CHAPTER III

A CONCEPTUAL FRAME WORK OF CONSUMER BEHAVIOUR – IN GENERAL

Marketing has been developed as a discipline only in the past few decades in India. The most important entity in Indian marketing today is the consumer. Nothing and nobody is more important in markets than consumers. Everything else is predictable.

Meaning and Definition

Consumer behaviour is a subset of human behaviour. An understanding of consumer behaviour is essential for planning and programming the marketing system. Consumer behaviour refers to the behaviour of consumers in deciding to buy or not to buy or use or not to use or dispose of or not to dispose of the products in order to satisfy their needs.43

The term ‘consumer behaviour’ refers to the behaviour of both the personal consumer and the organizational consumer. In the present study an attempt is made to study the behaviour of personal consumers. The personal consumer buys goods and services for his or her own use, for the use of the household or as a gift for a friend. In each of these contexts, the products are bought for final use by individuals, who are referred to as end users or ultimate consumers.

FACTORS INFLUENCING CONSUMER BEHAVIOUR

From the viewpoint of the marketing strategist, the mix of cultural, social, personal and psychological factors which influence behaviour is largely non-controllable. As these influences have a great impact upon patterns of buying, it is essential that the maximum effort is put into understanding how they interact and ultimately, how they influence purchase behaviour.

CHART NO. 3.1
FACTORS INFLUENCING CONSUMER BEHAVIOUR

Source: Henry Assael ‘Consumer Behaviour and Marketing Action’

I. CULTURAL FACTORS

Culture is the most basic determinant of a person’s needs and behaviour. People with different cultural, sub-cultural and social class characteristics have different product and brand preferences. According to William J. Santon, a culture may be defined as, “the complex of symbols
and artifacts created by a given society and handed down from generation to generation as determinants and regulators of human behaviour”.

1. Culture

A culture is a way of living that distinguishes one group of people from another. Much of consumer behaviour is determined by culture. In the words of Clyde Kluckhohn, “Culture regulates peoples’ lives at every turn. From the moment people are born, until they die, there is constant conscious and unconscious pressure on them, to follow certain types of behaviour.”

2. Sub-culture

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. A subculture is a distinct cultural group, which exists as an identifiable segment within larger, more complex society.

George P. Moschis and Roy L Moore have studied marketers and consumer behaviour, which the researchers generally agree- that the consumer’s behaviours of the blacks differ from that of the while, there appears to be no consensus on the cause of the differences. Consumer behaviour may be attributable to socialization processes that operates differently among the two subculture.

---

3. Social Class

Social class defines the ranking of people in a society into a hierarchy of upper, middle and lower classes based on their power and prestige. In our society, prestige and power are defined in terms of income, occupation and education.

Paul Hugstad, James W. Taylor and Grady D. Bruce have concluded that research on social class and information searching under different levels of anticipated risk has found few significant relationships. In high risk purchases, no social class patterns are listed for information search using. Friends, relatives, magazines, newspapers, television, radio and sales people. However, the upper classes consult consumer guides more than the lower classes do. In mid-level risk purchases, friends and relatives are more likely to be used as information sources as social bias decreases. In low-risk purchases, there are no significant relationships between social and information searching.\(^{47}\)

II. SOCIAL FACTORS

The second major factors that influence consumer decision making are social factors, which include all effects of buying behaviour that result from interactions between a consumer and the external environment.

1. Reference Groups

Consumers are also influenced by reference groups, that is, groups that serve as a reference point for individuals, in defining their needs and developing opinions. George Homans\textsuperscript{48} noted generally consumers accept reference group influence because of the perceived benefits in doing so.

2. Family

The family has a major influence on the consumption behaviour of its members; in addition, it is the prime target market for most products and product categories. Today, more of the decisions that affect the family as a whole, are taken by the entire family. Issue often left solely to the household in the past, for example the purchase of a new car is now a joint decision. Children have also increased their influence within immediate family circle and may be consulted on such things as what make of car the family should purchase.

The study by Aayush and Kapoor\textsuperscript{49} revealed that kids influence parents while making purchasing decisions in categories like outing (37.5%), electronics (21%), and beverages (14.5%). Interestingly, among kids, the majority of purchase decisions are predetermined (44 %) which may suggest that they are becoming more brand conscious.


The number of car purchase decisions in which the husband was reported to be the major influence was high.\textsuperscript{50}

3. Types of Family

There are two types of families; extended family and nuclear family. The extended family was once the most common family unit. It consists of three generations living together and often includes grandparents, aunts, uncles and cousins. The nuclear family, which comprises a mother, a father and one or more children, becomes the model family unit.

4. Social Status

Status is how we measure our position in society in relation to other people and status symbols are the products that we use as benchmarks in this comparison. A person who owns a luxury car has more status than a person who owns a mid size car and a person who owns a mid size car has more status than a person who owns a small car. People choose products that reflect their role and status in society.

5. Friends

Friends may influence in two major ways. First, they make a recommendation. As they are friends, we are more likely to trust their judgment than that of an acquaintance, or indeed a total stranger. Second, friends may buy a gift for us.

6. Relatives

The level of influence may depend upon the closeness of the family in emotional terms, and its ethnicity. Families of Indian or West Indian origin, for example, tend to be more close-knit. If someone is planning to buy a car, he may seek the opinion or guidance of a friend or relative who is thought to have a clear knowledge about cars.

III. PERSONAL FACTORS

A person’s buying decisions are also influenced by personal characteristics that are unique to each individual, such as gender, age, life-cycle stage, personality, self-concept, and life-style. Individual characteristics are generally stable over the course of one’s life.

1. Gender

Physiological differences between men and women result in different needs, such as health and beauty products. They are as important as the distinct cultural, social and economic roles played by men and women and the effects that these have on their decision-making processes.

2. Age and Family Life-cycle stage

The age and family life cycle stage of a consumer can have a significant impact on consumer behaviour. How old a consumer is generally indicates what products he or she may be interested in purchasing. Consumer tastes in food, clothing, cars, furniture and recreation are often age related.
Judith Waldrop has found that marketers are interested in understanding what products will sell well in the youth market. Moreover, it is important to appreciate the fact that the influence the youth plays as a prime purchaser may be more significant to most marketers.\(^5\)

3. Income

A household’s income level combined with its accumulated wealth determines its purchasing power. Income, certainly, influences purchasing decisions’ because it determines how much people can afford. For example, families with income below Rs.10,000, find it very difficult to buy a house. On the other hand, families in the higher income categories buy luxury automobiles and vacation houses.

4. Education

Education has been associated with the purchase of books, healthier foods and entertainment. Education also influences how decisions are made. Educated consumers seek more information and demand better quality products. Those with limited education are generally at a disadvantage not only in earning money but also in spending it wisely.

5. Occupation

A person’s occupation also influences his consumption pattern. Marketers try to identify the occupational groups that have above average interest in their products and services. A company can even specialize its products for certain occupational groups.

6. Personality and Self Concept

Personality of an individual also influences his buying behaviour. Personality refers to the unique psychological characteristics of an individual. It is usually described in terms of distinguishing character traits, attitudes and habits, dominance, sociability, autonomy, authority, aggressiveness, adaptability etc. Marketers must have in depth the knowledge of different human personalities.

7. Life Style

People coming from the same subculture, social class and occupation may have quite different lifestyles. Lifestyle is a person’s pattern of living. Lifestyle captures something more than the person’s social class or personality; it projects a person’s whole pattern of acting and interacting in the world.

Susan P. Douglas and Christine D .Urban have observed lifestyle studies and stated the build up the profiles of the consumers in terms of their daily life patterns, their work habits and leisure activities, their interests and self- perceptions, their aspirations and frustrations, their attitudes towards their families, beliefs and opinions about the environment around them.\(^\text{52}\)

IV. PSYCHOLOGICAL FACTORS

An individual’s, buying decisions are further influenced by psychological factors: such as perception, motivation, learning and attitudes. The ‘factors’ are what consumers use to interact with their

world. They are the tools, consumers use to recognize their feelings, gather and analyze information, formulate thoughts and opinions and take action.

1. Perception

Perception is the process of selecting, organizing and interpreting information inputs to produce a meaning. A person receives information through senses such as sight, taste, hearing, smell and touch. How and what consumers perceive strongly affect their behaviour towards products, prices, package designs, salespeople, stores, advertisements and manufacturers.

2. Motivation

Motivation involves the positive or negative needs, goals and desires that take a person towards or away from certain actions, objects or situations. By identifying and appealing to people’s motives - the reasons for behaviour - a firm can produce positive motivation. Each person has distinct motives for purchases, and these change by situation and over time. Consumers often combine economic and emotional motives when making purchases.

3. Learning

Learning consists of changes in a person’s behaviour that is caused by information and experience: Variations in behaviour that result from psychological conditions, such as hunger, fatigue, physical growth, or deterioration are not considered learning. Learning refers to the effects of
direct and indirect experiences on future behaviour. Consumers learn about products directly by experiencing them.

4. Attitudes

Attitude is a predisposition to feel or act in given manner towards a specific person, group, object, institution or idea. Customer attitudes, understanding and awareness of the product are intimately related. A preference for a particular brand indicates the customer’s attitude towards it.

Buying Roles

For many products, it is easy to identify the buyer. Men normally choose their shaving equipment and women their cosmetics. Other products involve a decision-making unit consisting of more than one person consider the selection for a family automobile. The teenage son may suggest buying a new car. A friend may advise the family on the kind of car to buy. The husband may choose the make. The wife may have definite options regarding the car’s size and interior. The husband may make the financial decision. The wife may use the car more often than her husband. Thus we can distinguish five roles people might play in a buying decision.  

*Initiator A person who first suggests the idea of buying a particular product or service.

---

* Influencer  A person whose view or advice influences the decision.

* Decider  A person who decides on any component of a buying decision: whether to buy, what to buy, how to buy, or where to buy.

* Buyer  The person who makes the actual purchase.

* User  A person who consumes or uses the product or service.

A company needs to identify the roles of the buyers because they have implications for designing the product, determining messages, and allocating the promotional budget. If the husband decides on the car maker, then the auto company will direct advertising to reach the husbands. The auto company might design certain car features, to please the wives knowing the main participants and their roles which help the marketer to fine-tune the marketing program.

**Consumer Decision Making**

For a marketer, the most important behaviour on the part of prospective buyer or consumer is the process of deciding whether to buy or not to buy. It is the decision-making process that leads to purchase decisions. A decision involves a choice between two or more alternatives or behaviours.  

The true decision making occurs only when consumers do extensive search for information in order to carefully evaluate some

---

alternatives. Purchase decisions are made to satisfy needs and affordability.

**Consumer Buying Decision Process**

A buyer passes through many stages in making choices about which products he should buy and what kind of service he should act. This is known as purchase decision process. This process has the five stages as shown in Chart No. 3.2. People engaged in extended problem solving usually go through all stages of this process, whereas those engaged in limited problem solving and routinised response behaviour may omit some stages.

**CHART NO. 3.2**

**THE CONSUMER DECISION MAKING PROCESS**

Stage I  
Recognizing Problem

Stage II  
External Information search  
Internal Information search

Stage III  
Evaluating Alternatives

Stage IV  
Purchase Processes

Stage V  
Post-Purchase Processes

1. Problem Recognition

The first stage of a consumer decision-making process is recognizing that he has a need to fulfill or a problem to solve. A need exists when someone has an unfulfilled desire and when he has determined that a product or service will satisfy the need. For example, the need to replace the family car might be triggered off by its poor performance, by a change in family size, by an increase in family income, by a desire to have a car that is in style, by a need for better gas mileage because of increased gas prices, and so on.

Bruner (1987) points out that among the consumers, there seems to be two different needs or problem recognition styles. Some consumers are actual state types, who perceive that they have a problem when a product fails to perform satisfactorily. In contrast, other consumers are desired state type, for whom the desire for something new may trigger the decision process.  

2. Information Search

After recognizing a problem, a consumer begins to search for information, which is the next stage in the purchase decision process. An information search has two aspects. In an internal search, buyers search their memories for information - about products that might solve problem. If they cannot retrieve enough information from memory to make a decision, they seek additional information from outside sources in their external search.

---

If a man wants to buy a new car he is in need of information about it so that he can take a decision without any problem. When he goes in search for more information his decision is based upon the perceived value of the information in relation to the costs for obtaining it. Most people, buying a new car, would probably like information on various models, options, fuel mileage, durability, passenger capacity and so forth. The trouble and time they take to get the data are less than the cost of their buying a wrong car.

Punj and Stealin (1983) have conducted studies to find out the amount of search that consumers undertake when they are in the purchase decision process. They used confirmatory factors analysis to show that high cost of searching and good brand knowledge were associated with less search activity for new automobiles.\textsuperscript{56}

3. Evaluation of Alternatives

Having recognized the problem of need and searched for information about possible alternatives, the consumer arrives at a decision. The third stage of the decision-making process is the evaluation of the alternatives. When a satisfactory number of alternatives have been identified, the consumer must evaluate them before making a decision. The evaluation may involve a single criterion, or several criteria, against which the alternatives are compared.

A consumer buying a new car will usually consider engine performance, safety, reliability, mileage, interior design, maintenance history, social status, luxurious fittings, price and brand name.

Nakanishi and Bettman (1975) quote that an evaluation process may be too complex for many consumer goods; consumers may evaluate brands on two or three key attributes and eliminate brands if they are not adequate on anyone attribute.57

4. Purchase Decision

After searching and evaluating, the consumer must decide whether to buy or not. Thus, the first outcome is the decision to purchase or not; the alternative evaluated as the most desirable. If the decision is to buy, a series of related decisions must be made regarding features, where and when to make the actual transaction, how to take delivery or possession, the method of payment and other issues.

Peterson, Balasubramanian and Bronnenberg (1997) forecast that early in the twenty first century consumers will be purchasing food and other basic household needs via in-home television computer systems. The shopper will choose after viewing brands and prices on the screen. So, the purchasing process itself may change dramatically in the coming years.58

---

57 Nakanishi, M. and James R. Bettman, “Attitude Models Revised: An Individual Level Analysis”, Journal of Consumer Research, V 01.1,

5. Post Purchase Behaviour

This is the final stage of the decision making process where consumers compare performance of the products against their expectations. Buyer’s feelings and evaluation, after the sale, are significant for the marketer because they can influence repeat sales and develop ‘brand loyalty’ or stop the use of same product forever. Many companies regard satisfied customers as their best form of advertising.

CONSUMER SATISFACTION

Why to measure consumer satisfaction?

The companies feel that they incur average business losses of their customers each year and a loss is estimated between 10% and 30%. They also remain in the dark not knowing what lies behind these business losses. Hence, it is essential for them to measure consumer satisfaction and to keep it intact for their good business.

Churchill and Suprenant59 have indicated that early researchers did not measure satisfaction. Instead, the focus was on the linkage between expectations and perceived product performance. At some point, research shifted to the relationship among perceived expectations, disconfirmation, and satisfaction. For example, Olson and Dover60 examined the effects of performance expectations and disconfirmation on an individual’s beliefs.

But they were unable to measure satisfaction, and consequently, were unable to determine the impact of the above constraints on satisfaction.

**Satisfaction versus Dissatisfaction**

The moment a product is purchased and used, we begin to judge it. The level of satisfaction or dissatisfaction, we experience, depend upon how well the product’s performance meets with our expectations. If it performs as or better than expected, it leads to satisfaction. But if it falls short of expectations, it leads to dissatisfaction.

From the above discussion, it can be deduced that satisfaction is influenced by a number of variables. These variables are expectations, performance, disconfirmation and desires. Each of these factors is discussed below:

**Expectations**

Segmentation is the process of dividing a potential market into distinct subsets of consumers with similar needs or characteristics. The delivery of customer service begins with an understanding of customer expectations. It is essential to understand consumers’ expectations in order to satisfy them.

---

According to Prakash and Lounsbury, the conceptualization of the determinant role of expectations can be traced to adoption level theory and comparison level theory. The authors sought to classify different types of expectations that should be confirmed in the determination process. They identified three types of expectations: predictive, normative and comparative.

Predictive expectations refer to a consumer’s beliefs about how a brand is likely to perform on certain attributes. Normative expectations, also known as desired expectation imply that a certain norm or standard must be met to generate satisfaction. The third type refers to expectations about a brand as compared with similar brands.

---

Oliver and Winer\textsuperscript{63} categorised expectations as either active or passive. Active expectations are consciously anticipated by consumers. Passive expectations exist only generally and are not processed unless disconfirmed.

**Performance**

Performance may be defined as the commission or omission of the service or some aspect of it. Performance that meets or exceeds expectation leads to satisfaction and it is ideal. If a purchase performs as or better than expected, performance is equitable. It is adequate to the cost and consumer’s effort to obtain the product. \textsuperscript{35} Expected performance, the lowest level of satisfactory performance, means that though the purchase works out as anticipated, it only just qualifies as satisfactory.

**Disconfirmation**

Disconfirmation stems from the differences between prior expectations and actual performance. In many cases, a decision involves two or more close alternative and could go either way. Having made their decisions, consumers may feel insecure, particularly if substantial financial or social risks are involved. Oliver\textsuperscript{64}, has proposed that disconfirmation is an independent aspect that has additive effects on satisfaction. For this reason, he has advocated measuring disconfirmation independently of expectations and performance.


Desires

Spreng, Mackenzie, and Olshavsky\textsuperscript{65} called for the inclusion of desires as key variable in determining consumer satisfaction. They pointed out that fundamental to marketing concept is the idea of satisfying consumer requirements and desires. Yet, researchers in this field have generally ignored requirements and concentrated on the disconfirmation of expectations.