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A study on factors affecting consumer Behaviour

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Abstract

Consumer buying behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as, the psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products). An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc.. And is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

Keywords: Consumer behavior, Purchasing behavior, Family life cycle, consumption pattern

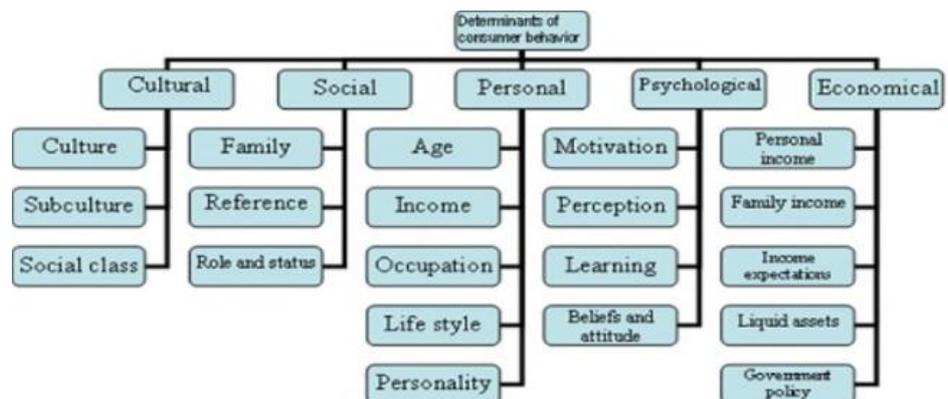
Introduction

Consumer buying behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behavior. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors.

Factors Influencing Consumer Buying Behaviour

The consumer behaviour or buyer behaviour is influenced by several factors or forces. They are:

1. Internal or Psychological factors
2. Social factors
3. Cultural factors
4. Economic factors
5. Personal factor



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Fig 1: Determinants of consumer behaviour

There are five questions that support any understanding of consumer behaviour.

1. Who is the market and what is the extent of their power with regard to the organisation?
2. What do they buy?
3. Why do they buy?
4. Who is involved in the buying?
5. How do they buy?
6. When do they buy?
7. Where do they buy?

The answers of these questions provide the understanding of the ways in which buyers are most likely to respond to Marketing stimuli. The stimulus-response model of buyer behaviour is shown below.

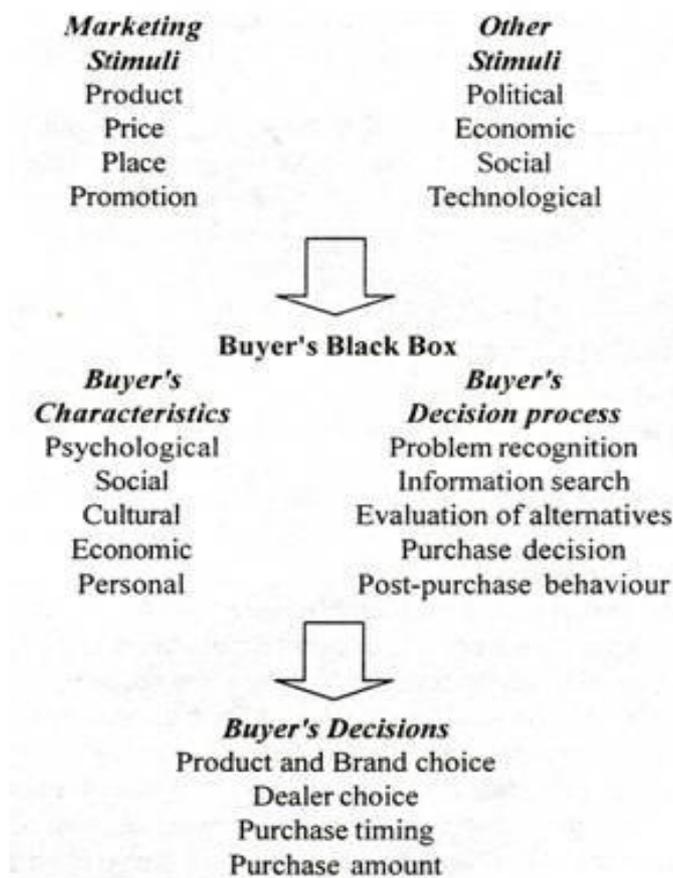


Fig 2: Buyer's black box

According to this model, stimuli in the form of both the external environment and the elements of the marketing mix enter the buyer's 'black box' and interact with the buyer's characteristics and decision processes to produce a series of outputs in the form of purchase decisions. The task faced by the marketing planner involves understanding how the black box operates, for which two principal components of the box must be considered; firstly the factors that the individual brings to the buying situation and secondly the decision processes that are used.

Cultural Factors

Culture and societal environment

Culture is crucial when it comes to understanding the needs and behaviors of an individual. Basically, culture is the part of every society and is the important cause of person wants and behavior.

Sub-cultures

A society is composed of several subcultures in which people can identify. Subcultures are groups of people who share the same values based on a common experience or a similar lifestyle in general.

Social classes

Social classes are defined as groups more or less homogenous and ranked against each other according to a form of social hierarchy.

Cultural trends

Cultural trends or Bandwagon effect are defined as trends widely followed by people and which are amplified by their mere popularity and by conformity or compliance with social pressure.

Social Factors

It includes groups (reference groups, aspirational groups and member groups), family, roles and status. This explains the outside influences of others on our purchase decisions either directly or indirectly.

Reference groups and membership groups

The membership groups of an individual are social groups to which he belongs and which will influence him. Reference groups have potential in forming a person attitude or behavior. The impact of reference groups varies across products and brands.

Family

The family is maybe the most influencing factor for an individual. It forms an environment of socialization in which an individual will evolve, shape his personality, and acquire values.

Social roles and status

The position of an individual within his family, his work, his country club and his group of friends etc. All this can be defined in terms of role and social status. A social role is a set of attitudes and activities that an individual is supposed to have and do according to his profession and his position at work, his position in the family, his gender, etc. and expectations of the people around him.

Personal factors

It includes such variables as age and lifecycle stage, occupation, economic circumstances, lifestyle (activities, interests, opinions and demographics), personality and self-concept. These may explain why our preferences often change as our 'situation' changes. Decisions and buying behavior are obviously also influenced by the characteristics of each consumer.

Age and way of life

A consumer does not buy the same products or services at 20 or 70 years. His lifestyle, values, environment, activities, hobbies and consumer habits evolve throughout his life.

Lifestyle

The lifestyle of an individual includes all of its activities, interests, values and opinions. The lifestyle of a consumer will influence on his behavior and purchasing decisions. For example, a consumer with a healthy and balanced lifestyle

will prefer to eat organic products and go to specific grocery stores, will do some jogging regularly (and therefore will buy shoes, clothes and specific products), etc.

Personality and self-concept

Personality is the set of traits and specific characteristics of each individual. It is the product of the interaction of psychological and physiological characteristics of the individual and results in constant behaviors.

Occupation

The occupation of a person has significant impact on his buying behavior.

Economic Situation

Consumer economic situation has great influence on his buying behavior.

Psychological factors

It affecting our purchase decision includes motivation (Maslow's hierarchy of needs), perception, learning, beliefs and attitudes.

Motivation

Motivation is what will drive consumers to develop a purchasing behavior. It is the expression of a need is which became pressing enough to lead the consumer to want to satisfy it.

Perception

Perception is the process through which an individual selects, organizes and interprets the information he receives in order to do something that makes sense.

Beliefs and attitudes

A belief is a conviction that an individual has on something. Through the experience he acquires, his learning and his external influences (family, friends, etc.), he will develop beliefs that will influence his buying behavior.

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.

Objectives of the study

The study focuses on the verification of the following objectives-

1. To study the different factors affecting consumer behaviour.
2. To understand relationship between variables affecting consumer behaviour and bachelors stage.

Methodology

Table 1: Research Methodology

Type of research	Descriptive research as it is investigative in nature.
Population	India
Sample-	The bachelor stage: young, single person under age of 35 years.
Nature of data	o Primary Data, Secondary Data
Sample size	20
Sampling method	Non- Random Sampling
Sampling tool	Structured Questionnaire through Google forms.
Organizing tool	Pie charts, Table.
Analysis	Frequency, Percentage.
Variables of the study	1. Internal or Psychological factors 2. Social factors 3. Cultural factors 4. Economic factors 5. Personal factor

Literature Review

Institute of Law Kurukshetra, University Kurukshetra, India conducted a research published under title "Factors influencing consumer behaviour". According to the research Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc. and is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of

thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

Dr. K S. Chandrasekar conducted a research under the title "Family and Consumer Behaviour" The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as, The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);The behavior of consumers while shopping or making other marketing decisions; Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome; How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer. Family is the most influential group for

the consumer. The family members can strongly influence buyer behavior. It can be distinguished between two families in the buyer's life. One is the buyer's parents who make up the family of orientation. From parents a person acquires an orientation toward religion, politics, and economics and a sense of personal ambition, self-worth, and love. The other is the family of procreation-the buyer's spouse and children-exert a more direct influence on everyday buying behavior. Marketers are interested in the roles and relative influence of the husband, wife, and children on the purchase of a large variety of products and services. There are three main elements directly effect the family consumption. They are family life cycle, the structure of the family and family decisions making process. The purpose of this report is to discuss the role of the family in consumer behavior.

Research Gap

Understanding of factors affecting consumer behaviour is very complex as they may vary from consumer to consumer. So it's very important to draw a relationship between variables and bachelors stage of life cycle. The paper focuses on understanding the nature of these effects which is important for taking further decisions and helps firm to be more customized according to consumer need.

Characteristics of the sample space

The bachelor stage: young, single person under age of 35 years. Income are generally low since they have started careers, but they may have few financial burdens and sufficient discretionary income.

Objective: To understand the relation between different variables affecting the consumer behaviour.

For the purpose of this study survey was conducted and results are displayed as under-

Demographic profile

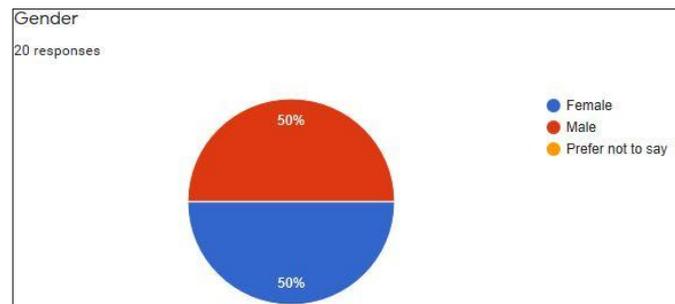


Fig 3: Gender

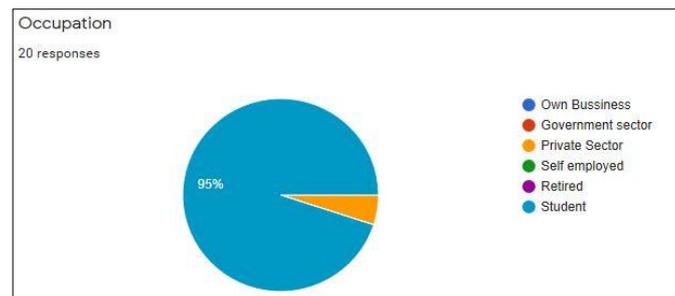


Fig 4: Occupation Majority (95%) of the respondents are students.

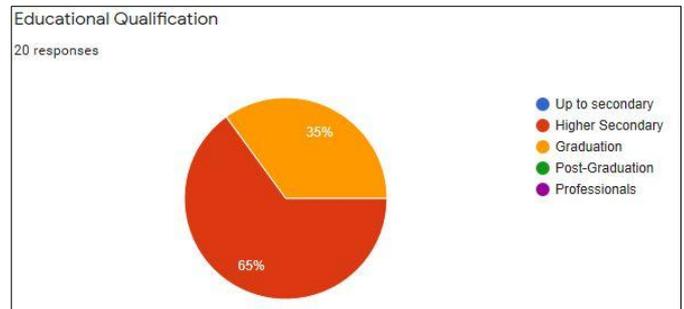


Fig 5: Educational Qualification

Majority (65%) of the respondents educational qualification is higher secondary.

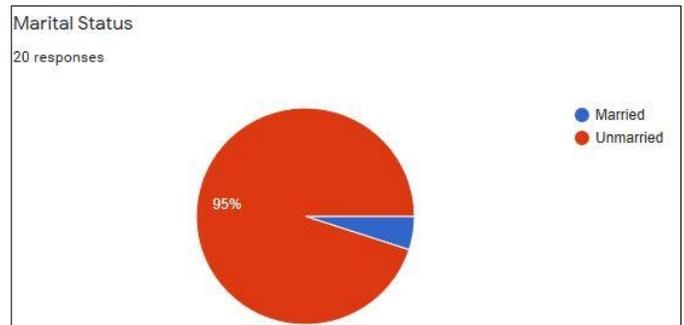


Fig 6: Marital Status

Majority (95%) of the respondents are unmarried.

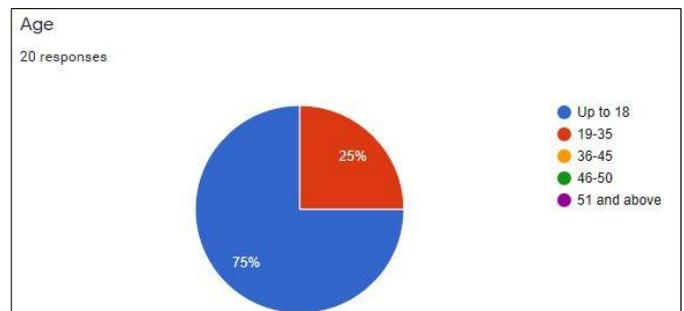


Fig 7: Age Majority (75%) of the respondent's age is up to 18 years.

Relationship between consumer behaviour and different variables

1. On which commodity you spend most of your income or pocket money?

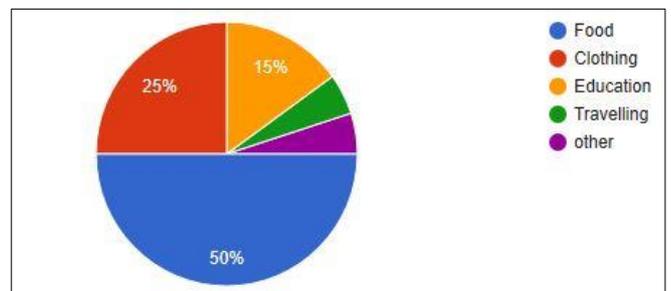


Fig 8: Consumer spending

Majority (50%) of respondents spend most of their income or pocket money on food. Economists say that the poor tend to spend most of their expenditure on essentials like food. The share of spending on food and beverages decreases as a

household's income rises. There is an interesting report of Hindustan times (HT) which speaks about where people spend money in India. According the report Household people in India spends maximum on Foods. 44.63% of all spending's by Indians are on food items. No doubt why there are so many small and big food joints in India. So it can be stated the most of the millennia's spend most of their income for purchasing food items.

2. Can you identify which is the most important commodity for you as of now?

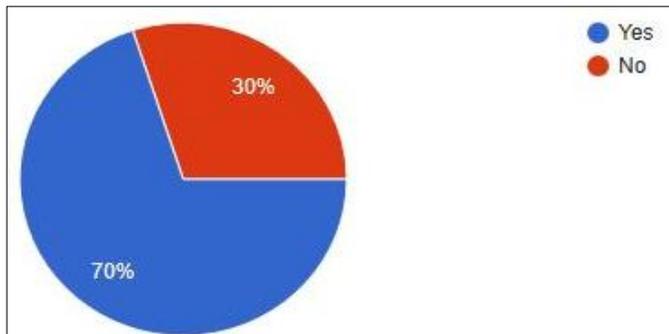


Fig 9: Buyers buying decision

Majority (70%) of respondents know which is the most important commodity for them. They know where they want to spend and on which commodity they want to spend.

3. From where do you prefer to Purchase commodities?

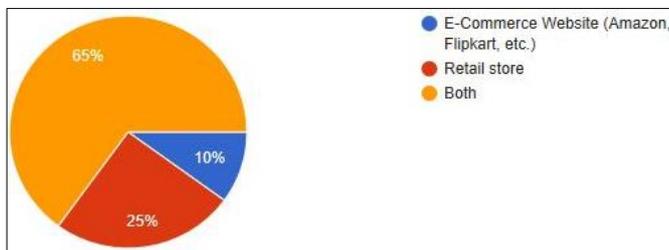


Fig 10: Channel of purchasing

Majority (65%) of respondents purchase goods from both retail store as well as E-commerce websites. Followed by retail stores (25%). According to the survey we even after so much digitalization people prefer to purchase from retail stores or we can say that role of retail stores in the commerce has not completely demolished.

4. Do you ask your parents or family members before purchasing?

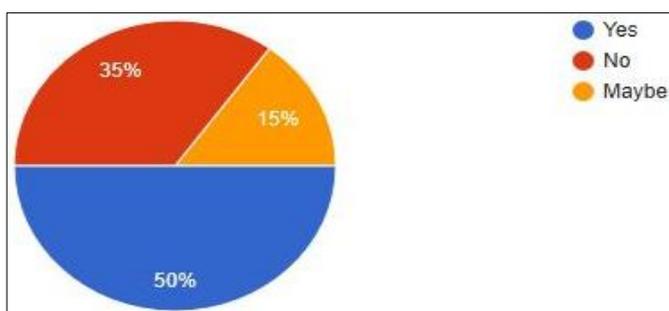


Fig 11: Influence on family members in buying decision

Majority (50%) of respondent's ask their families before purchasing any goods or services. So we can say that family maybe one the most influencing factor for an individual. It forms an environment of socialization in which an individual will evolve, shape his personality, and acquire values.

5. Do you purchase goods in peer pressure?

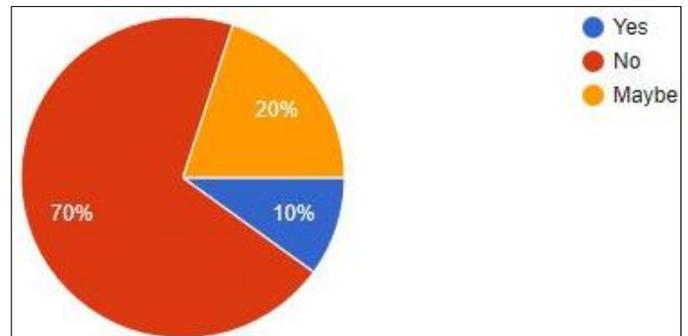


Fig 12: Goods purchased in peer pressure

Majority (70%) of respondents don't purchase goods in peer pressure. Peer pressure is the direct or indirect influence that is exerted on a peer group, observers or individual that encourages others to change their attitudes, values, or behaviors to conform to groups as a socially acceptable behavior under it. According to the survey only (10%) bachelors purchase goods in peer pressure.

6. Which goods you have stopped buying recently?

Here is list of the commodities which bachelors stopped buying recently. According to the survey different consumers have different needs and there consumption pattern depends upon their lifestyle, social needs and many other factors so different consumers stated different things. But one common thing which is noticed is that consumer want to cut their spending on food and beverages. As we have discussed earlier that bachelors spend most of their income or pocket money on food items. Hence they have elastic demand as according to laws of economics the larger the part of income you spent on the commodity more will be the elasticity.

- Junk food
- Electronics
- Ice cream
- First hand books
- Cold drinks
- Fast food
- Shoes and sweaters
- Maggi masala
- Nothing
- Plastic products

7. Which goods you have started buying recently?

Here is the list of good which bachelors started purchasing recently. According to the survey we can say that bachelor's stage consumers started buying grocery of their own as they may have seen a major change in life they may shifted from their home place to other cities for education or for the jobs. Most of the goods in the list are FMCGs. So FMCGs can target millennia's.

- Medicine
- Toiletries

- Juices, fruits
- Two minute food
- Momos
- Clothing
- Straight fit jeans and blazers
- Chay pati
- Nothing
- food
- Chilli chatka kurkure
- No
- Nothing
- Books
- Clothes
- Body care
- Electronics

8. Do you find any change in you consumption pattern?

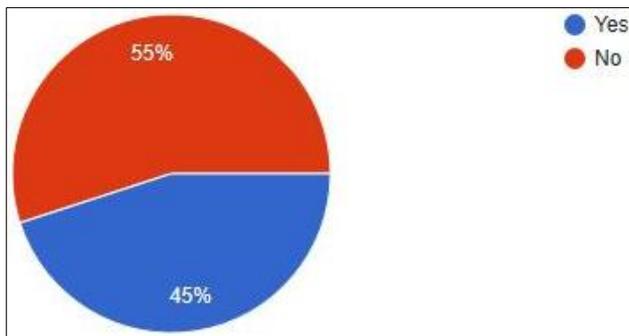


Fig 13: Change in consumption pattern

Majority (55%) of respondents believes that their no change in their consumption pattern whereas (45%) consumers believe that there is change in consumption pattern. Change in consumption pattern is due to major change in life cycle. A consumer does not buy the same products or services at 20 or 70 years. His lifestyle, values, environment, activities, hobbies and consumer habits evolve throughout his life. According to the survey 55% consumers may not have seen any major change in their life cycle, life stage, values, activities and hobbies where as 45% consumers have seen changes in their lifestyle, values, activities, and environment.

9. Does demonetization affected your consumption pattern?

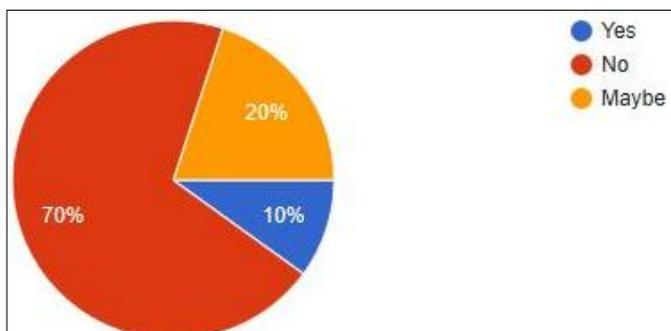


Fig 14: Effect of demonetization on consumption pattern

Majority (70%) of respondent’s consumption is not affected by demonetization. Immediately after demonetisation (November-December 2016), sales of consumer durables

and appliances slipped by 40%. The effect of demonetisation was more pronounced in Tier-II towns and beyond, generally referred to as up-country markets. The impact on the durables and appliances segment was palpable as this market still operates 80% on cash. The negative impact of demonetisation was felt across the all segments of economy, especially agriculture and industry. The worst impacted were segments that relied on high-volume cash transaction, such as organized and unorganized retail. The impact was felt at both the firm level as well as at the consumer level. But the results we got in the survey are opposite to the negative impact of demonetization stated above main reason behind this contrast can be that people in the bachelors stage hold less money and they use online modes of transaction so they faced less problem. We can also say that they might have faced problems or they doesn’t like demonization but their consumption pattern is not affected by such government policy.

10. Have you purchased fidget spinner once?

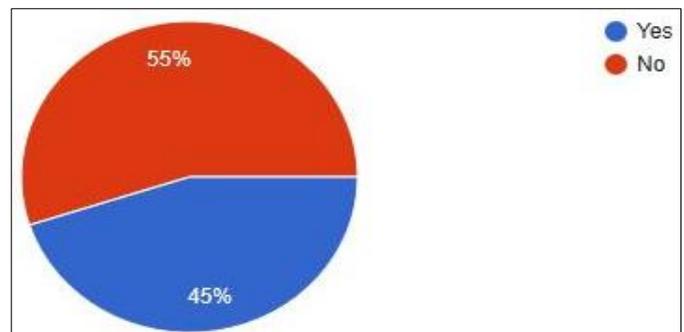


Fig 15: Consumer behaviour toward trending products

Majority (55%) of respondents doesn’t purchase fidget spinner. The fidget spinner has suddenly become the biggest craze of 2017. For the past several weeks, this small hand-held toy has occupied virtually every spot on Amazon’s top 20 bestseller list for toys. After sweeping the US, it has now successfully spun its way into India – some toy stores in Mumbai are now reporting sales of several hundred fidget spinners each day. The mania has taken off so dramatically that factories in China which made cellphones and phone accessories have totally switched over to making these new toys. And it’s not just kids, many adults are using these toys too, to fidget while at work or during their commute. According to the research we can say that market trends affects consumer buying behaviour to only some extent. But if the product is not worthy or not solving any pressing problem than these trends are short lived and useful only to some extent. So they should more focus on their product.

11. On which assets do you spend most of your income?

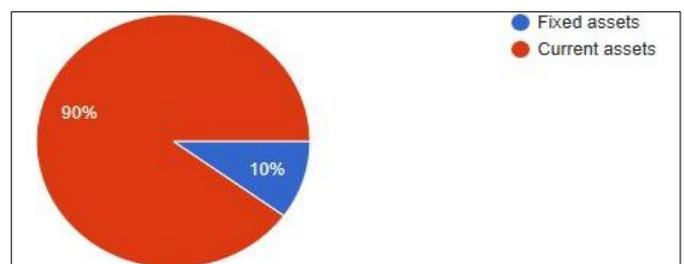


Fig 16: Spending on current assets Vs. fixed assets

Majority (90%) of respondents spend their pocket money or income on current assets as they have low level of income. So it can said that consumption pattern depends upon the income level strongly. Consumer economic situation has great influence on his buying behavior.

12. Would you like to purchase new product in the market?

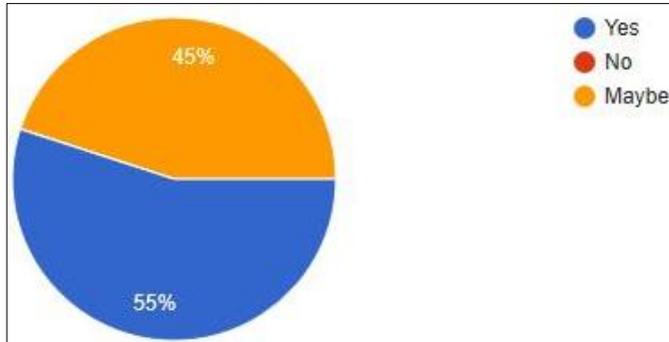


Fig 17: Consumer openness towards new products

Majority (55%) of respondents would like to purchase new products in the market even the rest 45% may try in new product. Millennials, also known as Generation Y (or simply Gen Y), are the demographic cohort following Generation X. As most of the people in bachelor's stage are millennial so they are open to try new things as compared to Generation Y or any other generation.

Conclusion

For a successful consumer oriented market service provider should work as psychologist to procure consumers. By keeping in mind affecting factors things can be made favorable and goal of consumer satisfaction can be achieved. Study of consumer buying behaviour is gate way to success in market. Mastering the skills and milestones of each stage allows you to successfully move from one stage of development to the next. If you don't master the skills, you may still move on to the next phase of the cycle, but you are more likely to have difficulty with relationships and future transitions. Family life cycle theory suggests that successful transitioning may also help to prevent disease and emotional or stress-related disorders. In this research we have developed relationship between variables affecting consumer behaviour and consumers in bachelor's stage of life cycle. Hence we have developed the characteristics of these consumers, these consumer have low income with themselves. These consumers spend most of their income on food followed by clothing. They are aware and know what they want to purchase. Consumers in bachelor stage like to purchase goods from both online as well as offline mode. Consumers in bachelor stage ask their parents before purchasing goods and services means they have influence of their parents in their decision making. Consumers in bachelor stage doesn't purchase in peer pressure. Consumers in bachelor stage spend most of their income on liquid assets. Consumers in bachelor stage like to purchase new product in market.

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