

Purchase Decision-maker: Head or Heart?

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Abstract: This paper seeks to explore the purchase decision making process of retail consumers in the second stage of the Product Life Cycle - Growth. This stage primarily entails strategies designed by marketers to ensure that products/services are promoted suitably, to the correct segment to lure them enough to purchase them repetitively. Being an empirical study, the author seeks to observe as well as collect through a structured questionnaire, consumer behavior/inputs on what impacts their decision to buy – intention or impulse. It seeks to understand the emotional quotient (EQ) of consumers and gauge how and to what extent various emotions of joy, sorrow, excitement, anxiety, love, affection, care, etc. overshadow rationale at the time of making purchases. It is interesting that while some buying behaviors are situational (not purely emotional or rational), others indicate that emotions weigh relatively stronger than rationale.

Index Terms: Buying intention, Emotional Quotient, Impulsive buying, Purchase decision

I. INTRODUCTION

An average consumer is not just a wanting animal. He is made up of myriad emotions, many of which may not be easily deciphered. It is very important to study the emotional aspect to marketing because, more often than not, a consumer's actions are defined not by rationale, but by his emotional considerations. The marketer has aptly chosen to exploit this feature when he promotes his product/service. Though a number of factors do simultaneously intervene in making a decision to buy, at times all these go futile or are deliberately overlooked when one wishes to buy something special or for someone special. This happens due to emotions over-riding reason. It is this

characteristic that is sought to be studied via this research.

II. REVIEW OF LITERATURE:

There is a treasure of literature on buying behavior and more so, influencers of the same. Consumer behavior, as an area of study, will continue to be an ocean of knowledge that one needs to wade through. Factors influencing buying behavior are plenty, ranging from culture, family, social, society, age, groups, friends, environment and psychological factors [2]. Reference [5] envisaged a key role being played by family; wherein either the head of the family takes a decision for all others, or where purchase decisions are more participative and consultative. Reference [7] suggests that social factors influence consumer attitude and behavior directly or remotely, and comprise reference groups, family and social roles and status. In addition, personal factors such as age and stages of life cycle, occupation and economic circumstances and person's personality seem to tremendously impact the purchase decision [6].

IMPORTANT MODELS OF BUYING BEHAVIOR

- Lawson's model: This is a simple yet effective model which tries to study the effect of external and internal factors on the buyers decision to purchase or not. The buyer's black box is the highlight, where there is no listing of elaborate factors, but speaks volumes about the intangibles that dominate decision making. [Please refer fig. 1 below for Lawson's model]

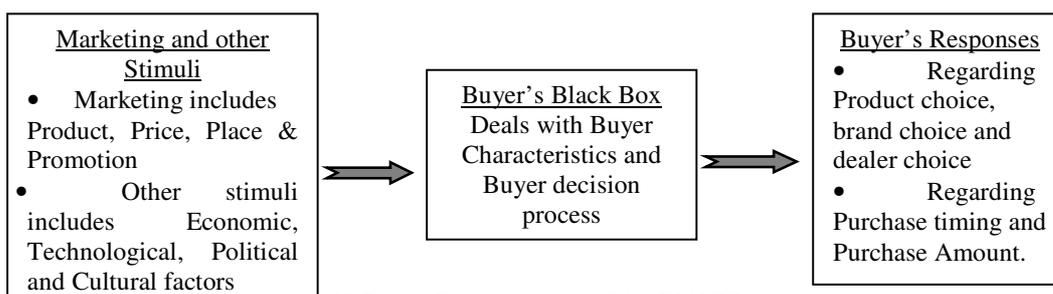


Fig 1: Lawson’s model

- Howard Sheth Model: One can never miss references to the popular Howard-Sheth model of buying behavior, explaining reasons for attitude and response to purchase stimulus. Every person is different in terms of wants, and means to satisfy them. Several of the changes in decision are due to a conscious estimation where reasoning plays a major role. The exogenous factors determining intention to purchase consist of significant and symbolic stimulus of price, quality, availability, service and

distinctiveness. The category of internal stimulus affecting purchase may be in the form of attitude, ego, social status, goodwill, peer pressure, etc. which are summed up in social factors comprising family, social status and reference group, where they interplay in an unparalleled role. The current study is aimed converging attention to elements of emotion that affect buying behavior. [Please refer fig. 2 below for the Howard Sheth Model]

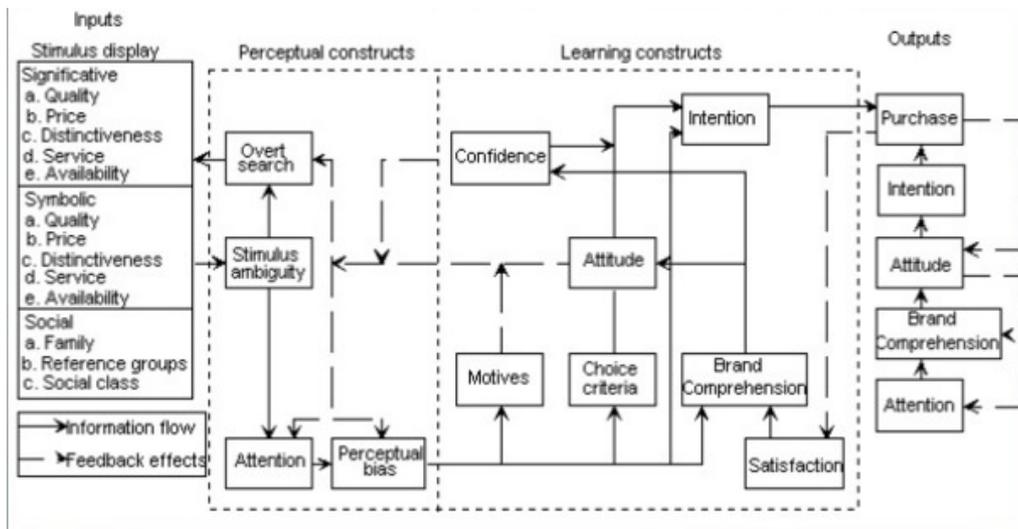


Fig. 2: Howard Sheth Model

- Maslow’s Need Hierarchy: One of the earliest founded theories in motivation; this is a model that deserves a mention in context of motives to purchase. The need hierarchy, through its five stage approach, generalizes the general human tendency to rise from basic to ambitious stages of achievement, from physiological needs to self-actualization. As such, buyers portray more intense purchase behaviors for physiological needs and do not trespass to other stages in the hierarchy, unless the initial needs are fulfilled. [Please refer fig. 3 below]

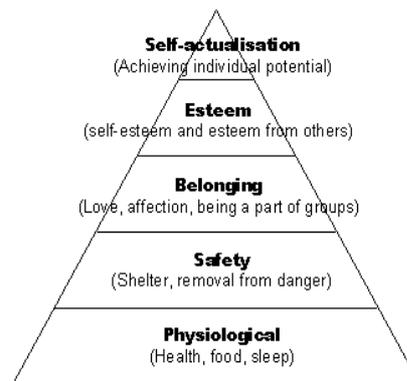


Fig. 3: Maslow’s Hierarchy of Needs

III. METHODOLOGY & OBJECTIVES

This paper has been based on the study of two consumer groups of members 50 each, through observation and questionnaire method. Their buying behavior in malls/ super markets was observed. Consumers in restaurants and banks were approached with structured questionnaires that carried closed-ended questions on factors that affect their purchase. The objective with which this study was undertaken is

- a. to gauge the role played by emotions in the purchase of products as well as services
- b. to understand whether purchases were largely based on intention or impulse
- c. In conclusion, this paper tries to gather glimpses of consumers across the globe to identify with reasonable accuracy, the influence of emotion on purchase decision making.

MARKETING – THE CHANGING PARADIGM

According to Philip Kotler, “Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others”. There has been a sea change in the way marketing activity is being perceived. It initially started with product concept, wherein goods or services of high quality were produced and pushed to the consumers. Over a period of time, several concepts were developed and discarded. The marketing concept believed that the marketer’s task was to understand the customers’ demand and produce what would satisfy the latter’s need. Yet another superior philosophy and the most contemporary one is the societal concept of marketing which seeks to not just satisfy customer needs but also contribute to his well-being. “Customer is King” is now an outdated belief. Presently, “Customer is God” and what marketers seek is not customer satisfaction but customer delight.

EMOTIONAL QUOTIENT (EQ)

The concept of Emotional Quotient rests on the premise that, besides Intelligence Quotient, there are some essential behavioral and character elements that tend to decide how successful one would be, or how one responds to certain stimuli.

This calls for manipulating and regulating ones emotion for most fruitful results/scenarios. EQ basically deals with two aspects; understanding oneself and understanding others [4]. One of the key domains of EQ involves recognizing other people’s emotions. Though this concept is widely applicable in the field of Human Resource Management, we could well extend it to the area of marketing since the social element is predominant in the latter as well. Every human being is a bundle of emotions. Thus the emotional aspect to a consumer can hardly be overlooked by the marketer if he wishes to broaden his customer base and build a cult of loyal customers.

CONSUMER BEHAVIOUR

A human brain has two sides, the left brain and the right brain. Left brained people identify themselves to be driven by logical and analytical reasoning, while the right-brained people are intuitive and subjective. While you may lean one way or the other, the fact is that during any process, both parts of the brain contribute. Consumer behaviour refers to the psychological processes that a consumer goes through in identifying his needs, finding ways and means to satisfy them, making effective purchase decisions, evaluating the decisions in the light of available information and ultimately purchasing the product/service[1]. The importance attached to the concept of consumer behaviour is due to the complexity and dynamism of human nature [3].

IV. ANALYSIS AND INTERPRETATION

Two groups of consumers were studied through observation and questionnaire methods. The following facts were disclosed.

A study of the various factors that chiefly influenced their purchase decision was undertaken. The parameters on which the consumer’s buying behaviour was gauged consisted of quality, company goodwill, the features and functionality of the product, maintenance effort, ego of the buyer, the influence of reference groups, purchase purpose and purchase ambience. The study revealed these statistics;

Table I: Factors influencing purchases

Factors	No. of consumers
Rational factors	
Quality	20
Price	9
Functions/Features	4
Maintenance effort	2
Emotional factors	
Reference groups	21
Ego/status	16
Purpose of purchase	18
Purchase Ambience	10
Total	100

Table II: Basis for purchases decision

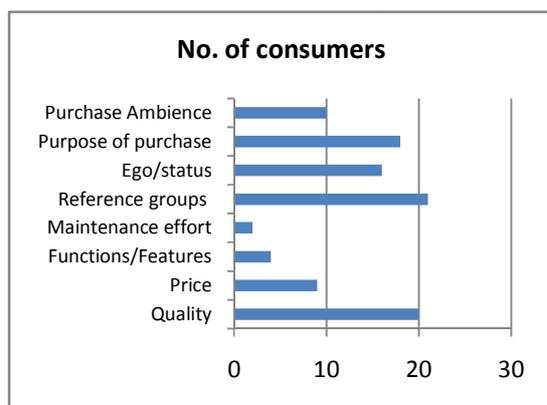


Fig. 4: Factors influencing purchases

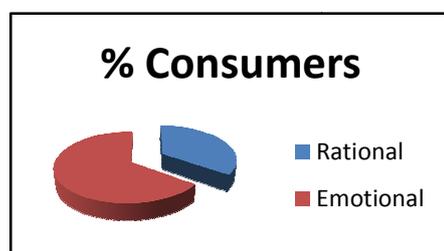


Fig. 5: Basis for purchase decision

While the first four criteria are based on pure rationality and evaluation of information at the disposal of the buyer, the other three relate to emotional considerations. It is found that where 35% of the consumers behaved rationally while purchasing, 65% of consumers purchased on account of emotion. Among the emotional criteria too, a great deal of excitement was noticed while offers are made available. Surprisingly, the Indian consumer is so awed by offers/discounts that even primary aspects like quality and functionality take a back seat. This further confirms that the Indian consumer is more emotional than rational in making his purchases.

V. FINDINGS

The above charts and tables beyond doubt that emotion does play a key role in the purchase of

Factors	% Consumers
Rational	35
Emotional	65

products and services.

Some interesting observations were made:

- ⌘ Consumers at malls and super-markets are more influenced to buy what others were buying rather than what they themselves needed.
- ⌘ People were actually buying what they have already tried, in order to minimize anticipated regret in experimenting with a new product.
- ⌘ Though people visited supermarkets with a pre-prepared shopping list, they often bought items that did not form part of their list, if discounts/offers were available.
- ⌘ People who went shopping with their family members took relatively longer to purchase, indicating that the head of the family took suggestions and consulted with other family members before making purchases.
- ⌘ People who came shopping alone, most often resorted to impulsive buying.
- ⌘ Those who were accompanied by children, very frequently ended up buying what their children pestered them to buy.
- ⌘ Where the purchases were of items requiring huge expenditure, and of infrequent nature, consumers took more calculated decisions based on information available. In

fact, they even undertake extensive information search to ensure that the decision taken is infallible.

As far as buying services is considered, consumers tend to rely more on recommendations of friends.

In India more sanctity is attached to the institution of marriage and the concept of family. Thus most of the purchases for household are made after effective consultation with family members.

Marketers are beginning to understand the emotional side to consumer behaviour and using them to a large extent in their promotional activity.

The pester power of children is so strong that parents are forced to buy articles which are totally irrelevant or at certain times even bad for the child. Marketers are widely exploiting this aspect and using children in most promotional strategies, so that they may be lured by the advertisement, and compel their parents to buy the products which appeal to them.

During festivals, for the joy of giving and celebration, people buy in large quantities even if the price is high.

The factors of quality, price, guarantee, and features are predominant in the purchase of durables.

Consumers are willing to experiment with products only in case of FMCG.

Another interesting observation was that when the consumer was buying for his loved ones, he prefers to buy products that are highly priced and refuses to buy a product that is priced low, though of the same quality/features (quite contrary to the law of demand!)

VI. THE GLOBAL PERSPECTIVE

Relative to the Indian picture, an attempt has been made to study the emotional characteristics of consumers across the world. Indian consumers, through the above observations and survey, have proved to be very emotional. In India, a lot of significance is given to the sanctity of marriage and

the concept of family. Before marriage purchases are guided by the older members of the family. After marriage it is one's spouse and children who plan most of the goods/services to be bought. Whenever it comes to buying for family and friends, they only take into consideration the sentiments attached to the purchase, and price always takes a back seat.

In the western counterpart, the concept of marriage or family is not very predominant. It is very commonplace to find large unmarried population, live-in relationships, divorcees, single parent families, etc which do not match with the scenario found in India. This indicates a very independently growing generation who is only guided by their own self-sufficiency.. He purchases what fits his budget, and what he needs to live a comfortable life. In India, much focus is on buying what is utmost essential and saving a lot for the future generation (again connected to the emotion involved), In the western countries, people are very independent, mostly living alone; and research has previously proved that lonesome people are more prone to impulsive buying. They purchase what they need, live in the present and don't care much to save for the future. This shows that they are not part of the emotional culture, and that purchases are mostly guided by their rationale.

VII. CONCLUSION

The observations done, tabulation made and their interpretations prove that the consumer in India is often swayed by emotional quotient rather than the intelligence quotient. Impulsive buying is resorted to while engaging in window shopping; by youth in peer groups; by families accompanied by children for the purchase; during festive seasons; and when the purchase price is low. Intentional or rational purchases are done by families who consult each other before buying; people in low income groups, women engaging in shopping, and where purchase price is on the higher side.

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Menon, Gowri was born in India, on 26th January. She has completed her Masters Degree in Commerce as well as Management from Bangalore University and Symbiosis International University, respectively. She has authored research papers in the area of employee empowerment, legislation and policy making, higher education and environment. Her area of interest for further research is performance management. She is currently pursuing her doctoral degree in the area of performance management in education