

# 18

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## Purchase Behaviour (Situational Factors)

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Out of the small orders of today grow into the long orders of tomorrow.  
Put yourself in your customer's shoes.

*The goals of this chapter are to impart an understanding of:*

- *Purchase behaviour*
- *Basic situational factors*
- *Non-store buying*

## Purchase Behaviour (Situational Factors)

### ■ 18.1 Introduction

We have seen that in many products, decision-making is a very lengthy process, and takes a very long time. The problem is recognised and a lot of information is gathered. After this is done, the last two stages of decision-making, that is, the purchase and post purchase come into play. Purchase is very important as it generates revenue, and dislikes of the consumer. Post purchase behaviour also establishes a link between the marketer and the target market segment. Purchase is important to the marketer as the product was planned, produced, priced, promoted and distributed after a lot of effort. If purchase does not take place, the marketer has failed in his marketing effort. He then needs to change the marketing mix. He has to change the entire strategy, as the ultimate aim of the marketer is to float a product which will generate revenue and bring satisfaction to the customer. Purchase is important to the marketer for his success, for achieving his objectives, and far formulating competitive strategies against the competitors. Similarly, the customer pays money and expects certain benefits and satisfaction from the product. It marks the end of his search, end of his efforts and chooses the brand of his choice for expected benefits.

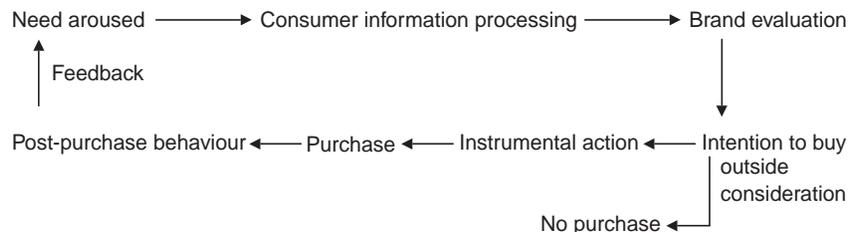


Fig. 18.1

*Consumers delay a decision* because

- They are too busy.
- Do not like shopping.
- Fear of making wrong decisions.
- Price may decrease or better item may be available.
- Social risk (not meeting approval of society).

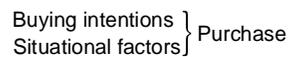
For purchasing, the customer has to consider the (a) selection of outlets, *i.e.*, where to buy from. A product may be available in a number of stores of different types and different sizes. Where to buy from is an important decision that has to be taken by the customer. He further has to think about the quantity of product that he has to buy. Should he buy in small quantities or in bulk. Should he take advantage of the discount facilities which are offered only for a short period of time or should he ignore them, and buy his usual requirement for a month or for a week. This also depends on the amount of discretionary income that is available to him. There is another choice with the customer, (b) How should he make the payment. Should he buy in cash or in credit, or hire-purchase or any alternative offered by the dealer.

While taking a decision on these issues, a number of factors are to be considered, and these factors influence the decision-making process or the purchase process. The two sets of factors necessary for purchase are the buying intentions and the situational factors. Both these factors exert a joint influence on the purchase process. One without the other may not be sufficient to effect a purchase. The buying intention is a must for the purchase to come through. No matter how congenial the situational factors, the purchase may not take place without the customer having intentions to buy. He has to be motivated to buy the product by exposing him to the product and instilling into his mind that the product is needed by him and will satisfy his long-felt need.

Situational factors can be very many in number, but for all purposes, five basic situational factors are considered. These are:

1. Physical surroundings
2. Social surroundings
3. Task definitions
4. Temporal decisions
5. Antecedent conditions.

A situation is the prevailing conditions at a certain time. When related to purchases, it can be linked with the situations given above.



**Fig. 18.2**

Store choice influence brand choice

- When store loyalty is high—It influences brand choice.
- When Brand loyalty is Low—Customers first make the store choice.
- When Brand information is inadequate—Customers should rely on Sales Personnel.

### Physical Surroundings

As soon as a consumer enters a shop with the intention of purchase, the most important things that he observes is the decor, style, cleanliness, etc. of the shop. These are known as physical surroundings, and they include:

1. Location of the store.
2. The sound (music and other noises present in the store).
3. Aromas (smell of the place).

4. Lighting—how well lit are the products, how well lit is the store and the show windows.
5. The decor (Decoration is done with great fineness and the displays are eye catching).
6. The colour (The colour of the store and of the walls and the railings or any other show cases, etc.).
7. The merchandise itself (a merchandise of high value, quality, high in demand, etc.).

These physical aspects are eye catching and the most visible part of the purchase situation. The surroundings act as a stimuli for the consumer, and influence him through his five senses of sight, hearing, smell, touch and taste. The presence of these elements is not enough. They have to be present in the right mix to create an atmosphere which is congenial to all consumers. This is the concept of atmospherics, where not only the physical surroundings but, the music and the handling of the crowd in the store is also emphasised. Since the consumer is exposed to a proper blend of these stimuli, he responds in a particular manner. He sometimes responds emotionally, and shows his pleasure or displeasure and may go in for a purchase. These physical surrounds also control the time he spends in the store. How he responds to purchase. The customer also tries to affiliate with other customers and also with the people in the store. If all circumstances match, a purchase is on the offing. This is illustrated in the Fig. 18.3.

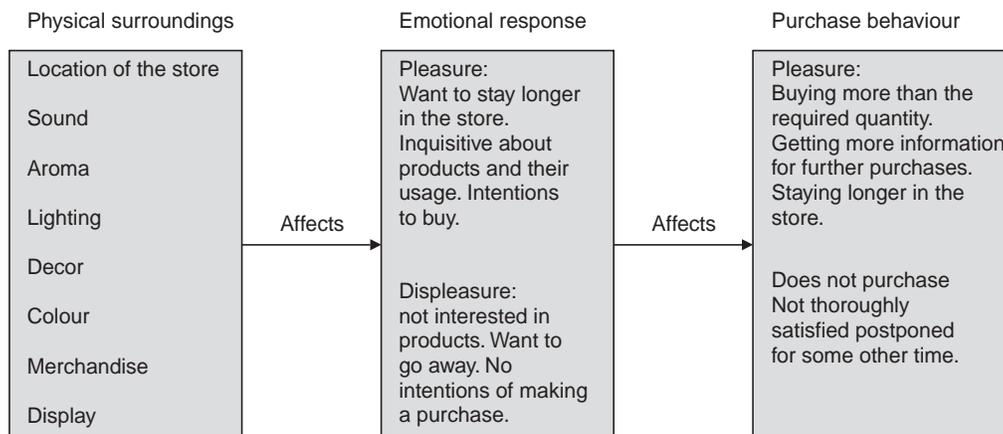


Fig. 18.3 Physical surroundings purchase process

### Social Surroundings

Purchase is affected by the presence of other members of the society and their opinion about the purchase and use of products. A consumer is a social being. He lives in society, and is affected by the opinion of society members. If a customer is ambitious to spend time with high society members, his purchases are influenced, and he goes in to buy premium and branded items. Shopping is a social experience, and consumers are influenced by society members and sometimes blindly purchase things approved by trusted members of the society. There are some general observations that when a consumer is shopping with friends he tends to visit many more stores and makes many unplanned purchases. This is because he thinks that his wise companions are giving him sound advice which he is getting for free, and that the opinion of a handful is better than his own judgement. While with friends, he likes to spend more time with them, and feels more confident of going from store to store and visiting the shops with new displays, new products, new variety and new items.

Salesmen have also observed that it is easier to sell to individuals rather than customers in groups. Unaided buyers can be convinced much easily than those with friends. Individual buyers sometimes give into the persistence of the salesman. It has also been observed that buyers who are with friends, comply to the request of the group of friends, even though they know that the product is not to their liking or, that they would rather buy some other brand.

### **Task Definition**

By task definition is meant, the buying intention or motive. Why is the purchase being made. Is it for self-consumption or is it for a gift, or is it for a special occasion like a marriage gift and so on. Purchase task is decided by the above factors and what will be the reaction of the person to whom the gift is being given.

Buying flowers or a piece of jewellery on your wedding anniversary. The situation also defines the task. Titan watches are advertised for giving as a present. A bigger present as a Godrej Storewell may be given for a marriage to a friend. Sweets or chocolates to be given to children visiting your house. Marketeers use these techniques of selling products, and use the occasion-based marketing opportunities to push their products. The task or the purpose and intentions must be known to the marketeer to make his job easy.

### **Temporal Factors**

By temporal factors we are referring to time. It may be the time allotted for shopping. It may be the time of the day, shopping in the morning, evening or afternoon. Time of the season, time of the year, time of festivals, etc. Some ladies shop in the afternoon as they can be given more attention by the sales person. They can see a variety of products. The time which the sales man has is also ample, and he can pay more attention to customer's needs. Some buy or do shopping during festival seasons only, and their main shopping takes place during the festivals or when there is a function in their families. Some are regular buyers and are in the habit of buying regularly. These are the people with high discretionary income.

The time of buying also varies from product to product. An item of high value will require much more time than buying cosmetics. A high value item may take several days. A much higher value item like a flat or a house may take days and months together.

It also depends on the availability of time with the consumer. A busy executive may have very little time compared to a house-wife. The time available with them is different, hence the degree of involvement in the purchase also differs. With the involvement, the information search also varies from product to product, from situation to situation. If a buyer is buying regularly, he spends lesser time in purchasing, than a buyer who buys at greater intervals of time.

### ***Antecedent conditions***

There are other factors that also play an important part on purchases. These are the availability of resources (money) for buying the product of your choice. Other factors like the mood, the attitude, or the bent of mind for purchasing a product. If the purchases are made for a future period of time, they can wait or can be made at any convenient time. If the purchases are urgent, and you have used up your product and need to replenish the same soon, then the purchases are finalised quicker. The availability of the product is another factor for purchase. If one visits a few stores and does not find the product or the brand of his choice, he may develop a negative attitude towards the store or even towards the products.

When the buyer is in the mood, he is more likely to purchase goods, than otherwise. Therefore, marketeers try to create a positive mood, by advertising appeals to get a positive response from the buyer.

A proper marketing strategy is designed to get a positive response from the customers. All the five situational factors described above should be kept in mind and a process be followed. This can be done by identifying the situational factors and the buying process of the consumer, and also to find the impact of these variables by research techniques. The market has to be segmented in a proper manner, and the product positioned according to the need of the target segment. Needless to say that the marketing mix needs to be developed appropriately.

### **Non-store Buying**

This type of marketing is gaining importance in advanced countries where a shopper does not want to go to a store, and avoids the difficulty of finding parking space. Wants to avoid long queues for payment or does not have the time to drive down to a store several miles away. Has a higher discretionary income, pays greater importance to consumer life style. Non-store buying or direct marketing is one in which products and services are offered to a prospective customer by telephone, mail or other accesses.

In the purchase process, non-store buying also plays an important part. The non-store buying is prevalent where there is general economic development, availability of long stores and infrastructure facilities, consumer is aware of advanced technology. Where the marketeer desires to reach untapped markets.

Many companies have a list of prospective buyers, and send them catalogues, brochures, discount offers almost every week. They get a lot of business and give a lot of facility, and offer products at competitive rates. This also increases the knowledge of the consumer, and he also feels important and regularly places orders with these companies. There are many routes to non-store buying and the buyer can buy in a number of ways. Known buyer is one who places the order from the home by telephone, catalogue, brochure or mail. The consumer can avoid an extra trip to the market. This type of order on telephone is becoming very popular for items like rations for the whole month. A consumer gives the order over the telephone to his supplier, who notes down the order, and supplies it by reaching the goods to the desired destination.

### ***Tele marketing***

This is similar to the above, and prepaid telephones are provided or toll-free telephones are provided, so that the orders can be placed without any charge to the customer. This is used mainly by ladies, and is of western origin.

### ***Video tax or interaction video***

In this, the buyer-seller interaction can occur through TV sets and computer terminals. He can type his requirements on the computer, and through video facility can interact, even see a portion of the store where his product is kept and all the variety of products that are available in that category.

These methods are gradually gaining importance and with the increase in population, and congestion of the cities these methods are becoming popular in advanced countries.

We have therefore seen that the purchase is an important part of the consumer behaviour, and purchases are the backbone of marketing activities. If the purchases are good, and the goods are moving fast, a company can rest assured of revenue, otherwise the marketer has to keep thinking of ways and means to find out the reasons for the shortfall in purchases.

### **Significance of Non-store Buying**

The non-store buying is becoming popular because working women and others have less time to shop. They can see more items on T.V. than a single store can display. By this method speciality products are easy to get. Non-store innovations are becoming popular *e.g.*, Mail order catalogues, pay by phone etc.

Some customers prefer the older methods of store buying and oppose the new techniques because they like to see the products and feel them. They like to go out to shop and get tempted to buy the products they do not need. They feel that being hooked on a computer may invade their privacy.

However, more innovations are expected in the future and that the customers will get the feeling of shopping in store by just sitting at home and can do everything sitting at home that they can do in a shop.

### **Questions**

1. What are the main considerations for the purchase of products?
2. Discuss the situational factors in buying.
3. What is non-store buying? Elaborate on the methods of non-store buying.