



## Consumer Behaviour and his Decision of Purchase

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### Abstract:

*Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalisation, customisation and one-to-one marketing. Social functions can be categorized into social choice and welfare functions.*

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**Keywords:** *Consumer, Consumer Behaviour, Consumer Interest, Goods, Purchase*

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### 1. Introduction

The actions a person takes in purchasing and using products and services, including the mental and social processes that precede and follow these actions. The behavioral sciences help answer questions such as : Why people choose one product or brand over another, How they make these choices, and How companies use this knowledge to provide value to consumers.

### 2. Who is a Consumer?

Any individual who purchases goods and services from the market for his/her end-use is called a consumer. In simpler words a consumer is one who consumes goods and services available in the market.

Example - Tom might purchase a tricycle for his son or Mike might buy a shirt for himself. In the above examples, both Tom and Mike are consumers.

### 3. What is consumer Interest?

Every customer shows inclination towards particular products and services. Consumer interest is nothing but willingness of consumers to purchase products and services as per their taste, need and of course pocket. Let us go through the following example:

Both Maria and Sandra went to the nearby shopping mall to buy dresses for themselves. The store manager showed them the best dresses available with him. Maria immediately purchased two dresses but Sandra returned home empty handed. The dresses were little too expensive for Sandra and she preferred simple and subtle designs as compared to designer wears available at the store.

In the above example Sandra and Maria had similar requirements but there was a huge difference in their taste, mind set and ability to spend.

#### 4. What is Consumer Behaviour?

Consumer Behaviour is a branch which deals with the various stages a consumer goes through before purchasing products or services for his end use.

#### 5. Why do you think an individual buys a product?

- Need
- Social Status
- Gifting Purpose

#### 6. Why do you think an individual does not buy a product?

- No requirement
- Income/Budget/Financial constraints
- Taste

#### 7. When do you think consumers purchase products?

- Festive season
- Birthday
- Anniversary
- Marriage or other special occasions

There are infect several factors which influence buying decision of a consumer ranging from psychological, social, economic and so on. The study of consumer behaviour explains as to:

- Why and why not a consumer buys a product?
- When a consumer buys a product?
- How a consumer buys a product?

During Christmas, the buying tendencies of consumers increase as compared to other months. In the same way during Valentines week, individuals are often seen purchasing gifts for their partners. Fluctuations in the financial markets and recession decrease the buying capacity of individuals.

In a layman's language consumer behaviour deals with the buying behaviour of individuals. The main catalyst which triggers the buying decision of an individual is need for a particular product/service. Consumers purchase products and services as and when need arises.

According to Belch and Belch, whenever need arises; a consumer searches for several information which would help him in his purchase.

Following are the sources of information:

- Personal Sources
- Commercial Sources
- Public Sources
- Personal Experience

Perception also plays an important role in influencing the buying decision of consumers.

Buying decisions of consumers also depend on the following factors:

- Messages, advertisements, promotional materials, a consumer goes through also called **selective exposure**.
- Not all promotional materials and advertisements excite a consumer. A consumer does not pay attention to everything he sees. He is interested in only what he wants to see. Such behaviour is called **selective attention**.
- **Consumer interpretation** refers to how an individual perceives a particular message.
- A consumer would certainly buy something which appeals him the most. He would remember the most relevant and meaningful message also called as **selective retention**. He would obviously not remember something which has nothing to do with his need.

### 8. Black Box Model

The black box model shows the interaction of stimuli, consumer characteristics, and decision process and consumer responses. It can be distinguished between inter personal stimuli (between people) or intrapersonal stimuli (within people). The black box model is related to the black box theory of behaviourism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer. The marketing stimuli are planned and processed by the companies, whereas the environmental stimulus is given by social factors, based on the economical, political and cultural circumstances of a society. The buyer's black box contains the buyer characteristics and the decision process, which determines the buyer's response.

Environmental factors		Buyer's black box		Buyer's response
Marketing Stimuli	Environmental Stimuli	Buyer Characteristics	Decision Process	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitudes Motivation Perceptions Personality Lifestyle Knowledge	Problem recognition Information search Alternative evaluation Purchase decision Post-purchase behaviour	Product choice Brand choice Dealer choice Purchase timing Purchase amount

**Fig. 1 Black Box Model**

The black box model considers the buyers response as a result of a conscious, rational decision process, in which it is assumed that the buyer has recognized the problem. However, in reality many decisions are not made in awareness of a determined problem by the consumer.

### 9. Information Search

Once the consumer has recognised a problem, they search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumers undertake both an internal (memory) and an external search. Sources of information include personal sources and experience, and commercial and public sources.

The relevant internal psychological process associated with information search is perception, which can be defined as "the process by which an individual receives, selects, organises, and interprets information to create a meaningful picture of the world". Consumers' tendency to search for information on goods and services makes it possible for researchers to forecast the purchasing plans of consumers using brief descriptions of the products of interest.

The selective perception process can be divided into:-

- Selective exposure: consumers select which promotional messages they will expose themselves to.
- Selective attention: consumers select which promotional messages they will pay attention to.
- Selective comprehension: consumer interprets messages in line with their beliefs, attitudes, motives and experiences.

- Selective retention: consumers remember messages that are more meaningful or important to them.

The implications of this process help to develop an effective promotional strategy, and suggest which sources of information are more effective for the brand.

### **10. Evaluation of alternatives**

At this time the consumer compares the brands and products that are in their evoked set. The evoked set refers to the number of alternatives that are considered by consumers during the problem-solving process. Sometimes also known as consideration, this set tends to be small relative to the total number of options available. How can the marketing organisation increase the likelihood that their brand is part of the consumer's evoked set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organisation needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision. It also needs to check other brands of the customer's consideration set to prepare the right plan for its own brand.

### **11. Purchase Decision**

Once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organisation must facilitate the consumer to act on their purchase intention. The organisation can use a variety of techniques to achieve this. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now. The relevant internal psychological process that is associated with purchase decision is integration. Once the integration is achieved, the organisation can influence the purchase decisions much more easily.

There are 5 stages of a consumer buying process they are: The problem recognition stage, meaning the identification of something a consumer needs. The search for information, which means you search your knowledge bases or external knowledge sources for information on the product. The possibility of alternative options, meaning whether there is another better or cheaper product available. The choice to purchase the product and then finally the actual purchase of the product. This shows the complete process that a consumer will most likely, whether recognisably or not, go through when they go to buy a product.

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