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Factors affecting consumer-buying motivations: An empirical study in the behavioral economics perspective

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Abstract

The buying behavior of the consumers mainly refers to purchasing behavior of the end consumers. A lot of factors, characteristics, and specificities influence an individual on what his preferences are and on the consumer for the process of making the buying decision, his purchasing behavior, shopping habits, brands he or she purchases, etc. The buying decision happens due to each of these attributes. An individual is highly influenced by culture, subculture, social class which has an impact on his product or service choices. Brands get an opportunity for developing the strategy, marketing messages as well as ad campaigns which are effective and coordinated with needs and way of thinking of the targeted customers. Initially, consumers try to find out the commodities that they wish to consume, and then choose only those goods and services such assure better utility. This study is descriptive in nature in which the data were collected from 165 respondents. Mean and t-test were applied.

Keywords: Consumer buying motivations, behavioral economics, descriptive study, brands, marketing messages

Introduction

Consumer behaviour is a vast subject. The customer often makes daily purchase choices for purchasing a product, and many customers are unaware of the elements that influence their choice to acquire a certain product, service, or brand. Consumer behaviour is made up of aspects that influence a consumer's purchasing behaviour. These components have various features that might be classified as personal, psychological, societal, or economic. Understanding the elements that drive customer purchasing behaviour is highly intriguing; how a person or customer is impacted by the elements that drive him or her to purchase a certain commodity or service. A consumer's economic situation influences his or her purchase decision and choosing of a certain brand or product (Ali & Ramya, 2016) ^[1]. The term "personal income" refers to an individual's earnings. A person's personal income influences his or her purchasing habit. The customer bases his or her choices on his or her net income after taxes. The term "family income" refers to the total of all family members' earnings. It is dependent on the families or working members of the family. The income expectation refers to the money that is expected to arrive in the form of a bonus, overtime, and so on. The term "saving" refers to the money saved by a person after deducting all of his or her monthly costs. Consumer credit refers to funds granted by banks or financial institutions. A credit card is one kind of consumer credit. Other economic issues include inflation, a slowing economy, and government policies, among others. If a person's salary is insufficient to purchase a pricey item. As a result, income is directly proportionate to the purchase of products or services. S. Qazzafi (2020) ^[2]. Consumer purchasing behaviour refers to the selection, acquisition, and consumption of products and services in order to satisfy their desires. Consumer behaviour is comprised of many processes. The consumer begins by attempting to identify which commodities he want to consume, and then he picks just those commodities that offer more benefit.

Review of Literature

Rani (2014) ^[3] investigated Consumer Buying Behavior, which refers to the final consumer's purchasing behaviour. The authors concluded that there has been a paramount shift in the behavior of people buying products. The socially connected consumers is now behaving more in a socially desirable manner and conspicuous buying and purchase is increasing rapidly.

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Mashao and Sukdeo (2018) ^[4] found the primary determinants influencing customer purchasing behaviour of durable home items in the Kempton Park district of Johannesburg, South Africa. Questionnaires were utilised to gather data, and a non-random sample of 60 respondents was considered. Product quality, product features, product pricing, brand reputation, advertising, and past experience were found as influential variables in this research. The items and services bought are influenced by a person's work and economic position.

According to Anisha and Kalaivani (2016) ^[5] found that consumers begin looking for items or services that meet their requirements after identifying a need or desire. Marketers always depend on research studies regarding dynamic customer behaviour to position their product planning and development strategies to fulfil the needs effectively. There are various variables that influence customer purchasing behaviour, including brand preferences for durables. This complicated consumer purchasing behaviour, as a result, necessitates a rigorous analysis by researchers in every nook and cranny of the globe. The purpose of this article is to study the variables that influence consumer purchasing behaviour for chosen durable goods in Nagaland (Thangasamy and Patikar, 2014) ^[6].

Ghaswyneh (2019) ^[7] investigated the elements influencing consumer behaviour in the purchasing of eco-environmental-friendly-energy-saving green appliances in nations that have transitioned to clean energy. The findings demonstrated a high positive association between the social, cultural, personal, and psychological characteristics and the consumer's purchasing choice. Meanwhile, psychological elements are the most influential in the buying decision-making process, followed by the customers' area of residence. Furthermore, the social component is important in determining purchase choices for green items. Cultural elements, on the other hand, had a crucial effect in this respect. According to the research, the least effective elements include personal variables, energy consumption rate, and monthly income.

Agarwal and Guirat (2017) ^[8] explored the variables affecting customer behaviour toward unorganized fast food restaurants in India. The study also looked at how the amount spent each visit to a fast food restaurant corresponds to the vocations and income of consumers.

According to Sonwaney and Chincholkar (2019) ^[9], the Internet has radically altered the conventional shopping process, which benefits both merchants and customers. Several elements stimulate and de-motivate customers throughout the online purchasing process, directing their purchasing intention. This research aims to discover the elements that influence online customer purchasing behaviour. This research also focused on non-metropolitan customers, who represent the future potential for e-retailers. A total of 78 samples were collected from cities classified as Tier III. The information was gathered via research questionnaires and then examined using different statistical techniques. Psychological and demographic characteristics have been discovered to have a major influence on consumer purchasing choices.

According to Mehta, Saxena, and Purohit (2020) ^[10], the COVID-19 pandemic is a critical scenario that pushes human behaviour in multiple ways, with certain parts of behaviour being irreversible. Because all aspects of the economy are inextricably interconnected with public health measures and lockdown, this produced in economic instability in the countries, indicating a shift in market

dynamics. Consumers are the drivers of market competitiveness, development, and economic integration in any market. Consumers' shopping habits are changing as a result of economic insecurity.

Rao, Hymavathi, and Rao (2018) ^[11] investigated the growth rate of online shopping, finding that women customers play a key role and influence purchasing behaviour. This research looks at the characteristics that impact female internet purchasing behaviour. A questionnaire was created with two parts: demographic parameters such as age, gender, education, and income (Part A) and elements that drive customers to purchase online (Part B). According to the findings, persons with lower income levels are regular internet customers.

He, Cai, Deng, and Li (2015) ^[12] investigated the variables that influence typical non-green consumer behaviour among Chinese consumers. Chinese customers. An empirical research was done with a geographically diversified sample of Chinese consumers, and a conceptual framework was constructed. The present study's conceptual framework was based on consumer choice theory and covered both economic and non-economic aspects. The research findings revealed that consumer choice, reference groups, and face perception have a considerably favourable influence on consumers' non-green purchase behaviour, but budget restrictions and social responsibility awareness had a considerably negative influence.

Sangroya and Nayak (2017) ^[13] investigated customers' attitudes regarding green energy. Such data would aid in the development of programmes to persuade customers to freely use green energy. The survey also demonstrates that customers are motivated by emotional and social factors in addition to financial concerns when deciding whether or not to use green energy. As a result, policymakers might develop pro-green energy programmes and public communications that appeal to consumers' feeling of duty and encourage them to freely choose green energy without relying on financial incentives.

Objectives

1. To know the Factors Affecting consumer buying motivations with economics perspective.
2. To know recent perspectives and future trends of consumer buying motivations.

Methodology

Present study is exploratory in nature. A survey method was used to collect the primary data from the respondents, for which a structured questionnaire was developed and used to validate the hypothesis of this study. A sample of 165 respondents has been considered. The sampling method was purposive sampling. Mean and t-test was applied to find out appropriate results of the study.

Findings of the Study

Table 1 shows that number of Male respondents are 52.73% and female respondents are 47.27%, respondents. Respondents Age below 35 is 32.12%, 35-50 are 26.67%, and above 50 are 41.21%. With reference to Marital Status, Unmarried are 52.73% and married are 47.27%. On the basis of education, undergraduate are 24.85%, graduate are 40.61% and post graduate are 34.54%. With reference to Income of consumers (Per Month), Below 20,000 are 16.36%, 20,000-80,000 are 47.88% and above 80,000 are 35.76%.

Table 1: Demographic profile of the respondents

Variables	Number of respondents	%age
Gender		
Male	87	52.73%
Female	78	47.27%
Total	165	100%
Age		
Below 35	53	32.12%
35-50	44	26.67%
Above 50	68	41.21%
Total	165	100%
Marital Status		
Married	87	52.73%
Unmarried	78	47.27%
Total	165	100%
Education		
Under graduate	41	24.85%
Graduate	67	40.61%
Post Graduate	57	34.54%
Total	165	100%
Income (P.M)		
Below 20,000	27	16.36%
20,000- 80,000	79	47.88%
Above 80,000	59	35.76%
Total	165	100%

Table 2: Factors Affecting consumer buying motivations with economics perspective

Sr. No.	Statements	Mean Score
1.	Purchase behavior of consumer is directly linked with funds availability.	4.41
2.	Consumer’s economic condition influences its decisions in purchasing and selection of product.	4.24
3.	Consumer purchase decision depends on their net income.	3.71
4.	Savings and Consumer credit are significant factor in purchase of products	4.13
5.	Companies make strategies based on consumer behavior on spending money and saving money.	3.65
6.	Economic factors like Personal individual Income and overall family income influence purchase behavior	4.35
7.	Inflation, slowdown, government policies etc are external economic factors influencing consumer behavior	4.11
8.	Due to economic instability consumers experience transformation in purchasing behavior.	4.37

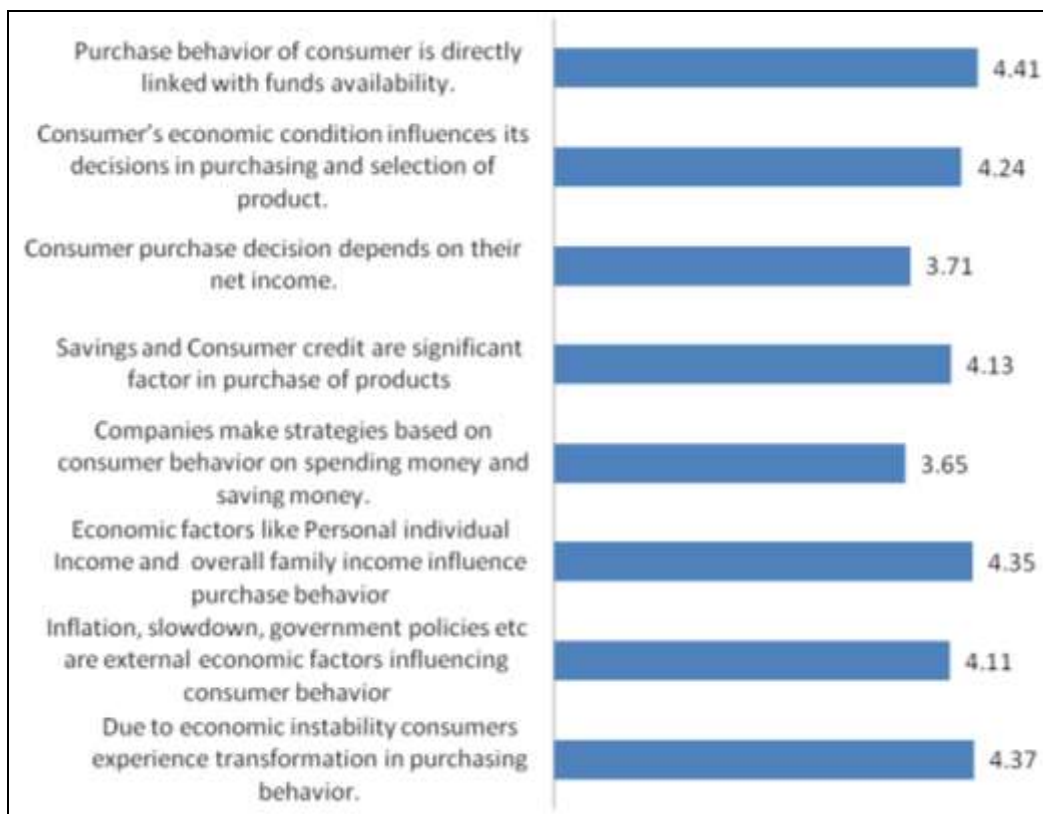


Fig 1: Factors Affecting consumer buying motivations with economics perspective

Table 2 and Figure 1 shows the Mean value for the statements with reference to the “Factors Affecting consumer buying motivations with economics perspective”. The highest mean value was observed for the statement that “Purchase behavior of consumer is directly linked with funds availability” the mean value is 4.41 followed by “Due to economic instability consumers experience transformation in purchasing behavior” with a mean value of 4.37 and “Economic factors like Personal individual Income and overall family income influence purchase behavior” with a mean value of 4.35. The statement “Consumer’s economic condition influences its decisions in

purchasing and selection of product” also got a good mean value of 4.24, which is followed by “Savings and Consumer credit are significant factor in purchase of products” with mean value of 4.13 and “Inflation, slowdown, government policies etc are external economic factors influencing consumer behavior” having a mean value of 4.11. Two statements showed a mean value of much below 4, and the statements are “Consumer purchase decision depends on their net income” and “Companies make strategies on the basis of consumer behavior on spending money and saving money” having the mean value of 3.71 and 3.65 respectively.

Table 3: Factors Affecting consumer buying motivations with economics perspective

Sr. No.	Statements	Mean Score	t Value	Sig
1.	Purchase behavior of consumer is directly linked with funds availability.	4.41	11.895	0.000
2.	Consumer’s economic condition influences its decisions in purchasing and selection of product.	4.24	9.097	0.000
3.	Consumer purchase decision depends on their net income.	3.71	2.518	0.006
4.	Savings and Consumer credit are significant factor in purchase of products	4.13	6.451	0.000
5.	Companies make strategies on the basis of consumer behavior on spending money and saving money.	3.65	1.612	0.054
6.	Economic factors like Personal individual Income and overall family income influence purchase behavior	4.35	10.301	0.000
7.	Inflation, slowdown, government policies etc are external economic factors influencing consumer behavior	4.11	7.681	0.000
8.	Due to economic instability consumers experience transformation in purchasing behavior.	4.37	12.116	0.000

Table 3 shows that all the above statements with reference to the Factors Affecting consumer buying motivations with economics perspective are found to be significant, as the t-value for all the statements are positive and significance value is less than 0.05.

Conclusion

To get customers in a successful consumer-oriented market, service providers need operate like psychologists. The consumer's economic status has a significant impact on his purchasing habits. Consumer purchasing behaviour refers to the selection, acquisition, and consumption of products and services in order to satisfy their desires. Consumer behaviour is comprised of many processes. Personal income, family income, income expectations, savings, liquid assets of the consumer, consumer credit, and other economic variables affects consumer behaviour. Things may be made more favorable by keeping influencing elements in mind, and the objective of customer satisfaction may be reached. The study of customer purchasing behaviour is the key to market success.

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