

A Study of Organisation Development Affected by Consumer Buying Behaviour: A Literature Review

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Abstract: Consumer behaviour has been extensively examined by scholars and marketers in the past and continues to be studied now. Consumer behaviour has been a hot topic for academics and researchers for a variety of reasons, according to study. Understanding consumer behaviour has become an element that has a direct impact on the overall performance of firms, according to one prevalent viewpoint (Kotler and Keller, 2012). Another viewpoint contends that understanding consumer behaviour has grown increasingly important, particularly in light of the strong rivalry in the retail business in the UK and around the world (Lancaster *et al.*, 2002). This chapter will cover some other aspects of consumer behaviour research, as well as the activity of researchers and marketers. Furthermore, the consumer decision-making process, namely the five stages of the consumer decision-making process, will be thoroughly examined.

Keywords: Consumer buying behaviour, Employee performance, Product business organisations.

I. INTRODUCTION

It's important to note that marketing includes the study of consumer buying behaviour with the aim of understanding how people, groups, or organisations select, acquire, use, and discard items as well as the variables that affect their decisions, such as prior experience, taste, price, and branding (Kotler and Keller, 2012). Acebron *et al.*, 2000 conducted one such study of customer purchasing behaviour. The study's goal was to see how previous experiences affected people's buying habits when it came to fresh items, particularly mussels. The authors employed a structural equation model in their research to determine the impact of habits and prior experience on customer purchasing decisions. Their findings show that the customers' personal habits and prior experience directly influenced their

purchase decision when it came to buying fresh mussels. They also discovered that the product's image has a significant impact on the consumer's purchase choice, and they recommended that the product's image be continually updated in order to persuade people to buy.

Another investigation on how packaging affects customer choice for fast-moving consumer goods was conducted by Variawa (2010). In order to achieve the research goals, a survey method was adopted. 250 people took part in a poll performed in Star Hyper in the town of Canterville. According to the conclusions of the study, low-income consumers prefer premium packaging since it may be reused after the product has been consumed. Despite the fact that the data show a poor link between product packaging and brand experience. However, the outcomes of the study show that low-income consumers have a better brand experience when purchasing 'premium' products than when purchasing 'cheap' brand products.

Using China as a case study, Lee (2005) investigated the five phases of the consumer decision-making process. The researcher is particularly interested in demographic variables that affect consumers' decisions when buying imported health food items, such as gender, education, income, and marital status. In order to achieve the research's goals, the author used the questionnaire approach. A research of five phases of the consumer decision-making process revealed that family members had a considerable influence on consumers' decisions to buy imported health food items. The author goes on to say that the Chinese custom of caring for young and senior family members has long existed, and that marriage is seen as incredibly essential in Chinese culture. The study's findings, which demonstrate that both male and female Chinese lessen their purchases of imported health food items made by them for individuals outside the family after getting married, reflect this.

A number of different scholars have looked into the Five Stages Model of consumer decision-making. Although different

academics have varied perspectives on the definitions of the five stages, they all have comparable perspectives since they describe the stages in similar ways. Blackwell *et al.*, 2006 proposed one of the most widely used models of consumer decision-making. According to him, the problem/need recognition, information search, alternative evaluation, buy decision, and post-purchase evaluation are the five phases in the customer decision-making process.

Each step is then described by a group of researchers, with modest differences but a general understanding of what each level entails. The first step of need awareness, according to Bruner (1993), occurs when an individual acknowledges the difference between what they have and what they want/need to have. According to Neal and Questel (2006), need recognition happens as a result of a variety of causes and conditions, including personal, professional, and lifestyle considerations, which lead to the formulation of a purchasing notion.

In the next stage, the customer looks for information about the product or service they want (Schiffman and Kanuk, 2007). The process of finding information can be both internal and external. Customers who conduct internal searches depend on their own opinions and experiences, but those who conduct external searches conduct more thorough information searches that take into account media and advertising as well as feedback from others (Rose and Samouel, 2009).

After gathering all pertinent information on the product or service, the following step is to evaluate the alternatives. According to Kotler and Keller (2005), this is a crucial stage because the consumer weighs all of the options and varieties, taking into account criteria such as size, quality, and price.

According to Backhaus *et al.* (2007), the purchase decision is a crucial stage because it pertains to the occurrence of a transaction. In other words, the consumer decides whether or not to make a decision after recognising the need, gathering relevant information, and weighing the options. According to Kacen (2002), purchasing decisions can be classified as planned, somewhat planned, or impulse purchases, which will be examined in further depth in the next chapters.

The final consideration in the post-buy decision is the customer's experience with their purchase. Although many authors do not emphasise the relevance of this stage, Neal *et al.* (2004) claim that it is one of the most essential phases in the customer decision-making process because it directly affects future purchases of the same product or service from the same source.

Tyagi (2004), Kahle and Close (2006), Blackwell *et al.* (2006), among others, are some of The Five Stage Model of Consumer Decision Making's most illustrious academic supporters.

Competing models of consumer decision-making include the Stimulus-Organism-Response Model of Decision Making created by Hebb in the 1950s, Prescriptive Cognitive Models, The Theory of Trying (Bagozzi and Warsaw, 1990), Model of Goal Directed Behaviour (Perugini and Bagozzi, 2001), and others.

In the Literature Review chapter of this publication, all of these models are thoroughly examined.

II. FACTORS IMPACTING CONSUMER BUYER BEHAVIOUR

It has been shown that a consumer's requirements and wants determine their purchasing behaviour and that they purchase to meet these needs and wants. Although it may appear to be straightforward, these requirements can vary depending on personal aspects such as age, psychology, and personality. There are also certain exogenous influences that are wide and beyond the consumer's control.

Academics and scholars have conducted a lot of studies aimed at finding and studying the elements that influence customers' purchasing decisions, and as a result, numerous sorts of factors have been identified. Different authors have divided these elements into various sorts and groups in various ways. Wiedermann *et al.* (2007), for example, divided them into internal and external factors. On the other hand, Winer (2009) divided them into social, personal, and psychological components. Although they have been categorised differently by many authors, their scope and objectives are the same (Rao, 2007). There are numerous factors that can influence customer behaviour in various ways. Hoyer *et al.* (2012) categorise these aspects into four categories: situational, personal, social, and cultural influences.

Location, surroundings, time, and even the weather may all affect a customer's behaviour (Hoyer *et al.*, 2012). To take advantage of situational elements, large retailers try to create environments and situations in their stores that encourage potential customers to make a purchase choice. To encourage consumers to wander across the store and make further purchases, retailers can play calming music, provide energising aromas, and place bread and milk goods on the other end of the store are just a few of the tools available to achieve this goal.

Batra and Kazmi (2008), correctly emphasise the transient character of situational circumstances.

Taste preferences, personal financial conditions, and other personal characteristics are examples of personal factors. Businesses usually group people according to their personal circumstances, among other criteria, and then create products and services that best suit these circumstances in order to address the impact of personal factors on consumer decision-making during market segmentation, targeting, and positioning practises.

According to Hoyer *et al.* (2012), social factors influencing consumer behaviour emerge as a result of interactions between potential customers and others at various levels and in various situations. Targeting people who are perceived as opinion leaders is often a successful technique when marketing goods and services since they have the power to influence how other members of society behave as consumers.

Finally, on a local and global scale, cultural influences influencing consumer behaviour are linked to cross-cultural variances among consumers. Culture is described as “the ideas, customs, and social behaviour of a specific people or culture” (Oxford Dictionaries, 2015), and the globalisation trend has made it necessary to consider cross-cultural distinctions among consumers when developing and presenting marketing messages.

III. CONSUMER BEHAVIOUR AND THE MARKETING MIX

The marketing mix, sometimes known as the 4Ps of marketing, is one of the most important concepts in the field of marketing, and each component of the marketing mix can be used as an instrument to influence consumer behaviour.

The significance of the marketing mix may be summed up as follows: “Successful marketing depends on customers being aware of the products or services on offer, discovering them to be available, and favourably judging the providers of the offering in terms of both price and performance” (Meldrum and McDonald, 2007, p. 4).

Product, pricing, location, and promotion are the four main components of the marketing mix. The marketing mix now includes other 3Ps, such as procedures, people, and tangible evidence.

The product aspect of the marketing mix refers to the products and services that are available for purchase by customers. There are three tiers to products: core, actual, and supporting. For example, in the case of mobile phones, the core product might be defined as the ability to communicate with others across a long distance. Actual product, in contrast, relates to a particular brand and type of mobile phone, whereas augmented product may include things like product insurance and a one-year warranty included with a mobile phone purchase.

Four primary price strategies utilised in marketing are economy, penetration, skimming, and premium pricing (East *et al.*, 2013).

The place aspect of the marketing mix refers to the point where items and services are distributed and sold. The introduction of the online sales channel has significantly altered the role of the place aspect of the marketing mix.

The promotion factor of marketing mix is any combination of promotion mix integrating various components of advertising, public relations, personal selling, and sales promotions to varying degrees (Kotler, 2012).

On the other hand, processes refer to organisational rules and procedures that have to do with products and services. By making payment easier for customers, the incorporation of a greater variety of payment methods, such as PayPal, SAGE Pay, and Visa, into online sales operations, for instance, may positively affect sales volume.

The people component of the marketing mix is largely concerned with the skills and competences of the staff responsible

for customer service. Personalized customer service in particular and the human component of the marketing mix in general are more important than ever.

Further intensification of global market competition, as well as firms' increased search for alternative grounds for competitive advantage, may result in the formation of additional 'P's to complement the framework of marketing mix in the future.

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