

Factors Effecting On Consumers Purchase Decisions

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ABSTRACT: Online customer review is one of the most important factors that influence customer purchase decision. The purpose of this research was to study how different factors of consumer behaviour effect on decision-making. Consumer behaviour consists of four factors: cultural, social, personal and psychological. Various factors of perceived value in review content will cause different impact on purchase decision. The study identifies independent variables including demographic factors, consumer behaviour factors, and marketing mix factors. Both demographic factors and marketing mix factors do not have significant relationship with the consumers' purchasing decisions. Buyer decision is limited only to social, personal and psychological factors. The results shows that the consequence of perceived risk is a negative tendency to purchase; while that of perceived benefit has a positive tendency. This conclusion will instruct sellers to adjust their products factors to improve consumer's satisfaction and increase their purchase rate.

KEY WORDS: Purchasing decision, Consumer behaviour, and consumer purchase decision, decision-making process

INTRODUCTION

With the rapid development of electronic commerce, product and service reviews have become one of the most important factors that influence consumers purchase decision. Consumers focus on specific points of a review, depending on individual differences and interests therefore different reviews of the same product will each have a different impact on consumers purchase decision. Research on reviews and the reviews content dimension has become increasingly mature

Content dimension has been done. Therefore, this study analyses review and purchase decision data using data mining and machine learning; to mine the influence that content has a decisions this Information can be used by sellers to adjust their strategies in order improve consumers Satisfaction. The purposes of this study are as follows:

- (1) Research factors that are of perceived value in product reviews content
- (2) Generate review features and divide them into perceived value factors.

Consumer's interest to purchase a product or service always depends on the willingness to buy and at the same time ability to pay for the product. Though they are willingness and ability to pay then also the consumers change their buying decisions because of the influence of various factors such as psychological factors, personal factors, cultural factors, social factors, the influence of family members, economic factors and social media, etc.

An individual who purchases products or services for the purpose of using for himself/herself is known as an end user or consumer or the end user of the product or services is termed as a consumer. Consumer buying behaviour always reflects why do consumers buy products with an interest. Why should marketers

know about status of consumption and impact of external environment on buyer's decision, etc...

Consumer behaviour is broadly studied field. It lets the companies understand how consumer decides about buying their product or acquiring services. Marketing managers are always interested to know more about consumer's behaviour so they can prepare better communication and advertising campaigns and messages about their products and services. Consumer makes buying decision every day and many people don't even know the factors which derive them to this decision. Usually the factors affecting consumer buying behavior include psychological, social, cultural and Personal (Kotler and Armstrong 2011, 134). Buying the new home cleaning service involves consumers' research for the best option available and it might take various factors in account in its decision-making process.

This is about studying which factors of social, cultural, personal or psychological characteristics has the most effect on consumer decision making process when selecting home cleaning service company. The research work is carried out to highlight the important elements for customers in the household cleaning and let the service provider understand overall picture of customer behaviour towards the cleaning company with the help of understanding the factors affecting consumer behaviour for choosing a certain service provider. Better understanding of consumer behaviour would let the marketers make the service structure as

desired and attractive for the household customer and maintain business activities according to customer demands. This research work would let the general house cleaning customer record their voice in understanding the companies what kind of service do they want which can improve their life quality with the tailored services by the service provider.

II. BACKGROUND

Consumer behaviour is a widely studied field. Understanding it completely is impossible because it is related so closely to human mind. However, forecasting how a human behaves in purchasing situations can be estimated through previous purchasing decisions. Consumers make buying decisions every day and many people do not even know the factors that drive them to this decision. Buying a coffee comes almost automatically and does not need much information search. There are characteristics behind every buying decision that can come from cultural, social, personal or psychological factors. Each of these factors includes dimensions that can be used in marketing. Marketers can use these factors so subtle that consumers might not even recognize it. Consumers might think that "I have always bought this same brand or product", but they do not recognize that the affecting factor behind this decision can come from their family.

They studies these factors behind purchasing decisions through personal, social and psychological factors of consumer buying behaviour. The author has chosen coffee brands as a research subject on this thesis. Coffee is daily used

commodity and the purchasing decision can be made routinely without any conscious activity. It is interesting to study how the consumer has ended up selecting the specific coffee brand and what has been the effect of social, personal and psychological factors.

Nowadays companies are more concerned on individual consumer behaviour. It helps them to yield information about how the consumers think, feel and choose their products. Every individual is consumer. Consumer behaviour is the study of the processes involved when individual or groups select, purchase, use, or dispose of the product, service, ideas or experiences to satisfy needs and desires. The expand view of consumer embrace much more than the study of why and what consumer buy, but also focuses on how marketer influence consumers and how consumers use the products and services. Customers are in a tough spot. Individuals have exposed to different window of information and varieties of products; many great deal of choices and options available in the market place impulse their purchase decision. However the interpretation and decision making is different among individuals and also influenced by internal consumer behaviour (perception, altitude, and motivation) and external factors (family roles, peer influence and group influence).

III. LITERATURE REVIEW

Currently, there are many different definitions of purchase decision consumer. According to, purchase decision consumer is behaviours showed by decision making units in the buying, usage and disposal of

goods and services. Purchase decision consumer is the decision making process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods and services. They argued that consumer behaviour is the behaviour that consumers expose in searching for purchasing, using, evaluating and disposing of product, service and idea Which they expect, will full fill their requirements.

Besides that defines the consumer behaviour's main factors and performs the interaction of Environmental Factors (including marketing stimuli (MIX) and environmental stimuli), Buyer's Black Box and finally Buyer's Response. In addition, identified that purchase decision consumer is activities directly related to obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow these actions. In services require time (holiday, travel, etc.), decisions are forming important part of consumer behaviour. One notice thing is that purchase decision does not finish with purchase of goods or services, but also post purchase activities are consisted of consumer behaviour.

This research considers about the meaning of Engal, Blackwell & Miniard with consumer decision-process model. Thus, purchase decision consumer includes three main actions: purchase, consumption, disposal cargo handling services. Consumer decision is the active factor of competitive theories. Several researches can be identified as centre to the job and worldview of behavioural economists and other behaviour analysis. It claims that the

behaviour environment relationships observed by psychologists can be known as economic in market.

The research of consumer decision for any product is important to marketers in forming the properties of their organizations. It is vital for controlling consumption of goods and maintaining market stability. In addition, it is helpful in growing ways for the more efficient utilization of resources in marketing. It also helps in solving marketing management challenges in more effective way. The development of consumer protection movement has made an urgent demand to understand how consumers create their consumption and purchasing decision. Consumers' tastes and favourites are rapid changing. In conclusion, consumer behaviour helps in constructing of production policy. For effective market segmentation and target marketing, it is important to have knowledge of consumers and their purchase decision.

IV. FACTORS EFFECTING CONSUMER PURCHASE DECISION

The idea of buying some product or services does not come suddenly but carry long process of thinking, analysing options, and taking other factors in account to reach the conclusion. These days marketing decision makers spend more money than ever to understand who buys? Why do they buy? When do they buy? Where do they buy? Why do they buy? Consumer forms many shapes, ranging from an 8-year-old child pleading with her mother for a small toy to a Business man in a giant company deciding on an

extremely costly computer system. Consumer purchases of goods and services are highly influenced by cultural, social, personal and psychological characteristics as show in figure 1. As though it is not completely possible to keep control on these factors but marketer must keep in mind these factors into account.

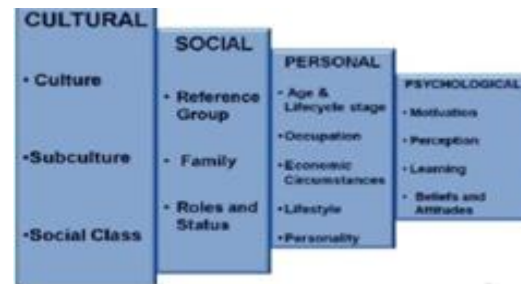


Fig. 1 Factors Affecting Consumer Behaviour

4.1. CULTURAL

Some other factors such as sub culture, social class effect the consumer behaviour significantly which is explained in the following:

A. Cultural factors

Culture has the most important impact on consumer buying decision. It comprises of all the values, wishes, observation, attitude and values from his family and important institutions. Every country of the world has different cultures and its influences on the consumer buying decision may vary from one country to another. Marketers should be highly careful in adjusting the marketing campaigns according to the cultural setup in specific part of world to avoid the misapplication.

Cultural factors also effect the decision-making power within a family and the decisionmaking leader vary in different parts of the world. Male dominance is more visible in African cultures who might exercise their power in decision making

process whereas in westerner culture men and woman are almost equal and decision is made impartially, possibly because both earn money to live in. It's also vital to keep a sharp eye on cultural shifts which can make room for marketers to launch new product that might be wanted. In the Muslim cultures, the month of Ramadan is considered the Holy month and different companies launch new product across the countries to add to their product line.

B. Sub culture

A part of the society in different parts of the world comprises of people sharing similar customs, traditions and behaviour generating sub-culture within a broader culture. In India where many sub-cultures exist, culture of people from south depicts different values system from people in north, and west different from east. Similarly, the Muslim of one part of the country would be showing different level of interest from Hindu culture within a country for some product or service. Marketers are designing products according to the similar interest and background of the people to get the expected results.

In United States of America, companies have started different campaigns to attract people from specific ethnic groups and make them loyal towards the brands. The large group of people include Hispanic American, Asian American, and African American as well as Mature consumer. Seeking the needs of such sub-cultural groups marketing teams often make tailored products and set their marketing programme according.

C. Social class

This group of people, sharing the similarities in occupation, wealth, income, education, power and prestige, form a unique buying behaviour. In this group, people share the same values and purchase similar products or services. Those, representing this class prefer to buy similar brand and product such as clothing, leisure, car industry. Marketers are very interested in social class as it would be easy to target them with the similar marketing programme based on their common liking pattern.

4.2 SOCIAL

Some other factors such as family, reference groups etc... Also effect the consumer behaviour significantly which is explained in the following:

A. Reference group

In our surrounding we see churches, schools, universities, club, distinguished individuals, friends they all serve as reference group. This formal and informal group make the consumer mind by shaping attitude or behaviour of consumer. Reference groups are usually symbolized as having the people who are acting as leader for the group and they influence others in a certain way. Such leaders are considered having more expertise and knowledge about some specific point. Sometimes groups to which a person does not belong also exert great influence as ones wishes to belong to it, form aspirational group and they attract people in a unique way.

B. Family

Family members are the most important reference group in influencing the consumer behaviour. In a family all the customs,

values and tradition one child learns later becomes part of life and which set the various kind of behaviour and attitude pattern about different things (Khan 2006, 30). Another aspect of family consumer behaviour is also to know the decision maker, as in some family its husband making decision and sometimes wife purchases certain items. Whereas Children also influence a lot in buying child related accessories. To successfully influence the consumer behaviour in a family, it's crucial for marketers to know who is making decision about buying product or service in question.

4.3 PERSONAL FACTOR

A decision can be influenced by personal factors such as individual age and life cycle stage, occupation and etc.

A. Age & lifecycle stage

Over the time individual change their preferences in buying some product or service. It is the age and time in life cycle due to which we make changes in clothing, furniture, recreation, and taste in food. As the family gets mature and experienced it changes in buying pattern significantly over the time. It is common to change purchasing behaviour during family life stage and switching to brands. Typical family was consisting of young singles and married couples with children but now a day the trend is getting shifted towards more non-traditional stages of family such as unmarried couple, childless couples, same sex couple, single parents and single marrying later in life, carrying various buying behaviour pattern.

Occupation

B. Occupation

An individual's purchasing power and occupation shape his purchasing pattern for goods and services. In some societies

marketers try to estimate the purchasing power of individuals with their occupation and they use occupational prestige to know the worth of people (Solomon 2006, 438). To give special service, marketer sometimes tend to provide tailored products and services to high ranked occupational groups, so they always try to understand the right groups who have interest towards their product.

4.4 PSYCHOLOGICAL

Consumer behaviour is also highly influenced by four psychological factors, i.e motivation, perception etc.

A. Motivation

A consumer can have various needs at a point of time and they might include some of biological necessities which can appear with the stressing state as hunger, thirst or 12 discomfort. Some other needs could arise psychologically from need of recognition, belong and esteem. When intensity of desire to get something rises to a sufficient level it originates the motive, which is needed pressing a person mentally to quench the satisfaction. To understand better social scientist has come up with two famous theories of motivation for human mind.

B. Perceptions

A person with some motivation is always ready to act but the way of action could be different from individual to individual influenced by his perception of the situation. There is big chance of responding differently for two individuals again some stimuli as the perception of situation might be different with both. People have a possibility to establish different perception of the same stimuli on account of three perceptual processes:

selective attention, selective distortion and selective retention. In the selective attention process a person focuses only on small number of stimulus that he is exposed. Usually in this process consumer focuses only on their current need while neglecting all other stimuli coming in the environment.

V. CONCLUSION

The aim of this study was to study that how cultural, social, psychological and personal factors affect in making purchase decision and to gain information on consumer decision making process. The theory part included the overview of these factors and steps of the decision-making process. A questionnaire was created based on these issues. Results of the empirical study indicated that there was a relationship between social, personal and psychological factors but it was not credible. Research shows, all factors of perceived benefit have a positive influence on purchase decision.

VI. REFERENCES

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