

# A Critical Study on Factor Influencing Consumer Decision Making

Vipin Rawat, Research Scholar, Jiwaji University, Gwalior, M.P., India.

Dr. S. S. Bhakar, Vice Chancellor, ITM University, Gwalior, M.P. India.

**Abstract** - This critical study is an attempt to analyse the factors influencing decision of consumer in regard to various durable and non-durable goods. Durable goods are those goods which are not purchased frequently while non-durable goods are purchase frequently. It is very important to know factors for the company to apply their marketing strategies effectively. In this study various factors are analysed to know the factors effecting. For the purpose of study primary data have been collected with the help of questionnaire and various statistical tools have been applied. Our finding suggested that consumer decisions are influenced by various personal factors.

**Keywords:** Consumer Behaviour, Decision Making, Factors, Personal Factors

## I. INTRODUCTION

This is very important in changing and dynamic business environment to understand the power of retailers and demand of customer which is growing and expanding day by day in market. this study tries to examine the relationship of customer's demand and retailer's capability for the success and survival of business. In today's competitive world every customer is targeted by mass marketing companies and media which may change the way of thinking of customer through their emotions, wants, needs and level of demand. Now a day's businessman are spending lot of money on conducting research to know the factors influencing consumer decision making regarding the product or service choice.

Every marketer must have knowledge and clear strategy which is totally based upon the various factors or reasons for consumer why they purchase or repurchase the product and service and influences their intention of brand preferences. There are various factors which influences the consumer decision making process such as personal factors, social factors and factors related to the product. Factors related to the product or service are controllable in nature and can be controlled or understood by companies in term of brand, how the product is different from others, but they cannot control the purchasing power of customer but they need to understand and must have idea about the purchasing power of consumer. Marketer must also know what are the factors which influence the brand loyalty which may influence repurchase of product. This study is focused to understand the various factors which may influence the consumer decision making. We have considered the social, personal and psychological factors as independent variable and consumer purchase as dependent variable.

**Social factors:** These factors play very important role in purchasing of an individual. Everyone is surrounded by some

factors such as culture, social status and many more which influences. So we need to understand all these.

**Personal factors:** Personal factors are also very important because these factors help to decide what to buy, where to buy, when to buy, how to buy, how much to buy, these things are determined by various personal attributes of an individual like age, sex, education, occupation, life style and personality.

**Psychological factors:** Psychological factors are those factors which are related to an individual mind set. Every individual takes decision according to their mind set which is included of motivation, perception, learning attitude and what they believe and think.

Remaining part of this study includes brief review of literature followed by hypothesis formed to examine the impact of various factors on consumer decision making, second last part show results and discussion and last part conclude the study.

## II. REVIEW OF LITERATURE

This study tries to examine the effect of various individual related factors which may influence the decisions of consumer relating to purchase of product and service. (Wright 2006). During purchase of any product consumer always worries about available alternatives which are very less and they have to select from them, this also influences the decision making of consumer in regard to the product and services (Solomon 2004). Kotler & Armstrong (2010) concluded through their study that decisions of consumer are always affected by their attitude towards particular brand some time their behaviour is also influenced by other's attitude who are related with them somewhere and strategies of marketer also influence the decision making of consumer. McKinsey said that the way of communication is now changed from market to consumer now it became

consumer to marketer and marketer to consumer so there is need to understand the demand and need of consumer about particular brand and their mind-set about the brand and product (Court et al., 2009). Various studies also suggested that perception about the employees working in retail store also influences the consumer decision making (Hu and Jasper, 2006). Study of (Kinney et al., 2012) concluded that Indian consumer not only concerned about the price but also looking for the balance of quality and price both. Consumer decisions are based upon quality, price, quantity, reliability and convenience. These factor not only create positive perception about the product but also helps in improving bonding between consumer and company (Kacen et al., 2012).

It is very important that social media is not a single factor which influences the decision of consumer but also there are many factors such psychological factors which have great impact over consumer decisions (Johson W., 2014). Study conducted by (Walsh, 2016) concluded that now consumer is comparing the brand with all available brands in global market so it became important for the marketer to sell those products which are reliable, authenticate more. Hoyer (1984) concluded that during repeated purchase of product very less consumer preferred to take pain during their purchase usually consumer prefer to purchase product or their choice of brand is dependent upon their need and decisions are very quick in regard to purchase.

Based on the above discuss following hypothesis have been formed-

H1: consumer's purchase intention is significantly influenced by brand name.

H2: consumer's purchase intention is significantly influenced by quality of product.

H3: consumer's purchase intention is significantly influenced by packaging of product.

H4: consumer's purchase intention is significantly influenced by price of product

H5 consumer's purchase intention is significantly influenced by advertising.

### III. METHODOLOGY

**Design of Research:** This study tries to examine the effect of various factors related to the individual consumer on consumer's decision making. For the purpose of study data have been collected through questionnaire and based upon descriptive study and survey method.

**Data collection tools:** Basic tool of collecting data is questionnaire which is based upon five-point Likert scale scale (from 1= "completely disagree" to 5= "completely agree") is used.

### Data analysis and results:

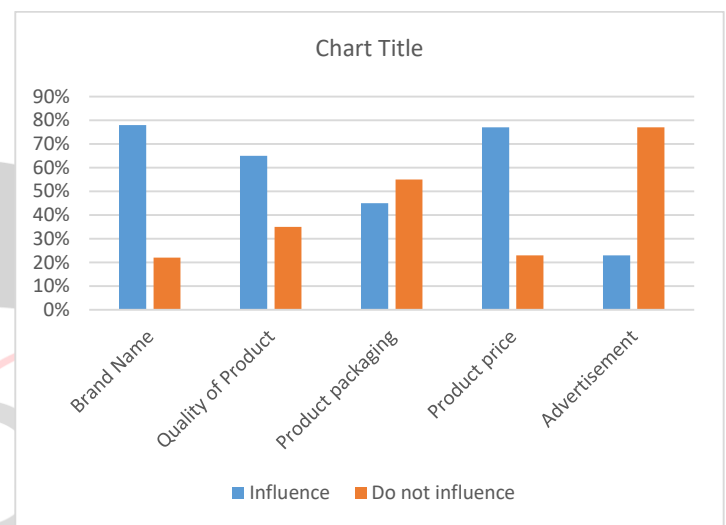
For testing the hypothesis, we used multiple regression method as a statistical tool and various other methods are also applied.

**Table 1 Responses of Respondents**

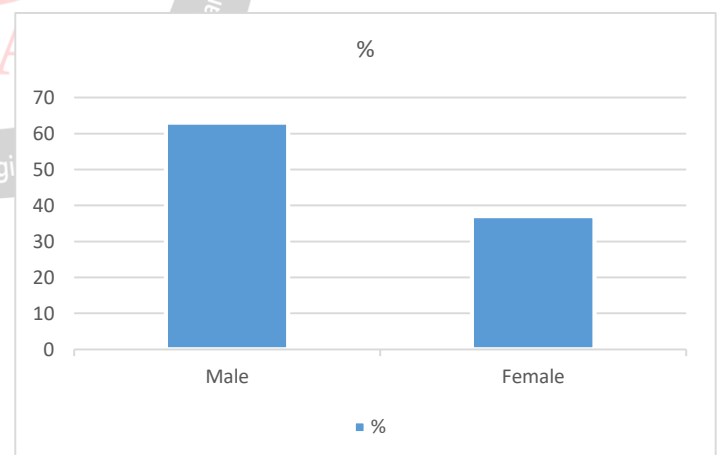
Factor	Influence	Do not influence
Brand Name	78%	22%
Quality of Product	65%	35%
Product packaging	45%	55%
Product price	77%	23%
Advertisement	23%	77%

(Computed by Author)

**Figure 1 Responses of Respondents**



**Figure 1 Gender of Respondents**



Above figure describes the responses of respondent. Our results indicate that consumer decision in regard to the brand or product is influenced by brand name is 78% while 22% said that there is no influence of brand name on purchasing. 65% respondent said that quality of product influences their decision while 35% replied negatively. Product packaging influences decision by 45% and product price which is very important element in choice of product influences by 77% and 23% respondent said that their decision is influenced by advertising of product.

Above discussion indicated that our alternative hypothesis is not rejected because all the factors influences consumer decisions.

**Table 1 Results of Multiple Regression**

model	B	SE	Stand. Coeff.	T-value	Sig
Const.	.720	.114			.001
packaging	.032	.041	.035	5.820	.421
Brand name	.134	.051	.134	.678	.020
price	.074	.041	.099	2.458	.048
advertising	.173	.047	.225	1.760	.001
quality	.335	.052	.370	3.514	.002

(Computed By Author)

Above results of multiple regression states the results in regards to hypothesis. Our first hypothesis that there is impact of brand name on purchase intention of customer. Statistical analysis in regard to this hypothesis, beta coefficient between two variables is 0.134 and the significance between two variables is 2.45 indicate that there is positive and significant relationship. Second hypothesis is describing the relationship of quality of product and consumer decision making and results indicates that quality of product influence the consumer intention of purchase and statistical result supported that beta coefficient is .350 between the variables and the level of significance is 6.4 which shows the positive and significance impact of independent variable and dependent variable.

Third hypothesis explains the relationship of product packaging and decision making of consumer. Our results indicate that there is no positive and significance impact of product packaging and decision making of consumer. Statistical beta coefficient is .035 and level of significance is 6.778.

Fourth hypothesis describes the relationship of product price and purchase intention of customer. Our results indicate this hypothesis is rejected and states that there is no impact of product price over purchase intention.

Fifth hypothesis explains relationship of advertising and purchase intention. Statistical results indicate positive and significance relationship and impact of advertising on purchase intention of the consumer.

#### IV. SUMMARY AND CONCLUSION

Findings of the study states that there is significant and positive relationship of various factors including product price, product advertising, product packaging, product brand and quality of product. All the selected independent factors are very important for the individual to decide the purchase. Further other variables can also be selected as independent variable to study the relationship with individual buying behaviour.

#### REFERENCES

- [1] Court D., Elzinga D., Mulder S. & Vetvik O.J. (2009) The consumer decision journey, McKinsey Quarterly
- [2] Hu, H. and Jasper, C.J. (2006), "Social cues in the store environment and their impacts on store image", International Journal of Retail & Distribution Management, Vol. 34 No. 1, pp. 25-48.
- [3] Irshad, W.(2012), Service Based Brand Equity, Measure of Purchase Intention, Mediating Role of Brand Performance, Academy of Contemporary Research Journal, Volume 1, Issue 1, 2012, 1-10
- [4] Kacen, J.J., Hess, D.J. and Walker, D. (2012), "Spontaneous selection: the influence of product and retailing factors on consumer impulse purchases", Journal of Retailing and Consumer Services, Vol. 19 No. 6, pp. 578-588.
- [5] Khan, I., Ghauri, T. and Majeed, S(2012), Impact of brand related attributes on purchase intention of customers. a study about the customers of punjab, pakistan, interdisciplinary journal of contemporary research in business, vol. 4, no 3
- [6] Kinney, M.K., Ridgway, N.M. and Monroe, K.B. (2012), "The role of price in the behavior and purchase decisions of compulsive buyers", Journal of Retailing, Vol. 88 No. 1, pp. 63-71
- [7] Kotler, P. & Armstrong, G. 2009. Principles of Marketing. Pearson Education. Thirteenth Edition. New Jersey.
- [8] Latif, Abdul and Abideen, Zain Ul. (2011). Effects of Television Advertising on Children: A Pakistani Perspective. European Journal of Economics, Finance and Administrative Sciences, Issue, 30, pp. 38-49.
- [9] Solomon, M. 2004. Consumer behavior. Sixth edition. Prentice Hall.
- [10] Tariq, M., Nawaz, M., Butt, H. and Nawaz, M. (2013), Customer Perceptions about Branding and Purchase Intention:A Study of FMCG in an Emerging Market, Journal of Basic and Applied Scientific Research, 3(2)340-347, 2013
- [11] Thapa, A. (2011). Consumer switching behaviour: a study of shampoo brands, national monthly refereed journal of reasearch in commerce & management, volume no.1, issue no.9
- [12] Walsh S. (2016) Five trends that will change consumer behavior in 2016, The Globe and Mail <http://www.theglobeandmail.com/reporton-business/small-business/sb-growth/five-trends-that-will-changeconsumer-behaviour-in-2016/article28019355/>
- [13] Wayne D. Hoyer (1984) An Examination of Consumer Decision Making for a Common Repeat Purchase Product. DOI: 822-829.