

A REVIEW ON THE FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR

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Abstract

The main purpose of this study is to examine the underlying factors that influences consumer buying behaviour. This study seeks to efficiently evaluate the possible factors that are responsible for how much or how little a consumer buys. The technique applied throughout the research is entirely qualitative. The limitation of this study is that no concrete quantitative data was included to statistically backup whatever decision was arrived at. At the end of the study, it was concluded that there are four most important factors that affect consumers buying behaviour; personal factors economic factors psychological factors and social factors. These factors in their entirety influences the buying decision of any consumer at any point in time.

Key words Consumer, behaviour, psychology, lifestyle, Economic factors

Introduction

Consumer behaviour reflects the totality of consumers' decision with respect to the acquisition, consumption and disposition of goods, services, activities, experiences, people and ideas by (human) decision-making units (Hoyer, W. D., MacInnis, D. J., & Pieters, R, 2012 pg. 3).

Consumer behaviour is a combination of factors that affect consumers buying behavior. These factors demonstrate individual uniqueness and can be divided into four categories; personal, social, economic and psychological. A proper understanding of these factors opens a way of knowing how to influence customer to buy a particular brand of product.

Askegaard, S., opined that "The field of consumer behaviour covers a lot of ground: it is the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires" (Askegaard, S., Bamossy, G., Hogg, M., & Solomon, M. 2013).

Consumer behavior also entails all activities associated with the purchase, use and disposal of goods and services including consumers' emotional, mental, and behavioral response to goods and their marketing (Kardes, F., Cronley, M., & Cline, T., 2014).

Methodology

There are two types of methods used in research, qualitative and quantitative. Qualitative research is usually applied in studies where there is a need to gather in-depth information about a group or unit. This research method provides an opportunity to study this group or unit of people in their natural environment by observing them, and the activities they engage in. Qualitative

research focuses on people's feelings and thinking whereas quantitative research relies more on numbers and data. Quantitative research is usually referred as hypothesis testing research. Here, data is collected and necessary statistical test is carried out to confirm whatever hypotheses was laid. For this study, Qualitative research method as being employed.

II. Factors Affecting Consumer Buying Behaviour

The four major factor that influence the behaviour of consumers relative to purchasing (buying) products are;

- (a). Personal Factor
- (b). Economic Factor
- (c). Social Factor
- (d). Psychological Factor

a) Personal Factor

Personal factor refers to the set of peculiar characteristics of the consumer that influences buying behaviour. These factors typically consist of age, occupation, lifestyle, personality and values. Kotler & Keller (2016) opined that business organization should consider personal factors when trying to create products.

• Age

It has been observed that as people grow older their choice, preference as well as needs of people change (Abhijeet Pratap, 2017). This change is not just limited to their lifestyle but their buying decision as well. Age also causes a change in needs and values as well. For example, a sixty-year-old woman would like to take low sugar or no sugar carbonated drink, but a fifteen-year-old is less concerned about the high sugar content. Majority of young people prefer outdoor to indoor activities; they want to meet with the latest test or fashion. Aging brings about life stages a consumer has to go through. At some point the consumer is young, soon he/ she is in college, he or she gets married, have kids, experience other eventualities till old age. At each of these life stages there is a change in preference, there are priorities, a nursing mother would naturally prefer buying goods for her kids than herself, an old man would spend less on drinking alcohol, clubbing than a youth would. Age does come in as an important factor in terms of market segmentation and strategy.

• Occupation

Another important personal factor that affects consumer buying behaviour is occupation. According to N.A. (2012) occupation refers to the set of jobs whose main tasks and duties are characterized by a high degree of similarities. The occupation of an individual significantly influences his/her buying decisions. Most individual will likely choose to buy products that has consideration for their profession. For instance, the chief executive officer of an organization by the nature of his role is expected to dress elegantly in order to feel suited for the position and cast

necessary impression about that. With this he naturally will buy high quality material clothes, where as a cleaner in the same organization will not dress so elegant as a virtue of his/her position and quite often he/she will settle for low quality material at cheaper price. Hence occupation is a factor that product manufacturers need to factor in before production

- **Personality**

Personality implies some degree of consistency of some behaviour over time (Zuckerman, M., 2005). Personality can as well be seen as the unique set of traits or characteristics that distinguishes a person or a group (Armstrong et al., 2017). The personality of individual is often described in terms of certain traits such as; self- confidence, dominance, sociability, defensiveness, adaptability and aggressiveness among others. A consumer personality is a reflection of his/her personality. Personality trait dictates the type of product one would buy. For example, someone who is domineering has the tendency to buy products that puts him a step ahead of others, where as someone who is simple finds fulfilment in buying what seems nice.

- **Lifestyle**

According to Kotler (2016) defines lifestyle as a person's pattern of living as expressed in his or her activities, interests and opinions. The lifestyle of an individual plays an extremely important role in the choice of what he /she buys. As many leading business tycoons as said, consumers do not just buy products, they buy their life style. Consumers buy product that potentially help to radiate who they are. Of course, someone who loves playing tennis, he or she would not give it much thought when buying a tennis sneaker but this is not the case for someone who does not love the game. Organizations need to buttress more on producing quality products that meets with the different life style of customers

b) Economic Factor

The state of the economy is another important factor that affects consumer buying behaviour. The economic hold on consumer naturally affects the buying decision of consumer. The personal and family income level of the consumer dictates the nature and type product he/she can afford at any point in time. Other economic factors include tax rate, government policies and national indices, economic depression and inflation. These are factors that determines the purchasing power of a consumer. In the case of inflation if one kg of rice cost ₹ 50 and a consumer could afford two kgs, as a result of inflation if the cost changes and it becomes ₹150 per Kg, it means the consumer will not be able to buy it.

c) Social Factor

Social factor is one of the most important that affects how a consumer buying behaviour. The social circle of a consumer, and opinion of such circle about a product affects how a consumer

thinks of the product and this literally affects his decision to buy. Furthermore, the social class of a consumer also affects the way he buys, as he/she will want to limit him/her self to product that meet with his/her class. Moreover, the social group an individual belongs to as well influences affects the way and what a consumer will buy. Groups that people belong to and influence them are called membership group while those that people do not belong to but influences them are called reference group, Kotler (2017) stated that people are more influenced by the so-called reference. Social groups can be categorized as either primary or secondary. Primary group consist of one's immediate family, friend and neighbor etc. The primary group has a solid influence on purchase decision of consumer. A consumer would believe the recommendation of people in this social group than anybody (Anderson, C., 2009). If members of this group put that a product is not good, one naturally is drawn to the fact and find it hard to counter such believe naturally. Secondary groups include religious groups, and professional groups; This group as well play important role relating to how an individual buys. For instance, a man by virtue of his religion would not want to buy high alcohol content drink because he would want to put into consideration how members of his religious group would see him if they found out. The world being digital has now given room to online communities thereby creating room for interaction irrespective of difference in value, culture or class. Social media has a way of influencing people, for example when people want to get a product and cannot get an immediate recommendation from their immediate circle what they do is go online and search for review about the product. If the reviews are good and convincing, they buy the product and if they are not, they do not. The social media over the years has risen to become the of the prime social factors that influences consumer buying behaviour.

d) Psychological Factor

Psychological factor also referred to as internal factor (Ramya & Ali, 2016). The environment of an individual dictates his lifestyle, choices and as well play an important role in such person developing formidable qualities (personality). So psychological factor serves more as the balancing factor among the four factors listed to affect consume buying behaviour. Environment is a bedrock psychology (Russell et al., 1982). For example, the advent of iPhone 14 into the market did no really cause much sprout in developed countries, but in underdeveloped countries, a lot of people were excited and did a whole lot of talking about it on the social media, this is because of their environmental setting. Psychological factors are divided into three states; motivation, perception, and learning.

- **Motivation**

Every individual in the world has a need. Our secondary need may differ but our basic (primary need remains the same). Motivation involves finding the reason to get something done. Motivation can either be internal or external which can further down be classified as either

positive or negative. According to Maslow Hierarchy of needs, human needs are ranked from the most important to the least important. The most important being physiological needs (such as; food, water, air) followed by safety (safety and security), Feeling of belongingness, need for status quo achievement (ego needs), and needs that cater for self-actualization. Consumers naturally go through rational feel for what is important than what is necessary. For example, we know that a sick man will definitely spend on his health than buy a car or land.

- **Perception**

Perception refers to your thoughts about something before or after gathering information about it. After a consumer is motivated to buy a product the next phase that dictates if the consumer will be buying is their perception about the product. Perception can be fueled by personal experience or natural thoughts about something or by external influence such as aggregate thought of people about something. Perception is in fact the most important of all the psychological factors affecting buying behaviour.

Kotler et al. (2019) defined perception as the process of selecting, organizing and interpreting information input to create a meaningful picture of the world. It is worth mentioning that perception is relative and not necessarily the same for all individuals. Someone might perceive that eating pork is good while another might not see it fitting.

- **Memory**

Memory refers to a large repository or warehouse of information. The memory of a consumer about a product matters, it serves a root thought and perception dictator about a product. Great products create great and lasting memories. Hence consumer will easily be triggered to purchase they had a good memorable experience about

Conclusion

This study discussed on personal factor, social factor, economic factor and psychological as the four major factors that affect consumer buying behaviour. It also discussed how component factors falling in each of the above such as age, motivation, perception status etc. come into play to affect the purchasing decisions of buyers. This study seeks to efficiently evaluate the possible factors that are responsible for how much or how little a consumer buys. The technique applied throughout the research is entirely qualitative. The limitation of this study is that no concrete quantitative data was included to statistically backup whatever decision was arrived at. At the end of the study, it was concluded that there are four most important factors that affect consumers buying behaviour; personal factors economic factors psychological factors and social factors. These factors in their entirety influences the buying decision of any consumer at any point in time.

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