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Environmental Influences

Think of the customer first, if you would have the customer think of you.

This chapter deals with the internal and external factors that influence consumer behaviour. Consumer is affected by changes in his personality, attitudes, etc. and also by the external environment. One should be able to explain the following:

- *Various factors influencing consumer behaviour*
- *The joint effects of internal and external determinants*

Environmental Influences

■ 3.1 Introduction

The factors that influence consumer behaviour can be classified into internal factors or (individual determinants) and, external environmental factors. External factors do not affect the decision process directly, but percolate or filter through the individual determinants, to influence the decision process as shown in Fig. 3.1.

The arrow shows how the external influences are filtered towards the individual determinants to affect the decision process.

The individual determinants that effect consumer behaviour are:

- Motivation and involvement
- Attitudes
- Personality and self-concept
- Learning and memory
- Information processing

The external influences or factors are:

- Cultural influences
- Sub-cultural influences
- Social class influences
- Social group influences
- Family influences
- Personal influences
- Other influences

We shall give a brief description of these influences in this chapter and they will be dealt with in greater detail in the subsequent chapters.

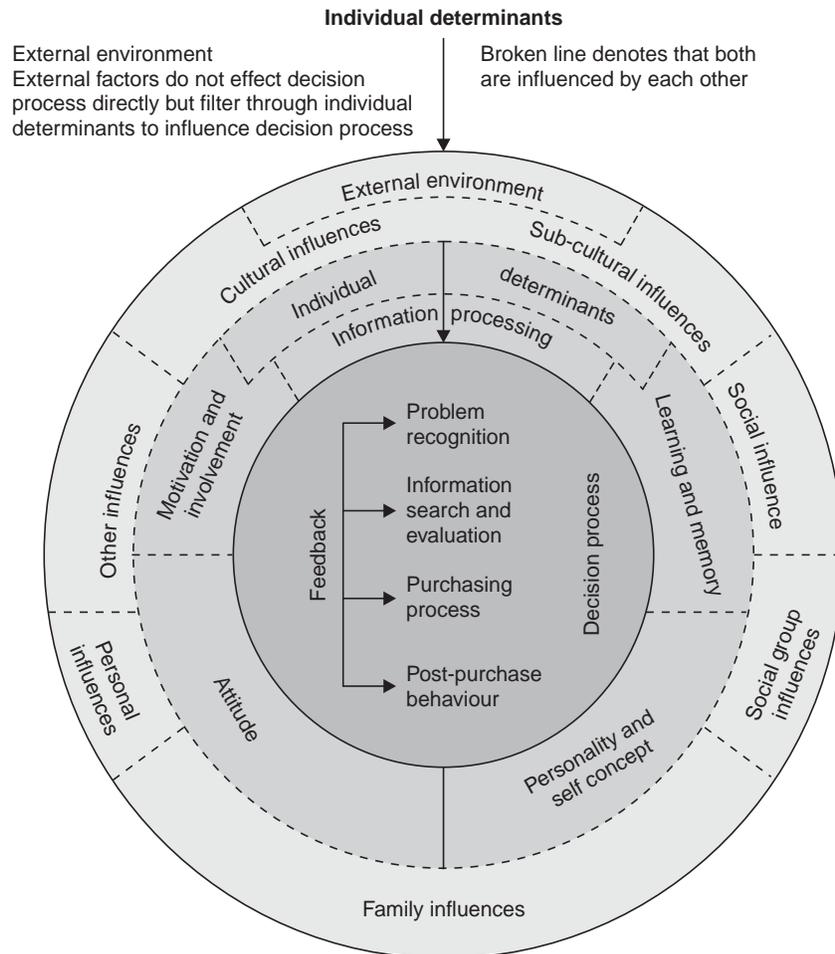


Fig. 3.1 A simplified framework for studying consumer behaviour

■ 3.2 Individual Determinants

Motivation and Involvement

In a society, different consumers exhibit different consumer behaviour because they are unique and have unique sets of needs. Motivation is that internal force that activates some needs and provides direction of behaviour towards fulfilment of these needs.

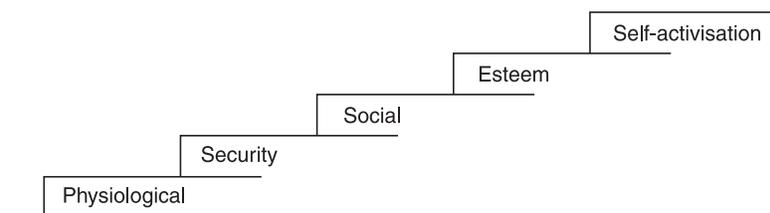


Fig. 3.2 Maslow's hierarchy of needs

While talking of motivation, we cannot afford to forget the Maslow's Hierarchy of needs which tells us about the primary and secondary needs.

First the biological needs of hunger, thirst, shelter are satisfied then the safety needs and then the psychological desires of being accepted in society, seeking status, esteem, etc. are satisfied. People adopt different methods to fulfil their needs. The need of transport can be met by car, rail, bus or aeroplane. People choose different modes of transport because of their level of involvement in different activities.

Involvement refers to the personal relevance or importance of a product or a service, that a consumer perceives in a given situation. Depending on the value and personal interest, a consumer can have a high or low involvement. For a professional tennis player, the choice of a tennis racket is made with great care. He sees the weight, size, grip and tension of the strings, etc. The racket is his most important professional tool. Similarly, a professional photographer has to buy a camera with the right specifications and attributes. For another person, a tennis racket may only be a means of entertainment or in the case of a camera, the recording of family and other events by a camera which is convenient and handy.

Attitudes

These are learned predispositions towards people, objects and events. Attitudes are responsible for our responses and are not inborn but are learnt from people around us.

Our attitudes influence our purchase decisions and consumer behaviour. A person having a carefree attitude will buy an object without much involvement. People who want to play safe and avoid risk taking, will go for a safe investment. People who want convenience and are short of domestic help, will have a positive attitudes towards canned and frozen foods.

Personality and Self-concept

It is the sum total of our mental, physical and moral qualities and characteristics that are present in us and that make us what we are. Consumers try to buy the products that match their personality. People wanting to look manly will buy products with a macho appeal, which would enhance their image and personality. People who give emphasis on comfort and care, will purchase comfort products and so on. If one wants to emulate a film star his choice will be different from others.

Learning and Memory

Every day we are exposed to a wide range of information, but retain only a small portion of it. We tend to remember the information that we are interested in or, that is important to us. In a family different members of the family are interested in different types of information which they individually retain. Mothers retain information regarding household items. Father retains information regarding his interest in cars, motor cycles and other objects. Children are interested in objects of their interest like amusement parks, joy rides, Barbie dolls, etc.

Our motives, attitudes, personality filters the information. Keeping only relevant information in our minds and, keeping the others out. This is known as *selective retention*. We retain in our memory only selective information that is of interest to us.

Information Processing

All consumers analyse and process the information they receive. These are activities that a consumer engages in, while gathering, assimilating and evaluating information. Consumers assimilate and evaluate selective information and this reflects on their motives, attitudes and personality and self-concept. Same information can be evaluated in a different manner by different individuals. The most common example is a glass half filled with a liquid. It can be interpreted as “half empty” or half full. The first is a pessimistic view and the other is an optimistic view of processing the information.

■ 3.3 External Environmental Factors Affecting Consumer Behaviour

Cultural Influences

It is defined as a complex sum total of knowledge, belief, traditions, customs, art, moral law or any other habit acquired by people as members of society. Our consumer behaviour, that is the things we buy are influenced by our background or culture. Different emphasis is given by different cultures for the buying, use, and disposing of products. People in South India have a certain style of consumption of food, clothing, savings, etc. This differs from the people in the North of India. Different cultures and habits are predominant in different parts of the world. Japanese have a different culture from that of USA, England or Arabian countries. Therefore, in consumer behaviour culture plays a very important part.

Sub-cultural Influences

Within a culture, there are many groups or segments of people with distinct customs, traditions and behaviour. In the Indian culture itself, we have many subcultures, the culture of the South, the North, East and the West. Hindu culture, Muslim culture, Hindus of the South differ in culture from the Hindus of the North and so on. Products are designed to suit a target group of customers which have similar cultural background and are homogeneous in many respects.

Social Class

By social class we refer to the group of people who share equal positions in a society. Social class is defined by parameters like income, education, occupation, etc. Within a social class, people share the same values and beliefs and tend to purchase similar kinds of products. Their choice of residence, type of holiday, entertainment, leisure all seem to be alike. The knowledge of social class and their consumer behaviour is of great value to a marketer.

Social Group Influences

A group is a collection of individuals who share some consumer relationship, attitudes and have the same interest. Such groups are prevalent in societies. These groups could be primary where interaction takes place frequently and, consists of family groups. These groups have a lot of interaction amongst themselves and are well knit. Secondary groups are a collection of individuals where relationship is more formal and less personal in nature. These could be

political groups, work group and study groups, service organisations like the Lions, Rotary, etc. The behaviour of a group is influenced by other member of the group. An individual can be a member of various groups and can have varied influences by different members of groups in his consumption behaviour. An individual can be an executive in a company, can be a member of a political party. He may be a member of a service organisation and of entertainment clubs and study circles. These exert different influences on his consumption.

Family Influence

As has already been said, the family is the most important of the primary group and is the strongest source of influence on consumer behaviour. The family tradition and customs are learnt by children, and they imbibe many behavioural patterns from their family members, both consciously and unconsciously. These behaviour patterns become a part of children's lives. In a joint family, many decisions are jointly made which also leave an impression on the members of the family.

These days the structure of the family is changing and people are going in more for nucleus families which consists of parent, and dependent children. The other type of family is the joint family where mother, father, grandparents and relatives also living together.

Personal Influences

Each individual processes the information received in different ways and evaluates the products in his own personal way. This is irrespective of the influence of the family, social class, cultural heritage, etc. His own personality ultimately influences his decision. He can have his personal reasons for likes, dislikes, price, convenience or status. Some individuals may lay greater emphasis on price, others on quality, still others on status, symbol, convenience of the product, etc. Personal influences go a long way in the purchase of a product.

Other Influences

Consumers are also influenced by national or regional events which could be like the Asiad, the Olympics, cricket test matches, World Cup, the war or a calamity. These leave permanent or temporary impressions on the mind of the consumer and affect his behaviour. In these events, products are advertised and sometimes the use of a product like drugs, etc. is discouraged. People are urged to adopt family planning methods. Situation variables such as product display, price reduction, free gifts and attractive offers also influence consumer behaviour.

In Fig. 3.1, the broken lines indicate that these factors influence and in turn are influenced by each other. The various factors percolate from the external to the individual determinant, to finally influence the decision process.

External factors cannot affect the decision process directly but, these are also instrumental and exert an influence on consumer behaviour.

Factors affecting consumers can also be studied by dividing the factors into four groups as shown below. This can be done under four broad headings which can have subheadings as shown in Fig. 3.3 on next page.

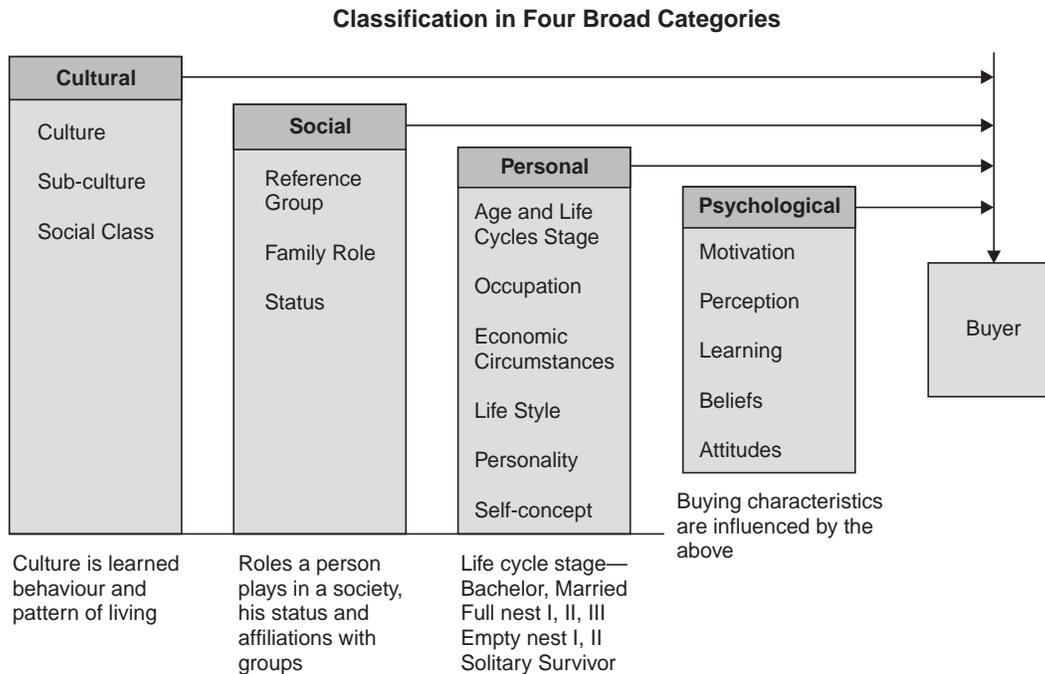


Fig. 3.3 Factors influencing consumer behaviour classification in four broad categories

Questions

1. List and explain the individual determinants of consumer behaviour.
2. How does the external environment help and influence the individual determinants in consumer behaviour?
3. Illustrate and explain with a diagram the decision-making process and how are they influenced by various factors.