

**A STUDY ON CONSUMER BEHAVIOUR
(With reference to V.B factors)**

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ABSTRACT

Due to various influencing factors to low-income consumers in the market place we have taken only Veblenian socio-psychological factors (culture, sub-culture, social class, reference group and family) to measure its impact on consumer behavior while making a purchase decision in the present study. Multi-stage stratified disproportionate random sampling technique was employed for sample selection. We could find that the consumers are mostly being influenced by social class and family out of five above mentioned factors.

Keywords : Consumer Behaviour, Influencing Factors, Veblenian Factors, Motivational Factors

Veblenian socio–psychological model

The theories discussed above stressed the behavioral aspects pertaining mainly to economic and personality variables. But in reality, the personality variables are governed by the social and cultural norms which the society has and in which consumer is living. Therefore social influences exert great pressure to mould and direct individual behaviour.

Thorstein Veblen saw man as primarily a social animal conforming to the general forms and norms of his larger culture and to the more specific standards of the sub cultures and face to face group to which his life is bound. His wants and behaviour are largely moulded by his present group memberships and the group memberships to which he aspires. The basic theme is that man's attitudes and behaviour are influenced by several levels of society, culture, sub-culture, social classes, reference groups, face to face groups and family. The challenge to the marketer is to determine which of these social levels is most important in influencing the demand for his product.

(i) *Reference groups*

The key concept is that the reference group or social body with which an individual identifies himself and whose standards of behaviour he/she accepts and adheres to, exerts a significant influence on the individual behaviour. Most people have several reference groups like family, friends and church. Civic groups are groups in which the individual has no membership but with which he wants to identify himself. Many young boys identify with cricket players and many young girls identify with some stars. The activities of these popular heroes are carefully watched and frequently imitated. These reference groups may serve as points of comparison and as sources of information for a person. Consumers may change their behaviour to be more in time with the action and beliefs of group members. May be, this is the reason why even today marketers are using the line and sports stars in their advertisements. For example, lux almost uses only cine actresses, vimal and digjam use cricket players and for shaving cream and for "vigil" and "cinthol" soap, godrej has advertised through sports stars only.

(ii) *Culture* This concept includes a set of learned beliefs, values, attitudes, habits and forms of behaviour that are shared by society and are transmitted from generation to generation within that society. Each society develops a union culture or learned way of

life, which it hands down to future generations. Culture is maintained by society's transmission of customs followed and moves through the process of accumulation and socialisation. These processes are similar to those employed by small groups in ensuring normative behaviour of members, how we act towards others, what is important to us, what we wear, eat and otherwise buy and consumers are greatly influenced by our culture.

Since culture greatly affects buyer behaviour pattern, it is of obvious importance to marketers. If the behaviour pattern of cultures is stable and unchanging, the net effect for marketers will also be stable. However, the behaviour of culture tends to be dynamic rather than static, especially in fast pace modern societies. In addition, the marketer's job is made more difficult because numerous sub-culture and contra cultures are part of most modern societies.

- (iii) *Sub-culture* Sub-Culture is a distinct cultural group existing within a larger culture. The members of a sub-culture tend to adhere to many of the cultural moves of overall society, yet they also profess beliefs, values and customs which set them apart. An understanding of sub-culture is important to marketing managers because the members of each sub culture tend to show different purchases behaviour pattern.
- (iv) *Social class* One important social group is social class. Every society stratifies its members into social classes according to their values to the society. The members of social class share common values and ways of thinking, speaking and behaving. Their influence on the individual is often so broad and subtle that he is hardly aware of it. Yet social class has much to do with his behaviour as to show where he fits into society and the way he feels about them all reflect the influence of his social class characteristics and how they influence consumer behaviour. Armed with this knowledge, the marketer can create marketing mixes designed to appeal to social classes differences.

- (v) *Family* The family influences affect individual's personality characteristics. As a primary group the family is perhaps the ultimate face to face interaction and from the individual consumer's point of view, it differs from larger Reference groups, in that family members must satisfy their unique and joint consumption needs from a common and relatively fixed amount of financial resources. Then, the family influences individual personality characteristics, attitudes and values as well as the decision processes utilised in the purchase of goods and services. Family structure or behaviour of nuclear family members at each stage in the decision making process is of fundamental importance to marketers.

One person in the family acts as a family purchasing agent. But the purchasing agent is not necessarily the family decision maker. Decisions on what to buy often result from complex social interactions among several family members. The shops for the children and home, for more experience items both wife and husband are involved in the buying decision. The roles may vary considerably depending on the type of purchases. Although each family behaves differently, marketers can learn how families typically decide and shop for different products, so that they can tailor their marketing to fit the general pattern.

Thus, the model views consumer as a social man trying to adopt the social norms and culture. Therefore, marketers may aim at understanding these social phenomena as it would make their marketing strategy more logically meaningful.

Objective

To investigate the motivational factors from V.B. factors those are influencing the behavior of consumers while making a purchase decision.

Methodology

Convenience sampling and multi-stage stratified disproportionate random sampling techniques were adopted in sample selection. Accordingly Kadapa district was selected as sample district. The total sample consists of 255 families. Chi-square analysis, factor analysis; averages were taken as tools for data analysis.

Empirical analysis of the data

The actual survey with regard to the opinions derived from the respondent families' numbering 255 in Kadapa district of Andhra Pradesh. The opinions are elicited from them through the execution of a questionnaire with a set of 33 close ended questions that are targeted at respondents to get answers and opinions with regard to their cultural, social and economic behaviour in their purchases of both durable and non-durable products and services.

Table 5.5: distribution of respondents according to their occupation and reference groups

Sl. No.	Occupation	Number of respondents	No. of respondents influenced by					
			Family	Friends	Co-workers	Religious groups	Trade union	Others
1.	Govt. employee	12	04	03	03	01	-	01
2.	Pvt. employee	65	26	09	15	03	09	03
3.	Agricultural labour	112	60	14	20	07	-	11

4.	Cultivators	16	04	02	02	03	01	04
5.	Business	20	06	03	03	04	02	02
6.	Others	30	08	06	06	03	01	06
	Total	255 (100%)	108 (42.35)	37 (14.50)	49 (19.21)	21 (8.23)	13 (5.09)	27 (10.58)

- Source: Field data ($\chi^2 = 23.463$ P =0.1019)
- Figures in parentheses indicate percentage to total.

(There is no association between occupation and influencing reference group while making a purchase decision, and hence, the hypothesis 3 'there is no association between the occupation and reference group while making a purchase decision' is accepted)

It is clear that out of 255 respondents, 108 respondents said that the 'family' was the first influencer as a reference group. Around 49 respondents indicated 'co-workers', 37 respondents 'friends', 27 respondents cited 'others', 21 respondents 'religious groups' and 13 respondents 'trade union' as the influencers while making a purchase decision.

Table 5.12: distribution of respondents as per their income per year and cultural factors.

Sl. No.	Income per annum	Number of respondents	No. of respondents influenced by			
			Values	Beliefs	Customs and	Others

					practices	
1.	Rs.15000-30000	27	05	07	05	10
2.	Rs.30000-45000	72	10	22	14	26
3.	Rs.45000-60000	81	19	24	27	19
4.	Rs.60000-75000	36	06	11	07	12
5.	Rs.75000-90000	19	05	07	06	01
6.	Rs.90000 -120000	12	03	04	03	02
	Total	255 (100%)	48 (18.82)	75 (29.41)	62 (24.31)	70 (27.45)

- Source: Field data ($\chi^2 = 13.99$ P = 0.3011)
- Figures in parentheses indicate percentage to total.

(There is no association between family's income and their cultural influencing factor during the purchase decision, and hence, the hypothesis 10 'there is no association between the income of the respondents and cultural factors while making purchase decision' is accepted)

It may be drawn from the above analysis, out of 255 respondents, majority of it i.e., 75 (29.41%) gave first priority to 'beliefs', 70 respondents (27.45%) to 'others', 62 respondents (24.31%) 'customs and practices', and 48 respondents (18.82%) to 'values'.

Table 5.20: Educational distribution of respondents according to their influencing sub cultural factors while making a purchase decision

Sl.	Literacy level	Number of	No. of respondents influenced by
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No.		respondents	Religious factors	Racial factors	Geographical factors	National factors	Other factors
1.	Illiterate	57	15	20	07	01	14
2.	Primary	74	22	27	13	02	10
3.	Secondary	67	20	15	10	08	14
4.	Graduates	13	03	02	02	03	03
5.	Post-graduates	06	02	01	01	01	01
6.	Technical and other qualification	38	10	08	05	02	13
	Total	255 (100%)	72 (28.23)	73 (28.62)	38 (14.90)	17 (6.66)	55 (21.56)

- Source: Field data $(\chi^2 = 13.523 \quad P = 0.332)$
- Figures in parentheses indicate percentage to total.

(Since, the calculated value is greater than the critical value, it is found that there is no significant association between the two variables, and hence, the hypothesis 18 'there is no association between literacy level and their influencing sub-cultural factors' is accepted)

It is learnt irrespective of their education level that most of the respondents (28.62%) gave priority to 'racial factors', 72 respondents (28.23%) to 'religious factors' 55 respondents

(21.56%) to 'other', 38 respondents (14.90%) to 'geographical factors' and lastly 17 respondents (6.66%) to 'nationality'.

Table 5.31: Distribution of respondents according to the family consumption expenditure and influencing family member while making a purchase decision

Sl. No.	Family consumption expenditure per year	Number of respondents	No. of respondents influenced by					
			Father	Mother	Both	Children	Others	All

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1.	Below Rs.20000	15	05	03	04	01	01	01
2.	Rs.20000- 30000	74	30	13	18	06	02	05
3.	Rs.30000- 40000	72	28	12	15	04	06	07
4.	Rs.40000- 50000	50	15	10	08	03	04	10
5.	Rs.50000- 60000	26	06	05	03	02	04	06
6.	Rs.60000 and Above	18	06	02	02	03	02	03
	Total	255 (100%)	90 (35.29)	45 (17.64)	50 (19.60)	19 (7.45)	19 (7.45)	32 (12.5 4)

- Source: Field data

($\chi^2 = 15.247$ P = 0.228)

- Figures in parentheses indicate percentage to total.

(There is no association between family consumption expenditure and their influencing family members during the purchase decision, and hence, the hypothesis 29 'there is no association between the consumption expenditure and the influencing family members' is accepted)

It is learnt that, majority of the respondents (35.29%) cited 'father' as their family's influencing factor, 50 respondents (19.60%) 'both', 45 respondents (17.64%) 'mother', 32 respondents (12.54%) 'all', and 19 respondents (7.45%) each mentioned 'children' and 'other' as their reference groups.

Table 5.39: Distribution of respondents as per their age and influencing social class factors while making a purchase decision

Sl. No.	Age	Number of respondents	No. of respondents influenced by				
			Income	Occupation	Asset value	Literacy level	Others
1.	15-25 years	33	12	04	06	03	08
2.	25-35 years	102	38	17	20	07	20
3.	35-45 years	74	24	12	16	06	16
4.	45-55 years	32	10	05	08	03	06
5.	55 and above	14	03	02	04	02	03
	Total	255 (100%)	87 (34.11)	40 (15.68)	54 (21.17)	21 (8.23)	53 (20.78)

• Source: Field data

($\chi^2 = 2.973$ P = 0.995)

- Figures in parentheses indicate percentage to total.

(There is no association between age and their influencing social class factors during the purchase decision, and hence, the hypothesis 37 'there is no association between the age and social class factors of the respondents' is accepted)

On the overall observation it can be concluded that most of the respondents (87) covering 34.11% to 'income', while 54 respondents (21.17%) mentioned 'asset value', 53 respondents (20.78%) 'others', 40 respondents (15.68%) 'occupation' and only 21 respondents (8.23%) chose 'literacy level'.

Table 5.40: Veblenian socio-cultural factors and their association while making a purchase decision

Sl. No	Veblenian factors	Initials	Communalities
1	Reference group	1.000	0.894
2	Culture	1.000	0.906
3.	Sub-culture	1.000	0.936
4.	Family	1.000	0.903
5	Social class	1.000	0.943

Extraction method: Principal component analysis.

- Sources: Field data

The five Veblenian socio-cultural factors include 'reference group', 'culture', 'sub-culture', 'family', and 'social class', with high communalities of 0.894, 0.906, 0.936, 0.903, and 0.943 respectively. This indicates that the factors have high degree of association among themselves.

It may be concluded that the consumers who were influenced by any of these factors were also influenced more or less by the remaining factors.

Table 5.41: Veblenian socio-cultural factors and their relative importance in the purchase decision

Sl. No	Veblenian factors	Total	% of explained variance	% of Cumulative variance
1.	Income level	5.341	79.296	76.296
2.	Reference group	1.046	14.942	91.238
3.	Culture	0.276	3.943	95.180
4.	Sub-culture	0.122	1.399	98.329
5.	Family	9.795E-02	1.399	98.329
6.	Social class	6.623E-02	0.946	99.276
7.	V.B. factors	5.071E-02	0.724	100.00

Extraction method: Principal component analysis.

- Sources: Field data

From the table 5.41 it is clear that 'income level' has high relative importance of 79.296% variance out of 7 variables of the underlying factors. It is the most influencing factor while making a purchase decision, followed by culture, sub-culture, family, social class and V.B. factors with 14.94%, 3.94%, 1.40%, 1.40%, 0.946% and 0.724% of variances respectively.

SUMMARY OF FINDINGS AND SUGGESTIONS

1. *Association between reference groups and occupational categories of sample buyers*
Finding

There is variation in the influencing reference groups of Government employees, private employees and agricultural laborers when compared to that of cultivators, business people, and others. The reason is that the cultivators, business people and others have got more interaction with the society when compared to other occupations. It is clear that the 'family' (42.35%), 'co-workers' (19.21%), 'friends' (14.50%), and 'others' (10.58%) were the main influencing reference groups among various occupational categories during their purchase decision.

Reason

Low-income consumers of scheduled castes take into account the suggestions of 'family members', 'upper castes people', 'co-workers', 'friends' and 'others' as mentioned in the table.

Suggestion

While producing and selling the goods and services the producers and marketers should consider the nature and views of 'families', their 'co-workers', 'friends' and 'others' in the society, since they act as reference groups of consumers from scheduled castes.

2. *Association between the respondents' income and their influencing cultural factors while purchasing goods and services*

Finding

The order of influencing cultural factors were: 'beliefs' (29.41%), 'others' (27.45%), 'customs and practices' (24.31%), and 'values' (18.82%) consecutively. That means, according to the income level of the families their cultural factor is also changing.

Reason

Low-income people of scheduled castes believe in the sayings of their elders and traditional beliefs like wearing new dress and purchasing new goods during traditional festivals and other ceremonies etc,

Suggestion

It is suggested that the marketers and producers should consider the 'beliefs' and 'other factors' of all income groups in marketing their goods and services to the people of scheduled castes.

3. *Educational distribution of respondents according to their influencing sub- cultural factors while making a purchase decision*

Finding

It is clear that most of the respondents gave their priority to 'racial factors' (28.52%) and 'religious factors' (28.23%). Followed by 'others factors' (21.56%), 'geographical factors' (14.90%) and 'national factors' (6.66%) as sub-cultural factors influencing their

purchases. Hence, there was variation in sub-cultural factors of below graduation and above graduation.

Reason

It is found that the respondents have got relations buyers with Christianity which has got its impact on their behaviour.

Suggestion

It is suggested the marketers and producers consider the 'religious', 'racial and 'other' sub-cultural factors in appealing their buyers with appropriate models.

4. *Distribution of respondents according to the family consumption expenditure and influencing family member while making a purchase decision*

Finding

Irrespective of their consumption expenditure, most of the respondents were primarily influenced by 'father' (35.29%), followed by 'both' (19.60%), and 'mother' (17.64%). As the income increase, this preferences got dissipated towards 'all'

Reason

Since, the respondents are dependent financially; they did depend on their elders.

Suggestion

It is suggested the producers and marketers concentrate on the differences in the suppositions of the respondents whose consumption expenditure is more than Rs.40000 while producing and marketing goods and services.

5. *Distribution of respondents as per their age and influencing social class factors while making a purchase decision*

Finding

It is found that most of the respondents responded in favor of 'income' (34.11%), 'asset value' (21.17%), 'others' (20.78%), 'occupation' (15.68%), and 'literacy level' (8.23%) irrespective of their age. They moved towards asset value when they were middle and above middle-aged.

Reason

Most of the householders fell in the age group of 25-45 years, other groups followed their reason.

Suggestion

It is suggested the producers and marketers take the opinions of the people, whose age is between 25-45 years.

6. *Veblenian socio-cultural factors and their association while making a purchase decision*

Finding

It is found that the social class and sub-culture have a very close association among themselves over other factors. However, all the factors had high degree of association among them.

Reason

As most of them belonged to the least income consumers, they did not prefer factors other than 'income' while making a purchase decision.

Suggestion

It is suggested the producers and marketers consider the cultural, sub-cultural factors along with the social class of the people while producing and marketing the goods and services.

7. *Veblenian socio-cultural factors and their relative importance in their purchase decision*

Finding

It is found that the 'income level' of the low-income consumers influenced their purchase decision. But among the Veblenian Socio-cultural factors; 'social class' and 'sub-culture' were the mostly influencing factors when compared to 'reference groups', 'culture' and 'family'. Hence, it is clear that the consumers who were being influenced by any one of the mentioned factors were also influenced more or less by the remaining factors.

Reason

As most of the scheduled caste consumers were low- income people, factors other than income did not influence them considerably.

Suggestion

In order to capture the new markets it is suggested the producers and marketers produce and market the goods and services to them based on their preference for 'income level'.

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