

# Factors Influencing Consumer Buying Behavior

K. B. Naveen Kumar, B. Com Finance Dr. N. G. P. Arts and Science College (Autonomous) . Coimbatore.

**Abstract:-** The study is focused on the factors which affects the consumer buying behaviour. The objective of the study is to know the factors which affects consumer buying behaviour towards goods and services and to gain knowledge on how the factors affect the purchase decision of an individual consumers. The qualitative approach is used in this study. The secondary data is collected for this study. Many factors and characteristics that influence the individual in what he is and the consumer in his decision making process, buying habits, buying behaviour, the brands he use or the retailers he go. A buying decision is the result of each and every one of these factors. An individual or a consumer is led by his culture, subculture, social class, membership group, family, personality, psychological factors, etc. and is influenced by cultural trend as well as social and the society. By identifying and understanding the factors that influence the customers, brands have the opportunity to develop the strategy, a marketing message and advertising campaigns more efficient and more with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and to increase the sales.

**Keywords:-** Consumer Buying Behaviour, Factors, Strategy, Target Consumers

## I. INTRODUCTION

Consumer buying behaviour refers to the study of consumers and how they behave while deciding to buy a product or service that satisfy their needs. It is a study of the actions of consumer that drive them to buy and use certain products. The study of consumer buying behaviour is the most important aspect for the marketers which help them to understand the expectations of the consumers. It helps them to understand what makes a consumer to buy a product. It is important to assess what kind of product is liked by the consumers so that marketers can release it to the market. Marketers can understand the likes and dislikes of the consumers and design base their marketing efforts based on the findings. Consumer buying behaviour studies about various aspects such as what do they buy, when do they buy, why do they buy, how often do they buy, for what reason do they buy, etc.

## II. METHODOLOGY

The study is focused on the factors that are affecting the consumer buying behaviour. The study tries to find out the factors behind the consumer decision making towards the goods and services. This study is concerned with the factors that affect the consumer buying behaviour. The objective of this study is to know the factors that influence the consumer

buying behaviour. This study is based on the qualitative approach. The secondary data is used in this report to know about the consumer buying behaviour. The data collected in this research is taken from several books, websites, blogs, published papers and research journal articles.

### ➤ Objectives

- To examine the factors that influence the buying behaviour of the consumer
- To know about the various stages of buying process of the consumer

## III. IMPORTANCE OF STUDYING CONSUMER BEHAVIOUR

### ➤ Developing new product

New product is developed in respect of the needs and wants of the target consumers. In order to develop the best fit product, a marketer must know adequate information about the market. Thus, the study of consumer buying behaviour is the base for developing a new product successfully.

### ➤ Achievement of goals

The key to a company's survival, profitability and the growth in a highly competitive market environment is it's ability to identify and satisfy the unfulfilled consumer needs better and soon than the competitors. Thus, the consumer behaviour helps in achieving market goals.

### ➤ Predicting market trend

Consumer buying behaviour can also aid in projecting the future market trend. Marketers can find enough time to prepare for exploiting the emerging opportunities or facing the challenges and threats.

### ➤ Consumer Differentiation

Market exhibits considerable differentiations. Each segment needs and wants are different from products. For every segment a separate marketing programme is needed. Knowledge of the consumer Differentiation is a key to fit marketing offers with different group of buyers. Consumer buying behaviour study supplies the details about product differentiation.

### ➤ Creation and retention of consumers

Marketers who base their offerings on a recognition of consumer needs and finding a ready market for their products. Company finds it easy to sell its products. In the same way the company, due to continuous study of consumer behaviour and attempts to meet the changing expectations of the buyers and can retain the customers for long period.

➤ *Competition*

Consumer behaviour study assist in facing the competition too. Based on the consumer expectations, more competitive advantage can be offered. It is useful in improving competitive strength of the company.

**IV. FACTORS AFFECTING CONSUMER BUYING BEHAVIOUR**

Consumer behaviour is influenced by many different factors. A marketer should understand the factors that influence the consumer behaviour. The following are the factors that influence consumer behaviour:

- Psychological factors
- Social factors
- Cultural factors
- Personal factors
- Economic factors

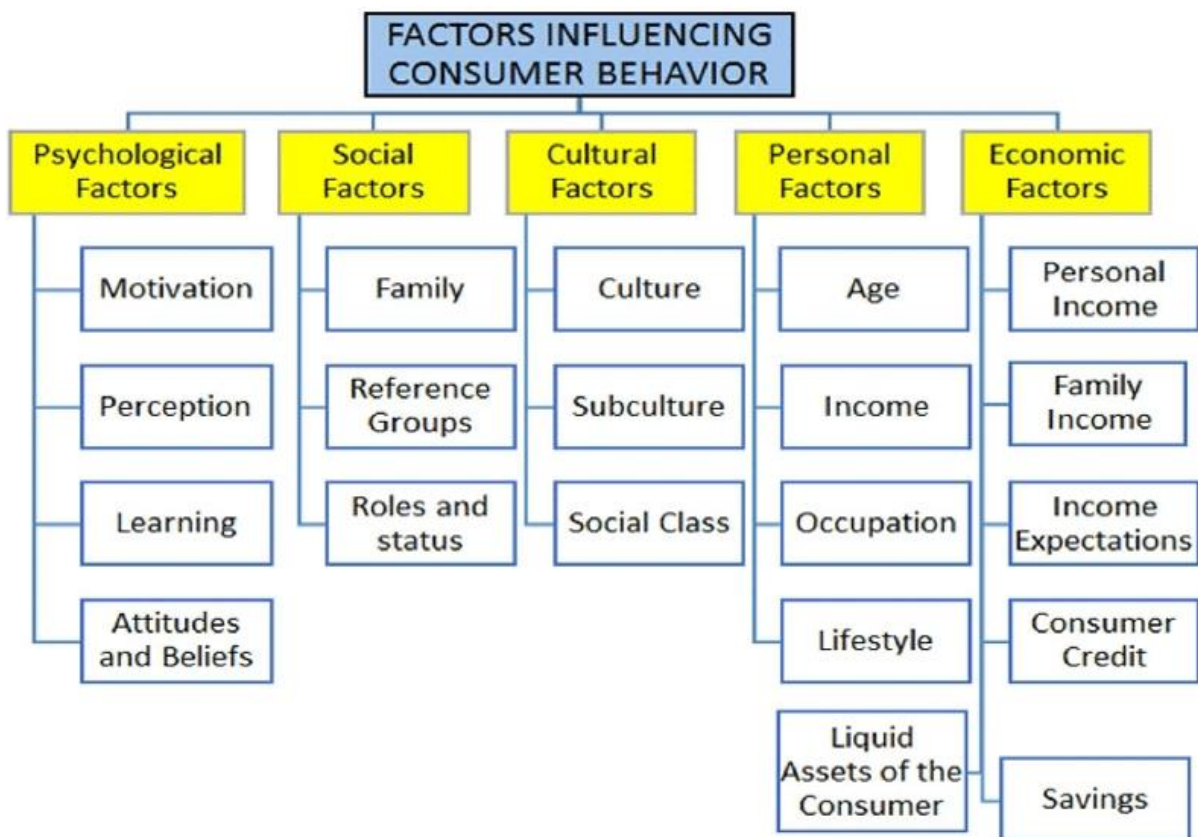


Fig 1:- Factors Influencing Consumer Behaviour

➤ *Psychological Factors*

Human psychology is the major determinant of the consumer behaviour. Psychological factors are difficult to measure but these factors are powerful enough to influence a buying decision of the consumer. Following are some of the psychological factors:

• *Motivation*

When a person is motivated, it influence the buying behavior of the consumer. The consumer have many needs such as social needs, basic needs, security needs, esteem needs, and self-actualization needs. Out of these needs, the basic needs and the security needs take a position on above all other needs. Hence basic needs and security needs have the power to motivate the consumer to buy the products and services.

• *Perception*

Consumer perception is the major factor that influence the consumer behavior. Customer perception is the process where a customer collects the information about a product and interprets the information to make a meaningful image of the particular product. When a customer sees the advertisements, promotions, customer reviews, social media feedback, etc. relating to the product, they develop an impression on the product. Hence consumer perception becomes a great influence on the buying behavior of the consumers.

• *Learning*

When the consumer buys a product, he gets to learn about the product. Learning comes over a period of time through the experience. A consumer’s learning depends on the skills and knowledge. The skills can be gained through practice and knowledge can be acquired only through

experience. Learning can be either conditional or cognitive. In conditional learning, the consumer is exposed to a situation repeatedly and thereby making a consumer to develop a response towards it.

- *Attitudes and beliefs*

Consumers have certain attitudes and beliefs which would influence the buying decisions of a consumer. Based on this attitude, the consumer behaves in a particular way towards the product. This attitude plays a significant role in defining the brand image of the product. Hence, the marketers tries to understand the attitude of a consumer to design their marketing campaigns.

- *Social Factors*

Humans are the social beings and the society or the people who lives around them influence their buying behaviour. People try to imitate on others and nurture a desire to be socially accepted. Hence, their buying behaviour is influenced by the people around them. The following are some of the social factors:

- *Family*

Family plays a significant role in shaping the buying behaviour of the consumer. A person builds their preferences from childhood by watching their family buying certain products and continues to buy the same products even when they grow up.

- *Reference Groups*

A reference group is a group of people with whom the person associates himself. All the people in reference group have common buying behavior and influence each other.

- *Roles and status*

A person is influenced by the roles that he holds in the society. If a person is in higher position then his buying behaviour would be influenced by his status. A person who is in top position (i.e. CEO) of the company will buy according to his status whereas a normal employee of the same company would buy based on his status.

- *Cultural Factors*

A group of people who are associated with a set of values and ideologies belongs to a particular community. When a person comes under a particular community, his behaviour is highly influenced by the culture relating to that particular community. Some of the cultural factors includes the following:

- *Culture*

Cultural factors have a strong influence on the consumer buying behavior. Cultural factors include the basic values, needs, wants, preferences, perceptions, and behavior that are observed and learned by the consumer from their family members and other people around them.

- *Sub Culture*

Within a cultural group, there are many subcultures. These subcultural groups are the same set of values and beliefs. Subculture consists of people from different religion,

caste, geography and nationalities. These subcultures form a customer segment.

- *Social class*

Each and every society across the world has the form of social class. The social class is not just determined by the income but also other factors such as occupation, family background, education and residence of the consumer. Social class is important to predict the behaviour of the consumer.

- *Personal Factors*

Factors that are personal to the consumers also influence their buying behaviour. The personal factors differ from one person to another person thereby producing different perceptions and consumer behaviour. Following are some of the personal factors:

- *Age*

Age is the major factor that influence the buying behavior. The buying choice of youth differ from middle-aged people. Elderly people have totally different buying behavior. Teenagers will be more interested in buying colourful clothes and the beauty products. Middle-aged are focusing on house, property and vehicle for the family.

- *Income*

Income has the ability to influence the buying behavior of a person. Higher income gives higher purchasing power to the consumers. When a consumer has higher income, it gives more opportunity for the consumer to spend on luxury products. Whereas low-income or middle-income group consumers spend their income on the basic needs such as groceries and clothes.

- *Occupation*

Occupation of the consumer influences the buying behavior. A person tends to buy things that are appropriate to his profession. For example, a lawyer would buy clothes according to his profession while a driver will have a different buying pattern.

- *Lifestyle*

Lifestyle is an attitude in which an individual stay in the society. The buying behavior of the consumer is highly influenced by the lifestyle of him. For example, when a consumer leads a healthy lifestyle, then the products he buy will relate to healthy which are alternative to junk food.

- *Economic Factors*

The consumer buying behaviour and the decisions of the consumer depends on the economic situations of a country or the market. When a country is prosperous the economy is strong that leads to the greater supply of money in the market and higher purchasing power of consumers. Economic factors bear a significant influence on buying decision of the consumer. Some of the important economic factors are:

- *Personal income*

When a person has a higher disposable income then the purchasing power of the customer increases simultaneously. Disposable income refers to the money which is left after

spending towards the basic needs of a person. When there is increase in disposable income, it leads to higher expenditure on various items. But when the disposable income reduces the spending on multiple items also reduces.

- *Family income*

Family income refers to the total income from all the members of the family. When all people are earning in a family then there is more income is available for shopping basic needs and luxurious items. Higher income from family influence the person to buy more.

- *Consumer credit*

When a consumer is offered with easy credit to purchase the goods then it promotes higher spending. Sellers are making it easy for the consumer to avail goods in credit in the form of credit cards, easy instalments, hire purchase, bank loans and many such other credit options. When there is higher credit facility available to consumers, the purchase of comfort and luxury items will increase.

- *Liquid assets*

Consumers who have liquid assets in their hand tend to spend more on comfort and luxury items. Liquid assets are those assets which can be easily converted into cash in very short period. Cash in hand, securities and bank savings are some of the examples of liquid assets. When a consumer has more liquid assets, it gives him more confidence to buy luxury goods.

- *Savings*

A consumer is highly influenced by the amount of savings he wishes to set aside from his income. If a consumer decided to save more money, then his expenditure on buying will reduce. Whereas if a consumer is interested in saving, then most of his income will go towards buying a product.

## V. STAGES OF CONSUMER BUYING PROCESS

### ➤ *Problem Recognition*

Before purchasing the goods, the consumer first recognize the need for the product or a service. They must have belief that they want the product or service. When a consumer sees a problem, this is an opportunity for the marketer to let the consumers realize that they have a problem.

### ➤ *Information search*

It is the next stage to problem recognition, the prospective buyer goes in for searching information and they search about the products he needs and wishes to buy. Information search stage comprises of searching internally or externally. Externally, the buyer may seek the opinion of friends, look at the advertisements promoting their products, talk to the salesperson, and go through reviews done by others. All this may provide sufficient information to the consumer to reduce the feelings of uncertainty and risks. If the information search is fruitful, the buyer would be more informed and would find it very easy to choose between the alternative product and answers to the needs he had before.

### ➤ *Evaluation of alternatives*

After recognising the need, and collecting the information from internal or external sources, the consumer has many alternative solutions to choose and to satisfy the need recognized or identified in stage one of the consumer buying process. The individual tries to go for the best alternative.

### ➤ *Purchase*

If the buyer makes up his mind and decides on purchasing the product, the actual purchase where the buyer acquires the product through credit card, cheque or cash payment. From the marketer's point of view, he would be interested to know about when the product is consumed, how the product is consumed, where the product is consumed and how much the product is consumed.

### ➤ *Post consumption evaluation*

The consumer of the product may be satisfied or dissatisfied depending on the level of the product. Satisfaction may be brought about by the product performing as the consumer decided.

### ➤ *Disposal*

Both the manufacturers and the consumers are highly concerned about the disposal of the product which is unconsumed or the packaging left after product being consumed. Disposal can be in any of the following forms:

- Dumping the product or throwing into refuse disposable arrangement
- Selling second-hand products
- Reusing the product
- Recycling the product

## VI. CONCLUSION

Consumer buying behaviour is very important for the producers because consumers will make many buying decisions every day. Many consumers buying decisions are in great detail to answer the questions about what the consumers buy, where they buy and how much they buy, when they buy, why they buy the product. Marketers can study about the consumers purchases to find out the buying behaviour of them. The buying behaviour of the consumer also involves services and ideas as well as tangible products.

## REFERENCES

- [1]. Peter, J. and Olson, J. (1987) Consumer Behaviour and Marketing Strategy, Homewood, Illinois: Irwin (2<sup>nd</sup> edition).
- [2]. Sheikh Qazzafi (2020), Factors affecting consumer buying behavior: A conceptual study,
- [3]. Amit Kumar (2019), Factors influencing consumer behaviour, Assistant professor, Punjabi University, Patiala.
- [4]. Pride, W. M., Ferrell, O. C. (2007). Foundations of Marketing (2<sup>nd</sup> ed.). Boston.