RATIONALE BEHIND STUDYING BUYERS’ BEHAVIOUR
CHAPTER II

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Of the four phases of economic activity viz. Organising, Producing, Distributing and Consuming the goods and services the consumption activity is considered the most significant because there is no meaning in producing goods and services unless there is a consumption. However, in an economy of plenty there are a wide variety of goods of all categories and services before the buyers' (or) consumers' preference. The preference of consumers create demand for goods and services and in turn accelerate the economic activity of the World in general and a country in particular. An attempt has been made in this chapter to examine the theoretical nuances behind studying consumers (or) buyers. The various concepts which will likely be used in this chapter are explained in the subsequent paragraphs.

CONSUMERS

There are two types of consumers viz. Personal and Organisational (or) Industrial consumers. An individual (or) personal consumer is one who buys goods or services to satisfy his personal or household needs. The individual consumer is the most important class of buyers and among them the principal consumer is the family. They are the end users or
ultimate consumers. Organisational (or) Industrial consumer may be defined as business or institutional organisations. They buy products and services either to use in making other goods and services or to use for their own industrial purposes.

CONSUMER BEHAVIOUR

"The whole behaviour of a person while making purchases may be termed as Consumer Behaviour"³. Consumer behaviour is defined as "the process whereby individuals decide whether, what, where, how and from whom to purchase goods and services."⁴

BUYER BEHAVIOUR

"Buyer behaviour may be viewed as an orderly process whereby the individual interacts with his or her environment for the purpose of making market place decisions on products and services"⁵. "Buyer behaviour is all psychological, social and physical behaviour of potential customers as they become aware of, evaluate, purchase, consume and tell other people about products and services"⁶.

DURABLE GOODS

Tangible goods which normally survive for many uses, for example, refrigerator, clothing.
NON-DURABLE GOODS

Tangible goods which normally are consumed in one or a few uses, for example, meat.

CONVENIENCE GOODS

Those consumers' goods which the customer usually purchases frequently, immediately, and with the minimum effort in comparison and buying. For example, Tobacco product, soap, newspapers.

SHOPPING GOODS

Those consumers' goods which the customer, in the products of selection and purchase, characteristically compares on such bases as suitability, quality, price and style.

SPECIALITY GOODS

Those consumers' goods with unique characteristics and or brand identification for which a significant group of buyers are habitually willing to make a special purchasing effort.
THEORIES ASSOCIATED WITH BUYER BEHAVIOUR

A consumer will continue to buy such products that will deliver him the most utility or maximum satisfaction at relative prices. Economists hold the view that man is rationale in all his activities and purchasing decisions are the results of economic calculations. Marketers, however, do not accept this theory, on the ground that it fails to explain how product and brand preferences are formed. Further, economic factors alone cannot explain variations in sales. The theory (referred to as 'Marshallian Model'), however, provides an useful frame of reference for analyzing only one small corner of the 'black box'.

The purchasing power is the real determinant of buying. To facilitate how people allocate changes in their total income between spending and saving, there are two concepts as given by the Economists.

i. The marginal propensity to consume, and

ii. The marginal propensity to save.

The theory states that personal consumption spending tends both to rise and fall at a slower rate than does the disposable income.

People learn from experience, and the results of experience will modify their actions on future occasions. The importance of brand loyalty and repeat purchase make learning theory more relevant in the field of
marketing. "Leaning occurs as a person responds to some stimulus and is rewarded with need satisfaction for a correct response."

Stimulus Response theory, after constant refinements, is now based on four central processes. They are drive, cue, response and reinforcement. Certain stimuli are stronger than others and some are perceived by more people; Beliefs and attitudes also play an important role in the cognitive process. Strong beliefs and attitudes are difficult to be changed. Advertisements stressing special appeals are purposely designed by the manufacturers to overcome this kind of resistance by customers.

Freud has postulated a proposition whereby the personality has three basic dimensions: the id, the ego and the superego. It follows that consumer behaviour is a function of the interaction of these three systems. "Veblenian Model" asserted that man is primarily a social animal and his wants and behaviour are largely influenced by the group of which he is a member. The tendency of all people is to "fit in" a society in spite of their personal likes and dislikes. Most of the luxury goods are bought primarily because one's neighbour or friend of the same status bought it. Culture, sub-culture, social classes, reference groups and family are the different factor groups that influence buyer behaviour.
FACTORS INFLUENCING BUYING BEHAVIOUR

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CULTURAL FACTORS

Culture includes a set of learned beliefs, values, attitudes, morals, customs, habits and forms of behaviour that are shared by a society and transmitted from generation to generation within that society. Culture is always alive, moving and ever-changing. It reacts to internal and external pressure causing intercultural conflicts. Cultural influence is a force shaping both patterns of consumption and patterns of decision-making from infancy.

Each culture consists of smaller sub-cultures that provide more specific identification and socialization for their members. Sub-cultures include nationalities, religions, racial groups, and geographic regions. Many
sub-cultures make up important market segments and marketers often design products and marketing programs are tailored to their needs.

SOCIAL CLASS

Consumers' buying behaviour is determined by the Social class to which they belong or to which they aspire, rather than by their income alone. There are three social classes: Upper, Middle and Lower classes. Consumers belong to middle classes usually stress rationality and exhibit greater sense of choice-making, whereas consumers of lower classes have essentially non-rational purchases and show limited sense of choice-making. Upper class consumers want products and brands that are clear symbols of their social status.

SOCIAL FACTORS

Reference Groups

Normally a consumer's decision to purchase and use certain products and services is influenced not only by psychological factors, but also by his personality, life style and his societal environment. The groups with whom the consumer interacts directly or indirectly influences his purchasing decisions and thus to study on personality is of great importance to marketers.
Family

Family is a fertile source of influence on the individual members' buying behaviour. There are two families which shape an individual's consumption behaviour. One is the family of orientation, that is the family in which you are born and consists of your parents, brothers and sisters. We used to get most of our values, attitudes, beliefs and purchase behaviour patterns only from our parents. Even after leaving them their influence on the subconscious mind still continues to be great. In our country, where children continue to live with their parents even after attaining adulthood, the latter's influence is extremely important. In the second type of family there is the consumers' spouse and children influence the buying decisions.

Roles and Status

The person's position in each group can be defined in terms of role and status.

PERSONAL FACTORS

Age and Stage of life cycle
People change the goods and services they buy over their lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years. People's taste in clothes, furniture, and recreation is also age related.

Family Life cycle

Consumption is also shaped by the stage of the family life cycle. Nine stages of the family life cycles are listed along with the financial situation and typical product interests of each group. Marketers often define their target markets as certain life cycle groups and develop appropriate products and marketing plans.

Psychological Life cycle

Some recent work has identified psychological life cycle stage. Adults experience certain passages as they go through life. Thus man may move from being a satisfied brand manager and husband to being an unsatisfied person searching for a new way to fulfill himself. This may have stimulated his interest in computers marketers should pay attention to the changing consumption interests that be associated with these adult passages.
Occupation

A person's consumption pattern is also influenced by his or her occupation. A blue-collar worker buys work clothes, work shoes, lunch boxes and bowling recreation. Marketers try to identify the occupational groups that have an above average interest in their products and services. A company can even specialize in producing products needed by a particular occupational group. Thus some computer software companies might specialize in designing computer programs useful to brand managers.

Economic circumstances

A person's economic circumstances greatly affect product choice. People's economic circumstances consist of their spend-able income savings and assets, borrowing power and attitude toward spending versus saving.

PSYCHOGRAPHICS or LIFE STYLE

Psychographics, also referred to as life style analysis i.e. activities, interests and opinions. (AIO)
Personal and Family, Psychographic statements

Psychographic (AIO) inventories usually require consumers to evaluate their personal (individual) or their family’s (household’s) stand in relation to wide variety of statements.

AIO STUDIES ENCOMPASS A WIDE VARIETY OF VARIABLES

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PSYCHOLOGICAL FACTORS

Motivation

“A motive is as a drive or an urge for which an individuals seeks satisfaction. It becomes a buying motive when the individual seeks satisfaction through the purchases of something”.
Consumer perception

Perception is the process by which individuals select, organize, and interpret stimuli into a meaningful and coherent picture of the world. It has strategy implications for marketers because consumers make decisions based upon what they perceive, rather than on the basis of objectives reality.

Learning

Learning is the process by which individuals acquire the purchase and consumption knowledge and they apply it to future related behaviour.

Beliefs and Attitudes

A belief is a descriptive thought that a person used to have about something. The belief may be based on some real facts or it may merely a notion or opinion that the person has. The belief that the customer has about a brand is important because it determines his behaviour towards buying and using it.

Consumer attitude is an expression of inner feelings that whether a person is favourably or unfavourably predisposed to some “object” such as a brand, a service, a retail establishment.
Attitudes, beliefs and cognitions tend to be consistent with each other and play a critical role in influencing the consumer behaviour. Since, attitude formation is facilitated by direct personal experience, influence of peers, friends and relatives and exposure to mass media, marketers are trying to understand the underlying factors which influence and bring about attitude changes. The changing attitudes will eventually change consumer behaviour.

CONCLUSION

There are various factors which influence consumers / buyers behaviour. There are also theories associated with buyers' behaviour. Actually the factors such as social, economic, political, cultural, demographic and psychographic factors influence the behaviour much. Of these factors the psychographic factor influence the consumer decision significantly.
FOOTNOTES


6 Webster, Frederick.F, Marketing for Managers, 1974, P.19.

7 Philip Kotler; Marketing (Management Analysis, Planning and Control), Third Edition, Prentice-Hall of India Private Limited, New Delhi, 1977, PP 73 to 74.

8 Dr.N. Rajan Nair, Sanjith R.Nair, Marketing, Seventh Edition, Sultan Chand & Sons, New Delhi, 1993, pp 196 to 198.