Factors that influence consumer buying

Factors that Influence Consumer Behaviour Patterns, when Purchasing Fashion Items

1. 0 Introduction

Consumer behaviour is a complicated and diverse area of study. Since marketing is based on identifying, anticipating and providing customer needs it is important to understand them. There are two predominant types of buying: consumer buying, which consists of buying products for personal use, and organisational buying, which involves buying for organisational purposes. For marketers to satisfy consumer needs more fully than competitors it is important to recognise the elements that influence buying.

This report will identify the main factors influencing consumer behaviour patterns, particularly when purchasing fashion items. It will examine how buyer characteristics influence buyer behaviour and also how retailers react to such characteristics.

In particular this report will look at the cultural factors, demographic factors and psychological factors that influence consumer buying.

2. 0 Methodology

All research undertaken for this was is secondary. It was conducted between the dates of Monday 16th February 2004 and Thursday 11th March 2004.

The main research databases used were:

* Mintel

* Emerald

The main books used were:

* Lancaster, G, Massingham, L, and Ashford, R (2002). Essentials of Marketing: Understanding the Behaviour of Customers. 4th edition. McGraw-Hill Education.

* Chisnall, P (1975). Marketing: A Behavioural Analysis. 1st edition. McGraw-Hill Book Company (UK) Limited.

* Williams, K (1981). Behavioural Aspects of Marketing. 1st edition. Butterworth Heinemann.

The Internet and databases used were accessed privately and also from the University of East London library, Docklands campus. Books were borrowed from this library as well.

3. 0 Cultural Factors

Culture affects consumer behaviour in a variety of ways. It relates to customs and beliefs that are learned from the society in which an individual grows up. Culture is a huge area of study that often has unclear boundaries and fluctuates in degree of influencing consumers. Aspects of our socio-culture, such as sub-culture, social class and reference groups play different roles in influencing consumers. A common pattern of behaviour can be observed within groups. Cultural change occurs at a very slow pace and can be seen to marketers as threats or opportunities.

Cultural elements that influence consumer behaviour can also be said to be environmental influences.

3. 1 Reference groups

' A reference group is one that the individual tends to use as the anchor point for evaluating his/her own beliefs and attitudes,' (American Marketing Association, 2004)

There are many different types of reference groups, which may have a direct or an indirect influence on attitudes, behaviour and self-image. Primary reference groups are those that an individual has continuous contact with, they may consist of family, friends, colleagues etc, and they hold the strongest influence over the individual. In secondary reference groups the individual has less contact, such as an activities club, but still feels pressure to conform. Aspirational groups have the least contact with the individual, but the individual still strives to become similar. Celebrity endorsements could be said to be aspirational groups. Regardless as to whether an individual is, or seeks to become a member of a particular group, the group can still influence the individual's values, attitudes and behavioural patterns. The influence a reference group holds on an individual can be seen as positive, negative or both.

A good example of primary reference groups is the street gangs in Manchester. Moran (2004) writes of the gangs of youths in which members must dress according to the code of their gang. The gangs can be identified through wearing hooded tops, bandanas, balaclavas and gold chains. However, the Manchester Magistrates Court has banned four members of a gang from wearing hooded tops, bandanas and balaclavas in an attempt to make them look less threatening and dilute the gang dress codes. Members and individuals who are influenced by the gangs are in an attempt to

conform, more likely purchase items of clothing such as hooded tops and bandanas. Figure 1 demonstrates the appearance of a typical gang member.

3. 2 Sub-culture

A sub-culture could be defined as a group of individuals whose beliefs, values and behaviour differ from that of the predominant culture. There are many different sub cultures that are often referred to as segments. Some examples of subcultures include: nationality groups, religious groups, geographic groups and age groups. ' Sub-culture plays an important part to marketers because of their influence on brands and types of product and services demanded by their members.' Chisnall (1975) p. 98.

Mintel (2003) reports of an emerging fashionable youth sub-culture, in which extreme sports is the focal point. This culture is rebelling away from long working hours and heavy television watching lifestyle. In this alternative culture the interest and participation of extreme sports has merged with music and clothing. A strong emphasis of this culture can be seen through clothing and footwear in particular. Baggy clothing is a dominant dress code. (See figure 2)

Mintel estimates that consumers spent £4. 5 billion on extreme sports goods in 2003, an increase of 29% on 1998. (See appendix 1, figure 3)

Mintel also reports that levels of disposable incomes have influenced the rise in extreme sports. Between 1998 and 2003 disposable incomes have increased by 21%. (See appendix 1, figure 4)

3. 3 Social Class

Within every society there exists a class structure. This refers to individuals who share certain similar characteristics, such as occupation, socialisation, education and income. The rigidity of the class structure varies greatly in different societies. England could be said to have an open society, within which it is easy to move from one class to another. However, less developed countries such as Cambodia, where there is very little chance of social mobility, could be said to be a closed society.

Since members from the same social class have alike characteristics they will also exhibit a similar pattern of behaviour. Social class plays a very big role in consumer behaviour. It can influence where an individual shops, such as market stalls, shopping malls or online, when and how often an individual shops, such as every day, weekly or monthly and what an individual shops for.

The National Readership Survey has determined a popular and effective classification of social groups. (See appendix 2, figure 5).

Williams, T (2002) examines consumer behaviour in relation to social class. In a study involving 612 respondents it was found that income doesn't have a direct relationship with class because there are huge overlaps between incomes of different classes. For example a doctor earning £30, 000 a year would be middle class while a brick layer earning £50, 000 a year would remain working class. However it was found that income does influence consumer behaviour within the context of social class. It was also found that education has a large bearing on consumer information processing and

decision-making. More educated consumers; such as university graduates tend to be knowledgeable of market forces and opportunities than the school leaver. ' They read more, read different magazines, spend less time watching television, rely less on well know brands and put more time and effort into purchasing decisions. Varying levels of knowledge and comprehension lead to different behavioural patterns in decision making processes.'

4. 0 Demographical Factors

Demographic elements, such as: age, sex, income, education and occupation are all individual factors that can significantly affect consumer behaviour. These elements influence the type of product an individual may want, where the individual may shop and also the purchase evaluation process. Demographic variables are some of the major factors targeted in market segmentation.

As an individual's stage of life progresses, so the will needs and wants of a product. To help marketers make a clearer distinction between demographic groups for market segmentation classification bases have been developed.

' A Classification of Residential Neighbourhoods' (ACORN) is a popular geo-demographic technique used as a segmentation base. ACORN maps geographically the concentrations of a particular type of individual and can be useful for helping marketers decide upon store locations and targeting direct mailing.

The American Marketing Association (2004) looks at of the spending habits amongst teenagers. From surveys carried out in America it's said that increasing amounts of teenagers are trying to look more trendy and

fashionable. As a result they are becoming more responsive to marketing and spending more money than ever on clothing. American youths aged 12 – 19 spent $175 billion in 2003 on clothes, which is an increase of $20 from 2000. Marketers have become aware of how impressionable teenagers are. They have reacted by segmenting the youth and marketing directly to them. Shops such as Urban Outfitters target the youth market by watching their choices carefully to set the trends.

4. 1 The Life Cycle Stage

An individual goes through various stages throughout their life. Each stage of life will affect what the consumer needs and wants, the purchase evaluation process and volumes of expenditure. Consumer behaviour of a single individual will vary greatly for that of an individual who is married with children. For a marketer to successfully target a market it is important to identify the main stages in an individual's life.

Lansing, J and Morgan, J (1955) have devised a popular and successful break down of the life cycle of families. Each stage influences consumer behaviour in a different way. The stages are as follows:

1. Bachelor stage; young single people.

2. Newly married couples; young, no children.

3. The full nest 1; young married couple with dependent children.

4. The full nest 2; older married couples with dependent children.

5. The empty nest; older married couples with no children living with them.

6. The solitary survivor; older single people.

Mintel (2001) reports that the greatest time of expenditure for a women in the AB social grade is during the bachelor stage. During this period 56% of women spent more than £500 on clothes in a year. However, during the newly married couples, full nest 1 and full nest 2 periods the percentage of women that spends £500 a year on clothes decreases to 35%. This percentage increases at the empty nest stage to 46%. (See appendix 3, figure 6)

5. 0 Psychological Factors

Psychological factors are related to perceptions, motivations, attitudes and personality of a consumer. These are all individual elements that can affect consumer behaviour. Although demographical research and the life cycle stage help to classify and quantify consumers it is necessary to have a broader view, which will help to explain how life patterns influence purchasing decisions. ' Psychographics are usually based on demographic information as well as ratings of consumer's activities, interests and opinions.' Williams, K (1981) pg. 91

5. 1 Lifestyle Variables

Lifestyles and patterns have strong influences on consumer behaviour. Figure 7 illustrates the main factors that form a lifestyle.

5. 2 Perception and Motivation

Perception relates to an individuals interpretation of a product and company. An individual will subconsciously select and organise information presented by a company. As well as direct experience of sensory data, perception is

also influenced by learning, attitudes and past experiences. It is important for a marketer to convey good brand awareness.

Maslow recognises that people have varying needs and if the need is intense then they are motivated to purchase the goods that will satisfy it. To illustrated this a hierarchy of needs has been created. Lancaster, G, Massingham, L, and Ashford, R (2002) pg. 80.

Goldsmiths, R (2002) examines the personal characteristics of frequent buyers. From a survey involving 533 consumers a link was found between that of frequent clothing buyers and similar psychological and motivational traits. The survey concluded that frequent clothing buyers were more likely to buy fashion items and were more susceptible to marketing efforts.

5. 3 Personality

The subject of personality is a very complicated area. There are many variables that must be taken into account when trying to obtain a comprehensive view of a personality. This makes it difficult for marketers to understand the link personality has with consumer behaviour. Williams, K (1981) pg. 133.

6. 0 Market Segmentation, Target Marketing and Product Positioning.

For a marketer to satisfy customer needs efficiently and lucratively, understanding consumer behaviour is essential. Research into consumer behaviour has allowed the marketer to create target groups of people with common interests, values, beliefs and patterns of behaviour. Once a market segment has been identified, marketers can research the target market

more thoroughly and the marketing mix, product, price, promotion and place can be adjusted to ensure the product position is correct.

Batista (2004) reports of the clothing manufacturer Benetton who plans to weave radio frequency ID chips into its garments to track its clothes worldwide. Having the ability to track a customer would give the company extremely detailed information on customer buying habits. Benetton would then have a much better understanding of their target market, and be able to manipulate elements of the marketing mix, such as price, product, place and promotion for effectively. The clothing manufacturer Prada already embeds RFID chips into its clothes.

7. 0 Conclusion

To conclude it is evident that consumer behaviour, in relation to buyer fashion items, is influenced by a huge array of factors. To grasp a more complete and accurate understanding consumer behaviour needs to be examined more thoroughly. This report has identified the basic factors that influence consumer, including: culture, socio-culture, demographical, and psychological variables.

Designers and retailers react to such behavioural characteristics by trying to break down and identify what causes them. It is important to investigate whether consumers can be grouped by similar patterns of behaviour. Once a market has been segmented through geographic, demographic, psychological, psychographic and socio-cultural variables the retailer can focus a particular product to a particular type of person. The marketing mix is used to manipulate the product, place, price and promotion. Examples of

retailers aiming at different segments of the market include Gucci and TopShop. While Gucci captures a more wealthy, professional and elite market, TopShop aims at a much larger and more varied market.

9. 0 References

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