learning, a buyer uses his/ her skills or knowledge acquired over a period of time, to seek satisfaction out of the purchase he/ she made. In social learning the person learns new behaviours by observing or imitating other persons.

- (d) Attitude: A buyer possesses certain belief or attitude towards a product or brand that guides him/ her to behave in a certain manner. This attitude or belief defines the image of a brand or product in the market. Marketers must aim at launching certain campaigns that can modify or change the existing attitude or belief in his favour.

Check Your Progress A

1. State whether the following statements are: **True or False**

- i A consumer is a person who uses the product.
- ii A buyer cannot resell products.
- iii Cultural factor does not influence buyer behavior.
- iv Attitude is a type of psychological factor.
- v Age influences a buyer's purchase decision.

2. Fill in the blanks:

- i Price of the product is paid by a _____.
- ii Income is a _____ factor which influences a _____.
- iii Motivation is a type of _____ factor.
- iv A buyer can either _____ or _____ the product.
- v Consumer credit and income expectation falls under _____ factors.
- vi Learning is of two types: _____ and _____.

6.5. LET'S SUM UP

Buyers are the foundation of any business organisation. No business organisation can grow, survive or excel without buyers or customers. Therefore, marketing firms must aim at understanding the behaviour of its buyers.

Buyer behaviour refers to the way a buyer acts while making a purchase. It refers to the way in which a buyer takes decision to actually buy a product or not. Buyer behaviour is also termed as "consumer buying behavior".

A buyer also may be a customer, is the person who actually buys the product or service. Buyer is the person who pays for the product or services availed. A buyer may buy a product or service with an intent to resell or consume it. On the contrary, a consumer is the person who ultimately consumes the product or service.

There are five major factors that affects a buyer behavior viz. cultural, social, personal, psychological, and economical factors.

Cultural factors include: the buyer's culture, social class and sub- culture.

Social factors include: various factors like family, reference group, roles and status.

Personal factors include: factors like age, income, occupation, lifestyle, personality.

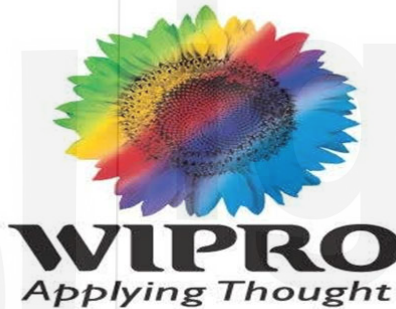
Economic factors include: factors like personal income, family income, income expectations, liquid assets, consumer credit.

Psychological factors: consist of four factors these are motivation, perception, learning and attitude.

6.6. CASE STUDY

Case study 1

Wipro: One Of The Foremost Names In The Global It Landscape



Wipro Ltd is a global information technology, consulting, and outsourcing company with 140,000 employees serving over 900 clients in 57 countries. It helps customers perform better by leveraging our industry-wide experience, technology expertise, comprehensive portfolio of services, and a vertically aligned business model. They are trusted partners for global businesses seeking to 'differentiate at the front' and 'standardize at the core' through technological interventions. In a competitive scenario, it is important to be highly customer-oriented. At Wipro, they have consciously adopted an outside-in' approach. They focus on customers challenges and the trends driving the customer's industry landscape, and work together to address these problems. These problems could range from strategic issue such as a customer intending challenges of increasing operational efficiency. They ensure customer focus by keeping a constant tab on our customers' needs. Hence, customer inputs and research are of prime importance. They try to identify the trends that influence customers and their technology demands. They conduct quarterly and annual pulse surveys to assess the factors considered significant by customers while taking decisions and their satisfaction levels after engaging with us. Wipro engage with its customers in multiple ways. This includes a combination of traditional and non-traditional means with a focus to bridge customers' needs with their offerings.

Wipro extensively leverages interest and social media platforms such as Twitter, Facebook, and blogs, where they have built a community of customers, employees, academic, and other interested stakeholders to engage in discussions on any relevant topic. For some specific large

accounts, they have created a customized platform as part of an account-based marketing (ABM) initiative wherein our communication is customized to suit the needs of specific accounts. They also engage through traditional means including seminars, trade events, and publications

- They also engage through with the influencer community extensively including analysts and advisors. These influencer communities reach out to the customers. Their customer-centric approach is important because it helps them to understand what is driving the business, what is impacting the top-lines and bottom-lines, and what is the next big thing that will transform the lives of people.

Source: Adapted by Sinha, Pyush (2013), Marketing, Asian Edition published in 2013, Oxford University

Questions

1. Wipro's customer engagement program outlines an outside-in approach. What internal (inside-out) changes do you think the company needs to undertake to increase its customers focus?
2. Global players such as Wipro have found a favorable economic environment and a challenging technological environment. What measures should the company take in order to thrive on the changes in its business environment.
3. How do you think Wipro should keep aware of the changes in consumer buying behavior so that they are able to achieve their objective of being highly customer oriented?

Case study 2

Case Study: Emami Fair And Handsome: Beauty regimes For Men?



Emami, has launched a unique fairness cream for men to make skin fair and handsome. Emami offers this cream to men who want to look younger. The cream also helps in relieving stress and fatigue signs-giving men's tough skin a firmer look.

Today, men want to look stylish at all times, and the rise in the demand for male grooming products prove this fact. According to an A.C. Nielsen survey conducted amongst 1000 SECA and B men in Mumbai, Delhi, Kolkata, and Hyderabad on male grooming, every second Indian man from the metros has a monthly date with the beauty salon. Men want to

indulge themselves in daily beauty regimes, and it is not only women who want to pamper themselves.

Men have increasingly started using gels, deodorants, and creams, which has led companies to launch several beauty products for men in recent years.

Source: Jomol (2010)

Questions

1. Why do you think younger men are most likely to use skincare products?
2. How do you think companies like Emami can better position their men's skincare ranges?
3. Consider your own perceptions of men's skincare products. If you are a man: have you ever bought any such product? If you are a woman: have you ever bought a male friend or partner any such product, or does he buy his own? If he buys his own, what are your perceptions of this behavior? If you bought such product for him, why do you think he does not buy these products for himself?

6.7. KEYWORDS

Attitude: A buyer possesses certain belief or attitude towards a product or brand that guides him/ her to behave in a certain manner

Buyer behaviour: Buyer behaviour refers to the way a buyer acts while making a purchase. It refers to the way in which a buyer takes decision to actually buy a product or not.

Buyer: A buyer also known as customer, is the person who actually buys the product or service.

Consumer: A consumer is the person who ultimately consumes the product or service.

Culture: Cultural factors are the observed factors that a person deduces by observing his family members or the ecosystem he lives in.

Lifestyle: Lifestyle is a way or an attitude that person follows to live in a society and lead his/ her life.

Liquid assets: Liquid assets refer to those assets which can easily be converted into money without much variation in the value of the asset, for example: cash, marketable securities etc.

Perception: Perception refers to the image that a person holds about a particular product or brand in his/ her mind.

Personality: Personality refers to the totality of the behaviour a person in given situations at different point of times.

Social class: A social class is determined on basis of various factors like education, wealth, income, occupation etc.

Sub- culture: A culture generally, consists of various subcultures like religions, geographic groups, racial group, nationality, caste etc.

6.8. ANSWERS TO CHECK YOUR PROGRESS

A. 1. i. True ii. False iii. False iv. True v. True.

2. i Buyer ii personal and buyer behavior iii psychological iv consume and resell v economic
vi conditional and cognitive

6.9. TERMINAL QUESTIONS

1. Define the term 'buyer behaviour'.
2. Differentiate between a buyer and a consumer.
3. State the various factors affecting a buyer's behavior.
4. How income expectations influence a buyer's behavior. Illustrate with the help of an example.
5. Discuss the role of cultural and personal factors in influencing a buyer's behavior.
6. Write short notes on the following:
 - (a) Culture
 - (b) Motivation
 - (c) Types of learning
 - (d) Impact of economic factors on buyer behavior

UNIT 7: SALES FORCE MOTIVATION

Structure

- 7.0. Objectives
- 7.1. Concept of Motivation
- 7.2. Dynamic Nature of Motivation
- 7.3. Motivation and Need
- 7.4. Maslow's Theory of Need Hierarchy
- 7.5. Motivational Techniques for the Salespersons
 - 7.5.1. Financial Motivators
 - 7.5.2. Non- Financial Motivators
- 7.6. Let Us Sum Up
- 7.7. Key Words
- 7.8. Answers to Check Your Progress
- 7.9. Terminal Questions

7.0. OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of motivation;
- explain the dynamic nature of motivation;
- differentiate between motivation and need;
- describe the hierarchy of needs; and
- discuss various financial and non- financial techniques of motivation.

7.1. CONCEPT OF MOTIVATION

Motivation is a stimulus which impels an individual to respond. If the motivation is positive, a person is likely to give his/ her full strength to a given work. Some scholars have tried to define motivation, few of them are as follows:

According to Vities, "Motivation represents an unsatisfied need which creates a state of tension or disequilibrium, causing the individual to make in a goal-directed pattern towards restoring a state of equilibrium by satisfying the need."

According to Memoria, “A willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organisation.”

According to Dubin, “Motivation is the complex of forces starting and keeping a person at work in an organization.”

According to Vance, “Motivation implies any emotion or desire which so conditions one’s will that the individual is properly led into action.”

According to Lillis, “It is the stimulation of any emotion or desire operating upon one’s will and promoting or driving it to action.”

According to the Encyclopedia of Management, “Motivation refers to degree of readiness of an organism to pursue some designated goal and implies the determination of the nature and locus of the forces, including the degree of readiness.”

According to Berelson and Steiner, “A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals.”

7.2. DYNAMIC NATURE OF MOTIVATION

Motivation is the driving force that stimulates a person to act. Motivation is considered to be dynamic in nature which means it keeps on changing with respect to the changing circumstances. Needs and wants of a person constantly changes due factors like the person’s physical condition, environment, social network etc.

When a person achieves or fulfills one goal or need, he/ she tries to achieve or attain the new goals. Some psychologists have put forward certain reasons for the varying needs and advocated that “needs and wants are constantly changing” because:

- a) An individual’s existing need is never completely satisfied, which keeps on stimulating him to achieve complete satisfaction.
- b) Once a need is satisfied, the next higher- level need arises.
- c) An individual is said to set up new higher goals once he fulfills the basic goals

For instance, previously companies used to give a plastic bag to their customers to carry the product or goods. Now, as customers are becoming more environment conscious, these firms have shifted from plastic bags to paper bags.

7.3. MOTIVATION AND NEED

The desire to fulfil a conscious or unconscious need drives a person to take action. The energy of this which drives a person to perform or make choices is known as motivation. For instance, a person is feeling hungry. This need (hunger) will result into physiological discomfort to the person, known as drive (discomfort). As a result of which, a person gets motivated to buy food. The below figure well demonstrates this process:

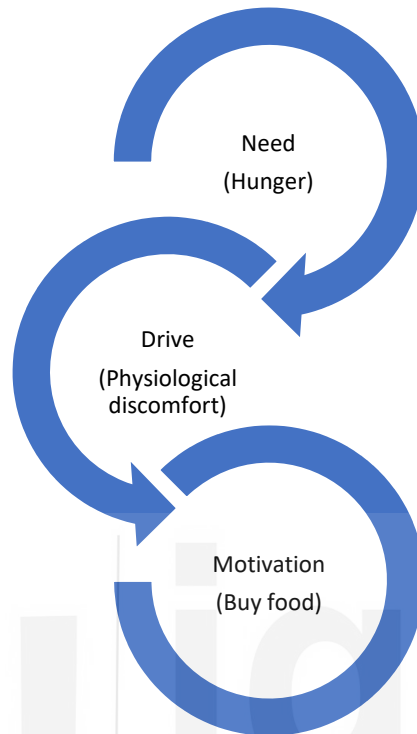


Figure: Process of need, drive and motivation

A marketer may plan to direct or influence the energy (motivation), generated through the need, towards his offerings. For instance, A marketer wants to advertise for his newly opened yoga centre. The marketer will probably come across a number of motives for which people will come to a yoga class. Some of the motives will be attainment of spirituality, making social circle, lose/ maintain weight etc. In this case the marketer must try to plan such promotion campaign that congruent to the majority of the people's motive to join a yoga centre. The marketer may aim at targeting the physical well- being as its advertising agenda. Alternatively, the marketer can plan to target a niche market by communicating the agenda of spiritual fulfilment.

7.4. MASLOW'S THEORY OF NEED HIERARCHY

Maslow need hierarchy theory of motivation was given by an American psychologist, Abraham H. Maslow in the year 1943. This theory explains the underlying human motivations with respect to the different level of human needs. The theory states that a person tends to fulfill his needs in a hierarchical manner starting from a basic need and advancing to higher level needs. In other words, higher level needs are not likely to motivate a person unless his basic needs are fulfilled. Maslow have categorized these needs into 5 categories (Figure 1):

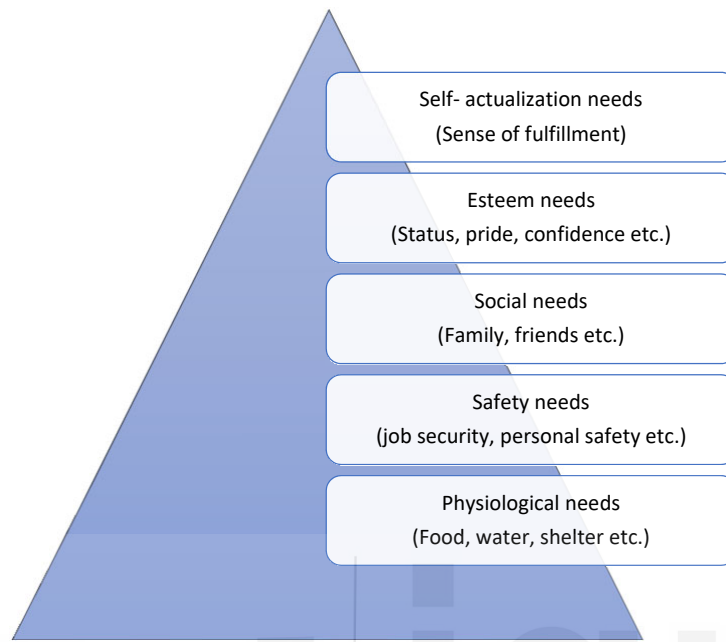


Figure 1: Maslow need hierarchy pyramid

1. **Physiological needs:** Physiological needs are the basic needs a person requires in order to survive. Some examples of physiological needs are water, food, shelter, sleep etc. If these needs are not fulfilled or satisfied, it will become difficult for a person to survive.
2. **Safety needs:** The second level of need is safety needs. Once the physiological needs of a person have been satisfied, he/ she asks for safety or security in life. The safety or security needs are concerned with job security, financial security, good health, and personal security etc.
3. **Social needs:** Social need is the third level of need. Social need is concerned with the love and belongingness. A person needs to feel a sense of belongingness and love either from a large group of social networks or a small group of connected people like family or friends. This connection can also come from association with some professional group, social media, religious group etc.
4. **Esteem needs:** The fourth level of the need hierarchy is esteem needs. These needs are concerned with a person esteem that is respect, status, prestige, and validation by others etc. It is also termed as self- esteem which means how a person feels for himself. Lack of this esteem may result into inferiority complex or low confidence level.
5. **Self- actualization needs:** Self- actualization needs are the most advanced or highest level of needs of a person. At this level a person feels that his full potential has been utilized and he/she has reached to the best of his/ her capabilities. However, this self-

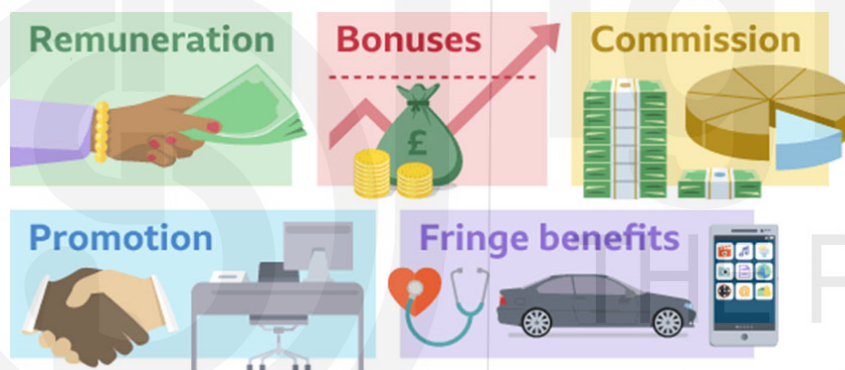
actualization feeling is transient since people tend to strive for personal growth throughout their lives.

7.5. MOTIVATIONAL TECHNIQUES FOR THE SALESPERSONS

A firm is unlikely to build successful sales even with the best of the product or a service, if its salesforce is not motivated to make sales. Therefore, marketers must aim at keeping their salesperson motivated, enthusiastic, and encouraged. The marketer may develop or adopt certain tools or techniques to keep his salesforce motivated. Some tools and techniques of motivation are discussed below:

7.5.1. FINANCIAL MOTIVATORS

A person can be motivated using both financial and non- financial tools. Some of the financial tools of motivation are as follows:



1. **Remuneration:** Remuneration is the salary or pay given to the employees. Remuneration is given according to the level or position at which an employee is working. Firms use remuneration as a tool to keep their employees motivated. They often offer regular yearly increment in the salary or pay to motivate their employees.
2. **Bonuses:** Bonus is another tool used by various firms to keep their employees motivated. Bonus is a form of extra income that an employee gets above his basic salary or pay. For instance, a firm declared an INR 10000 bonus over the basic salary to the top 5 salespersons of the year. This way the salesperson is motivated to sell more so as to get bonus in the end.
3. **Commission:** Some firms offer commissions to their employees to keep them motivated. A commission is an additional percentage of pay over the basic pay. For instance, a marketer announced that the salesperson will be given a 10% commission on the profits earned by the firm on the car sold by them.

4. Promotion: Promotion refers to an increase in the authority and responsibility of an employee along with an increase in the pay or remuneration of the employee. Promotion is used as a motivational tool by the employees.
5. Fringe benefits: Apart from the above monetary benefits, firms often offer other monetary benefits to the employees in the form of fringe benefits. Fringe benefits involve benefits like free car parking, accommodation by the company, holiday allowance, mobile phone by the company, etc.

7.5.2. NON- FINANCIAL MOTIVATORS

Some non- financial motivators are as follows:



1. Job security: Job security is a significant tool of motivation. A temporary worker or employee is motivated the most with job security than any other tool of motivation. A worker or employee no matter what monetary and other fringe benefits they are getting, if they do not have a secure job there is always a risk of losing the job which demotivates an employee to perform at his/her full capacity.
2. Challenging work: Challenging work always motivates a dynamic employee or worker as they may not order doing routine job. A firm should always focus at making a work challenging through job enlargement and job redesigning.
3. Recognition: An employer must appreciate his employee or worker for his hard work. A mere token of appreciation or few words of appreciation can boost the morale of the employee to perform even better in future.
4. Opportunities for Advancement: An employer must ensure that there is no stagnation in the growth of his employee specially at the prime time of the employee's career. Management must give opportunity to their employee to grow so as to keep them motivated.
5. Empowerment: The management must ensure a representation of the workers or employees in the critical issues of the firm. They must try to avoid unilateral decisions. Workers or employees must be involved in the decision- making process as this will provide them a feeling of belongingness with the company or firm.

Check Your Progress A

1. State whether the following statements are: **True or False**

- i. Maslow hierarchy of need represents five needs.
- ii. Physiological needs are at the top of the hierarchy.
- iii. Empowerment is a financial motivational technique.
- iv. Motivation is driven by needs.
- v. Motivation is dynamic in nature.

2. Fill in the blanks:

- i. Bonus is a _____ motivational technique.
- ii. _____ need is at the top of the need hierarchy.
- iii. Shelter is an example of _____ need.
- iv. Job security is an example of _____ need.
- v. _____ and _____ are two non- financial motivational techniques.

7.6. LET US SUM UP

Motivation is a stimulus which impels an individual to respond. It is the driving force that stimulates a person to act.

Motivation is considered to be dynamic in nature which means it keeps on changing with respect to the changing circumstances.

When a person achieves or fulfills one goal or need, he/ she tries to achieve or attain the new goals.

The desire to fulfil a conscious or unconscious need drives a person to take action. The energy of this which drives a person to perform or make choices is known as motivation.

The Maslow theory of need hierarchy states that a person tends to fulfill his needs in a hierarchical manner starting from a basic need and advancing to higher level needs.

A person can be motivated using both financial and non- financial tools. Some of the financial tools of motivation are remuneration, bonus, commission, promotion etc. Some non- financial tools of motivation are empowerment, recognition, job security etc.

7.7. KEY WORDS

Commission: A commission is an additional percentage of pay over the basic pay.

Esteem needs: These needs are concerned with a person esteem that is respect, status, prestige, and validation by others etc.

Fringe benefits: Apart from the monetary benefits, firms often offer other monetary benefits to the employees in the form of fringe benefits.

Motivation: Motivation is a stimulus which impels an individual to respond. It is the driving force that stimulates a person to act.

Physiological needs: Physiological needs are the basic needs a person requires in order to survive

Promotion: Promotion refers to an increase in the authority and responsibility of an employee along with an increase in the pay or remuneration of the employee

Remuneration: Remuneration is the salary or pay given to the employees.

Self- actualization needs: At this level a person feels that his full potential has been utilized and he/she has reached to the best of his/ her capabilities.

Social needs: A person needs to feel a sense of belongingness and love either from a large group of social networks or a small group of connected people like family or friends.

7.8. ANSWERS TO CHECK YOUR PROGRESS

A. 1. i. True ii. False iii. False iv. True v. True.

2. i Financial ii self- actualisation iii basic iv safety v empowerment and recognition

7.9. TERMINAL QUESTIONS

1. Define the term 'motivation'.
2. Explain the process of need, drive and motivation.
3. State the Maslow theory of need hierarchy.
4. Explain the various financial and non- financial techniques of motivation.
5. Write short note on the following:
 - a) Dynamic nature of motivation
 - b) Empowerment
 - c) Financial motivational techniques
 - d) Esteem needs