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|---------|---------------------------------------|-----------------------|
| Process | Buyer Characteristics | Buyer Decision |
| | Psychological | Process |
| | Personal | |
| | Cultural characteristics | |
| Output | Consumer Decisions and Actions | |
| | Product choice | |
| | Brand choice | |
| | Dealer choice | |
| | Purchase timing | |
| | Purchase amount | |

11.3.1 Factors Influencing Consumer Behaviour

Consumer behaviour is affected by a number of variables. These are enumerated below:

Psychological Factors

These include:

- (a) **Consumer needs:** The theory of hierarchy of needs was propounded by Abraham Maslow. According to Maslow, all human needs can be classified into five hierarchical categories: (i) *Physiological needs*—water, air, food, shelter, etc.; (ii) *Social needs*—affection, belongingness, friendship, etc.; (iii) *Ego needs*—status, prestige, self-respect, success, etc. (iv) *Safety and security needs*—protection, stability, etc.; and (v) *Self-actualization*—self-fulfilment. Since no need is ever totally satisfied, there is always overlap amongst the different levels of needs.
- (b) **Perception:** Perception can be described as 'how one sees the world around him through his five organs—eyes, ears, nose, mouth and skin. Each person recognizes, selects, organizes and interprets in his own manner based on his needs, values and expectations. This explains why different people respond differently under the same condition.
- (c) **Learning:** Learning refers to the skill and knowledge gained from past experience and applied to future decisions and situations.
- (d) **Beliefs and attitudes:** A belief is a descriptive thought that a person has about something. Attitude is a person's enduring feeling, evaluation and tendency towards a particular idea/object.

Social Factors

Purchase decision is influenced when the consumer interacts directly or indirectly with various social groups. These groups are:

- (a) **Primary and secondary groups:** A primary group is one with which an individual interacts on a regular basis and whose opinion is important to him, e.g. family, close friends, colleagues. Secondary groups are those with which an individual interacts only occasionally and whose opinion is not so important to him.
- (b) **Formal and informal groups:** Rotary club, labour unions, Lions club, social clubs are formal institutions as these have a defined structure, a specific role and authority positions. An informal group is loosely defined and may have no specific roles, e.g. meeting neighbours occasionally.
- (c) **Membership and symbolic groups:** A membership group is one to which a person belongs to or qualifies for membership, e.g. all workers in a factory qualify for membership to the labour union. A symbolic group is one to which an individual aspires to belong to, but is not likely to be received as a member.