



# Consumer Buying Behaviour its Process of Buying

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## Abstract:

*Buyer decision processes are the decision making processes undertaken by consumers in regard to a potential market transaction before, during, and after the purchase of a product or service. More generally, decision making is the cognitive process of selecting a course of action from among multiple alternatives. Common examples include shopping and deciding what to eat. Decision making is said to be a psychological construct. This means that although we can never "see" a decision, we can infer from observable behaviour that a decision has been made. Therefore we conclude that a psychological event that we call "decision making" has occurred. It is a construction that imputes commitment to action. That is, based on observable actions, we assume that people have made a commitment to effect the action.*

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## 1. What is Consumer Buying Behavior?

Buying Behavior is the decision processes and acts of people involved in buying and using products.

Need to understand:

- why consumers make the purchases that they make?
- what factors influence consumer purchases?
- the changing factors in our society.

Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for:

- Buyers reactions to a firms marketing strategy has a great impact on the firms success.
- The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies (gives utility to) customers, therefore need to analyze the what, where, when and how consumers buy.
- Marketers can better predict how consumers will respond to marketing strategies.

## 2. Stages of the Consumer Buying Process

Six Stages to the Consumer Buying Decision Process (For complex decisions). Actual purchasing is only one stage of the process. Not all decision processes lead to a purchase. All consumer decisions do not always include all 6 stages, determined by the degree of complexity...discussed next. The 6 stages are:

1. **Problem Recognition:** (awareness of need)--difference between the desired state and the actual condition. Deficit in assortment of products. Hunger--Food. Hunger stimulates your need to eat. Can be stimulated by the marketer through product information--did not know you were deficient? I.E., see a commercial for a new pair of shoes, stimulates your recognition that you need a new pair of shoes.
2. **Information search**
  - Internal search, memory.
  - External search if you need more information. Friends and relatives (word of mouth). Marketer dominated sources; comparison shopping; public sources etc.

A successful information search leaves a buyer with possible alternatives, the evoked set. Hungry, want to go out and eat, evoked set is

- chinese food
- indian food
- burger king
- klondike kates etc.

- 3. Evaluation of Alternatives:** need to establish criteria for evaluation, features the buyer wants or does not want. Rank/weight alternatives or resume search. May decide that you want to eat something spicy, indian gets highest rank etc. If not satisfied with your choice then return to the search phase. Can you think of another restaurant? Look in the yellow pages etc. Information from different sources may be treated differently. Marketers try to influence by "framing" alternatives.
- 4. Purchase decision:** Choose buying alternative, includes product, package, store, method of purchase etc.
- 5. Purchase:** May differ from decision, time lapse between 4 & 5, product availability.
- 6. Post-Purchase Evaluation--outcome:** Satisfaction or Dissatisfaction. **Cognitive Dissonance**, have you made the right decision. This can be reduced by warranties, after sales communication etc.

### 3. Types of Consumer Buying Behavior

Types of consumer buying behavior are determined by:

- Level of Involvement in purchase decision. Importance and intensity of interest in a product in a particular situation.
- Buyers level of involvement determines why he/she is motivated to seek information about a certain products and brands but virtually ignores others.

High involvement purchases--Honda Motorbike, high priced goods, products visible to others, and the higher the risk the higher the involvement. Types of risk:

- Personal risk
- Social risk
- Economic risk

The four type of consumer buying behavior are:

- Routine Response/Programmed Behavior--buying low involvement frequently purchased low cost items; need very little search and decision effort; purchased almost automatically. Examples include soft drinks, snack foods, milk etc.
- Limited Decision Making--buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps. Requires a moderate amount of time for information gathering. Examples include Clothes--know product class but not the brand.
- Extensive Decision Making/Complex high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/performance/psychological risk. Examples include cars, homes, computers, education. Spend a lot of time seeking information and deciding. Information from the companies MM; friends and relatives, store personnel etc. Go through all six stages of the buying process.
- Impulse buying, no conscious planning.

The purchase of the same product does not always elicit the same Buying Behavior. Product can shift from one category to the next. For example: Going out for dinner for one person may be extensive decision making (for someone that does not go out often at all), but limited decision making for someone else. The reason for the dinner, whether it is an anniversary celebration, or a meal with a couple of friends will also determine the extent of the decision making.

#### **4. Categories that Affect the Consumer Buying Decision Process**

A consumer, making a purchase decision will be affected by the following three factors:

1. Personal
2. Psychological
3. Social

The marketer must be aware of these factors in order to develop an appropriate MM for its target market.

##### **4.1 Personal**

Unique to a particular person. Demographic Factors. Sex, Race, Age etc. Who in the family is responsible for the decision making. Young people purchase things for different reasons than older people.

##### **4.2 Psychological factors**

Psychological factors include:

###### **4.2.1. Motives**

A motive is an internal energizing force that orients a person's activities toward satisfying a need or achieving a goal. Actions are effected by a set of motives, not just one. If marketers can identify motives then they can better develop a marketing mix. MASLOW hierarchy of needs!!

- Physiological
- Safety
- Love and Belonging
- Esteem
- Self Actualization

Need to determine what level of the hierarchy the consumers are at to determine what motivates their purchases.

###### **4.2.2 Perception**

What do you see?? Perception is the process of selecting, organizing and interpreting information inputs to produce meaning. IE we chose what info we pay attention to, organize it and interpret it. Information inputs are the sensations received through sight, taste, hearing, smell and touch. Selective Exposure-select inputs to be exposed to our awareness. More likely if it is linked to an event, satisfies current needs, intensity of input changes (sharp price drop). Selective Distortion-Changing/twisting current received information, inconsistent with beliefs. Advertisers that use comparative advertisements (pitching one product against another), have to be very careful that consumers do not distort the facts and perceive that the advertisement was for the competitor. A current example...MCI and AT&T...do you ever get confused? Selective Retention-Remember inputs that support beliefs, forgets those that don't. Average supermarket shopper is exposed to 17,000 products in a shopping visit lasting 30 minutes-60% of purchases are unplanned. Exposed to 1,500 advertisements per day. Can't be expected to be aware of all these inputs, and certainly will not retain many. Interpreting information is based on what is already familiar, on knowledge that is stored in the memory.

###### **4.2.3 Ability and Knowledge**

Need to understand individual's capacity to learn. Learning, changes in a person's behavior caused by information and experience. Therefore to change consumers' behavior about your product, need to give them new information re: product...free sample etc. South Africa...open bottle of wine and pour it!! Also educate American consumers about changes in SA. Need to sell a whole new country. When making buying decisions, buyers must process information. Knowledge is the

familiarity with the product and expertise. Inexperience buyers often use prices as an indicator of quality more than those who have knowledge of a product. Non-alcoholic Beer example: consumers chose the most expensive six-pack, because they assume that the greater price indicates greater quality. Learning is the process through which a relatively permanent change in behavior results from the consequences of past behavior.

#### **4.2.4 Attitudes**

Knowledge and positive and negative feelings about an object or activity-maybe tangible or intangible, living or non- living.....Drive perceptions Individual learns attitudes through experience and interaction with other people. Consumer attitudes toward a firm and its products greatly influence the success or failure of the firm's marketing strategy.

#### **4.2.5 Personality**

all the internal traits and behaviors that make a person unique, uniqueness arrives from a person's heredity and personal experience. Examples include:

- Workaholism
- Compulsiveness
- Self confidence
- Friendliness
- Adaptability
- Ambitiousness
- Dogmatism
- Authoritarianism
- Introversion
- Extroversion
- Aggressiveness
- Competitiveness.

Traits affect the way people behave. Marketers try to match the store image to the perceived image of their customers. There is a weak association between personality and Buying Behavior, this may be due to unreliable measures. Nike ads. Consumers buy products that are consistent with their self concept.

#### **4.2.6 Lifestyles**

Recent US trends in lifestyles are a shift towards personal independence and individualism and a preference for a healthy, natural lifestyle. Lifestyles are the consistent patterns people follow in their lives. EXAMPLE healthy foods for a healthy lifestyle. Sun tan not considered fashionable in US until 1920's. Now an assault by the American Academy of Dermatology.

#### **4.2.7. Social Factors**

Consumer wants, learning, motives etc. are influenced by opinion leaders, person's family, reference groups, social class and culture.

##### **4.2.7.1 Reference Groups**

Individual identifies with the group to the extent that he takes on many of the values, attitudes or behaviors of the group members. Families, friends, sororities, civic and professional organizations. Any group that has a positive or negative influence on a person's attitude and behavior. Membership groups (belong to) Affinity marketing is focused on the desires of consumers that belong to reference groups. Marketers get the groups to approve the product and communicate that approval to its members. Credit Cards etc.!! Aspiration groups (want to belong

to) Disassociate groups (do not want to belong to) Honda, tries to disassociate from the "biker" group. The degree to which a reference group will affect a purchase decision depends on an individual's susceptibility to reference group influence and the strength of his/her involvement with the group.

#### **4.2.7.2. Social Class**

an open group of individuals who have similar social rank. US is not a classless society. US criteria; occupation, education, income, wealth, race, ethnic groups and possessions. Social class influences many aspects of our lives. IE upper middle class Americans prefer luxury cars Mercedes.

- Upper Americans-upper-upper class, .3%, inherited wealth, aristocratic names.
- Lower-upper class, 1.2%, newer social elite, from current professionals and corporate elite
- Upper-middle class, 12.5%, college graduates, managers and professionals
- Middle Americans-middle class, 32%, average pay white collar workers and blue collar friends
- Working class, 38%, average pay blue collar workers
- Lower Americans-lower class, 9%, working, not on welfare
- Lower-lower class, 7%, on welfare

Social class determines to some extent, the types, quality, and quantity of products that a person buys or uses. Lower class people tend to stay close to home when shopping; do not engage in much pre purchase information gathering. Stores project definite class images. Family, reference groups and social classes are all social influences on consumer behavior. All operate within a larger culture.

#### **4.2.8 Culture and Sub-culture**

Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable with product advertising. Culture determines what people wear, eat, reside and travel. Cultural values in the US are good health, education, individualism and freedom. In American culture time scarcity is a growing problem. IE change in meals. Big impact on international marketing.

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