

Factors affecting consumer behavior psychology essay



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Consumer behavior is affected by several factors. All these factors are grouped into four broad categories, namely psychological, personal, social and cultural factors, Kotler and Keller (2009, 190). Under each of these categories, there are many different kinds of factors.

Psychological Factors:

Four major elements which constitute the psychological factors are motivation, perception, learning, and beliefs & attitudes. The actions of consumer depend on how s/he is motivated. At the same time the actions taken are affected by the person's perception of the situation. Perception again depends on the complete learning process of that individual through his/her experiences. When person experience new things, changes take place in the behavior. As a result, new beliefs and attitudes are acquired and hence affect the buying behavior (Armstrong et al. 2005).

Motivation:

Motivation is an internal or psychological energizing force that reflects goal-directed arousal which results in a desire for a product, service, or experience. Motivation can be considered as a psychological drive that compels or reinforces an action toward a desired goal.(Wikipedia)

Motivation is the first step in consumer purchasing process where consumer realizes and recognizes the need for something. It reflects an inner state of arousal that compels the consumer to engage in goal directed behaviors, necessary information processing and detailed decision making. Motivation is enhanced, when consumers regard something as 1) personally relevant 2)

consistent with their values, goals and needs, 3) risky and 4) moderately inconsistent with their prior attitude (Hoyer 2004).

Motivation process initiates with need recognition by the consumer.

Consumer has several types of needs. Maslow, the pioneer of need theory analysis clubbed all these needs in to five different levels in his famous Need Hierarchy Model as:

- 1) Physiological Needs,
- 2) Safety Needs,
- 3) Social Needs,
- 4) Egoistic Needs and
- 5) Self actualization Needs.

Maslow Theory of Need Hierarchy suggested that higher needs can only be fulfilled once the lower needs are met (Pooler, 2003). According to Pooler (2003), he also argued that when it comes to shopping on a lower plane, our lower level needs have being met and when shopping on a higher plane, a higher level of needs is being satisfied. A brand name provides a shorthand device or means of simplifications in decision making (Keller, Aperia & Georgeson, 2008).

DIAGRAM

The self actualization needs: The term actualization means that the intrinsic growth of what is already in the organism, or more accurately, of what the

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organism is called self actualization needs (S. N. V. Krishna). In small words to understand simply one individual potentiality and developing him by doing something is called self actualization (Simons, Irwin and Drinnien, 1987).

According to Simons, Irwin and Drinnien (1987), the self actualization need is important when the consumer wants to survive, consumer came with new professions, and it is one kind of need, it will help the consumer to survive in this competitive world.

Esteem needs: The term esteem means that need for things that reflect on self-esteem, personal worth, social recognition, and accomplishment (S. N. V. Krishna). For example depending on financial position, one can travel in the bus, motor bike, and car respectively where travel is a need. Simply, if one can economically sound, then he/she arranges the esteemed need according to financial possession (Simons, Irwin and Drinnien, 1987). The author said that, if she/he needs the esteem needs, then they should have good economic possession, if not no necessary to maintain the car or motor bike, it is very easy to use the public bus or walk (Simons, Irwin and Drinnien, 1987).

Social needs: The social needs includes love of family or friends, for example, the boy loves his girl friend, the relationship between husband and wife, one child belongs to one family This is called belongingness or love (Simons, Irwin and Drinnien, 1987). This is one kind of need for every consumer, because every consumer has their personal belongingness and love.

Safety needs: The safety might include living in an area away from threats.

This level is more likely to be found in children as they have a greater need <https://assignbuster.com/factors-affecting-consumer-behavior-psychology-essay/>

to feel safe. For example one wants to live safe and secure life in the society. Finally, always consumer wants to live a life, which is safe and secured (Simons, Irwin and Drinnien, 1987).

Physiological needs: It includes the very basic need air, warmth, food, sleep, stimulation and activity. People can die due to lack of biological needs and equilibrium common needs like food, water, oxygen and other common minimum needs are wanted for every one to survive in the world. This is also a basic need of consumer (Simons, Irwin and Drinnien, 1987)

II. Perception

Perception can be defined as the process by which people translate sensory impressions into a coherent and unified view of the world around them (Business Dictionary). Perception can be described as “ How we see the world around us”. Perception is an individual process based on each person’s needs, values, expectations and likes (Schiffman, 1987).

Motivation makes individual ready to act. However individual’s actions are heavily influenced by his or her perception of the situation. Two individuals may be subject to the same stimuli under the same conditions, but their perception not necessarily the same as the way different individual recognize, organize and interpret stimuli is different.

Perception occurs when information is processed by one of our five senses: vision, hearing, taste, smell and touch e. g. Some one may not like a particular jacket hanging in shop due to colour combination but when they try it, their perception about that jacket changes and they might be purchase

it. The processing of visual stimuli is influenced by size and colour. Intensity and music are important aspects of aural stimuli. Taste perceptions are critical for some products, although taste perception can vary across cultures.

(Hoyer 2004) e. g. in Iran, people prefer to use maximum black colour or at least small piece of black fabric on body while in Saudi Arabia, Arab prefers to use maximum white clothing.

Individuals act and react more on the basis of their perceptions and less on the basis of objective reality. Thus for marketers, consumers perceptions are more important than their knowledge of objective reality. Individuals make decisions and take actions based on what they perceive to be reality, thus marketers should understand the whole notion of perception and its related concepts so they can more readily determine what influences consumers to buy (Kelley, 1950). Consumers selection of stimuli from the environment is based on the interaction of their expectations and motives. People usually perceive things they need or want, and block the perception of unneeded or unfavourable stimuli (Hornik, 1980). The interpretation of stimuli is highly subjective and is based on what the consumer expects to see in light of its previous experience, its motives and interests at the time of perception. The clarity and originality of the stimuli itself plays an important role in that interpretation. The distortion of an objective interpretation is mainly due to the physical appearance, the first impression and stereotypes (Kelley, 1950).

Learning

It is very difficult to come up with a general definition of learning, as there is no consensus among the learning theorists and experts on how learning

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takes place. From a psychological point of view, learning refers to a relatively permanent change in behavior which comes with experience (Solomon, M., Bamossy, G., Askegaard, S. 1999, 65). From the marketing perspective, consumer learning is the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future related behavior (Schiffman, L., Bednall, D., O’Cass, A., Paladino, A., Ward, S., Kanuk, L. 2008a, 185). According to Kotler, learning involves changes in an individual’s behavior arising out of experience. Most of the human behavior is learned over time out of experience. Learning can be viewed as a relatively permanent change in behavior occurring as a result of experience (Loudon and Della Bitta). Learning makes consumers to keep track of all of their past experiences and to integrate their previous knowledge with all new information received from market and product (Blackwell et al. 2001).

Individuals usually learn either by direct means or by observing events that affects other people around them. They also learn even unconsciously when they are not even trying to. The concept of learning is vast covering consumer’s simple association between stimulus and response to complex series of cognitive activities. Psychologists and other learning theorists introduced several basic theories to explain the learning process. Here in this study, learning theories are divided into two major categories: behavioral learning and cognitive learning.

Behavioral Learning:

Solomon et al. (1999, 65) state that behavioral learning theories are based on the assumption that learning takes place as the result of responses to

external events. In turn, Schiffman et al. (2008a, 187) refer to behavioral learning theories as stimulus-response theories since they primarily focus on the inputs and outcomes that result in learning. The behavioural approach sees the mind of the individual as a „black box“ emphasizing the observable aspects of behaviour. This is depicted in the Figure 1.

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The behavioral theories include classical conditioning and instrumental conditioning (Schiffman, 1987).

Classical conditioning

Early classical conditioning theorists regarded both animal and humans as relatively passive entities that could be taught certain behaviors through repetition or conditioning (Schiffman et al. 2008a, 187). “ Classical conditioning occurs when a consumer learns to associate an unrelated stimulus with a particular behavioral response that has previously been elicited by a related stimulus” (Schiffman, 1987). As a process, classical conditioning occurs when a stimulus that elicits a response stimulus and a stimulus that initially does not elicit any response on its own are paired up. In the course of time, the second stimulus produces an equal response because it is associated with the first stimulus (Solomon et al. 1999, 66).

Russian physiologist Ivan Pavlov is pioneer in demonstrating this phenomenon in the behavior of dogs and proposed it as a general model on how learning occurs.

Instrumental conditioning

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Instrumental conditioning, also known as operant conditioning occurs when person learns to perform behaviors that produce positive outcomes and to avoid those that yield negative outcomes (Solomon et al. 1999, 67). While classical conditioning is useful for explaining how consumers learn simple behaviours, instrumental conditioning is useful in explaining more complex goal-directed behaviours (Schiffman et al. 2008-a, p. 193). It happens through a trial and error process that associates a reward with certain behavior. Both positive and negative reinforcement can be used to affect the likelihood of eliciting the desired response (Schiffman, 1987). For example in case of branded apparel purchasing reward has a special meaning. Suppose a girl has brought new branded attire which admired by her friends. This will make the girl more confident about the choice. In this case the admiration is the reward. Similarly reward could be negative also if her friends had made fun of her choice which make the girl think before next purchase. Instrumental conditioning has a particular significance with respect to branded goods, as it deals with consumers' personality and image.

Cognitive learning

According to Solomon et al. (1999, 69), cognitive learning occurs as the result of mental processes. In contrast to behavioral learning theories, cognitive learning emphasizes the individual as a problem-solver entity rather than just a "black box". As noted by Schiffman et al. (2008a, 196), individuals, as problem solvers, actively use information from their surroundings to master their environment. Instead of stressing the importance of repetition or association of rewards with a specific response,

cognitive theorists emphasize the role of motivation and mental processes in producing a desired response.

Cognitive theorists argue that even the simplest conditioning is based on cognitive processes. Their reasoning advocates that, for example, in operant conditioning individuals learn to expect a stimulus after their response.

Moreover, cognitive learning theory states that conditioning occurs because persons develop conscious hypotheses and then act upon them (Solomon et al. 1999, 69).

Attitude

Attitude can be defined as a persons overall evaluation of a concept (Peter et al, 1999).

Attitudes influence the behavior of consumer. Consumers' attitude always revolves around some kind of concept. They have attitudes towards various physical and social objects. Consumers also have attitudes towards imaginary objects such as concepts and ideas (Peter et al, 1999). Attitude formation helps consumers to make decisions by providing a platform to evaluate alternatives based on the attributes and benefits of each product.

Attitude has significant influence on consumer intention. Hence it is important for marketers to understand attitude theory in detail. However, attitudes are functionally useful in influencing consumer behavior towards brand which considered useful by consumer in satisfying needs and wants.

As Schiffman has defined, “ Attitudes are an expression of inner feelings that reflect whether a person is favorably or unfavorably predisposed to some “
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object” (e. g., a brand, a service, or a retail establishment),” and “ Attitude formation, in turn, is the process by which individuals form feelings or opinions toward other people, products, ideas, activities, and other objects in their environment”.

According to Noel (2009, 98) as well as Evans et al. (1996, 206) and Evans et al. (2006, 68) an attitude consists of three components which are a cognitive, affective and conative component. These three component forms the tri-component attitude model.

The cognitive component: The cognitive component consists of a person’s cognitions, i. e., knowledge and perceptions (about an object). Evans et al. (1996, 206) states that cognitive component includes things that a consumer knows and believes about a certain object. The cognitive component is about a consumer’s thoughts and beliefs; it is what the consumer thinks about a certain object (Noel, 2009, 98).

Affective component of attitudes comprises the emotional component of attitudes and is related to the feelings that a consumer has toward a certain attitude object. According to Noel (2009, 98) affective component is the feeling part of attitudes and it captures the either positive or negative overall assessment that a consumer has of a certain object.

Similar to Evans et al. (1996, 206), Noel (2009, 98) states that the conative component includes the actions and behavioural intentions that a consumer has. Evans et al. (1996, 206) note that the conative component is a result of the two previous, cognitive and affective components.

Kotler and Keller (2009, 210) discuss that attitudes are formed through experience and learning and that attitudes influence buying behaviour. Noel (2009, 99) notes that some attitudes may also be formed based on research; a consumer may read reviews about an interesting product and discuss it with his or her friends and form an attitude based on the acquired information. Attitudes may also be formed through feelings. Consumers might form an attitude toward a product by experiencing it.

the feeling or the affect component. In fact, this is understood to be the attitude itself, as it depicts emotional states that are positive, neutral or negative. In marketing terms, it refers to a consumer's feelings about a product/service offering and the marketing mix. These emotions could relate to an attribute or the overall object. It is evaluative in nature and would vary on a continuum as like or dislike, favorableness or unfavorableness. It manifests itself through feelings and resultant expressions like happiness, sadness, anger, surprise etc., and is indicative of consumer reaction towards the offering and the mix, which subsequently affects the purchase decision making as well as the purchase process. Such reactions and resultant states also get stored in our memory. Their retrieval, recall and recollection also impacts future decision making.