
Topic 7 ▶ Understanding Individual Consumers' Behaviour

LEARNING OUTCOMES

By the end of this topic, you should be able to:

1. Explain how the aspects of cultural, social, personality and psychological influence consumer behaviour;
2. Assess how roles and buying behaviour influence the process of purchasing decision making; and
3. Discuss how consumers make buying decisions.

▶ INTRODUCTION

As individual consumers, we are always involved in the buying decision-making process and the purchase of products or services. The interesting fact is that there are differences, significant or insignificant, among consumers in terms of their purchasing behaviour. Marketers are attracted to end consumers' behaviour in buying decision making, buying and post-purchase behaviour. Researchers see these behaviours as a process in order to better understand how the whole process occurs.

In this topic, we will learn the influences that shape consumers and the process that consumers go through in buying decision-making.

7.1 INFLUENCING FACTORS



SELF-CHECK 7.1

What or who influenced the latest purchase of your clothes? Was it your family, your friends or the current trend?

When we look at a person making a purchase, do we know the process that takes place in the person's mind and what influences the buying decision? There are many studies being conducted and it has been identified that for as long as he lives, an individual will be influenced by several factors. The influencing factors build the internal traits of the consumer.

Consumers' purchase is very much influenced by cultural, social, personality and psychological aspects, as illustrated in Figure 7.1. The impacts of these factors on consumers are broad and profound.

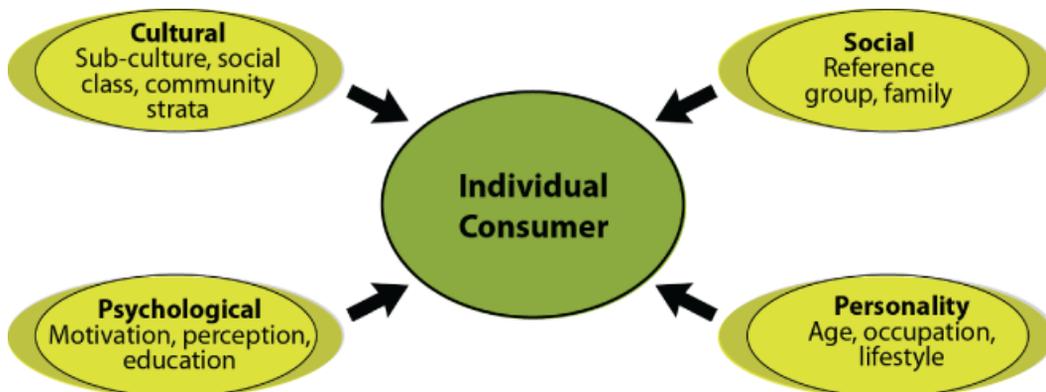


Figure 7.1: Factors influencing individual consumer behaviour

7.1.1 Cultural

Cultural aspect consists of the institution or other influences that affect the basic value, perception, priority and behaviour in a community. An individual raised in a cluster of community will develop his values and beliefs based on the norms of the community. The community has its own beliefs about the relationship among the members of the community and the members of another community.

The cultural aspect can be divided into sub-cultures which provide detailed identification that processes the socialisation of their members. For example, generally Malays have the same taste for food, but there exist various sub-cultures where for example, northern Malays prefer to eat curries while southern Malays prefer the *asam pedas* style of cooking.

Another criterion that exists in the cultural aspect is social class or stratification of community members based on community priority. Among the frequently used basis to build social class are:

- (a) Occupation;
- (b) Education level;
- (c) Location of stay; and
- (d) Wealth.

Social class affects individuals and often the individuals will behave the same way as the other members of their social class. For example, members from the upper social class prefer to shop at places that reflect their social class status and position. An individual from the lower class will shop in areas or stores frequented by the same social class.

7.1.2 Social

Other than the cultural factor, consumers are also influenced by social factors which consist of reference group, family, their roles and status.

A reference group is a group that influences the behaviour or attitude of consumers directly or indirectly. Direct influence comes from the primary group such as the family, friends, neighbours, while the secondary group consists of groups such as professional or religious groups. Consumers interact at the highest level and informally in the primary group. The interaction level in the secondary group is average and in a more formal way.

The primary and secondary groups are also known as membership group. The influences of the group can be seen in three ways, which are behaviour or lifestyle, attitude, self-concept and the selection of products and brands. There are also indirect influences from the groups outside the membership group. Indirect positive influences are called aspiration group, while negative influences that should be avoided from the outside group is called the dissociative group. In the concept of membership group, the consumer can be part of the group, while in the non-membership group, the consumer may not be part of the group.

7.1.3 Personal

The personality influencing factors can be detailed into several aspects which are:

- Age and the stage of life cycle of a family;
- Occupation;
- Economical status;
- Lifestyle;
- Personality; and
- Self-concept.

Let us look at these aspects in detail:

(a) **Age and Stage of Life Cycle of a Family**

This plays an important role to the consumers and their family as the product types and services they buy will change according to age and the level of the family in the life cycle. For instance, for single or unmarried consumers, the purchasing pattern will be influenced by their age group and their single status. This is different with consumers who have a family and a small child, where the purchasing pattern will be more focused to the needs of the small family they are building.

(b) **Occupation**

Occupation influences consumers' purchases. Generally, the needs of a white-collared worker is different from those of a blue-collared worker. A white-collared worker will buy shirts and neck ties because these are an occupational requirement while a blue-collared worker will buy clothes and shoes that are durable and suitable for his occupation. This is not only limited to clothes. A lot of products are related to work, such as recreation sports and types of transportation.

(c) **Economical Status**

A consumer's rising economic status will enhance his purchasing power. Consumers who have a stable economic status are able to buy the best products in the product categories that they purchase from. For example, a consumer may buy a BMW car to match his purchasing power.

(d) **Lifestyle**

Consumers from the same cultural group do not necessarily have the same lifestyle. Lifestyle is defined as the life pattern of an individual reflected through activities, interests and opinions. Activities include occupation, hobbies, shopping, sports and social ceremonies. Interests refer to food, fashion, family and recreation. Opinions refer to personal issues, social issues, businesses and products.

Understanding consumers' lifestyle can help marketers to understand the changes that happen to consumers and their behaviour.

(e) **Personality**

Personality is useful in studying consumer behaviour towards a product or brand. Personality refers to defined psychological traits that give constant and continuous response. It is usually connected to self-confidence and traits such as socialisation, aggressiveness, dominance, autonomy and defensiveness. For example, Ali sees himself as adventurous, active and loving challenges. Therefore, he prefers a four-wheel-drive vehicle as it portrays similar traits.

(f) **Self-concept**

Self-concept is closely related to personality. Self-concept or self-image is how a person sees himself and makes a statement about his image or identity to the public. To understand consumer behaviour, marketers need to understand the relationship between consumers' self-concept and their possessions.

7.1.4 Psychology

This is the closest and most basic in an individual. The selection of a product or service by a consumer is influenced by these psychological elements:

- Motivation;
- Perception;
- Learning;
- Belief; and
- Attitude.

(a) **Motivation**

Motivation is a biological or psychogenic need, which is the condition that exists from a strained psychological state, such as the need to be acknowledged or loved. As a result, a motive is born from the stimulation that drives a person to act.

According to the Maslow theory (a popular motivation theory), needs can be placed into two categories, which are physiological needs (such as food and drinks) and security needs (clothes and shelter). The higher stages of needs include the need to be loved, ego and self-actualisation. If a lower stage needs has been achieved, the needs to achieve a higher level will arise.

(b) **Perception**

A motivated consumer is ready to act. However, this action depends on the consumer's perception of a situation. Perception is a process of selection, arrangement and information input elaboration to create meaning about the world. In the process, the individual will perform three other sub-processes: focused selection, distorted selection and selection preservation. Each sub-process causes perceptions to be formed in an individual which are different from those in another individual. For example, consumers buy local products because they believe these are also high in quality or avoid buying local products because they believe the quality is very low.

(c) **Learning**

Learning involves changes in the behaviour of an individual from experience as when a person acts, he will learn. Learning is a combination of pressure, stimulation, indication, reaction and enforcement.

Pressure is a major stimulation that will cause actions, while indication is a minor stimulation that causes when, where and how a person acts. Learning can cause a person to similarise or isolate a product with other products. Similarisation happens when obligation and indications from various products is similar and causes similar enforcement. Meanwhile, isolation happens when the products obligation and indications are different, causing the consumers to differentiate a product with another.

(d) **Belief**

Belief refers to a person's descriptive thought about something that may be formed based on education, opinion or principles. The belief may be formed based on emotional trait or otherwise. Beliefs that are formed in the mind result in an image of a product in the consumers' mind.

(e) Attitude

Attitude refers to evaluation, emotion and reaction continuously towards an object or idea in a good way or the opposite. The consumers behave towards many matters in their life such as religion, politic and food.

Attitude causes the consumers to have a mind that is formed based on their preferences or non-preferences on a matter. An attitude is difficult to change and requires modification to the attitude. It is better for the marketers to modify their product to match the attitude rather than change the consumers' attitude.

7.2 BUYING ROLES

Generally, it is easy to identify who play the roles in a purchase. For example, if a product is for women, usually the buying role will be played by the women and so is the opposite, if the product is meant for men.



EXERCISE 7.1

1. Explain the meaning of influencing factors to the consumer.
2. List and explain the influencing factors that you have learned.

However, if you study deeply, the role may be played by other parties. For example when buying a car, we may say the men play the buying role but the real situation maybe the opposite. Therefore, it is important for us to learn the role played by every individual in the buying decision-making process.

Through research, there are five roles to be played in a buying process. An individual may play more than one role or a role may be played by more than an individual. This depends on the membership of the decision to be made.

Five roles that have been identified are:

(a) Nominator

The nominator is the person who comes up with the idea to buy a product or a service.

(b) **Influencer**

Influencer meanwhile refers to individuals who have influence on the decision to be made. The influence may have been in the form of channelling or blocking information from reaching the members in the buying centre.

(c) **Decision Maker**

Decision maker refers to individuals who make the decision in the factors of 'what', 'when' and 'how much' will be bought and the related questions.

(d) **Buyer**

Buyer refers to the person who will conduct the buying of the real product.

(e) **Consumer**

Consumer refers to the person who actually uses the product.

7.3 BUYING BEHAVIOUR

A consumer buying decision usually depends on the type of the purchase made. The decision to buy a product that is frequently bought is different from the decision that involves expensive and rarely bought products. In relation to that, the consumers will exhibit different buying behaviour. The buying behaviours include:

- Complex buying behaviour;
- Dissonant buying behaviour;
- Regular buying behaviour; and
- Variety buying behaviour.

Figure 7.2 illustrates the consumer involvement based on their behaviours.

(a) **Complex Buying Behaviour**

Refers to the situation where the consumers have many options. Every option furthermore has its own advantages and disadvantages. The differences among the choices are obvious. Among the criteria that exist in the complex buying behaviour are the higher cost of investment and the searching of more information to assist decision making process. An example is the purchase of a house.

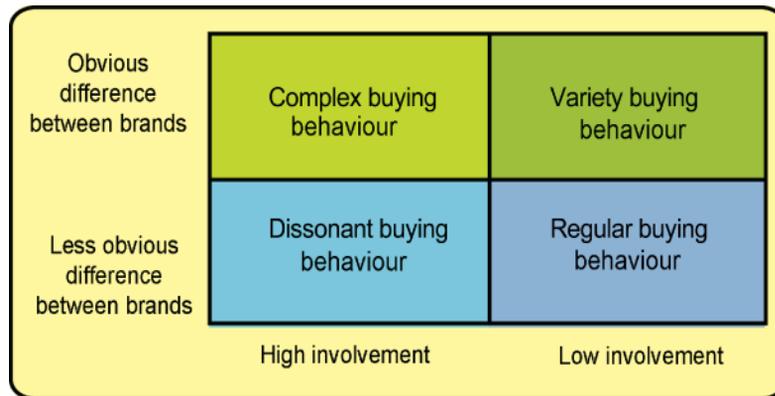


Figure 7.2: Buying behaviour

Source: Adapted from Kotler & Armstrong (2005)

(b) **Dissonant Buying Behaviour**

This refers to buys that involve products without any obvious advantages or disadvantages. This consumer behaviour also involves a higher cost of investment, rarely bought products or high-risk purchases. The consumer may find ways to lessen his uncertainty by gathering more information before making the buy and choosing the product that offers the most guarantee. For example, the buying of precious stones.

(c) **Regular Buying Behaviour**

Refers to the situations where the consumer does not search more information before buying as the consumer feels that the existing information from the experience of using the product is sufficient. The difference between one product and the other may be very small and may not be as important to the consumer. For example, buying daily usage products such as the toothpaste and soap.

(d) **Variety Buying Behaviour**

Refers to the situation where there are obvious differences between the brands and products but does not require a lot of involvement from the consumers. The consumers may change the brand more often, not because of dissatisfaction but more to seek for varieties in the products, such as buying of different flavours of cakes.



EXERCISE 7.2

1. List and elaborate the buying roles that you have learned.
2. List and elaborate buying behaviour that you have learned.

7.4 STAGES IN BUYING DECISION MAKING

How does a final consumer makes a decision? You can understand by looking at it as a process. In the process of decision making, there are five stages, as shown in Figure 7.3. You need to remember that these processes occur in the mind of the consumer.

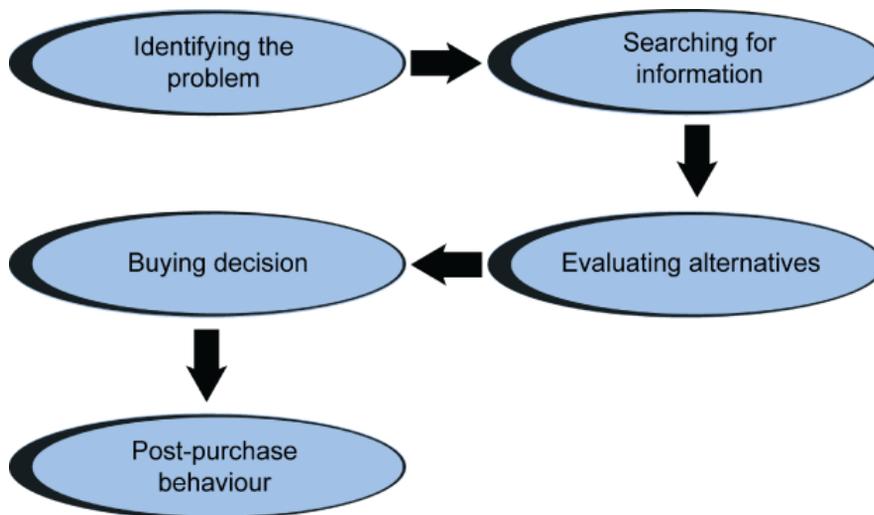


Figure 7.3: Decision making process of buying

7.4.1 Identifying the Problem

Basically, a consumer will identify the problem faced when a difference between the expected situation and the real situation exists. The consumer will eliminate or reduce the differences by buying the suitable products or services. The need may arise as it was caused by two types of stimulation, which are the internal stimulation and the external stimulation. An advertisement that succeeded to persuade a consumer to buy a product is an example of external stimulation, whereas internal stimulation comes from the individuals' own self. For example, a consumer's favourite dress has been damaged, causing the individual to seek other garments to replace it.

Identifying the need does not necessarily result in a purchase. This is because there are other factors that will contribute to the purchase, such as financial situation and the time available to make the purchase.

7.4.2 Searching for Information

After the consumer identifies the problem faced, it can be solved through buying a product or service. Here, information gathering stage will commence. Usually, searching the information will be easy if the consumer has experience of using the product, the product does not involve a huge amount of money or the product is frequently bought such as daily use products.

Intensive information searching will only happen if more information is required. This usually occurs when buying for the first time, the purchase involves a lot of money or when there are many alternative products in the market. Medium information gathering will happen when the product is rarely bought. The consumer has some information on the product or service and the purchase requires a medium allocation of money.

Information can be gathered internally or externally. Internal information refers to the collective information gathered through reading or the consumer's experience of using the product. This includes the consumer's own aspiration, which is by checking and trying the product himself. Meanwhile, external information refers to information from a close source to the consumer such as family and friends. Family and friends' experiences and knowledge are great influences on the consumer. These are followed by the official sources such as the manufacturer's information source through its marketing mix that includes the product design, product price, place of distribution and the promotional methods. Official sources also include articles in the newspapers and advertisement in the print and electronic media.

7.4.3 Evaluating Alternatives

Evaluation of alternatives refers to the formation of selection in the consumers' mind to assist them in evaluating the existing alternative brands of the same product category. For example, the consumer may feel that his communication problems will be solved by buying a mobile phone. The consumer chooses a product or service among the choices available in the market based on the information gathered from the process of information searching. Through this information gathering, indirectly the consumer has also outlined the criteria that he requires in buying a mobile phone. The criteria will assist him to evaluate and later choose the suitable mobile phone brand and model of his choice.

7.4.4 Buying Decision

At this stage, the consumer will make a buying decision that includes the time and place the purchase will be carried out. This includes the payment method that will be made. All the purchasing factors deemed appropriate by the consumer will decide the purchase. For example, the consumer feels that to make his purchase at a branch that sells Avon brand is sufficient rather than to go to the headquarters. The buyer may also be interested to pay by instalment rather than by cash as offered by the seller.

7.4.5 Post-Purchase Behaviour

After a buy, the consumer will either experience a feeling of satisfaction or dissatisfaction. This stage is important as it will influence the process of repurchasing the product. If the consumer is satisfied with the purchase and feels that the purchase is right and fulfils his needs and wants, eventually the consumer will influence other people to buy the product and continue buying it. However, if the consumer is dissatisfied with the purchase made, the consumer may not repeat the purchase of the same product.

Problems will crop up to marketers if the consumer has a feeling of dissatisfaction. This feeling causes the consumer to feel that a mistake had been made in the process of buying decision making. This condition will affect the process of repurchasing of the product. Indirectly, the consumer will relate his feeling of dissatisfaction to other people who wish to buy the product in the future.

The marketer should take appropriate action to reduce dissatisfied consumers. The marketer should convince the consumer that he has made the right choice. The marketer may support the consumer by providing more information on the advantages of buying the product, support services, warranty and trial period. This is important as dissatisfied consumers who relate their bad experience to potential customers are bigger in number than satisfied consumers who relate satisfactory experiences to others.



EXERCISE 7.3

1. Chart the process the individual consumers conduct in buying decision making. List what happens in every stage of the process.
2. There are three types of individual consumers purchase.
 - A. True
 - B. False
3. The nominator is the individual who filters information to the other purchasing members.
 - A. True
 - B. False
4. After identifying the problems on a product requirement, the information gathering stage will commence.
 - A. True
 - B. False
5. All individuals are the same and the main influencing factors are not important.
 - A. True
 - B. False
6. Age, life-cycle stage and family are among the elements in the main influencing factors of personality.
 - A. True
 - B. False

SUMMARY

- This topic discusses four main influencing factors in persuading the purchase of a consumer; which are the factors of cultural, social, personality and psychological.
- Two individuals who are raised in the same area may have different consumer behaviour because of the factors that influenced them.

- In buying deals, the buying roles played by the consumers must be known to marketers.
- Five identified roles of buying are nominator, persuader, decision maker, buyer and consumer.
- In a family unit, these roles are played by a different member. There may be one family member who plays more than one role or more than one family member who plays the same role.
- After identifying the consumers' role in purchasing, marketers also need to know the consumers' behaviours. This is very crucial as the consumers' buying decision depends on his behaviour.
- The four types of identified behaviours are complex, dissonant, regular and variety.
- The obvious difference among all the four behaviours are the level of extra information required, close alternative product, investment cost as well as the risk involved.
- While conducting a purchase, the consumer will go through the process of buying decision making.
- The process involves the stages of identifying the problem, searching for information, evaluating alternatives, buying decision and post-purchase behaviour.
- Marketers need to understand the consumers' behaviour in every stage and the factors that influence each of them so that the appropriate marketing mix methods can be implemented.

KEY TERMS

Consumer behaviour	Psychology
Personal	Purchasing roles
Post-purchase behaviour	Social