

Customer behavior in costco-wholesale



Consumer behavior had been a topic of interest in the fields of marketing since knowing and understanding the psychological profile of consumers would be an advantage for the companies. Companies spend millions to conduct marketing research on consumer behavior (Hawkins, Best & Coney, 1998). On the other hand consumer behavior is also a revealing object of study for social psychology since it depicts how individuals behave in a social setting where the individual may influence others and where others can also influence the individual.

Consumer behavior is defined as the process in which the individual perceives, choose, decide and maintain loyalty to a particular product or service. Consumer behavior can be overtly observed in an environment where the individual has to decide what product to buy (Solomon, 2006) such as COSTCO-Wholesale. COSTCO is a wholesale and retail store which boasts of having everything that a consumer would need from daily needs such as food, toiletries to bigger purchases such as appliances and furniture.

COSTCO is designed as a warehouse type of store wherein the customer can choose among a myriad of products with the help of a store clerk. Generally, massive discounts are offered to customers and regular sales on specific products are given in a monthly basis. COSTCO have enjoyed its own share of consumers who have become loyal to the store, one of the most endearing factors of COSTCO is the huge number of brands and products that they carry. As such, it can be assumed that there will always be a steady number of people inside the store which can serve as the subjects of the study.

Also, people who come to the store would generally be there to buy something therefore fulfilling the objectives of the project. This observation project attempts to find out how COSTCO customers choose expensive products that they buy with and without the help of a store clerk. The objective of the study is to observe whether the help of a store clerk can facilitate faster decision making to purchase their chosen products or whether it delayed the decision making process. It is hypothesized that the costumers would be able to make faster purchases with the help of the store clerk.

Method This project will employ the observation method. Observations give the researcher the opportunity to observe actual behavior of the individual in a real setting as opposed to laboratory experiments (McDaniel & Gates, 1998). Observations generally are used as qualitative methods of study in that the observations are documented based on the behavior of the individual and not on any quantitative measure although the frequency of the individual's behavior may be noted but the analysis would be qualitative in nature. **Sample**

Since the project involves COSTCO consumers, the sample of the study would be costumers who were there to buy high ticket items such as furniture and new appliances since it would require a longer decision making process. The subjects have to be alone when they go to the store since a companion would serve the same basis as the store clerk. Gender, occupation and status will not be controlled for but will be taken note of in the analysis of the results. **Procedure** The researcher will be on the store

where the high-item products are displayed and will pose as a customer in order to discreetly observe the subjects.

The researcher identifies the subject based on the inclusion criteria. The researcher will then observe the subjects one at a time, one group being assisted by a store clerk and the other group without any help from a store clerk. This can be done because some customers do not ask for assistance while others demand it. On the other hand, all the overt behaviors will be noted in an observation notebook. The identifying characteristics of the subjects will also be noted as well as the time spent by the customer before leaving the store.

Results The results of the observation project showed that the COSTCO customers who were assisted by the store clerk left the store with a purchase more often than those who did not ask for help. The time spent in the store was relatively shorter for customers who did not asked for assistance from any of the store clerk while those who were given assistance stayed longer and took their time. Moreover, the customers who were there to buy appliances compared to furniture ended up with a purchase.

The customers who asked for assistance had varied emotional reactions from being elated to being irritated with the store clerk. Customers who did not ask for help where observed to listen to other customers or to just make up their mind. Some were observed to have come to the store to buy a specific item which meant that they have already known what they want to buy or have come to the store with their minds made up. The customers who asked for assistance was also observed to try out many items before making the

decision to purchase an item, some of which did not purchase anything at all.

Conclusion The observation project showed that although the assistance of the store clerk facilitated more purchases than without any assistance, the customers who had assistance however took more time, and the store clerks had to expend more time and effort. It can be concluded that store clerks can influence the customers to make a purchase although it would take a long time before they do, it was also concluded that the process of the interaction between the consumer and the store clerk seemed to influence the decision to purchase.