

The Psychological and Socio-economic Status of the Clientele: Its impact upon the sale's value of the product.

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Abstract

In the present corporate culture, the socio-economic status coupled with the psychological approach of the consumer is the defining indicators in determining the sale value of every product. The selection and the purchase of any product reflect the social and the psychological profile of the customer. Presently, in the economic perspectives, the society is bifurcated in different status. The ultra-rich class, the rich, the middle class and last but not the least there is a class of the society who visits the market rarely. Every class among the mentioned prefers to purchase the product according to their lifestyle. Accordingly, even the outlet of different brands bears different price tags in the different markets. In this regard, it has been observed that the customers opt for that market which matches his/her lifestyle. This entire phenomenon manifests the socio-economic status and ultimately the behavior of the clientele.

Keywords: Consumer Buying Behavior (CBB), Psychological & Socio-economic factors

1. Introduction

The sale value of the product can only be enhanced when the marketer will be able to comprehend the moods and the status of the client. The phenomenon of the consumer buying behavior (CBB) is very important to the marketers because it enables them to understand and predict buying behavior of consumers in the marketplace; it is concerned not only with what consumers buy, but also with why they buy it, when and where and how they buy it, and how often they buy it, and also how they consume it and dispose it. Consumer research is the methodology used to study consumer behavior; it takes place at every phase of the consumption process: before the purchase, during the purchase and after the purchase. Research shows that two different buyers buying the same product may have done it for different reasons; paid different prices, used in different ways e, have different emotional attachments towards the things and so on.

The psychological factors helps marketers to understand why and how consumers behavior as they do. In particular, concept such as motivation and personality; perception, learning, values, belief, and attitudes, and lifestyle are useful for interpreting buying process and directing marketing effort (Berkowitz & Rudilius, 1989:96). Sociocultural influences, which evolve from a consumer's formal and informal relationships with other people, also exert a significant impact consumer behavior. This involves personal influence, reference group, the family, social class, culture and subculture.

1.1 Statement of the problem

This is age of high competition. The customer/client/consumer is the king of market. This trend create a sense of 'Do or die', 'Sink or float' for the marketer. This research study is aimed at identifying major psychological factors affecting the buying behavior of an individual.

1.2 Objectives of the study

Following are the objectives of the study.

1. To highlight the main psychological factors affecting of an individual buying behavior.
2. To find out the impact of demographic variables upon research variables.
3. To identifying the one of the main psychological factors that really affect individual buying behavior.

1.3 Significance of the study

Following are the significance of the study.

1. This study was highlight psychological factors affecting the buying behavior.
2. This study was identifying some barrier for consumer buying behavior.
3. This study will provide guidance to future researchers who want to conduct research on similar topics.

1.4 Hypothesis of the study

Demographic background of the respondents and research variables are independent to each other.

2. Review of Literature

2.1 Existing research

Consumer behavior focuses on how individuals make decision to spend their available resources on consumption (Schiffman & Kunuk 2004:8). The decision processes and physical activity of individuals (Ludon & Albert, 1976:5). (Mason & Ezell 1987:55) argues that actions before and after purchase. The mental and social process

that precede and follow the action of purchasing and using of products and services (Berkowitz & Kerin 1989:90) How individuals satisfy their needs by use of goods and services. (Kotler & Keller 2005:173) identifies the behavior of individuals for private consumption. (Parakash Mather 2005:35). Consumer behavior is based on the activities leading to the acquisition and use of goods or services, including decision-making processes that determine a purchase (Solomon Michael, 2007).

Consumer behavior is consists of two elements.

Consumer: Consumer can be defined as “A person who buys the goods or services for their own uses.” Another definition of consumer is that “A body that uses the product of any types is called consumer.”

Behavior: The action or reaction of something (as a machine or substance) under specified circumstances; "the behavior of small particles can be studied in experiments"

2.2 Consumer behavior

According to the world dictionary Consumer behavior is define as” the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs”. Consumer behavior focuses on how individual make decision to spend their available resources (time, money, effort) on consumption related items that includes what they buy, why they buy it, when the buy it, where they buy it, how often they buy it, how often they use it.

2.3 Importance of consumer behavior

The most important reason companies studying consumer behavior is because of the central role it plays in consumer’s lives, much of the time people are thinking in the market by buying or related activities (Virgil, 2010). Besides, it is important to understand consumers in order to know about consumer behavior is most important for individual and marketer to purchase their product and services. One of the most important constants among all of us, despite our differences, is that above all we are consumer. We use or consume on a regular basis food, clothing, shelter, transportation, education, equipment, vacation, necessities, luxuries, services, and even ideas. As consumers, we play a vital role in the health of the economy- local, national, and international. In order to succeed in any business, and especially in today’s dynamic and rapidly evolving marketplace, marketers need to know everything they can about consumers what they want, what they think, how they work, how they spend their leisure time.

2.4 Psychological factors

Consumer behavior is influenced by: demographics, psychographics (lifestyle), personality, motivation, knowledge, attitudes, beliefs, and feelings. Consumer behavior concern with consumer need consumer actions in the direction of satisfying needs leads to his behavior of every individual depend on thinking.

2.4.1 Motives

To understand why consumer behaves as they do, we must first ask why a person acts all. The answer is, “Because he or she experiences a need.” All behavior starts with a need. Security, social acceptance, and prestige are example of needs. “Motive is a need must be sufficiently stimulated to move an individual to seek satisfaction.”(Alker & Santon, 2001:106). A motive is an integral energizing force that orients a person’s activities toward satisfying a need or achieving a goal (Abraham H. Maslow: 1970). Action is affected by a set of motives, not just one. If marketers can identify motives then they can develop a marketing mix.

2.4.2 Perception

A motivated person is ready to act. How the person acts is influenced by his/her own perception of the situation. All of us learn by the flow of information through our five sense; sight, hearing, smell, touch, and test .However, each of use receives, organizes, and interprets, this sensory information in an individual way. “Perception is the process by which an individual selects, organizes, and interprets information to form a meaningful picture of the world.” (Kotler & Armstrong 2006:147). We use the term perception to refer to “The personalized way we sense, interprets, and comprehend various stimuli” (William, 2006:147).

2.4.3 Values

Values represent personally or socially preferable modes of conduct states of existence that are enduring. According to (Kerin & Rudelius, 1989:100), the values play a central role in consumer buying decision making and related marketing action. When you evaluate cars, fuel economy (a product attributes) becomes important. If you believe a specific car has this attributes, you are likely to have a favorable attitude toward it. The term Values can be define as “Accumulated feelings and priorities that individual about “things” possession (Schiffman & kunuk 2004: 408).

2.4.4 Lifestyle

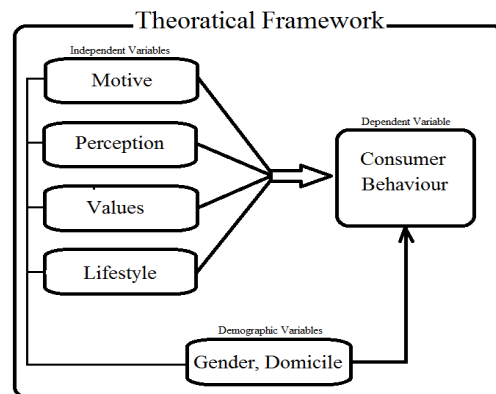
People coming from the same subculture, social class, and occupation may have quite different life-style. “Life style is a person’s pattern of living as expressed in his or her activities, interested and opinion.” (Kotler & Armstrong 2005:146). It involves measuring consumer major dimension activities (work, hobbies, shopping, sports, and social events), interest (food, fashion, family, reaction), and opinion (about themselves, social issues, and business products). Lifestyle capture something more than the person’s social class or personality. It profile a person’s whole pattern of acting and interacting the in the world.

2.5 Table of Extracted Variables

Variables	Definitions
Motives	Motive is a need must be sufficiently stimulated to move an individual to seek satisfaction Alker & Santon, 2001:106.
Perception	The process by which an individual selects, organizes, and interprets information to create a meaningful picture of the world Kotler & Armstrong 2006:147.
Values	Values represent personally or socially preferable modes of conduct states of existence that are enduring Kerin & Rudelius 1989:100.
Lifestyle	An individual’s way of life as shaped by his or her interest, attitude, and opinions Prakash Mathur 2005:159.

2.6 Theoretical Framework

Theoretical framework will be as under according to literature review:



2.4 Sub-Hypotheses

No	Hypotheses	Code
1	Gender changes the response on all variables.	H ₁ -H ₅
2	Domicile brings variation in the responses of students.	H ₆ -H ₁₀

2.4.2 List of sub hypothesis

- H₁: There is no difference between the views of males and females about motives.
- H₂: There is no difference between the views of males and females about perception.
- H₃: There is no difference between the views of males and females about values.
- H₄: There is no difference between the views of males and females about lifestyle.
- H₅: There is no difference between the males and females about consumer behavior.
- H₆: There is no difference between the views of local and non-local about motives.
- H₇: There is no difference between the views of local and non-local about perception.
- H₈: There is no difference between the views of local and non-local about values.
- H₉: There is no difference between the views of local and non-local about lifestyle.
- H₁₀: There is no difference between the local and non-local about consumer behavior.

3. Research Methodology

“A research design or research methodology is set up to decide on among other issue how to collect further data, analyze and interpret those data and, finally to provide an answer to the problem” (Uma Sekaran 1999,28). According to seltiz (1962:50) “Research Methodology is the arrangement of condition for collection and analysis

of data to combine relevance to the research purpose with economy in procedure.” So methodology is heart of research. The aspects concerned with the methodology of present study and entitled “Consumer Behavior” has been discussed in detail following in this chapter.

3.1 Approach

Approach means the fashion of conducting research. I have used the approach of survey to find the results. A survey is a research methodology common in social science. It is based on study of sample of population rather to study the whole population. A survey may refer to quantitative research, collecting quantitative information about the population.

3.2 Population & sample

The population is about the collection of all possible observations where finite or infinite relevant to same character of interest (Shyer Muhammad Chaudhry, 1994:03). Population is that set of individuals which is to be studied (Waller.A.Ray, 1979). All the students of the main campus Gomal University were the population of the study. It is small part of population which represents all the characteristic of population (Shyer Muhammad Chaudhry1994:03). A sample is a part or a subset of population. Generally it consists of some of the observation but in certain situation, it may include the whole of the population. Sample is that portion of population, which is chosen systematically. A sample of 30 students was taken by me to study the research population.

3.3 Methods of data Collection

Following data collection tools was used for the study.

3.3.1 Primary Data

Primary data was collected through the questionnaires.

3.3.2 Secondary Data

The secondary data was collected from books and internet and available literature.

3.4 Tools for Data Analysis

T-test was used for data analysis.

4. Findings of the study

4.1 Descriptive Analysis

4.1.1 Gender wise

Gender	Frequency	Percentage
Male	16	53.67%
Female	14	46.33%
Total	30	100%

4.1.2 Domicile wise

Domicile	Frequency	Percentage
Local	14	46.67%
Non-Local	16	53.33%
Total	30	100%

4.2 Inferential Analysis

4.2.1 Gender wise

(H_1)

Variable	D.F	T. tab	T. cal	Decision
V1	28	1.701	2.6989699	Reject

Analysis

T-test was used to compare the responses of males and females. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 2.6989699. Since the calculated value is higher than the tabulated value. Hence H_1 is rejected.

(H_2)

Variable	D.F	T. tab	T. Cal	Decision
V2	28	1.701	1.4333053	Accept

Analysis

T-test was used to compare the responses of males and females. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 1.4333053. Since the calculated value is less than the tabulated value. Hence H_2 is accepted.

(H_3)

Variable	D.F	T. Tab	T. Cal	Decision
V3	28	1.701	1.3314742	Accept

Analysis

T-test was used to compare the responses of males and females. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 1.3314742. Since the calculated value is less than the tabulated value. Hence H_3 is accepted

(H_4)

Variable	D.F	T. tab	T. Cal	Decision
V4	28	1.701	1.7025837	Reject

Analysis

T-test was used to compare the responses of males and females. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 1.7025837. Since the calculated value is higher than the tabulated value. Hence H_4 is rejected.

(H_5)

Variable	D.F	T. tab	T. Cal	Decision
V5	28	1.701	2.5393815	Reject

Analysis

T-test was used to compare the responses of males and females. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 2.5393815. Since the calculated value is higher than the tabulated value. Hence H_5 is rejected.

4.2.2 Domicile wise

(H_6)

Variable	D.F	T. Tab	T. Cal	Decision
V1	28	1.701	0.6268128	Accept

Analysis

T-test was used to compare the responses of locals and non locals. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 0.6268128. Since the calculated value is less than the tabulated value. Hence H_6 is accepted.

(H_7)

Variable	D.F	T. Tab	T. Cal	Decision
V2	28	1.701	1.6110176	Accept

Analysis

T-test was used to compare the responses of locals and non locales. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 1.6110176. Since the calculated value is less than the tabulated value. Hence H_7 is accepted.

(H_8)

Variable	D.F	T. Tab	T. Cal	Decision
V3	28	1.701	2.0800941	Reject

Analysis

T-test was used to compare the responses of locals and non locals. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 2.0800941. Since the calculated value is higher than the tabulated value. Hence H_8 is rejected.

(H_9)

Variable	D.F	T. tab	T. Cal	Decision
V4	28	1.701	0.9186517	Accept

Analysis

T-test was used to compare the responses of locals and non locals. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 0.9186517. Since the calculated value is less than the tabulated value. Hence H_9 is accepted.

(H_{10})

Variable	D.F	T. Tab	T. Cal	Decision
V5	28	1.701	1.688568	Accept

Analysis

T-test was used to compare the responses of locals and non locals. Using the level of significance of 0.05, the tabulated value of t for 28 degree of freedom is 1.701. The calculated value of t is 1.688568. Since the calculated value is less than the tabulated value. Hence H_{10} is accepted.

5. Discussions

This research was conducted to measure the Buying behavior of an individual. The quantitative data was collected about the different variables such as motives, perceptions, values and life styles. The data give varied results on these variables.

1. Findings of the study reveal that there is no significant difference between the responses of males and females about motives.
2. This study also reveals no difference of opinions between males and females about perception.
3. Results of the T-test highlight difference between the responses of males and females about values.
4. Results of the T-test highlight that no difference between the responses of males and females about Lifestyle.
5. This research also explains that there is no significant difference between views of males and females about consumer behavior.
6. The study reveals that there is difference between the opinions of locals and non-locals about motives.
7. The results of the study highlight that there is significant difference between the responses of locals and non locals about perception.
8. Findings of the study reveal that there is no difference between the responses of locals and non locals about values.
9. The results of the study highlight that there is significant difference between the responses of locals and non-locals about lifestyle.
10. The results of the study highlight that there is significant difference between the responses of locals and non-locals about consumer behavior.

6. Conclusions & Suggestions

6.1 Conclusions

T-test was used to measure the impacts of the demographic variables upon the research variables. To achieve the study objectives, 10 hypotheses were developed. The results show that there are no significant differences between the responses of males & females, locals & non-locals and about the motives, perception, values, lifestyle, and consumer behavior. Furthermore the study also reveals all the two demographic groups hold same opinion about the buying behavior of an individual. The results of the research highlight that one demographic group (domicile) is of the different perceptions about behavior of an individual.

6.2 Suggestions

1. Psychological factors should be known by the individuals because we purchase something in the market, these factors play a significant role in buying behavior.
2. Life style of the different areas of the people is different. So, the marketers should be known about the lifestyle of the consumer from different areas.
3. It is suggested that when buying behavior of individual is seem to weak on certain product, the advertising should stress product attributes, price, quality and advantages over competing products on the other hand when consumer behavior is operative, the advertiser should stress the kinds of people who buy and use the product the strategy of advertisers should.
4. The research shows that when individual buy the product they perceive the quality and pricing of the product. So the marketers should develop the product according to the consumer's needs and wants.

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