

Factors Influencing Consumer Buying Behaviour in Modern Era

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Abstract

Consumer behavior refers to the buying attitude of the buyer at the time of purchasing the product. A seller to be succeeded in his business must analyze the consumer behavior. Analyzing consumer behavior is alone will not lead for the success the seller must also analyze by what factors the consumer's buying behavior is influenced. This study is made to bring out the factors which indulge the consumers to buy a product. This study also brings into light the about the buyer's black box model which helps the buyers to analyze the consumers decision making process. This paper brings into vision about the various factors in a detailed view by using the secondary data. This is a descriptive study which helps us to understand the buyer's attitude, tastes and preferences.

Keywords: Consumer, Buying Behavior, Decision Making, Factors Influencing, Buyer's Black Box, Consumer Decision Making, Buyer's Attitude

Introduction

The success of any entity depends upon the consumer and the product which the entity puts for sale. A seller to produce the right product at right time to the right consumer must analyze the consumer behavioral patterns and how they are being influenced to buy those products. Consumer Behavior refers to the behavior of any individual while purchasing a product. Understanding the consumer needs and the preferences also amounts to consumer behavior. The first and the foremost step of every seller before disposing the goods to the buyer is to analyze the consumer behavior and the factors influencing them. Consumer behavior of a buyer is made to find out his/her buying behavior and this helps the sellers to produce the product which satisfies the consumer needs and expectations. The main aim of this study is to bring into vision how the consumers are being influenced to buy a product.

Review of the Literature

"Factors Influencing Consumers Buying Behavior: A Case Study by E. Thangasamy & Dr.Gautam Patikar Nagaland University". This is study is an empirical study by implementing the statistical tools in order to find out the factors influencing the consumer behavior. This study was carried out to make the critical investigation with regard to the factors that influence the consumer behavior. The complex buying behavior of the buyer is also ascertained by using the brand of the product as well as the price of the product.

“Factors influencing consumer behavior: J. Stávková, L. Stejskal, Z. Toufarová Faculty of Business and Economics, Mendel University of Agriculture and Forestry, Brno, Czech Republic”. The ultimate objective of this study is to find out the factors influencing the consumer behaviour with regard to the purchase decisions of the consumer along with the measurement of the consumer’s decisions. This study was carried out with 609 samples. These results of this study showed the most important factor with the help of the commodities, characteristics of the product and the quality of the product.

Need for Studying Consumer Behavior

Consumer is said to be the king of every business. In order to meet the expectations and need, the sellers must analyse the behavioral patterns. Consumer Behavior is the buying behavior of the end customers who actually buy the goods for their personal consumptions. A seller must analyze the buying attitude of the buyers to dispose his/her products. Consumer Behavior is one of the main elements to be analyzed before selling the products. Consumer behavior of an individual helps the seller to observe their Psychological, Social and Physical behavior of the potential customers. The study of consumer behavior is very much useful in deciding the style of the product, packaging of the product, Branding of the product etc. The ultimate need of this process is to predict the buyer’s reaction. Consumer behavior is analyzed to meet the expectations under the following grounds.

- Satisfaction of the consumer needs.
- Understanding the consumer psychology.
- Understanding the consumer motives.
- Understanding the consumer needs.
- Understanding the consumer preferences.

Understanding the consumer needs helps the sellers in carry out the marketing strategies. Attitude of any individual refers to state of mind. Therefore, studying consumer helps the seller to observe the intention of the buyer to purchase the product. “It is the consumer who determines what a business is”. From this it can be understood that consumer’s behavior is very much essential for success and wellbeing of any individual firm.

Black Box Model of Consumer Behavior

Black model of consumer behavior is the powerful model that provides a clear view about the consumer behavior. This black box model helps the sellers to identify how the consumers make their decisions regarding the purchase of goods. The model of Black box model of Consumer was first anticipated by the “Professor. Geoffrey Jones and his colleagues” at the Centre for Marketing Studies, Cambridge University. Further, this model was elaborated by an Australian economist” Rodney Hitchin”.

In this model, the consumers (buyers) are considered as the black box, as his/her mind cannot be imagined or predicted with regard to the buying decision. The buying decision of the consumer is based on the attitude, preferences and feelings of the buyer. As the buyers are influenced by both the external and internal factors, he/she is not in a better position to distinguish by which factors they’re been induced to buy. These factors are to be listed below.

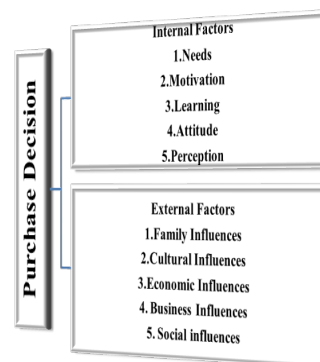


Figure 1 Factors influencing Purchase Decision

Outside Stimuli (Environment)	
Marketing	Other
Product	Economic
Price	Technological
Place	Political
Promotion	Cultural

A seller is very much curious to know how the customers react to various stimuli-product, place, promotion and other stimuli i.e., buyer’s environment. With the help of this model the marketer is in position to figure out the relationship between the marketing

stimuli and customer response. This stimulus would pass through the buyer's black box which produces the buyer's response which is drafted below: -

Buyer's Black Box (Buyer's Mind)	
Buyer	Buyer
Characteristic's	Decision

Buyer's Response	
Product	Choice
Brand	Choice
Dealer	Choice
Purchase	Timing
Purchase	Timing

Figure 2 Buyer's Black Box Model

The buyer's black box model consists of three main components which are to be listed below:

- Environment
- Buyer's Black Box
- Buyer's Responses

Environment According to this model the environment consists of both the firms that are to be associated within the firms and outside stimuli or external stimuli. The external stimuli refer to the stimuli that induces indirectly the buyer to buy the product. The seller must be in a position to differentiate the environment and people.

Buyer's Black Box It refers to the model which considers the consumer as a thinker and problem solver who solemnly reacts and responds to the internal and external factors in the process of deciding whether to buy or not to buy. This part involves the consumer's decisions and characteristics to define the problem.

Buyer's Responses the utmost important factor of studying the consumer behavior is with regard to the Buyer's Responses. The response to a particular product can be observed from the consumer either before purchasing or after purchasing the product. Their reaction to a particular product is very much essential for seller to obtain feedback of the particular product.

This first and foremost process is the consumer is provoked with the stimulus in the environment. The stimulus can be of two types. They are Internal and External stimulus. Internal factors consist of the four Ps of marketing namely Product, Price, Place and Promotion. External Factors is provided by the environment which consists of the economic, technological, political, cultural and demographic. From the outside stimuli it is to be noted that the seller can identify the factor which influences the seller to buy the product.

The buyer's black box is prepared by the seller to give it to the consumer. It also depends upon the environment which it is dealt with. The black box comprises of two sub constituents. They are buyer's characteristics and the buyer's decision process. The characteristic features of a buyer can be understood by observing the consumer's beliefs, attitudes, values, knowledge, motives, perceptions, and lifestyle. The buyer's decision-making process consists of five major steps. Every buyer's decision-making process exclusively be influenced by his/her characteristics. The buyer's decision-making process shown below.



Figure 3 Buyer's Decision-Making Process

In the decision-making process the buyer with the aim of finding solutions to his/her problems bring gets into the information search. Once after the scrutiny of the information the buyer is in position to find the alternate solution for the purchase of the product. Every product after it is purchased must be evaluated to find out the grievances.

Once after the buyers' decisions are passed on to the Black Box, it is easier for the seller to obtain the buyer's response regarding the purchase of the product also. Buyer's response can be either

positive or negative. Therefore, the responses are necessitated to settle out the grievances aroused if the buyer's response is negative and in terms of positive response it helps the firm to earn a good reputation among the buyers. Once when the buyer's response is ascertained then the buyer's black box model is complete.

Buyer's black box model of the consumer behavior is very much important for the interaction consumer's stimuli with the external environment. With the advent of this model a seller easily be able to instigate marketing activities strategically and can be able to implement suitable plans and policies for purpose of satisfaction of the consumer preferences and needs. Black Box brings the seller into better position in identifying the factor which influences the buyer in the purchase of the goods. It helps the seller to briefly understand the buyer's propensity in search of information of the goods for the purchase. This model paves the way for the consumers to understand the buyer's thinking and the working of the buyer's decision-making process.

Factors Influencing Consumer Behavior

Analyzing consumer is one of the most important activities for the success of any marketer. But more than that is understanding about the factors that influence them is very much is important to make important decisions regarding the marketing activities. The factors that influence the consumer behavior is listed below

- Psychological Factors
- Social Factors
- Cultural Factors
- Personal Factors
- Economic Factors

Psychological Factors

The contribution of psychology to the marketers to understand the buyer's behavior is enormous. This can be possible by observing how the consumers learn about a product and how much do they remember about that product. Psychological factors help the sellers to relate the personal feelings and the buyers. It also induces the seller to motivate the buyers to buy a product. Human psychology is the most difficult to compute or ascertain and it's the

most powerful factor in determining the consumer's buying decisions. These factors also help the sellers to ascertain the factors that drive the actions to gratify the consumer needs and preferences. Psychological factors pay more attraction to consumer in purchasing the product. Psychological factors of consumer behavior are categorized into four types which are as follows.

- Perception
- Learning
- Attitude and Beliefs
- Motivation

Social Factors

As it is said that man is a social animal, he is also been influenced by many of the factors which are disposed by many in the society. Social factors refer to the factors which are the other people living in the society which indirectly influence the buying behavior of the other person. Human beings of the society will try to behave like others for being socially accepted. For example, when a person buys a product which states his/her worthiness then it will also induce the other buyer also to buy such product so that the other person will also get the same worthiness. Family of an individual also plays a vital role in determining the preferences in buying a product as the buyer would observe the preferences of the family members since their childhood. An individual's buying behavioral pattern is also influenced by the actions of the people around the society. Social factors of consumer behavior are categorized into three types which is listed below.

- Family
- Reference Groups
- Roles and Status

Cultural Factors

A set of values which a group of people follows is regarded as culture. This culture would be followed by particular community. Therefore, when a buyer is from particular community then his/her buying behavior is adversely influenced by those culture. For example, a Hindu would not buy Bible or Quran as there are a cultural difference between those three religions. Every people around the world based on the occupation, education and the residential location

form a particular social group and those social groups follow a particular type of culture and customs. So therefore, even the culture of a social groups also influences the buying behavior of the buyer. Cultural factors of the consumer behavior are categorized into three types which are as follows.

- Culture
- Sub-Culture
- Social Class

Personal Factors

Personal factors refer to the characteristics that conceive the consumer's buying behavior. The buying behavior of the consumer are being influenced by the personal factors like age, income, occupation and the standard of living etc. of the consumers. These factors vary from buyer to buyer as no individual buyer does not resemble the other in their characters. So, the buying behavior of the buyer is distinct and different from the other buyer with regard to the personal factors. Personality of each individual buyer prominently influences the buying behavior of every individual buyer. A buyer's perceptions and preferences can be easily obtained by the seller by observing the personal factors which greatly influences the consumer behavior. Personal characteristics which influence the consumer behavior is categorized into four different types which are as follows.

- Age
- Personal Income
- Occupation
- Lifestyle

As the buyers belong to the different age groups their buying behavior varies from each buyer to the buyer. For example, the buying decisions of the elderly people may differ from the buying decisions of the younger ones as they give more preferences to the style and concentrate more as per the trend. Income is also another factor which influence the consumer's buying behavior as the buyer whose income is relatively high will buy more goods that the others. The lifestyle, standard of living and the occupation also greatly influences the consumer behavior. For example, a doctor will buy clothes as per his profession while a professor will buy goods as per his profession. A consumer will also buy his

goods as per his lifestyle as well as the standard of the living. In order to maintain the standard consistently they buyer will focus on the goods that match with their standards. Therefore, the seller is in a position to easily understand the buyer's behavior with regard to the personal factors than the other factors which influence the consumer behavior, preferences and the buying decisions.

Economic Factors

Economic factors which influence the consumer behavior refers to the factors that talk about the level of the economic performances of the country. The level of sales in an economy also influences the consumer in making the buyers decisions. When the economic performances of an economy is firm then the consumer will have high purchasing power of the consumer and vice versa. When there is an increase in the consumer's disposable income then the consumers are in a better position to buy the goods that provides maximum possible satisfaction to the seller. When the sellers provide credit facilities to attract their customers this will also influence the buyer's decision regarding the purchase the purchase of the product. Economic factors that influence the consumer's buying behavior is listed below.

- Personal Income
- Family Income
- Credit Facilities
- Savings
- Liquid Assets

Conclusion

A seller must be in a position to find out the consumer behavior to succeed in any market. Consumer behavior can be influenced by the factors which are prone to consumers in decision making. Consumer's buying decisions refers to the decisions taken by the consumer while purchasing a product. Sellers must observe the consumers buying decisions to implement their marketing policies and to implement strategies to earn profits. If a seller needs to earn profit, then he must be in a position to find the consumers behavior and the factors that influence the consumers to buy a product. Studying and analyzing the consumer behavior is significant to every seller with regard to the success of the organization. Each

and all perceptions of the buyer are important to the seller for the ease of doing business.

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