MARKETING IMPLICATIONS OF ENVIRONMENTAL INFLUENCES ON CONSUMER BUYING BEHAVIOUR

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ABSTRACT

This paper is focused on evaluating the marketing implications of environmental influences on consumer such as family, status / roles and reference groups on Consumer Behavior patterns. The paper explored a large amount of secondary sources of information and exposed its importance to marketers in understanding consumer behavior on the basis of these factors. The finding suggests that environmental influences place a considerable role in framing the consumer buying behavior. The study brought out major marketing implications concerning environmental influences and also attempt to provide valuable suggestions to marketers to improve their existing system in framing consumer oriented unique marketing strategies.

Keywords: Consumer, Environmental influences, Marketing Implications, Buying Behavior

Introduction

An individual’s personality is highly influenced by the involvement in the socialization processes. It impacts a person to act in a specific behavior according to various instances including the consumption behavior. Consumer socialization occurs throughout life by acquiring knowledge about products and services and also to develop the skills and expertise to make right choice of purchase decisions. Socialization places a vital role in influencing the way products are sold and marketed. Although, it is difficult to identify why a certain group of products have favorable responses or why consumers are akin to some products it is mandatory to learn those peculiar patterns of behavior to realize consumers’ better. Consumer behavior relates to the choice, acquisition and usage of consumer goods and service to satisfy human wants (Shah, 2010). Identifying specific consumption patterns on the bases of social or ethnic traits and attributes contributes to a powerful marketing tool (Kwong, 2009).

Engel-Blackwell-Kollat Model of Buyer Behavior

Engel-Blackwell-Kollat (EKB) Model explains consumers’ decision process on how decisions are made when choosing the list of alternatives available. EKB Model shows the components of decision making and demonstrates the multiple relationships of interactions among the components. The Model consisted of four major areas which includes the information processing, central control unit, decision process and the environmental influences. The information processing includes the exposure, attention, comprehension, and retention of the various marketing and non-marketing stimulus. For a more fruitful sales campaign the consumer will be given utmost importance in the delivery of the message. The central control unit is geared on how the stimuli progresses and how the information received by the individual are interpreted. This can be achieved in four major psychological factors such as process of storage of relevant information, criteria of evaluation, state of mind or attitudes and the personality of the consumer. The satisfaction and dissatisfaction of the decision will only be dependent on the type and the value of the purchased product. This is mainly dependent on the environmental influences. The environmental influences are primarily focused on the income, culture, social class, family influences, physical and other consideration that may give favorable or unfavorable purchase behavior.

Based on the model of Engel-Blackwell-Kollat Model of Behavior (Man & Kanuk, 2004) the research study has attempted to identify the environmental influences on consumer based on Family, Status / Role and Reference groups which is primarily exerting influence by providing normative, comparative or
informational influence on positive/negative and verbal/ non-verbal information. These elements are otherwise termed as external influences in Hawkins, Best and Coney Consumer Behavior Model (1998) which generates experiences and acquisitions that form consumer self-concept and life style. It then translates to consumer needs and desires that derive the decision-making process. The Paper will further establish the effect of these factors on attitude and social norms of consumers towards the purchase behavior. Finally, it would attempt to create responsiveness to marketers to enhance the credibility of marketing information delivered to the consumers. The study has been chosen owing to the importance of the consumers in the life of every commercial or non-commercial organization. This would help any organization to design and offer to the needs and expectations of potential consumer, as the success of an organization largely depends upon their product acquaintance and purchase behavior.

Environmental influences

Consumers are likely to seek others opinions to reduce their search and effort for buying new products. Hoyer and MacInnis, (2011) stated that the sources of environmental influences are primarily focused on personal experiences of buyers and then reflected in form of Marketing/ Non- marketing sources of information. The marketing approach delivered through the social media is the more effective tool for the

Figure 1 - Engel-Blackwell-Kollat Model of Buyer Behavior

buying behavior pattern of the consumer. Marketing sources includes sales people, service representatives and customer service agents who deliver personally in retail outlets, consumers’ homes or offices via email or online chat. On the other hand non-marketing sources are influences delivered from an entity outside a marketing organization such as personal interactions, online social networks, television, magazine and visual merchandising which can successfully contribute to buyer’s decision making process. Personally delivered sources of influence are considered relevant as they allow for a two-way communication. Consumers tend to perceive data delivered through marketing sources as less credible and more biased. In contrast, non-marketing activities are taken more credible as consumers don’t believe that they have a personal involvement in the purchase behavior. Most consumers are possibly to seek out others’ opinions to reduce their search and evaluation effort or uncertainty from their comparisons and interpretations with respect to Family, Role/Status and Reference group.

**Family**

Family members can strongly influence buyer behavior. Buying roles would change with changes in consumer life styles. As a major consumption component, the family is a prime target for the marketing of many products and services. The movement from information search to final decision is influenced by family members’. Therefore, marketers are trying to find out the roles of husband, wife and children in the family buying decisions (Yuvarani, 2009). Household products might be purchased by an individual family member for his/her consumption. Regardless of family members present when items are purchased, the other family members also plays an important role in the purchase. Marketers should consider the consumption circumstances and the family structure before deciding on specific communication to attract the segment. Various studies (Ali & Batra, 2011; Sheth & Parvatiyar, 1995; George & Mitchell, 1986) have investigated the role of family in their purchase decisions. Ali and Batra (2011) examined the impact of children on parent’s buying decisions regarding children and family related product groups. Results established the influence of child on parents buying decisions to be dependent on some demographic variables like gender and age of children and parental profession.

George and Mitchell (1986) tested the effects of television advertising and interpersonal communication on teenagers’ consumer behavior. The effects of such communication processes on teens are evaluated with reference to the household decision making. One of the hypotheses tested was about the peer communication and it was exposed that the consumption is positively related to the most dependent measures in terms of product ownership or the request to purchase some products. It is revealed that the more frequently adolescent interacts with his/her peers about the consumption patterns, the more likely he/she is to play a major role in mentioning the need of the products. Sheth and Parvatiyar (1995) have drawn attention to consumer behavior literature and suggested that consumers engage in relational market behavior due to personal social norms, peer group pressures, government mandates, religious beliefs, employer influences and marketer policies. It highlighted that the willingness and ability of both consumers and marketers to engage in relational marketing will lead to greater marketing productivity.

**Role and status**

Role and status consists of the activities a person is expected to perform. Each person acquire role/status depends on the groups, clubs, family, organisation in which he belongs. Family consumption decisions involve the participation of definable roles, which are assumed by spouses, children or other members in the household. A family will function as a unified unit with different roles played by the different family members. Buss and Schaninger (1983) attempted to construct a framework as a basis for integrating and critiquing research relating sex roles to family decision processes. The drastic shift in sex-role norms will affect family purchase precedence and behavior. Different persons undertake different decision processes for different reasons. Heidarzadeh and Lotfizadeh (2011) attempted to demonstrate the impact of marital roles and family structure on consumer decision-making style within an Islamic culture and established a profound impact on decision-making style on Iranian families.

Price and Feick (1984), have provided insight on interpersonal sources used in making consumer choices. It explored the use of interpersonal sources in external search. The results indicated that the use of interpersonal sources of information is widespread and suggested extensive number of roles played by interpersonal sources in the decision process. The results support the existence of informational motives for
social comparison. The social interaction is considered important in a study (Evans, Christiansen & Gill, 1996), which used modeling approach to investigate the strength of social referent influence on three shopper segments with differing types of role expectations. The shopping orientations and retail feature preferences of the three segments were also measured. The finding suggest that there important differences among the three groups.

Reference Groups
Hoyer and MacInnis (2011) argued that consumers may relate to three types of reference groups such as aspirational, associative and dissociative. Aspirational reference groups are groups in which currently consumers are not a member of. Associative groups are to which consumers belong. Dissociative groups are groups in which whose attitudes, values and behaviors are disapproved by consumers. Subramanian and Subramanian (1995) replicates a model and extends it to include a referent influence of parents and peers (comparative reference group). It reveals both reference groups having an influence on intention to adopt and suggests that the role of reference groups in innovative behavior is more complex than earlier models. Research conducted by Shih-Chiech, Yin-Hui and Chun-Ting (2012), examined the mechanism underlying the compromise effect and suggested that justification is the crucial factor leading people to consumer choice. The results showed that reference group members have a significant influence on the magnitude of the compromise effect. Another study (Lindridge, Andrew, Cui, et al, 2007) investigated how reference group influence consumers’ preference for Western culture, manifesting through the consumption of Western branded clothing. It showed that reference groups significantly influenced Taiwanese women to purchase Western branded clothing. Interpersonal influence and Word-of-Mouth (WoM) are ranked as the most important source of information in making the purchase decision (Litvin, Goldsmith & Pan, 2008). Online interpersonal influence is considered potentially cost-effective means for marketing hospitality and tourism. A study conducted by Brinberg and Plimpton (1986), identified two dimensions of reference group normative and informational. Products perceived as conspicuous, i.e., public and luxury products, were more susceptible to group influence. Self-monitoring orientation of the individual however had little impact on the relation between product conspicuousness and reference group influence.

Marketing implications
EKB model helps marketers in analyzing every aspect of consumer decision making. It also assists them in recognizing the decision making process for a purchase as well as continues even after a sale to encourage repeat purchase and brand loyalty. Literature reviewed on external factors has well supported these points which aid marketers’ to concentrate more of non-marketing sources to demonstrate their offerings. Non-marketing source would yield influential decisions because they are more objective and less biased. Testimonials and WoM referrals would have considerable impact if it is delivered through personal communication. WoM is more persuasive than written information as it would affect mostly household product purchasers including families, friends, neighbors and casual acquaintances. The media have incredible power to influence consumption trends and buyer behavior. Marketing efforts should be focused more on personal information sources such as informal online journals and other social network media. Marketers can otherwise look upon using a mix of sources (marketing and non-marketing sources) to enhance the impact of consumer buying patterns.

The use of Relationship marketing can be utilized to persuade consumers about the most relevant features of potential product. Relationship marketing is aimed in developing and managing the long-term relationships with larger number of customers. Profiling the consumers by observing their buying behavior and maintaining the information in the database will help marketers in order to achieve needs of the consumers and maintain long-lasting relationship. Marketers should try to introduce a new context for informational influence to attract consumers towards a company’s product and/or service. This would be possible by hosting or sponsoring special product related events where people can communicate to one another of their potential product. Marketers must enhance influence by using informational sources that are more convincing to their target audience. Marketers can make use of viral marketing which is the rapid spread of product information among the people.

Sales people who are involved in personal selling of a product or service are found more effective than print media and broadcast media. It is very powerful and credible source for the marketers because the
message is delivered personally. Personal/opinion leadership and group influence is considered important in consumer decision making when there are high levels of involvement and risks in the purchase. The greater the credibility of the dominant, the greater is the impact on the people. Marketers will be able to create a normative influence by using advertising to demonstrate rewards and sanctions product use and non-use to exert influence on brand choice congruence, conformity, complaints or reactants. Knowing the target consumers’ inspirational reference group enables marketers to relate their products with that group by using spokesmen who would be able to represent it. Use of celebrities can also be a more attractive option for all the companies. The marketers should be aware of not using dissociative reference group in their marketing programs.

Formal reference groups’ information can provide marketers with a clear target of marketing efforts. It is important to apply the reference group norms to motivate the consumer behavior. Homophily, degree of conduct and network density can significantly influence the information transmitted within the group. It is better to disseminate information quickly within the market to target individual characterized by strong and frequent contact. If the products have to be successful in its target market it has to be accepted by its innovators and early adapters. Families and households are changing in their structure and composition. The increase in the number of employed women has also created a favorable climate for marketers to innovate new techniques in the marketing arena. The roles performed by women, men, and a child increasingly reflects the marketers concerns to learn their consumption and buying behavior patterns.

Conclusion

This paper has found out very crucial information on how consumers buying patterns were affected by environmental influences of culture. Marketers have always been keen on how consumers purchase and spend their disposable income. The decision making process of the consumers is dependent largely on environmental influences including Family, Role/Status and Reference groups. The choice of the consumers has been very complex based on social interactions. The success of every marketer is based on how the marketing mix influences buying patterns of the consumers. The social environment of culture has a direct impact on the consumer’s choice and preferences. All individuals regularly interact with other people who direct or indirectly influence their purchase decision. Thus, the study of environmental influences on consumer behavior would impact an individual’s preference which is of great importance to marketers to realize the consumer behavior models. In the present scenario, marketers are depending upon reference groups in promoting their goods and services because it would largely encourage the purchase decision.

Celebrities, experts, common man, and executives are used as spokesman to give testimonials to advertise their products. Also, the family is the prime target market for most product categories. There are mainly three types of families, married couple, nuclear familiar and extended families. Socialization is considered as a major role in the family as the family’s decision making style is often influenced. Vibrant socio-demographic changes in the society has resulted many lifestyle revelations which leads to many non-traditional changes. These are becoming increasingly significant to marketers in terms of specific market niches. It is therefore recommended, that the marketers must be able to include social influence while a product is produced, marketed and used, since this will have greater impact on how people buy, eat or use the product. This will lead marketers to examine how the members of the different groups uses identical products/service, as a most effective measure of finding a more appropriate and cost-effective choices in the market. It is suggested that marketer shall spend their time and efforts in understanding the effects of environmental influences which is highly relevant for Multi-National Companies (MNCs) that have diverse consumer behavioral norms. A unique and strong marketing strategy would be more appealing to their target audience if it is focused on the environmental influences.

References


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