

Investigation Study towards Consumer Behavior and Purchasing Decisions

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Abstract- Studies of purchase choice dealt with buyers as consumers through several activities such as selecting, purchasing and benefiting from the products. Most of the studies defined the buyers as consumers and focused on purchase decision making. Several studies reported that purchasing decisions always respond to questions related to how, where, when and why consumers buy their products. This paper explains the consumer behavior theory through explaining different literature review then explaining the meaning of decision- making process and defining the basic factors influencing purchasing decision-making.

Keywords— Consumer Behavior; Purchase Decision Making; Internal Factors, External Factors.

1. Introduction

Generally, the consumer is defined as a person who has a budget that can help him purchase goods or services available on the market for different uses. On another hand, the behavior includes the ways of meeting adequate wants and needs. Such behavior is directly related to consumer environment. The purchaser is a critical performer available to be considered for any organization trying to succeed in a competitive environment. Therefore, it is fundamental to each organization, to comprehend and adjust to purchasers on how they are settling on their decisions and how they act. In order to succeed in marketing, it is critical to understand the consumers' behavior and their response to the activities, which are straightforwardly included in acquiring and consuming products and services [1]. According to [1], consumer behavior is studying all the process taken when individuals select, purchase and use products, services or ideas in order to fulfill wants and desires.

Personal and psychological dimensions are referred to as internal factors while cultural and social dimensions are referred to as external factors. Both factors influence consumer purchase decision and behavior. Consumer behavior is described by different theories that discuss different motives that lead the consumers to purchase and select. The drivers contain psychological, sociological, economical and stimulus-response models. All of the

models are somehow related [1]. Consumer behavior studies the behavior of the consumer and the reasons for that behavior. From different levels, marketers are interested in society's values, beliefs and demographics that affect the consumer interaction with the marketplace.

Assael (2005) defined consumer behavior as activities people undertake when obtaining, consuming and disposing of products and services[2]. Further, [3] and [1] defined it as the procedures and process that consumer follows to satisfy his/her desires and needs. Other definition of consumer behavior "consumer behavior in seeking, purchasing, using, evaluating and disposing of products and services that they expect to satisfy their personal needs" [4]. Alternative definition of consumer behavior is the totality of customers' choices regarding the securing, utilization, and transfer of merchandise, activities and individuals by human choice [5].

The definition of consumer behavior as used in this paper is the study of how the consumers choose, use, buy and dispose of activities, ideas, goods and services in order to attain their needs and wants. It is to be noted that, a complete explanation of decision-making process helps marketers to understand the needs and wants of customers to improve successful marketing.

2. Consumer Behavior Model

Consumer behavior model has been utilized to explain the reasons that consumer decides to purchase goods or services [6]. Model of consumer behavior explains the reason of having behavior patterns towards goods or services. The most common consumer behavior model is shown in Figure 1.

Decision-making process and purchase decision result from consumer's consciousness, and psychological characteristics [3]. The consumer psychological characteristics include (motivation, perception, learning, and memory) social characteristics, cultural characteristics, and personal characteristics that affect the response of consumer [3].The stimulus-response model is a general and familiar consumer behavior model used in marketing. The stimulus-response

model helps to explain the procedures that occur with the consumer during making the final purchasing decision.

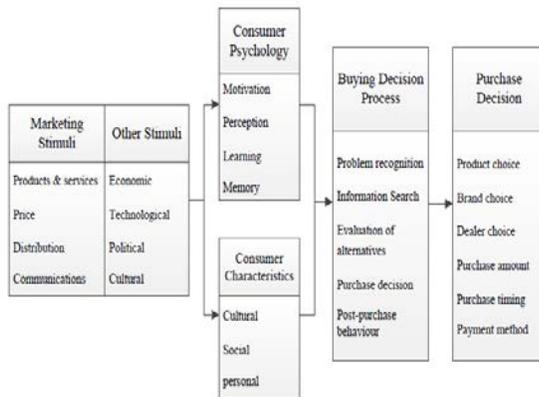


Figure 1: Consumer Behaviour Model

Source: Adapted from [3].

3. PURCHASE DECISION MAKING

Purchase decision-making process includes several stages. These stages are as follow:

3.1 Problem Recognition Stage

The first stage in purchasing decision is problem recognition stage. When buyers start recognizing a need because of internal and external motives. Then they recognize the differences between their desires and their needs. After determining the real needs, customers activate the decision-making process [6].

The customer is not able to move to other stages when problem recognition stage is not inspired. The problem recognition stage is active if the desires exceed the actual needs so this can lead to consumption of products and services.

Among the studies of the problem recognition stage, [7] studied the housing market in China and [8] analyzed the housing market in Australia, they found that there is a need for the best residential conditions.

Because of relative the importance of the problem, the customer sometimes cannot be stimulated to leave this stage to other pre- purchasing stages, even if there are enormous differences are between the desires and actual needs [9, 10]. For the consumer, time, budget, relative importance and place are important concepts. The importance level is defined by determining the importance of the problem to achieving the consumers' desires life style [6].

Different studies describe that purchasers are controlled by the income of consumers compared to the price. In other words, if consumers do not have sufficient money to pay the minimum allowed payment, the purchasing of a product will

not move to the next stage, even if they need to improve the conditions of their lives [11].

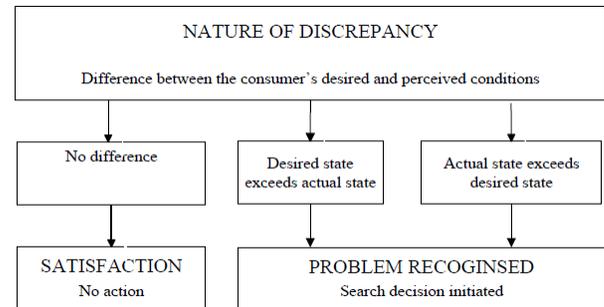


Figure 2. Problem Recognition Process

Source: Adapted from [12].

3.2 Searching for Information

The second stage of the decision-making process is searching for information. After problem recognition stage, consumers need to select information that can help them to find solutions to their problems, reduce risk and uncertainty to achieve a buying process [5]. The consumer collects different solutions and then starts comparing the advantages and disadvantages of each solution to select the best one. The solution that can be achieved from the personal side is called an internal search, and the rest are considered external search process [4]. In order to solve the problem that the consumers have identified, they must search the relevant criteria of every potential solution. This stage ends when the consumer finds the best solution to the problem [6]. Information is collected from different resources and channels such as personal resources such as friends, family members, government and advertising marketing sources [13] [12].

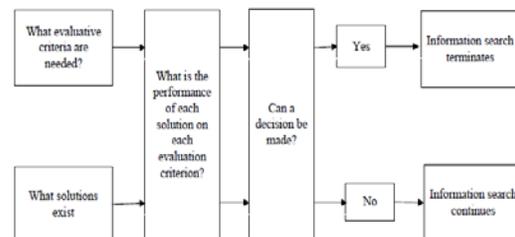


Figure 3. Information Search Process

Source: Adapted from [12]

3.3 Evaluation of Alternatives

This stage is related to specific standards, which are attributes of products, and services connected to the benefits that consumer's desire or the cost they intend to pay (Webb, 2008). Evaluative criteria include factors such as weight, size, quantity, quality, function, brand, ease of use, warranty and the service after the sale. The ways of evaluating the alternatives depend on the way of satisfying the needs from a product or service. Product attributes availability, lack of funds and brand name are factors that may influence the evaluation of alternatives [5]. The criteria for evaluation and

the rules of purchase decision will be different owing to differences in consumer's thoughts, experience and memories to select the best products or services that satisfy their needs.

In brief, consumers determine the criteria that they will use to evaluate a product or service and compare the criteria of each alternative. Therefore, according to consumers' individual decision-making process, they choose the products that can achieve the best for them [14].

Various studies attempt to explain the rules of the decision of buyers, the standardized criteria and explain how the consumer determines the attributes and make the final decision. For example, some studies showed that buyers prefer attributes of perceived value, and they have a readiness to pay for these attributes [15]; [16]; [14].

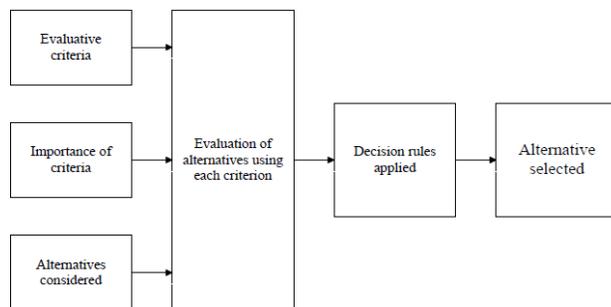


Figure 4. Evaluation Process

Source: Adapted from [12]

3.4 Purchase Decision

After the evaluation stage of the purchasing process, a purchase decision is made. Consumers compare preferences between the products in the choice set. Then they have the readiness to purchase the suitable thing for them [3].

Matching the characteristics of consumers and the characteristics of the products are the rule of determining the specific product. Depending on the purchase type, the consumers could define a number of criteria to determine the best product for them [2].

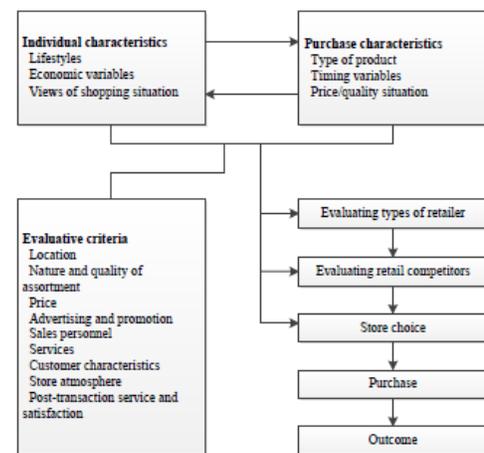


Figure 5. Purchase decision process

Source: Adapted from [12]

3.5 The Post Purchase Process

Consumers are considered so critical to different activities such as choosing, purchasing and using of products and services. In other words, consumers play different roles in the process of consumption as buyers and users. The post-purchase evaluation of the attributes and performance of products or services is considered as customer satisfaction [17].

Customer satisfaction and loyalty is produced through consumer behavior and consumer's post-purchase processes [18]. Therefore, No doubt about the precision of the purchase decision is related to post-purchase dissonance (Quester et al., 2011). Purchasing evaluation is the next step that is impacted by post purchase dissonance, product disposal and use. When the customer has perceived products matches or exceeds their expectations, customer satisfaction occurs. Customers purchasing satisfaction decreases the risk level for the next purchase decision and encourages the consumer to follow the same purchase behavior in the future. This increases the loyalty of consumers towards the products and the opposite will happen with the dissatisfaction from the products [1]; [4]. To achieve a successful complete buying, a company must confirm that buyers satisfied their needs and want. This is the way by which the company can differ from others if it succeeded to achieve buyers satisfaction [3].

The expectations are influenced by the value that consumers got from products or services they have. The most common approach that is used to measure the customer satisfaction is expectancy disconfirmation with performance. This approach explains the differences among expectations before buying the products and the perception of real performance. Disconfirmation has a positive influence on satisfaction if customers believe the providers of products and services achieve high performance than expectation. On the other hand, the disconfirmation has a negative influence

on satisfaction if the perceived performance is less than expectation [19]; [20]; [21].

4. Factors Affecting Purchase Decisions of Consumers

The factors that affect consumer decisions and behavior can be categorized into internal and external factors.

4.1 Internal Factors

This section describes the internal factors that affect consumer behavior. These factors include perception, attitudes, learning, motivations and emotions.

1. Perception: in order to study the consumer behavior, studying the perception can help to understand the consumer's behavior. The consumer's perception situation might affect the way that people behave [22]. Generally, people have different perceptions of the same object or situation since people have their own subjective way to form their perceptions. Perception can be defined as the process of selecting, organizing, and interpreting impressions into information, and stored [23]; [12].
2. Attitudes: the most important factor that affects consumer behavior is behavioral intentions. Intentions themselves depend on person's attitude toward behavior performance and opinions influencing behavior [24]. Besides that, the attitude has a critical role in determining consumer behavior because it motivates people to behave in a constant way [20]. By providing ways to the individuals in order to evaluate different alternatives depending on different knowledge of the attributes, the attitudes can simplify consumer decision-making [25].
3. Learning: Any procedure that changes the memory of consumer and behavior because of information processing [24]. Learning frequently develops and changes because of newly developed knowledge, which may be expanded from observation and learning or actual experience [4]. Learning includes different changes in an individual's behavior that result from experiences that have been produced via different drives, responses, reinforcement and stimuli [26].
4. Motivation: A motive is a real representation of inner force that motivates the behavioral response and provides a response to that person [12]. [1] defined motivation as the process that leads people to behave as they do. Generally, consumers are aware of the motives that cause their behavior. There are two types of motivation that drive consumer's behavior. The first one is the motives toward affiliating with other people and the other is

the motive toward differentiating from others (Norman, 2004).

5. Emotions: Emotions are strong, relatively uncontrollable feelings that impact consumer behavior. [12] and Norman (2004) stated that appearance and behavioral utility play minor roles in emotional reactions. The history of interaction, association people have with the objects and the memories provide attachment to a product (Sava, 2004).

4.2 External Factors

The most critical factors that must be taken into consideration during consumer behavior evaluation are culture, government, marketing activities and the reference group. The following will elaborate on each of these factors.

1. Culture: In its most complex definition, it includes knowledge, art, belief, law, morals and other habits acquired by members of society [12]. Culture is shared by different social groups, and includes different effective reactions, beliefs and different patterns of behaviors [7]. Culture is established through individual's behavior and by influencing through media and family. Marketers need to understand the culture of different products and brands and the customer must create a desirable personal identity [21].
2. Government: Nowadays, governments play very critical role in determining the prices and pay more attentions to real estate industry [21].
3. Marketing activities: [21] defined price as what the consumer must give up to purchase a product or services. Therefore, the pricing information influences consumer behavior as the most common activity of marketing activities. Personal selling has supported the consumer products such as life insurance, houses and automobiles [21].
4. Reference group: Hawikins (2013) defined reference group as a large group that has values which used by individuals as the basis for their behavior. A reference group consists of all groups in which all the people's attitudes are influenced by a direct or indirect factor [26]. The most critical factor of reference group is the family whose decision aids in the development and understanding the buying decision. This group includes both husband and wife [27].

5. CONCLUSION

As shown in the literature, Consumer behavior and purchasing decision are critical terms that are used frequently in management and marketing studies. Consumer behavior is explained the different patterns of people during purchasing goods and services. The process of purchasing decision resulted from various characteristics of purchasers such as psychological, cultural, personal and social factors.

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