

Impact of Personal Determinants upon Purchase Decisions of Consumers

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Abstract

Marketing revolves around the identification and satisfaction of the consumer needs. The consumer needs can be better identified by knowing the consumers, their mind set and buying behavioral patterns. This improved understanding up roots the many problems stemming from lack of coherence between products and consumers' mind. The buying behavior of the consumer is determined by various personal, psychological and socio-cultural factors. The unique behavior of every individual is greatly determined by the various personal factors which include income, education, lifestyle and family life cycle. The marketers should draw important inferences by analyzing these factors and categorizing the customers in various segments. These inferences should in turn be translated in designing and implementing better marketing plans destined to meet the needs of these segments. All these attempts will lead to achieve the pan ultimate target of customer satisfaction. This customer satisfaction declares the success of marketing.

Keywords: Consumer behavior, personal factors, determinants, income, education, lifestyle, family life cycle

Introduction

Marketing starts with the identification of consumer needs and terminates with satisfaction of those needs. The satisfaction of the consumer is the root justification for the existence of any firm. Marketing revolves around creating consumers and in order to achieve this object, it is mandatory to know them and understand their buying behavioral patterns. Many of the marketing problems stem when there is lack of harmony between the products (or services or marketing programs) and consumers' mind. Hence, the analytical study of their mind or behavior becomes very important to harmonize the marketing programs with their needs.

In India increase in population coupled with huge diversity and the ever-expanding choices makes the constant study of consumer behavior a prerequisite for the marketers. William J. Stanton (Stanton, 2007) stated that, during formulation of marketing strategies for a particular product (or service) three factors are given prime importance viz., people with needs, their purchasing power, and their buying behavior. The buying behavior is determined by three group of factors namely psychological, personal and socio-cultural. This study focuses upon the personal factors as the crucial determinants of consumer' buying behavior. These include income, education, lifestyle and family life cycle. These factors determine the unique behavior of every individual.

Objectives of the Study

- To study the various components of personal factors.
- To underscore the influence of various personal factors on buying behavior.
- To highlight the impact of personal factors for marketing firms.

Review of Literature

K. Prasad (Prasad, 2016) ^[1] examined the various determinants of consumer's buying behavior. He observed that the buying patterns and habits of consumers slowly but significantly change over their life span. Lifestyle research helps marketers in positioning the specific products and services to different market segments more effectively.

Sunday C. Eze and Bello Adenike O. Bello (Bello, 2016) ^[1] opined that consumer buying behavior is significantly influenced by the income. The income of the consumer determines their ability to purchase. Any change in an individual's income also affects the quality and quantity demanded for a products or service. The study further observed that the consumer generally analyzes their buying capacity before making a purchase decision.

Mojtaba Nouraie, Hamid Yari Moorineh and Jamshid Kordi (Mojtaba Nouraie, 2017) ^[7] performed a study to investigate the effect of personal factors on the customers' purchase decisions. Age, life cycle stage, job, economic situations, lifestyle, personality and self-concept are considered major personal factors. The study opined that age, life cycle and economic conditions have been effective on the consumers' buying decisions.

Pratiwi O. S. Pimani, James D. D. Massie and Maria V. J. Teilung (Pratiwi O. S. Pimani, 2017) ^[12] concluded that age, life cycle stage, occupation, economic conditions and lifestyles have a significant influence upon the purchase decision for the shoe products. The study further recommended that the economic situation is one of the motivating factors to purchase the shoe products and thus, marketers should design their strategy by considering the economic condition of their prospective consumers.

Fazalur Ur Rehman, Rosman Bin Md Yusoff, Shafie Bin Md Zabri and Fadillah Binti Ismail (Fazalur Ur Rehman, 2017) [2] examined the determinants of personal factors and their influence on the buying behavior of the consumers with the intentions of sale promotion. They observed that the consumer prefers the change in the consumption and buying of goods and services with the passage of time. For instance, the upper age group consumer may avoid sugar in order to minimize the risk of health problems. Lifestyle of the consumers which reflects in their interest, values and opinions also have an impact on the purchase behavior.

Amit Kumar (Kumar, 2019) [6] conducted a study on "Factors influencing consumer behavior". Consumer behavior is complex and unpredictable. Depth study of multidimensional factors viz., cultural, social, personal and psychological provides insight into product, pricing, retail and advertising strategies. It unearths useful information to help marketers in the selection of target markets.

Components of Personal Factors

1. Income

Income is the most important economic factor because it indicates the capacity of the consumers to purchase the products. Mere the desire for something, does not translate itself in consumer action. Thus, it is the income which determines the purchasing power of an individual which in turn results in purchasing action. Income also influences the various consumption patterns.

Disposable income is the money someone has to spend on all of his/her life's necessities or to save, invest or dispose in other manner after the tax deduction. In addition to removing taxes from an individuals' disposable income, discretionary income also removes the money he/she will spend on necessary living expenses such as food, housing and clothing. This discretionary income is what the consumer spends on non-essential items. For instance, a consumer will be diverted towards purchasing luxury items as discretionary income increases. So the marketers are required to customize products and prices keeping in view the disposable as well as discretionary income levels of different market segments.

2. Education

Education widens a persons' horizon, refines his taste and makes his outlook more cosmopolitan. (R. K. Kothari, 2009) It is considered one of the major factors affecting an individuals' behavior, cognition and motives. Higher education heightens the aspiration, reinforces existing knowledge, and opens up new avenues for an individual. Educated persons have more rational while less impulsive purchase decisions compare to non-educated persons. They show great interest in product quality, reliability and potentials. Furthermore, a high educational level broadens the individuals' awareness of world event as well as new developments related to materials, production methods and products. It also enables him to read articles and bulletins and obtain more information on the products that interest him.

3. Lifestyle

Lifestyle of the consumer refers to the manners in which time and money is spent. (Solomon, 2005) [15] In other words, it can be defined as person's pattern of living in the world which is expressed in activities, interest, opinions and demographics.

Table 1: Lifestyle dimensions

Activities	Interests	Opinions	Demographics
Hobbies	Family	Themselves	Age
Work	Home	Social issues	Education
Social events	Community	Politics	Income
Community	Recreation	Business	Occupation
Shopping	Job	Economics	Family size
Entertainment	Fashion	Education	Dwelling
Sports	Food	Products	Geography
Vacations	Media	Future	City size
Club membership	Achievements	Culture	Stage in life cycle

It portrays how the individual interacts with the environment. (Kotler, 2003) Persons from similar culture, social class and occupation may live quite different lifestyles. For instance, one consumer might prefer the outdoor activities compare to another who might prefer to surf the web. A lifestyle marketing perspective recognizes that people sort themselves into groups on the basis of the things they like to do and how they like to spend their leisure time.

4. Family Life Cycle

Family life cycle is one for the critical determinants of buying behavior. Families pass through various stages as shown in table. There is considerable period for which a stage lasts in family life cycle. (Roger D. Blackwell, 2003) [14] At each stage the need of the family is substantially different for various products and services. Hence, this change, even though substantial, persists in steady manner for pretty good duration. This difference should be captured sharply by the marketers to fulfil the needs of the family as well as to achieve the targets of firms.

The family life cycle can be divided into following stages:

Table 2: The family life cycle stages

S. No.	Stage	Characteristics	Buying Patterns
1.	Bachelor	Young single people	In the bachelor stage personal need focuses upon clothing, entertainment, fashionable and personal care products.
2.	Newly Married couples	Young married couples without children	Couples in this stage tend to spend a substantial amount of their income on cars, clothing, vacations and other leisure activities.
3.	Full Nest I	Young married couple with children	In the full nest-I the priority shifts towards their children by spending more on their clothes, food and medical services.
4.	Full Nest II	Married couple with dependent children.	Family spends more on educational activities of their teenaged or college going children.
5.	Empty Nest	Older married couples with no children living with them	The needs of older married couple is health oriented. Large portion of income is spent towards maintaining good health, travelling, exercising and volunteering.
6.	Older Single	One fellow is departed	Expenditure is incurred on health and sickness care. Lone individuals in this stage have special needs for care, attention, affection and security.

Impact of Various Personal Factors

Income being one of the major determinants influencing the purchasing pattern, plays a vital role in defining individuals' consumption and purchase behavior. The buying tendency of consumers strongly correlates with their income. In the process of planning, the marketers segment the market on the basis of income assuming the existence of proportionate relationship between a person's income and his consumption characteristics. (Nair, 2013) ^[9]. The marketers also analyze their ability or inability to buy a particular brand, product or service. Marketing companies may design suitable and attractive pricing policies keeping in view the disposable income of these segments. Income modulates affordability which in turn shapes the purchase decision. The quality as well as the quantity of the bought products, is affected by the income. Escalation of income paves the path to purchase the latest and most useful products. High income class has a natural tendency to spend on costly and branded products compare to lower income class who buys greater proportion from the unorganized retail sector. (Panda, 2009) ^[10].

Consumer behavior is greatly affected by the level of education. The rise in education generally leads to rise in income and accordingly choice of purchase as well as saving changes. This also makes the consumer more demanding. Education inculcates the awareness regarding the utility of the products. (Gupta, 2007) ^[3] As the education level rises, they prefer more useful and quality products. Even they seek more information and analyze the qualities beforehand.

Lifestyle plays a crucial role in conforming the buying behavior of the consumers. Each consumer bears a unique lifestyle. That's why the two consumers of even same age, gender, education, personality and so on, still have great difference in purchase behavior. Analysis of the lifestyle helps understanding the manner of expenditure of money and time, interest paid in various products, attitude and opinion. (Kazmi, 2004) ^[4] According to the marketers, the buying behavior of an individual will depend upon his perception of whether the brand matches with his lifestyle. If a brand is perceived suitable to his lifestyle, the brand would be likely purchased, otherwise not. Thus, the market managers constantly attempt to design the novel marketing strategies to suit the lifestyle of the consumers.

By combining various valuable variables in one parameter i.e. age, income, marital status, and family size, the family cycle inherently has a deep impact on buying behavior. Family life passes through the various complex stages. Each life cycle is different from the previous stage in terms of set up, structure, financial requirement, services needed, product preferences and consumption pattern. (Nair, Consumer behavior in Indian Perspective: Text and Cases, 2013) ^[8] People buy variety of products and services over the life span which is greatly determined by family life cycle stage. Purchase behavior of a bachelor is different from a couple with a new born which is again different from an older couples and so on. Thus, marketers should plan the packing of the products and services keeping in mind the stage of family cycle as well.

Conclusion

The real life story of any marketing firms begins with how exactly it identifies the need of its customers. Needs lead to the purchase decision and actions. The need and purchase patterns are affected by various determinants including a variety of personal factors. These include income, education, lifestyle and family life cycle. The analysis of these factors by marketing firms will lead segment the market in various

strata. As the need of each strata is now well known, the firms should evolve novel strategies to fulfill these needs. Constant and dedicated efforts will definitely bring the ultimate satisfaction level of each stratum.

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