

A Pragmatic Study on the Factors Contributing To Customer Behavior in Purchasing Durable Products

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Abstract

A consumer makes various buying decisions every day. Buying decisions of consumers are based on various factors. The buying decisions keep changing every now and then. The buying decision is completely based on the mindset of the consumer which keeps whirling, swirling and jumbled. The companies make huge investment on research to study consumer buying decisions as to learn what they want to buy, where they have to buy and how much they have to buy, when they have to buy. There are a lot of factors which influence consumer behavior. Often, the purchases made by the consumer are not definite and are not specific. The brands or logos or packaging or advertisement play an important role in making purchases. Understanding consumer's behavior is very important for the company, as the buyer's decisions determine the manufacturing and production process. Buyer behavior refers to study the act of the household or individual before making purchases of goods and services. The buyer's behaviors are strongly influenced by major factors such as cultural, social, and personal and psychological characters. These factors are uncontrollable in nature. This paper makes an attempt to learn the concept of buyer behavior during the purchase of durable product and also study the major factors that influence consumer behavior and also make a pragmatic study among the major factors contributing consumer behavior.

Introduction

A lot of manufacturers and producers cater to the needs of consumers. Consumers are not just confined to a particular place. Consumers are found all across the world. The taste and preferences of consumers are based on the place, time, belief, age and other factors. It is tremendously difficult task to assess the buyer's behavior. The buyers purchases changes from place to place. The companies have a challenging errand to understand consumer's behavior before manufacturing or rendering a product or a service. It is very essential to understand consumers better as consumer is considered as the king of the market. One of the researches puts across that the Indian sub-continent consists of more than 1.5 billion people who consume more than Rs. 70 trillion worth of goods and services each year. The world consumer market consumes more than 65 trillion dollars worth of goods and services every year. The consumer behavior also termed as buyer behavior. It is concerned with the facet of purchasing products and also learns the pattern of consumption of the consumers. Consumer behavior cannot be predicted. It is a study of choosing usage and jettison of a product or a service. Consumer behavior is the basic decision which effects the decisions of packing air plays and also in store stimuli. Consumer behavior helps in determining the efficiency of resources.

Definition

Consumer behavior can be defined as the study of the way in which an individual or household acts or behaves before making purchases of goods and services for the consumption.

Literature review

Kotler and Keller, (2012) stated that marketing also studies buying behavior and the main objective of consumer behavior is to learn the way how the individuals groups or organizations choose to buy, use and dispose the products and he also states that the factors such as previous experience, taste price and branding effect the consumers purchasing decisions.

Objectives of the paper

1. To understand the meaning of consumer behavior.
2. To study the major factors that influence consumer behavior in purchasing a durable product.
3. To make a comparative study among the factors contributing to the consumer behavior in purchasing a durable product.

Research Methodology

The researcher has utilized a combined approach that embraces features of both descriptive and analytical research designs. The methodology used in this research involves both collection of primary data and secondary data. The number of samples is 100. The primary data is collected through

questionnaire. The data was gathered keeping in mind the objectives of the study wherein the information was collected to understand consumers. The study is based on the basis of the data collected from respondents. ANOVA Statistical tool is used for the analysis. Secondary data was collected from article to support the study.

Factors affecting consumer behavior in purchasing durable products:

Purchasing of goods and services are influenced by various factors. It is classified into four factors and they are cultural, social, personal and psychological characteristics. All these factors are uncontrollable in nature but still one must consider into account all these factors before making any decisions.

1. **Cultural factors:-** Cultural factors exert a broad and deep influence on consumer behavior. It includes basic values, perceptions, wants and behavior. Every group or a society has a culture and cultural influence on buying behavior. Cultural factors are further classified as culture, subculture and Social class.

Culture refers to the basic cause of a person's wants and behavior. Human behavior is largely learned. Culture is inculcated in a person since childhood. It includes basic values, perceptions, wants and behavior. The culture varies from country to country. Failure to adjust to these differences can result ineffective marketing.

Sub-culture is referred to smaller sub-culture or group of people which shared value systems based on common life, experience and situation.

Social class or societies related permanent and order divisions whose members share similar values, interests and behaviors.

2. **Social factors:** - A consumer is also influenced by several social factors which includes consumer's small group family, social roles and status.

Reference Groups and social networks influence a person's buying behavior. Two or more people who interact to accomplish individual or mutual goal are termed as social factors.

Family members also strongly influence buyer behavior. The role of family members also influences buying behavior.

Roles and status belongs to many groups such as clubs and organizations. The role and status can be defining a person's position in each group.

3. **Personal factors:** - A buyer's decision is also influenced by personal characteristics such as the buyer's age and life cycle stage, occupation, economic situation, lifestyle and self concept. People change the goods and services they buy over the life times. Buying of products is also shaped by the stage of the individual's life cycle.

A person's **occupation** also affects the goods and services brought.

A person's economic situation will affect product choice. Economic situation includes personal income, savings, and interest rates of a buyer.

Lifestyle refers to a person's pattern of living expressed in his or her activities interest and opinion. It is also based on psychographics.

Self concept include unique psychological character that leads to relatively consistent and lasting responses one own environment.

4. **Psychological factors** include motivation, perception, learning and beliefs and attitudes of a person.

Motivation refers to the need i.e. sufficiently pressing to direct the person to seek satisfaction of the need.

Perception refers to the process by which the people select and organize and interpret information to form a meaningful picture of the world.

Learning refers to changes in an individual's behavior arising from experience.

Belief refers to a descriptive thought that a person holds about something.

Attitude refers to a person consistently favorable or unfavorable evaluation feelings and tendencies toward an object or idea.

Data Analysis

The data was gathered through a questionnaire in order to understand the customer behavior. This analysis was done in order to test whether all the factors are equally contributing to the consumer behavior. The total sample size is 100. Samples indicated various factors that affect their purchasing behavior. The responds of the samples is mentioned in the below table.

Testing of hypothesis

Cultural factors	Social factors	Personal factors	Psychological factors
Culture-05	Reference groups-12	Age & life cycle status -03	Motivation-08
Subculture-09	Family-10	Occupation- 02	Perception-05
Social class-06	Roles & status-04	Economic situation-17	Learning- 08
		Lifestyle-04	Beliefs & attitudes-04
		Personality & self concept-03	

Step 1

$$H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4$$

H_{01} : At least one difference is found among the mean.

$$\alpha = 0.05$$

Step 2

Analyse the degree of freedom to determine the critical value.

$$df_{(Between)} = k - 1 = 4 - 1 = 3$$

$$df_{(Within)} = N - k = 14 - 3 = 11$$

$$df_{(Total)} = 11 + 3 = 14$$

Where 'df' means degree of freedom

$$F_{(critical)} = 3.59$$

$F_{(critical)}$ can be obtained with the help of the chart

Step 3

$$\bar{X}_1 = 6.67$$

$$\bar{X}_2 = 8.67$$

$$\bar{X}_3 = 5.8$$

$$\bar{X}_4 = 6.25$$

$$\frac{G}{N} = \frac{100}{15} = 6.67$$

$$SS_{(total)} = \sum(X - \bar{X})^2 = (5 - 6.67)^2 + (9 - 6.67)^2 + (6 - 6.67)^2 + (12 - 6.67)^2 + (10 - 6.67)^2 + (4 - 6.67)^2 + (3 - 6.67)^2 + (2 - 6.67)^2 + (17 - 6.67)^2 + (4 - 6.67)^2 + (3 - 6.67)^2 + (8 - 6.67)^2 + (5 - 6.67)^2 + (8 - 6.67)^2 + (4 - 6.67)^2 = 231.21$$

$$SS_{(total)} = 231.21$$

$$SS_{(within)} = \sum(X_1 - \bar{X}_1)^2 + \sum(X_2 - \bar{X}_2)^2 + \sum(X_3 - \bar{X}_3)^2 + \sum(X_4 - \bar{X}_4)^2$$

$$(5 - 6.67)^2 + (9 - 6.67)^2 + (6 - 6.67)^2 + (12 - 8.67)^2 + (10 - 8.67)^2 + (4 - 8.67)^2 + (3 - 5.8)^2 + (2 - 5.8)^2 + (17 - 5.8)^2 + (4 - 5.8)^2 + (3 - 5.8)^2 +$$

$$(8-6.25)^2 + (5-6.25)^2 + (8-6.25)^2 + (4-6.25)^2 = 214.36$$

$$SS_{(within)} = 214.36$$

$$SS_{(Between)} = 231.21 - 214.36 = 16.85$$

Step 4

$$MS_{(Between)} = \frac{SS_{(Between)}}{df_{(between)}} = \frac{16.85}{3} = 5.61$$

$$MS_{(Within)} = \frac{SS_{(Within)}}{df_{(Within)}} = \frac{214.36}{11} = 19.487$$

Step 5

$$F = \frac{MS_{(Between)}}{MS_{(Within)}} = \frac{5.61}{119.487} = 0.2878$$

$$F_{(Critical)} = 3.59$$

$$0.28 < 3.59$$

Fail to reject H_0

Therefore $H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4$

Interpretation

From the above analysis, it is very evident that all the factors are equally influencing the consumer behavior.

Conclusion

Conditions of competition are changing rapidly. In order to attain success the companies have to understand the consumer's mindset before manufacturing a product. In the present scenario, the buying process of consumers is given a great emphasis. Through the study we can conclude that various factors are considered before purchasing a durable product.

Bibliography

1. Philip Kotler, Gary Armstrong, Prafulla Y. Agnihotri & Ehsan ul Haque (2013) "Principles of Marketing", 13th edition, Pearson Publication.