

# Internal external influences on consumer behaviour marketing essay



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The practice of consumer behaviour is often misunderstood as only helpful to the advanced and larger firms whereas it is not the situation. Consumer behaviour is useful for almost all firms whether it is a small size firm or large firm. In modern era, the firm that operates without analyzing consumer behaviour will not be able to serve its customers in an effective and successful manner. The study of consumer behaviour can assist companies with knowledge of their consumers' consumption pattern and as well as external and internal influences that affect their purchase decision.

Here, in this report external/internal influences that affect consumer purchasing decisions are evaluated along with the discussion of how these can be managed by existing companies. This report entails discussion on a business problem of US coffee marketers that need to be resolved. The discussion is started with introduction, background information, segmentation and selected target market. Afterwards, the major external/internal influences that significantly affect US consumers coffee purchase decisions are evaluated so that final recommendations can be made to change a firm's marketing strategy.

In the end, segmentation is discussed in the view of identification of external/internal influences on consumers purchase decisions. As well, the selected target market is divided into different segments' from which a target market ' The Students' is selected to target by US coffee marketers. The discussion is summarized with final recommendations on how the US coffee companies should develop or alter their marketing strategies to take account of the affect of internal/external influences on consumer decision making.

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### **Introduction**

In present, the most challenging concept for marketers are to identify what consumers buys and don't buy and why and when they buy specific product or service. This consumer purchasing decision related information is difficult but critical for marketers as it helps them in identifying what is significant to the consumer and what influences him/her most at the time of taking their purchase decisions (Bennett, 2009). The information about consumer behaviour and their purchasing decision influences marketers in creating their marketing programs or strategies in accordance to the need of specific consumers.

In this concern, the most substantial help for marketers can be done by going through the process of consumer behaviour and identifying specific internal and external influences on consumers (Schiffman, 2008). The process of consumer behaviour is a conceptual model and it does not entail enough information that assist in predicting specific behaviours of consumers. However, the consumer behaviour process manifests general beliefs of consumers that can be very helpful for marketers to design their products and services according to identified beliefs (Predicting who buys what, how and where, 2007).

People build up several self-concepts and accompanying styles on the basis of number of internal and external influences. They do not take their buying decisions in a vacuum as they are pertained to both external and internal influences that affect them. Individuals' diverse self-concepts and ways of

life evoke different needs and desires in which several may require consumption decisions to gratify (Hoyer & Macinnis, 2009). These needs and desires of individuals is when encountered with pertinent situations the consumer decision-process is triggered.

Identification of these internal and external factors that affects consumers buying behaviour is vital as without this, it will not be possible to serve customers in an appropriate manner (Kotler, 2002). The consumer product selected for this project as a business problem is selling coffee, as nowadays most of the marketers feel it difficult to sell coffee to consumers especially in United States. In this paper, the external and internal influences that affect consumers coffee purchase decisions will be identified. This in turn will assist in identifying appropriate segments in the selected target market US. As well, with this it will also become easy for a coffee selling company to develop effective marketing strategies in terms of its marketing mix.

Till now, in US only some of the companies had attained success in selling coffee but some of others are confronting troubles related to identify consumer behaviour and what affects their coffee purchasing decisions. This problem of US coffee marketers can be resolved effectively with the identification of specific internal and external influences that affects US consumer's coffee purchase decision (Xia, 2010).

Consumer purchasing behaviour can be measured by marketing research and knowledge of internal/external influences'. This in turn can be segmented into several groups that are more effortlessly and efficiently served (Bennett, 2009). With segmentation, it will become easy for the US

coffee marketers to fulfil customers needs related to buying a coffee and this can be done effectively with the help of identification of internal and external influences on consumer behaviour (Solomon, 2009).

## **Internal /External Influences on Consumer Behaviour**

Consumer behaviour is quite subjective as a consumer decision-making process is affected by number of factors. The most substantial personal influences that affect consumers purchase decisions can be classified in two categories (Hoyer & Macinnis, 2009) that are as follows:

**Internal influences:** Internal influences are also known as personal influences and it includes perceptions, attitude, motivation, lifestyle, learning and roles. These internal influences affect all our purchase decisions (Dawson & Kim, 2009).

**External Influences:** These influences are also recognized as social influences and it includes cultures, social norms, subcultures, family roles, household structures, and groups that affect an individual's purchase decision (Bennett, 2009).

Throughout the discussion of internal and external influences it can be said that every condition and influence is different and it also varies from one consumer to another. Some influences can be changed by marketers whereas some can only be handled when they occur. Understanding of these influences is essential as with this marketers' can assist consumers in their purchase decisions (East, Wright & Vanhuele, 2008). US coffee marketers can also resolve their troubles related to sell coffee by identifying specific

internal and external influences on consumers purchase decisions that are as follows:

### **Internal Influences on Consumer Purchase Decisions:**

Internal influences basically come from consumers own lifestyle and way of thinking. These are consumers' personal thoughts, self-concepts, feelings, attitudes, lifestyles, motivation and memory (Kotler, 2002). These internal influences can also be known as psychological influences. Internal influences depict the ways through which consumers interact with the universe around them, identify their feelings, collect and examine information, develop ideas and beliefs, and take some specific action. These internal influences can also be used by US coffee marketers to better understand the specific purchasing behaviour of their consumers (Xia, 2010).

Number of internal influence affects consumers at the time of purchasing coffee in which subsequent are very important and need to be understood by US coffee marketers:

### **Personal Needs & Motives:**

The most substantial internal influence that affects consumers purchase decision is his personal needs and motives. The need of a consumer can be defined as a lack of something or the difference between his desired and actual state. Motive is an individual's inner state that encourages him to satisfy his specific need (Kurtz, MacKenzie & Snow, 2009). This could also be understood with an example like an individual may be hungry or thirsty that is his actual state and he also has a desire to be well fed that is his desired state. This need would motivate him to discover a restaurant or hotel to

satisfy his need. All needs of consumers are not possible to define but throughout significant researches consumers' needs are classified (Consumer behaviour: the road to Effective policy-making, 2005).

By identifying these needs and motives of consumers, US coffee marketers can easily influence their consumers purchasing decisions. The most substantial need identification model that can be used by US coffee marketers to motivate their consumers is Maslow's Need Theory. This theory is given by Abraham Maslow an American psychologist. According to this theory, consumers' needs are classified in this order that if understood and used to influence consumers can be very helpful:

<http://weareindigo.net/wp-content/uploads/2010/01/maslows-hierarchy-of-needs1.jpg>

Understanding of these needs is very essential to direct consumers unfulfilled needs towards purchase decisions. With this, US Coffee marketers can identify the consumers different needs related to purchasing a coffee (Dawson & Kim, 2009). Like, a consumer may purchase coffee to satisfy his thirst, whereas other may purchase it for discussion with friends or business class people. As well, some others may have different reasons to purchase it like students or office going just want it to get relaxed and some youngsters want it to have fun and get-together at a coffee shop with some snacks (Consumer behaviour: the road to Effective policy-making, 2005).

So, every consumer has different needs that may be his basic or psychological needs so before selling coffee to a target market it is essential to identify the needs of different segments of the target market (Consumer <https://assignbuster.com/internal-external-influences-on-consumer-behaviour-marketing-essay/>)

Behaviour: The Basics, n. d.). Identification of consumers different needs related to purchasing coffee will significantly assist a coffee marketer in segmenting its target market and serving them in the most effective manner.

### **Attitudes:**

The next substantial internal influence that affects consumers buying behaviour is their own attitude. Attitude pertains to what an individual feels or thinks about something. It is always reflected in individuals' acts as well as in their buying patterns. Once a person attitude is formed it is very hard to change (Dholakia, 2007). If a consumer has some kind of negative attitude towards a specific product or issue, it will not be easy to change that belief. It is long-lasting general evaluation of consumers about a product, service or company.

Attitudes inform marketers about their consumers and how well they are established in the overall market place. Identification of these attitudes can also assist coffee marketers in knowing about their consumers and their perceptions with a coffee seller (Xia, 2010). US coffee marketers need to keep in mind that in modern era, consumers are exposed with number of advertisements and information and they don't remember all of them. However, in this exposure, if they find something conflicting with their own attitudes is screened easily.

So, it is essential for coffee marketers to design advertisements in an appropriate manner that does not conflict with US consumers' attitudes.

Attitudes of consumers are learned as they are shaped with their own



personal experiences and as well as are influenced by their own ideas and personality (Dholakia, 2007). As well, individuals' attitudes are also influenced by their friends & family members and extensive media coverage (Kurtz, MacKenzie & Snow, 2009). For operating successfully, it is essential to influence consumers' attitude that can be done by creating and establishing an effective perception in their mind.

By serving coffee with all essential facilities, good environment and high quality will assist coffee marketers in selling coffee to US consumers. Some of the coffee companies are doing well in US like Starbucks and it is due to their positive image in the minds of its customers in every aspect of its business and as well towards society. Creation of a positive image is essential to influence consumers' attitude and this can only be done by serving them effectively in an all-inclusive manner.

### **External Influence on Consumer Purchase Decisions:**

At the time of purchasing a product or service, all of us are confronted with several external influences that involve our own culture, subculture, household structure and groups. These associations of individuals are known as external influences because source of influence usually occurs from exterior to an individual in spite of from his inside influences (Consumer Behaviour: The Basics, n. d.). External influences are also known as socio-cultural influences, as these grow from the individuals formal and informal relationships with his friends, family and other individuals.

Understanding of these external influences is essential to affect consumers purchasing decisions. Although almost all above described external factors

are essential to understand but the most important and fundamental external factor that influence consumer purchase decision is his/her culture that is as follows:

### **Culture:**

An individual's values, attitudes, beliefs and opinions are shaped with his culture. This in turn also form people attitude towards purchasing specific products or services. Culture of an individual also gratifies his several emotional needs and due to this they try to protect their cultural values and beliefs (Singh, 2006). This culture protection is reflected in individuals' behaviour as consumers. This could also be understood with an example of McDonald that served Indian consumers in a way it used to serve American consumers. This act of the company made a negative effect on Indian consumer due to their specific vegetarian culture values (Kotler, 2002).

Culture can develop a consumer need and as well as can also affect the gratification of that need. In this way, culture depicts how an individual satisfy or fulfil his needs that if identified by coffee marketers can assist them in serving US consumers in a much more effective way (Rowley, 1997). By serving coffee in a way that resonate with the priorities of US culture, US coffee marketers can increase their chances of consumer acceptance and success. They should try to serve coffee with high quality and different kinds of environment according to the needs of US consumers (Dawson & Kim, 2009).

For business class people, they should have serve coffee at esteemed and premium prices with peaceful environment whereas for youngsters they

should serve coffee at reasonable prices with fun-loving environment. Before serving consumers, it is vital that US coffee marketers collect information about their specific target markets cultural values (Singh, 2006). It can be done by analyzing their family, religious establishments, and education associations.

With this specific values taught by US culture can be identified easily that in turn can be used to serve customers (Clemons, 2008). The culture and value related information can be considerably used by coffee companies marketing managers to create messages and advertisements that are more likeable and tempting to attract consumers (Consumer Behaviour: The Basics, n. d.).

## **Segmentation**

With the help of discussion of internal and external influences on US consumers purchasing behaviour, they can be segmented on the basis of demographic, psychographic and location & culture (Baker & Ozaki, 2008). In regard to demographic segmentation, US consumers can be segmented on the basis of factors like age, income, gender, and education level. In psychographic segmentation target market can be segmented on the basis of attitude towards drinking coffee, attitude towards going out for coffee, attitudes towards coffee price, opinion about coffee shops etc. In concern to culture or location, market can be segmented into different locations (Kotler, 2002).

On the basis of different types of segmentation approaches, the primary customer segments for coffee marketers in the United State are:

The Students: This segment mainly involves students of university, collage, and post-collage from urban cities. It includes students within the 16-22 age range. This segment consumer has lower income and is very price sensitive to consumer goods such as coffee.

The Leisure: This segment includes people from family and friends that love to have coffee for enjoying a good conversation. Age of this group people varies from 16-65. It involves people from different income and education levels so it is a broad group to serve by US coffee marketers.

Business People: This segment represents busy business class professionals that normally aged between 22 and 55, with moderate to high income and education levels.

## **Target Market**

Among the above discussed market segments, the most appropriate target market that can be selected by US coffee marketers in starting is the students. It is easy to understand the situations and factors that influence students. As well, number of students in the country is increasing because of all kinds of institutions. Targeting, this market will be easy and positioning an effective image in the minds of students will assist coffee marketers in extending their image in the minds of other target customers (Consumer Behaviour: The Basics, n. d.).

The selected targeted market can be affected positively by offering them coffee at low prices with additional services. Some of the students require a peaceful environment or some of them love to have fun or gossips. By

designing coffee shops with both kinds of environment will serve their needs  
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in an effective manner (Bennett, 2009). This target market interest to going out for coffee is directed by the need of social interaction and concentrated study.

The students if like coffee once will definitely visit a coffee shop again. Sometime they may visit a coffee shop for peace or sometime for having fun with friends (Kotler, 2002). Their needs can be fulfilled easily so, it is better to serve this target market first and after attaining success in this, US coffee marketers can proceed to other market segments.

## **Recommendations**

With the above discussion it becomes clear that internal/external influences affect consumer purchasing decisions. For attaining success in this kind of environment, it is essential that the marketers design their product and marketing related strategies by identifying specific internal and external influences. U. S. Coffee marketers can also attain success in US by making use of above discussed internal and external influences that affects consumers coffee purchase decisions (Kotler, 2002).

In regard to the identified external-internal influences and selected target market, US coffee marketers can develop or alter their marketing strategy in the following manner that includes all aspects of a firm's marketing mix:

Product:

Nowadays consumers do not remain loyal for a product and when it is a disposable product like coffee, it becomes more difficult. Consumers want full value from products like coffee that can only be delivered by serving

them with a high quality product. By identifying external/internal influences a product according to target market needs can be designed (Clow & Baack, 2005). The selected target market is students and they belong to school and collage going students who prefer coffee drinks with baked goods.

As well, they also look for a good experience or coffee shop. At the time of serving students, US coffee marketers need to keep in mind all these aspects as this will assist them in delivering a high value and quality-oriented product (Kotler, 2002).

Price:

Another significant aspect of Coffee companies' marketing strategy is price as it affects almost all types of consumers. The US coffee marketers should serve selected target market with low-to-mid price coffee products and services. Students do not have high income and they belong to different classes. Students purchasing decisions can be directed significantly by considering their internal and external influences (Gardner & Hil, 1990). According to their influences they need to be targeted with low to medium range prices.

Place:

Nowadays consumers are highly exposed to retail stores or fast-food chains. They like to go and have fast-food in shops that operate at different locations of a city or nation. It is their general attitude and this should be considered by US coffee marketers at time of undertaking decisions about the locations of their coffee stores. They should at least start their operations with 2-3

coffee stores as it makes a positive impression on consumers' attitude and motivates them to experience once specific coffee store (Clow & Baack, 2005).

They should try to start with urban location or a location that is hub of students like an area where almost all reputed institutes of US are running. In this way, students can be motivated for specific coffee store or shop.

Promotion:

The last substantial aspects of companies marketing strategy that can be altered substantially by identifying internal/external influences on consumer purchasing decisions is promotional strategy. For consumer product like coffee, it is not worth to make extensive use of active marketing channels like media advertisements (LeGrand & Udell, 2001). Awareness and promotion of product like coffee can only be done with extensive passive exposure through its stores and coffee packaging (Kotler, 2002).

For a drink, consumer like students can only be attracted with visual repetition of its logo and products at everywhere and at every time of the day. With the help of logical visual repetition of coffee products packaging, exceptional awareness can be created by US Coffee marketers for its selected target market and as well as for other segments.