"Behaviour can be viewed as a process of responding to stimuli". According to Webster and Wind "Buying" is defined as "the decision-making process by which formal organizations establish the need for purchased products and services, and identify, evaluate and choose among alternative brands and suppliers.

Charles S. Goodman says, "Companies don't make purchases; they establish relationships". Behaviour is always the product of two things, the nature of the individual or organism that behaves and the nature of the situation in which the individual finds himself. Thus, every individual's behaviour is unique and conditioned by his/her own environment and other psychological factors. Inspite of this diversity in individual behavior, there does exist certain common behavioural pattern.

In this chapter, the researcher proposes to present a vivid picture of the buyer behaviour with reference to decision process and the various factors, influencing the behaviour of consumers. Consumer behaviour encompasses the study of the processes that consumers undergo when they make purchase decisions, and the field includes a growing number of concepts, models and theories that are of increasing interest to the researchers.

Research in consumer behaviour during the late 1950's and early 1960's saw the borrowing of personality concepts from the field of clinical psychology. Probably the earliest models of consumer behaviour were derived from hierarchical notions about how decisions are ought to be made (eg., AIDA) for (Awareness-Interest-Desire-Action) these decision process models proceed from some early set of pre dispensing states through a dynamic, information using a series of steps, resulting in some form of consumer choice behaviour and followed by some form of post choice phenomena.
Types of Consumer decisions

There are a number of decision options possible for the consumer in today’s market economy. These options, however, may be divided into five main types of decisions

(1) What to buy ?
(2) How much to buy ?
(3) Where to buy ?
(4) When to buy ? and
(5) How to buy ?

Deciding what to buy is one of the consumer's most basic tasks. No buying activity takes place unless this fundamental decision is made.

Another basic decision by the consumer relates to how much of the item will be purchased. A third basic decision involves where the selected product or service will have to be purchased. The consumer must also determine when to buy. Such a decision is influenced by such factors as urgency of the need and availability of the chosen item. Finally, the decision of how to buy is another complex issue.

Consumer processes vary considerably in their complexity

i. Problem recognition

Problem recognition results when a consumer recognizes a difference of insufficient magnitude between what is perceived as the desired state of affairs and the actual state of affairs sufficient to arouse and activate the decision process. Consumers must become aware of the problem or need through processing of information arising internally or externally then they become motivated. Thus, the process of problem recognition means that the consumer becomes aroused and activated to engage in some purposeful purchase decision activity. This motivation to arouse a particular problem, however, depends on two factors; the magnitude of the discrepancy between the desired and actual states, and the importance of the problem.
Expectancy of the problem can affect such facts as the source of information used in the decision process as well as the number of alternatives considered. Thus importance of the problem will be a significant factor influencing decisions within each category of problem recognition.

**Fig. 3.1 : A Simple Model of Consumer decision making**

![Diagram of Consumer decision making process]

Picture Source: London/Della/Betta “Consumer Behaviour”

**ii. Search and evaluation**

"Information" may be considered as knowledge obtained or some fact or a circumstance. "Search refers to mental as well as physical information seeking and processing activities which one engages in order to facilitate decision making regarding some goal or object in the market place".

47
Internal search

It is a mental process of recalling and reviewing information stored in memory that may relate to the purchase situation, and may recall for the application to the problem at hand they turn inward to this previous shopping experiences for making decisions about where to shop. Only a limited number of people engage in "external information search" whether from friends, family or advertisement prior to making a major shopping trip.

External search

Although there may be many brands in existence, the consumer is not likely to be aware of all of them. Thus, some brands will not be considered by the consumer. Because of this unawareness, consumers appear to engage in a rather limited information search when making purchase decisions.
Fig. 3.2: Diagram showing the brand selection of durables

Factors that influence the search process

One benefit to be derived from search is the possibility of making a "better purchase decision" "shopping" can provide consumers with information on the best product features, warranties, service and prices. Consumers are more willing to shop for higher-priced than for less expensive items, since the potential gains to be realized are greater. Another benefit of search is the sheer pleasure of "shopping experience" for many consumers. Most people like to buy new things, and thus shopping and buying become an excellent way to get out of a rut. Many consumers find shopping to be an enjoyable activity, one of the pleasurable parts of their day, and sometimes an escape mechanism from their cares.

Two or more people who shop together whether for food or clothing, or simply to pass the time can be called a "shopping group". Such groups are often the off shoots of family or friendship groups. People like to shop with others who give a pleasant company or who they feel have more experience with or knowledge about a desired product or service. It reduces the risk that a purchase decision will be socially unacceptable in instances where none of the members have knowledge about the product being sought, a shopping group may be formed for defensive reasons. Members may feel more confident with a collective decision.

Furthermore, two or more people shopping together are almost twice as likely to buy more than planned than if they had shopped alone. Shopping groups tend to cover more territory in the store than individuals shopping alone and thus have more opportunity to make unplanned purchases.

A special type of shopping group is the "in-home shopping group", which typically consists of a group of women who rather gather in the home of a friend to attend a "Party" devoted to the marketing of a specific line of products. Early purchasers tend to create a bandwagon effect. Undecided guests often overcome a reluctance to buy when they see their friends making a positive purchase decision.
"Today’s shopper may weigh the opportunity cost involved in spending time for prolonged search against the probable benefits to be derived from it. Relative to total income, the time involved may outweigh potential economic benefits".

**Evaluating alternatives**

Consumers often have decision rules stored in memory and may enact them in a shopping strategy, while at other times they may work them out as they move through the process of evaluating alternatives.

**Purchasing processes**

It includes personal motives like role playing, diversion, self gratification, sensory, stimulation etc. Social motives include peer group attraction, status and authority, pleasure of bargaining etc.

**In-home shopping motivation**

There are several motivational and life style factors which influence in-home buying.
a) Convenience  
b) Risk of buying, and  
c) Life style, are some of them.

Factors influencing the behaviour of the consumers  

a. Culture  

According to Edward T.Hall, "Culture is not an exotic notion studied by a select group of anthropologists in the "South seas". It is a mould in which we are all cast, and it controls our daily lives in many unsuspected ways. Culture is a complex whole that includes knowledge, belief, art, morals, law, custom and any other capabilities and habits acquired by man as the member of a society.

Culture is defined as the sum total of learned beliefs, values and customs which serve to regulate the consumer behaviour of members of a particular society. Belief and value refer to the accumulated feelings and priorities that individuals have about "things". Both beliefs and values are mental images that affect a wide range of specific attitudes which in turn influence the way a person is likely to respond in a specific situation. Some of the characterization of culture is invisible. Basically, it is the symbolic nature of human language that sets it apart from all other animal communication. A symbol is anything that stands for something else.

b. Sub culture  

A "Subculture" can be thought of as a distinct cultural group which exists as an identifiable segment within a larger, more complex society'. The members of a specific subculture tend to possess beliefs, values, and customs that set them apart from other members of the same society. In addition, they adhere to most of the dominant cultural beliefs, values, and behavioural patterns of the overall society.
Religious subcultures

The major protestant denomination, Roman Catholicism and Judaism are the principal religious faiths. The members of all these religious groups are at times likely to make purchase decisions, that are influenced by their religious identity. Consumer behaviour is most directly affected by religion in terms of products and services.

Fig. 3.5: Detailed model of factors influencing behaviour

Prentice-Hall, India
**Geographic or regional subcultures**

There are also geographic differences in the consumption of consumer durables. Fashion, taste and preferences also seem to have a regional identity. Indeed, two major cities in the same stage may have quite different fashion orientations. Such regional differences tend to dispel the myth sometimes held that consumers represent a big mass market, and re-inforce the need for market segmentation for a variety of goods and services.

**Age subculture**

Each stage of the life cycle, (bachelorhood, honey-mooners, parent hood, and dissolution) could be considered separate sub culture since important shifts occur in the demand for specific types of products and services.

**Consumer products and sex roles**

Within every society, it is quite common to find products that are either exclusively or strongly associated with the members of one sex. Despite the fact that the line between "male only" and "female only" products have become blurred in recent years, research indicates that males and females tend to impute a sex, or gender to products.

**The career women**

In this study the researcher recognizes that working wives are on the increase and in the growing market segment whose needs differ from those of the woman who do not have a career. It is their career that makes them to go for certain decisions, pertaining to situations at home and at office.

Sub cultural analysis enables marketers to segment their markets to meet the specific needs, motivations, perceptions and attitudes that are shared by members of a specific sub-cultural group. Thus sub culture influences the consumer's overall purchase decisions. Consumers are often influenced by advice they receive from other people especially in choosing products to be
bought and services to be utilized. Today 80 percent of all buying decisions are influenced by someone's direct recommendations. In this section, the researcher seeks to describe the influence of friends, neighbours, acquaintances, co-workers and others having an influence in the individuals’ consumption behaviour.

The researcher examines the nature and dynamics of this influence, called the "opinion leadership" process and the personality and motivation of those who influence and those who are influenced. This influence is informal and verbal, but it may be supported by observing the actions of others.

**Opinion leaders**

These leaders are highly credible sources of product related information because they are usually perceived as natural concerning the information or advice they dispense. Consumers likely to get negative information and generally avoid products, or brands receiving negative evaluations. In this way negative comments about a product or service tend to focus consumer attention on a selected few brands that receive positive commentary from others.

An opinion leader may also be influenced by an opinion receiver as the result of a product related conversation. In addition to self influence, the opinion leader may also be influenced by product involvement and message involvement. So, they use their product-related conversations as an expression of friendship, neighbourliness, love and care for each other. Researchers identify opinion leaders by the self-designated method, the key-information method, the socio-metric method and the objective method.

**Social factors**

"Brooks Atkinson" said, "Every man with an idea has at least two or three followers". A group may be defined as two or more people who interact to accomplish either individual or mutual goals. Social groups are more remote and serve a different function for the individual. A person joins a social group
to fulfill such specific goals as making new friends, meeting important people etc.

**Reference groups**

A person’s reference group consists of all the groups that have a direct (face-to-face) or indirect influence on the person's attitude or behaviour. Some are primary groups with which there is fairly continuous interaction such as family, friends, neighbours and co-workers. Secondary groups tend to be more formal and there is less continuous interaction, which include religious, professional and trade union groups.

**Family**

The family has a major influence in the consumer behaviour process. As the basic group to which an individual belongs, the family provides early childhood learning about products and product categories, provides the opportunity for product exposure and repetition, and sets the consumption norms for family members. As a major consumption unit, the family is a prime target for most products and product categories.

Family members constitute the most influential primary reference groups shaping a buyer's behaviour. A more direct influence on everyday buying behaviour is one's family of procreation, namely one's spouse and children. The family is the most important consumer buying organization in society, and it has been researched extensively.

Husband-wife involvement varies widely by product category. The wife has traditionally acted as the family's main purchasing agent, especially for food, sundries and staple clothing items. This is changing with the increased number of working wives and the husbands doing more family shopping; in case of expensive products and services, husbands and wives engage in more joint decision, or the wife may be, or they may have equal influence.
Roles and status

A person participates in many groups throughout life. Family, clubs, and organizations. A role consists of the activities that a person is expected to perform according to the persons around him or her. Each role carries a status reflecting the general esteem according to it by society. The role of Supreme Court justice carries more status than the role of a branch manager; and the role of branch manager carries more status than the role of an office clerk. People often choose products to communicate their role and status in society.

Personal factors

A buyer's decisions are also influenced by his or her personal characteristics notably the buyer’s age, and life cycle stage, occupation, economic circumstances, life style, personality and self-concept.

Age and life cycle stage

People change the goods and services they buy over their life time. People's tastes towards clothes, furniture and recreation are also age related. Consumption is also shaped by the stage of the family life cycle.

Occupation

A person's consumption pattern is also influenced by his/her occupation. Product choice is greatly affected by one's economic circumstances.

Personality and self concept

Each person has a distinct personality that will influence his/her buying behaviour. By personality, we mean the persons distinguishing psychological characteristics that lead to relatively consistent and enduring responses to his/her environment.

Personality is usually described in terms of such traits as self-confidence, dominance, autonomy, defence, defensiveness and adaptability.
Psychological factors

A person's buying choices are also influenced by four major psychological factors—motivation, perception, learning and beliefs, attitudes.

A motive is a need that is sufficiently pressing to drive the person to act satisfying the need reduces the felt tension. "Perception" can be defined as the process by which an individual reacts, organizes and interprets information, to create a meaningful picture of the world.

People can emerge with different perceptions of the stimulus object because of three perceptual processes, selective attention, selective distortion, and selective retention.
Selective attention

People are exposed to tremendous amount of daily stimuli, and are more likely to notice stimuli that relates to a current need, and people are more likely to notice stimuli that they anticipate.
**Selective distortion**

Selective distortion describes the tendency of people to twist information into personal meanings. People interpret information in a way that will support rather than challenge their perception.

**Selective retention**

People will forget much what they learn. They will tend to retain information that supports their attitudes and beliefs for chosen alternatives.

**Learning**

Describes changes in an individual’s behaviour arising from experience.
GENERAL FACTORS INFLUENCING BUYER’S BEHAVIOUR

Buyer’s behavior is not static. There are frequent changes in the buying pattern and individual’s behaviour. The economic, psychological, social, demographic and cultural factors lead to changes in behaviour, which influences the buying decision of an individual. Therefore, it is desirable to have an indepth study of all these factors.

Demographic Factors

Consumer demographic variables play an extremely important role in marketing decision making. Behavioural research relies immensely on demographics, such as age, family size, sex, income, occupation, education, religion and home ownership. These variables often correlate with product purchase and use. Marketers use demographics to analyse their markets, below:

The Number and Geographic Distribution of Population

Population is an essential component of profitable markets. A growing population is a stimulus for market expansion. The key point from macro perspective is whether real income and real productive capacity per person is growing rapidly. If population increase creates pressure on natural resources and real productivity cannot be improved to offset them, additional population will not result in expanding markets.

The density of population also influences the speed with which the information moves through a geographical area. Information about a new product is likely to reach people faster in a dense population than in a population that is less dense. Moreover, people in a higher density area are more apt to learn about a new product earlier and hence are likely to be early purchasers. Population density is also important in selecting communication strategies. For instance, in areas where population density is low, direct market advertising becomes more attractive.
The Composition of Population

Many features such as age, gender, education, etc. distinguish one person from the other. These variables have direct as well as indirect influences.

Age

Age grouping refers to various stages people pass through, such as childhood, adolescence, etc. Different consumer goods and services are purchased at each stage. There are certain purchases as type of housing, amount of travel, type of food, etc, which vary with major age categories.

The implications of the shift in age distribution are many. With changing age, there are changing levels of income, family formation, education level and life styles. People of different age groups represent a potential market for specific products and services. For instance, prams will be needed for babies and younger folk will demand cycles and scooters. Marketing programs for consumer electronics and other goods have to adapt to these reality of the changing age mix in the population.

Gender

The social and biological differences between males and females are seen through consumption patterns. There is no known culture in which sexual differences have no effect on the buying pattern of people. In some instance, there are clear boundaries that are seldom crossed by either sex. With regard to tobacco products, few women smoke. On the other hand, some boundary may be crossed in one direction. For instance, it is acceptable now in many cultures for women to wear men’s clothing but not the reverse.
One of the changes in the sex demographic factor is increase in working women. This affects the consumption pattern of those families where both are working. Many time saving appliances like washing machine, vacuum cleaner etc are available today due to this trend of working women.

The growing number of working women has resulted in a variety of new needs and diverse buyer’s behaviour. Working mothers have created an enormous demand for childcare, housekeeping and convenient products. Studies show that women differ from men in the ways in which they use the behaviour process to read and view media and evaluate product. Female buyers spend more time in browsing stores and are more likely to use coupons and credit cards when making purchase than are men.

The male market has also undergone significant changes in recent years. As women have entered the workforce, men have started taking responsibilities traditionally done by women.

**Marital Status**

The marketing implications of marital status is that there are opportunities for product and service industry associated with weddings and family life. Because marriage is occurring slightly later in individual’s life, people have better financial resources and double income families are prevalent. This gives opportunities for organisations involved with travel and entertainment to elicit their patronage.

**Household Characteristics**

Household characteristics influence buyer’s behaviour in both tangible and intangible ways. Differences arise from the number of consumers in the household and is likely to use smaller quantities of everything in a small family. Intangible influences reflect cultural, social and psychological characteristics.
For example, in traditional nuclear families, children are expected to do household chores. So, there may be less need to pay for outside services.

Households change as people marry and have children and the children grow up, leave the house and sometimes return later. The progression from single to married, parenthood, retirement and death is known as the traditional family life cycle. This concept was developed to classify households according to age, marital status, and numbers and age of children.

The family’s makeup has been recognized as an important determinant of the product and services that households buy. So, marketers target segment that reflect characteristics appropriate to different products. For instance, Apple targets its personal computers and healthcare services to focus on retired couple whose children do not live at home.

**Geography or Location**

The climate and physical landscape of a geographical location dictate purchase of certain household items. Food preferences also vary geographically. Preferences for products also differ in rural areas. The classification of different areas can be used to examine the purchase behaviour of people.

**Religion**

Differences exist among diverse religious groups. But religion has not been used extensively for market segmentation. Some religious products are marketed in local geographical area. Very little research has been conducted on the purchase behaviour of religious subcultures.


**Education of the Population**

Education is a significant demographic variable. It is an important indicator of market attractiveness. Well-educated people spend their income in different ways than those with lesser education. For instance, educated people tend to read more books and magazines, travel more frequently and demand higher quality products than their less educated counterparts.

The literacy rate also has an effect on the promotional strategies of the marketers. A high illiteracy rate may mean the exclusion of printed instructions. Moreover, an economy with a poorly developed educational system may hinder the firm’s operations in the market through the lack of trained personnel within the firm and in the support services.

Thus, the marketing implications of this variable is that as the educational level of the general population rises, marketers need to respond in terms of better information and better products and services to meet buyer’s expectations.

**Occupation**

The nature of occupation has a bearing on the relationship between income and expenditure. For instance, a sales person may need a company car owing to the travel requirements of the sales job and so he may not own a personal car. A doctor may have the same income as a professor but the spending pattern would be different.

Occupation may also change shopping patterns. There have been an increased proportion of women in the labour force. This not only adds to the level of household income but also affects the decision making process in many purchases. Marketing implications is that a larger workforce requires transportation, clothing and personal services.

But there are certain limitations of demographic data. The data and trends may be too broad and hide opportunities and risks in small markets.
Secondly, single demographic statistics are often not very useful. A consumer demographic profile is needed. Moreover, demographic data do not consider the psychological or social factors influencing buyers. They do not express the decision making process in purchases.

**Social Factors**

Buyer’s behaviour is also influenced by social factors such as reference groups, family, social class, role and status and opinion leadership.

**Family**

Family exerts considerable influence on the buying behaviour. Individuals acquire many of their basic view points from parents and siblings during their early years of life and retain many of them. For instance, a child learns the use and value of money by listening to his or her parents. Similarly, decision to buy a new car or a vacation trip are consumption decisions which are usually made within the context of family setting. So, the family imparts buying values to its members. As a result, the family is a major target for the marketing of many products and services.

**Role of Family Members**

The marketing policy regarding the product, promotion, channel of distribution and promotion strategies are governed by the family members making actual purchase. The marketing manager should always ask questions as:

- Who does the family buying?
- Who takes the buying decision? and
- Who influences buying?

The answer to these questions would help a marketer to arrive at conclusions regarding the buying pattern and behaviour.
Traditionally, the wife made a majority of the family purchases since the husband worked most of the day. Even though the preference of the children or the husband may have influenced her decisions, she was usually responsible for food buying and clothing purchases. On the other hand, the refrigerators, cars, etc. Even where the decisions were made jointly, in general the husband was concerned with functional characteristics of the items while the wife evaluated its style and appearance.

James Myers and William Reynolds have illustrated the use of the explicit decision rules for the husband and wife in the purchase of a new car. It often happens that the family buys another car of the make previously owned. If the husband and wife disagree, a kind of decision tree comes into play.

The following figure shows that if the husband and wife want to buy different makes, the ultimate purchase decision may depend on whether the two makes fall into the same or different price classes. In the first case, with both makes approximately of the same price, the husband makes the decision on functional grounds. In the second case, the spouse favouring the lowest price make, tends to win in the family decision process. In either case, once the decision is made, the husband then decides on matters like brand while the wife decides on colour and upholstery.
Some marketers acquire insight into the behaviour of target buyers by analyzing the family life cycle. A family goes through a number of stages during its life cycle, as children are born, reared and eventually leave home. The following are the identifiable stages through which most families pass and which constitute the family life cycle.

Bachelor stage : Single and Young
Newly Married : Young and no Children
Full Nest I : Married and young, youngest child under 6 years
Full Nest II : Married and young, youngest child of 6 years
Full Nest III : Older married couples with dependent children.
Empty Nest : Married and older, children no longer live at home.
Solitary Survivors : Older and Single.
The family life cycle concept is a useful basis for market segmentation. Those in the bachelor stage are excellent target for cosmetics, clothing and sporting goods. Full nest I consumers are good prospects for basic furniture, household appliances and baby food while empty nesters present a high potential for health food, travel, lawn furniture and recreational reading. So the marketers of a wide line of products might decide to pursue a market segmentation policy relating to this family life cycle stages.

**Reference Groups**

Buyer’s behaviour is influenced by the small groups to which the buyer belongs. The buyer gets advice or guidance from such groups. For self-evaluation, a marketing manager should study the reference groups. In brand preferences, we find visible influence of groups on the buyer’s behaviour. An individual prefers a particular brand because his group prefers the same. Therefore a marketing manager should be in touch with that reference group which would help him in satisfying the buyer.

A reference group is any person or group that serves as a point of comparison for an individual in forming either general or specific values or behaviour. From a marketing perspective, reference groups are groups that serve as frames of reference for individuals in their purchase decisions. The buyers accept information provided by their groups on the quality of product, performance, style, etc. The groups provide a frame of reference which is the first stage in the decision making process of the buyers. A family, a circle of friends, an athletic team, college group, etc are examples of small reference groups in which members have face-to-face interaction. These are direct reference groups. It also includes indirect reference groups, which consist of those groups and individuals with whom a person does not have direct face-to-
face contact such as movie stars, sports heroes, political leaders or TV personalities.

Reference group appeals are used effectively by the advertisers to communicate with their markets. There are four major types of reference groups appeals, which are commonly used in marketing.

- Celebrity Appeal,
- Expert Appeal,
- Common Man Appeal, and
- Executive Appeal.

**Celebrity Appeal**

Celebrities like movie stars, TV personalities and sports heroes provide a particular type of reference appeal. The advertisers spend money to have celebrities promote their products and they expect that the buyers will react positively to the celebrity’s asking them to:

- Give a Testimonial: If the celebrity has personally used the product or service and is in a position to attest to its quality, he or she may give a testimonial citing its benefits.
- Give an Endorsement: Celebrities are used to lend their names to ads for products or services with which they may or may not be experts.
- As an Actor: A celebrity may be asked to present a product or service as a part of a character enactment.
- As a Company Spokesperson: A celebrity who represents a brand or company for a period of time is usually called company spokesperson. Eventually, his appearance becomes closely associated with brand or company.
Expert Appeal

An expert is a person who because of his or her occupation or experience is in a position to help the buyer to evaluate the product or service that the ad promotes. For instance, an advertisement for a quality frying pan may feature the endorsement of a chef.

The Common Man Appeal

A reference group appeal that employs the testimonials of satisfied customers is known as the common man approach. The advantage of this appeal is that it demonstrates to the prospective buyers that some one like them uses and is satisfied with the product or service being advertised.

The Executive Spokesperson Appeal

Today, we find that an increasing number of firms have used their top executives as spokespersons in advertisements. The executive spokespersons influence the buyers because of their achievements and status they enjoy. It encourages the buyers to have confidence in the firm’s products or services.

The reference group appeals are effective promotional strategies as they increase brand awareness and reduce the risk among the prospective buyers.

Thus, the whole concept of group influence on buyer’s behaviour suggest that for every product, the marketers must make a series of strategic decision that revolve around the following ideas:

- The marketers must decide if reference group concepts are applicable to a given situation.
- The marketers must identify the particular reference group.
- Once the group is identified, the marketer must develop a programme of effective communication with the group.
Role and Status

This is an important factor influencing the buyer’s behaviour. Roles are what the other members of a group expect of an individual who hold specific positions within it. The roles assigned to each member in a group have an influence on that person’s activities. For instance, for children, the main influence is parental. When independent and unmarried, their decisions are based on socio-economic and psychological factors. On finding partners, their role changes and so do their purchase decisions. Later in life, as parents, they in turn exercise influence over their dependents. Thus, on the basis of changing roles, buyer’s behaviour changes throughout the life cycle.

Status is the relative position of any individual member in a group. It is revealed through various symbols like dress, ornaments and possession. Status is a major motive force guiding the life of several people. Their concept of status decides what material possession they should have and hence the decision making process.

Social Class

Social Class refers to one’s position in the social and economic structure of a society. It is a homogeneous division of society whose members show similar patterns of behaviour and values. The role of social class is important as it helps to diagnose the buying pattern of different classes in a society. People tend to purchase certain products because they are favoured by members of their own social class.

The criteria used to differentiate social class varies. A widely used delineation of social class hierarchy is that of W.L. Warner, which is based on occupation, source of income, residential area and type of dwelling. He categorized the members in a society into six classes:

(i) Upper-upper class
(ii) Lower-upper class
(iii) Upper-middle class
(iv) Lower-middle class
(v) Upper-lower class, and
(vi) Lower-lower class

These groups make the primary market for mass consumer goods. The buying behaviour is strongly influenced by the social class to which they belong. It affects a person’s consumption and expenditure patterns and individuals of a particular class show distinct preferences for certain type of products, brands, shopping outlets etc.

For instance, the upper classes go more for products that provide identification and represent good taste. The lower classes are brand loyal as they want a good buy. People of different classes have different preferences where they shop. The lower classes do much of their shopping in those stores that give them credit whereas the upper classes enjoy shopping in prestige stores. The product choice and usage also differs among social classes. There are items bought mainly by the upper classes such as bonds; and others that are purchased mainly by lower classes like cheap wine.