

# A STUDY ON THE IMPACT OF PSYCHOLOGICAL FACTORS THAT INFLUENCES CONSUMER BUYING BEHAVIOR - AN EMPIRICAL APPLICATION IN ANDHRA PRADESH

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## **Abstract**

*In this study, the influence of psychological factors on consumer buying behavior is investigated. The effect of psychological factors on buying behavior of consumers, who become much more important day by day, is tried to be measured. Andhra Pradesh can be divided in to two regions namely costal Andhra Pradesh and Royalseema. From each region seven provinces are selected by random sampling method. A face to face survey was conducted on 100 people from each province and in total 1400 people participated in the survey. The information obtained from the results are analyzed and interpreted by the computer packet programs.*

## **Keywords:**

*Consumer, Psychological Factors, Motivation, Perception, Learning, Beliefs, Attitudes*

## **1. INTRODUCTION**

In our globalizing world the competition among the firms producing the same goods and services have intensified and the consumer, who is considered the principal focus point in a modern business approach, become more and more important. Consequently, knowing the consumers become a necessity for firms [1]. In this study, the psychological factors which have a significant influence on consumer buying behavior are examined in three parts. First, the general concepts are enlightened briefly. Then, the psychological factors that affect the consumer buying behavior are studied in a theoretical way. Finally, the results of the survey, which was conducted in Andhra Pradesh, are analyzed and interpreted.

Marketing starts with the needs of the customer and ends with his satisfaction. When everything revolves around the customer then the study of consumer behavior becomes a necessity [2]. In the modern marketing, the customers have great options to select so persuasion of the customers by the marketers has a vital impact on their buying. In order to persuade the consumers, the marketers have to study the consumer behavior [3]. The factors that affect the consumer buying behavior are categorized as cultural factors, social factors, personal factors and psychological factors. In this study, the psychological factors were investigated [4].

Studies show that there are generally four main factors that play a role in the consumer's buying behavior. These factors include cultural factors, social factors, personal factors and psychological factors [5]. The psychological factors that influence an individual's decision to make a purchase are further categorized into the individual's motivations, perceptions, learning and his beliefs and attitudes [6].

The starting point in the buying process is recognition of need. A need may be defined as lack of something useful. A person can

be motivated to buy a product for convenience, for style, for prestige, for self-pride or being at par with others [7].

When the basic needs which are most pressing are satisfied they won't be a motivator and people start to seek the ways to satisfy the higher level needs [8].

## **1.1 CONSUMER'S PSYCHOLOGICAL BEHAVIOR**

Consumers psychology is the study of human behavior regarding their buying patterns, customs and preferences in relation to consume products including their reactions and preferences to advertising, packing and marketing of those products. Consumers psychology is a field of study drawing on many disciplines, including social psychology, marketing, behavioral economics, and other areas to assist in understanding consumers [9]. Consumer psychology concepts aim to evaluate psychology concepts in their behavior patterns. Consumer behavior is the study of individuals groups, organizations and all the activities associated with purchase, use and disposal of goods and services, and how the consumer's emotions, attitudes and preferences of affect buying behavior. Psychological factors influences consumer behavior such as demographics, personality, life styles, and behavioral variables like usage rates, usage occasion, loyalty, brand advocacy, and willingness to provide referrals are all studied in market research [10].

## **1.2 SIGNIFICANCE OF STUDY**

The purpose of this study is by shedding light to the managers of founded and will be set up business and especially to the marketing department, which provides to development of country and which leads that the consumers are better known by them and better quality goods, services and ideas will be presented [11].

Understanding psychological factors affecting consumer behavior is a key challenge for marketers and business owners. Research on consumer behavior concerned with understanding both how purchases decisions are made, who buys certain products, and how products or services are consumed or experienced. Research has shown that psychology role in consumer's culture may be difficult to predict, even for experts in this field [12]. However new research methods such as ethnography and consumer neuroscience are shedding new light on how consumers making decisions, especially in assessing the intention-action gap i.e. difference between what consumers say what they actually do. Social marketing, customized marketing, brand name shopping and the consumer's perception of the price of the commodity are all the main factors for understanding consumer attitudes and help to explain the reaction of market demand to price changes [13].

Furthermore developing good relationship with the target audience is essential for brand management. Tangible elements of

brand management include the product or service itself, its look, price, and packaging etc. [14]. The intangible elements are experiences that consumers share with the brand and also the relationships they have with the brand products or services. This market research can help the brand managers design the most effective and positive brand management and advertising strategy [15].

## 2. METHODS AND SAMPLE

In this study as data collection method questionnaire was preferred to obtain objective data and to interpret the first order, that person is the source or first hand. Questionnaire has been prepared according to the 'funnel' technique, which means from general to special. Assumption of this technique, when the special questions are asked at first place to the surveys, they will be probably avoided. Research data, by sampling the group of Target consumers, consist of multiple choice questions for the questionnaire.

In the survey, from each region two Regions are selected by random sampling method. A face to face survey was conducted on 100 people from each province and in total 1400 people participated in the survey. Although it was aimed over 1400 people, reasons like limited time, financial problems and difficulty of doing research in another country are the limits of this survey.

## 3. ANALYSIS AND INTERPRETATION

The Data obtained were analyzed through computer program package "frequency" and the results were interpreted according to this method.

Table.1. Enjoy shopping

Content	Frequency	Valid frequency
Extremely satisfied	362	26.2
Satisfied	547	39.6
Neutral	318	26.2
Dissatisfied	108	7.8
Extremely dissatisfied	48	3.5
Total.	1383	100.0
Missing	17	
Total	1400	

As shown in Table.1, 1383 people responded to this question, 547 people (39.6%) had enjoyed shopping satisfied, 362 people (26.2%) extremely satisfied, 318 people (26.2%) is neutral While, 108 persons (7.8%) did not like, and 48 persons (3.5%) stated they did not like at all. According to these data, it could be said that the vast majority of those who surveyed (65.8%) enjoy shopping.

Table.2. Be informed of consumer protection laws

Content	Frequency	Valid frequency
Yes	758	55.1
No	562	40.9

Other	57	4.0
Total	1377	100.0
Missing	23	
Total	1400	

We aimed to learn whether consumers have knowledge about their rights and while 562 (40.9%) people said that they didn't know about consumer protection law and consumer rights; 758 (55.1%) people said they knew. It can be seen from the results that consumers have information about the consumer protection law and consumer right.

Table.3. Buying for happiness

Content	Frequency	Valid frequency
Certainly no agreed	257	18.7
No agreed	290	21.1
Undecided	135	9.8
Agreed	361	26.2
Certainly agreed	333	24.2
Total	1376	100.
Missing	24	
Grand Total	1400	

In this question the purpose is to learn whether consumers do shopping to make them happy without thinking other peoples opinion. As seen in Table.4, 361 (26.2%) people do their shopping to make themselves happy; 333 (24.2%) people certainly do their shopping to make themselves happy; 290 (21.1%) people don't do shopping to make them happy; 257 (18.7%) people certainly don't do shopping to make them happy. According to this result it can be said that majority of the respondents do their shopping to make themselves happy without thinking others opinion.

Table.4. Convince the seller

Content	Frequency	Valid frequency
Certainly no agreed	281	20.5
No agreed	353	25.7
Undecided	257	18.7
Agreed	333	24.3
Certainly agreed	148	10.8
Total	1372	100
Missing	28	
Total	1400	

The aim is to learn whether sellers convince is important for participants. Table.5 shows that; 353 (25.7%) people didn't agree; 333 (24.3%) people agreed; 148 (10.8%) people certainly agreed and 281 (20.5%) people certainly didn't agree.

Table.5. Importance of self-rating

Content	Frequency	Valid frequency
Certainly no agreed	205	14.9
No agreed	249	18.1

Undecided	58	4.2
Agreed	126	9.2
Certainly agreed	739	53.7
Total	1377	100
missing	23	
Total	1400	

Our aim is to learn how enjoying is important for participants in buying goods and services. As seen in Table.5, 739 (53.7%) people certainly agreed by saying that enjoying themselves is the most important thing; 126/(9.2%) people agreed; 249 (18.1%) people didn't agree and 205 (14.9%) people certainly didn't agree. It can be concluded from these results that enjoying is the most important criteria for most of the respondents.

Table.6. Training effect

Content	Frequency	Valid frequency
Illiterate	43	3.1
Primary school	366	26.6
High school	537	39.0
University	411	29.9
Post graduate	18	1.3
Total	1375	100
Missing	25	
Grand total	1400	

With this question we wanted to learn participants' education level. As seen in Table.7; 537 (41.48%) people are high school; 411 (29.9%) people are university; 366 (26.6%) people are primary school; 43 (3.1%) people are illiterate and 18 (1.3%) people are postgraduate.

Table.7. Professional impact

Content	Frequency	Valid frequency
Teacher	106	7.7
Officer	198	14.4
Worker	259	18.8
Free occupation	242	17.5
Unemployed	104	7.5
Other	470	34.1
Total	1379	100.0
Missing	21	
Grand total	1400	

In this question the aim is to learn the occupations of participants. As shown in Table.5; 470 (34.1%) people have other jobs than these, 259 (18.8%) people are worker; 242 (17.5%) free occupation; 198 (14.4%) people are officer; 106 (7.7%) people are teacher and 104 (7.5%) people are unemployed.

Table.8. Effect of age

Content	Frequency	Valid frequency
Between 18-25	406	29.5

Between 26-35	420	30.5
Between 36-45	352	25.6
Between 46-55	137	10.0
56 and above	57	4.1
Total	1372	100.0
Missing	28	
General Total	1400	

The aim of this question is to learn ages of respondents. As seen in Table.9; 406 (29.5%) people are between 18-25; 420 (30.5%) people are between 26-35; 352 (25.6%) people are between 36-45; 137 (10%) people are between 46-55 and 57 (4.1%) people are 55 and above.

Table.9. Marital status

Content	Frequency	Valid frequency
Single	558	40.6
Married	759	55.3
Widow	56	4.1
Total	1372	100
Missing	28	
Total general	1400	

We wanted to learn marital status of respondents with this question. As seen in Table.10, 558 (40.6%) people are single; 759 (55.3%) people are married and 56 (4.1%) people are widow. It can be seen that more than half of the respondents are single.

Table.10. Gender effect

Content	Frequency	Valid frequency
Male	781	55.3
Female	590	40.6
Others	14	4.1
Total	1372	100.0
Missing	28	
Total general	1400	

The aim of this question is to determine sexes of respondents. As seen in Table.11; 781 (55.3%) people are male; 590 (40.6%) people are female, As a result majority of the respondents are male.

#### 4. CONCLUSION

We can sum up the results of data analysis of interviews with 100 people from each 2 cities of 7regions in Andhra Pradesh. Most of the consumers in Andhra Pradesh love shopping. Approximately more than half of the consumers know about consumer law and rights. Consumers do the shopping in order to feel happy and they do not care about what other people think. While buying goods and services, sellers do not have much effect on consumers. While buying products the most important thing is consumers' own regards. (Approximately 62% of them.) Here is the demographic structure of the participants; Most of the

participants are high school graduates. Participants have very wide range of occupations. Participants who are between 26-35 ages ranges take the first place. Most of the participants are married. More than half of the participants are men.

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