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Brand Switching and Buying Behaviour

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Abstract

Buying behaviour is dynamic. Therefore, it is necessary to continuously study, analyse and understand it and monitor this understanding to the marketing management so that effective decisions can be taken in respect of product, price, promotion and distribution.

Consumer research is vital in formulating marketing strategies because a knowledge of the factors that influence consumer purchase can help to increase market share. The ultimate motive of all the marketing activities is to satisfy the consumers. A sense of psychological and socio-cultural factors operating on consumers enables the marketers to make producer about the consumers reaction to new products, price changes, promotional campaign and their needs and wants. Causing awareness and preferences is essential in the Modern Marketing. This will help in identifying different market segments and in shaping buyer's desires and aspirations.

Knowledge of buyers thus gives marketers a competitive edge in framing their response to the market and it encourages them to promote the surface of market events.

Introduction

Consumers go through complex buying behaviour when they are highly involved in a purchase and aware of significant differences among brands. Consumers are highly involved when the product is expensive, bought infrequently, risky and highly self expressive. Typically the consumer does not know much about the product category and has much to learn. This buyer will pass through a learning process characterized by first developing beliefs about the products, then attitudes, and then making a thoughtful purchase choice. The marketer of a high involvement product must understand the information - gathering and evaluation behaviour of high involvement consumers. The marketer needs to develop strategies that assist the buyer in learning about the attributes of the product class, their relative importance and the high standing of the Company's brand on the more important attributes.

Brand Awareness

Brand awareness is the ability of the customer to identify a firm's product in the retail stores to recall its brand he (or) she thinks of the product class.

Brand Switching

It refers to a change in the preferences of consumer from one brand to another.

High-Involvement Products

When one product has a high price, high perceived risk, large variation from its alternatives and complex features the product is called high-involvement product. It adds to the self-concept of a buyer. [e.g.] TVS, V.C. Rs., Cars, etc.

Low-Involvement products

When one product has a low price, low perceived risk and the alternatives within the same product class are similar, it is called low-involvement product. It does not add to buyer's self-concept.

Dissonance Reducing Buying Behaviour

Sometimes the consumer is highly involved in a purchase but uses little difference in the brands. The high involvement is again based on the fact that the purchase is expensive, infrequent and risky. After the purchase, the consumer might experience dissonance that stems from noticing certain disquieting features of the carpet and justify his decision. Here marketing communication should aim to supply beliefs and evaluation that help the consumer feel good about his brand choice.

Habitual Buying Behaviour

Many products are bought under condition of the low consumer involvement and the absence of significant brand differences. If the consumers keep reaching the same brand, it is out of habits, not strong brand loyalty. The buying process is brand beliefs formed by passive learning followed by purchase behaviour.

Variety Seeking Buying Behaviour

In this buying behaviour brand some buying situations are characterized by low consumer involvement but significant brand differences. Here consumers are often observed to do a lot of brand switching. Brand switch occurs rather than dissatisfaction.

Buying process

For Marketing Management the most important behaviour on the part of a prospective buyer or consumer is the process of deciding whether to buy or not to buy. Buy process represents problem solving approach and includes the following five steps.

Perceived want or desire

Buying process begins when a person begins to feel that a certain need or desire has arisen and it has to be satisfied. Needs may be ignited by internal or external stimulus called a sign or cue. The intensity of want will indicate the speed with which a person will move to fulfill the unsatisfied want other less pressing wants may have to be postponed as the buyer cannot have unlimited purchasing power. Marketing management should offer appropriate cues in the communications which can promote the sale of the product. Communication mixes not only triggers true needs and desire of customer but also offers attractive cues or selling points in the buying process.

Information search

Aroused needs can be satisfied promptly when the desired product is not only known but also easily available. But when it is not clear what type or brand of the product can offer best satisfaction and where and how it can be secured, the person will have to search for relevant information about brand, location and the manner of obtaining the product. Marketer also provides information through salesman, advertising dealers, packaging, sales promotion and window display.

Marketers are expected to provide reliable, up-to-date and adequate information regarding their products and services. Average consumers are always in need of reliable guidance and information; seller is expected to provide their services.

Evaluation of alternatives

Available information can be employed of evaluate alternatives. This is critical step in the process of buying, particularly closely desirable goods. There are several important elements in the process of evaluation.

a. A product is viewed as a bundle of attributes. These attributes (or) features are useful for evaluating alternative brands.
b. Information cues of Hints about a set of characteristics of the product (or) brand such as quality, price, distinctiveness, availability, etc., on provided by marketers. These can be compared and evaluated in the buying process.
c. Brand images and brand concepts can help in the evaluation of alternatives.
d. In order to reduce the number of alternatives some consumers may consider only more critical attributes and mention the level for these attributes.
e. Occasionally, consumers may use an evaluation process permitting trade offs among different alternatives. Marketers should grasp thoroughly the process and utility function for designing and promoting a product that will be readily acceptable in the market.

Purchase decision

While the consumer is evaluating the alternatives. she / he will develop some likes and dislikes about the alternative brands. This attitude towards brand influence her / his intention to buy. Other factors which may influence the intention to purchase are.

1. Social factors
2. Situational factors
3. Perceived risk may influence the decision to purchase

Higher priced products involve higher degree of risk. Sophisticated products involve performance risk. Consumers may not have confidence in foreign products involving higher cost and they would prefer national brands to reduce risks and problems of service after sale.

Post purchase experience and behaviour

The brand purchase and the product use provide feedback of information regarding attitudes. If the level of satisfaction derived is a par expectations, it will create brand preference influencing future purchase. But if the purchased brand does not yield desired satisfaction, negative feelings will occur and this will create anxiety and doubts. This phenomenon is called cognitive dissonance.

Marketers should be aware of the full range of ways in which the consumers handle dissatisfaction. Marketers must take necessary steps to minimize the amount of consumer post purchase dissatisfaction.

Modern concepts of buyer behaviour point out that behaviour is the result of interaction between person centered factors and situation centered factors. Marketers must be aware of the person centered factors such as buyer motivation, learning, perception, attitude, value and belief. Similarly, marketers must also be aware of social environment and inter-personal interactions influencing buyer behaviour. Models of consumer behaviour are generally based on certain factors internal to the consumer, example learning, personality, attitudes and perceptions and other factors external to consumer, example group, cultural and inter personal influence and effects of advertising and communications. The actions of the individuals are the results of both - internal and external factors and their interaction, to the consumer decision - making processes.

Buyer Behaviour Theories

From the very early times efforts were made to explain the motivational processes that influence buying behaviour. All social sciences have contributed separate theories and tried to find out this phenomenon. These theories for convenience may be grouped as under

a. Economic Theories,
b. Psychological Theories
c. Psycho-analytical Theories
d. Socio-Cultural Theories

Economic Theories a. Marginal utility Theory

This theory was developed by classical economists. According to them, a consumer will continue to buy a such products that will deliver him the most utility or maximum satisfaction at relative prices. Economists held the view that man is rational in all his activities and purchasing decisions are the result of economic calculations.

Marketers, however, do not accept this theory, on the ground that it fails to explain how product and brand preferences are formed. Further, economic factors alone cannot explain variations in sales. For instance, when price is reduced some may not buy, thinking that quality of the product has gone down. On the contrary, the general feeling is that a price reduction increases the relative's value of goods and hence sales increase. The theory however provides a useful frame of reference for analyzing only one small corner of the "block box".

Income and Savings Theory

This theory is based on the fact that purchasing power is the real determinant of buying. Purchasing Power, on the other hand, is dependent on "disposable income" that is income left after payment of tax and savings. To facilitate how people allocate changes in their total income between spending and saving, there are two concepts as given by the economists.

a. The marginal propensity to consume, and
b. The marginal propensity to save

The marketers are interested in examining the effect of changes in income on spending and saving as this will have a direct bearing on buying habits. The theory states that personal consumption spending tends both to rise and fall at a slower rate than does the disposable income. In certain situations, spending rises faster than income and, at certain other times, a higher proportion may be saved.

Though the theory does not explain consumer behaviour in specific terms, the concept is used in planning and analysis is demand.

Psychological Theories

These theories are also called as learning theories. The essence of these theories lies in the fact that, people learn from experience, and the results of experience will modify their actions on future occasions. The importance of brand loyalty and repeat purchase make learning theory more relevant in the field of marketing.

Stimulus Response Theories

Parkland, Skinner, Thorndike and Kohler developed this theory on the basis of experiments they did on animals. According to them, "Learning occurs as a person responds to some stimulus and is rewarded with need satisfaction for a correct response". They proved that most recent and frequent stimuli are remembered and responded. This approach is the basis of repeated advertisements.

Stimulus response theory, after constant refinements, is now based on four central processes. They are drive, cue, response and reinforcement. "Drives" are needs or motives that are stronger, where as a 'cue' is a weaker stimulus. The 'response' is the resultant reaction of some stimuli. If it is based on cue, the response may be shifting from one brand to another brand based on previous experience. In other words, cues will create different degrees of responses under different occasions. Reinforcement is the process by which rewarding experience in the past are strengthened. It is here brand preferences are strengthened leading to brand loyalty. The purpose of giving free samples of newly introduced product is nothing but to activise this reinforcement.

Cognitive Theories

This theory was propounded by Festinger mainly to explain certain post-buying behaviour. According to it, stimulation of want is conditioned by a customer's knowledge, his perception, beliefs and attitudes. Perception is the sum-total of physical stimuli and personal factors. Certain stimuli are stronger than others and some are perceived by more people; for example, colour. Beliefs and attitudes are play an important role in the cognitive process. Strong beliefs and attitudes are difficult to be changed. Advertisement stressing special appeals are purposely designated by the manufacturers to overcome this kind resistance by customers. The theory further states that even after a well-thought out purchase the consumers undergo some sort of discomfort, fear (or) dissonance. This post-decision anxiety is caused by 'noise' (Cognitive dissonance) arising from doubts on the decision taken. The consumers go on comparing the merits of the product bought with substitutes or start analyzing drawbacks of the product. Such customers require some reassurances from the seller stressing that the decision taken is a wise one. It is for this purpose that when automobiles or similar durable goods are sold, the seller gives a letter of congratulation on the "wise decision" to the buyer. Though the theory was developed to explain a decision phenomena, it is suitable for explaining pre-decision anxiety also. An important goal, both of advertising and personal selling, is to reduce cognitive dissonance on the part of buyer and prospects.

Gestalt and Field Theories

According to the theory, learning and consequent behaviour is not independent, but is a total process. They argue that human behaviour must be viewed as individually patterned totalities. Behaviours should be explained in terms of all the factors that are operating when an event happens. Thus, buying is not motivated by a single element, but is the sum - total of many elements.

Field theory is useful refinement of Gestalt Psychology, formulated by Kurt Lewin. The essence of this theory is that buyer behaviour is the result one's "Psychological field' existing at the time of taking buying decisions. Thus, according to this theory a person makes the decision to buy, taking into consideration product, quality, price, advertising, retailers, etc., all combined into a particulars pattern, consistent with buyer's expectations.

Psycho - Analytic Theories

This theory is developed from the thoughts of Sigmund Freud. He postulated that the personality has three basic dimensions; id refers to the free mechanism that leads to strong drives. Such drives (motives) are not influenced by morality or ethics. Ego refers to the act of weighing consequences and tries to reconcile with reality. It is an equilibrating device that leads to socially acceptable behaviour and imposes rationality on the id. The ego weighs the consequences of an act rather than rushing blindly into the activity.

Super ego is a person's conscience. It is highly rational and tries to keep the activities morally right. In essence, the id urges an enjoyable act; the super ego presents the moral issues involved and the ego acts as the arbitrator in determining whether to proceed or not. This has led to motivation research and has proved to be useful in analyzing buyer behaviour. This, in turn, has contributed some useful insights in the advertising and packaging fields.

Socio - Cultural theories: (Group Theories)

The credit for formulating this theory goes to Thorstein Veblen (1899) and the theory is sometimes known as "Veblenian Model". He asserted that man is primarily a social animal and his wants and behaviour are largely influenced by the group of which he is a member. The tendency of all people is to 'fit in' a society inspite of their personal likes and dislikes. Most of the luxury goods are bought primarily because one's neighbour or friend of the same status bought it. Culture, subculture, social classes, reference groups, family are the different factor groups that influence buyer behaviour. Consumers are social beings and belong to social group: cultural ones based families and religions; subculture based on regional entities; social class based on income or division of Labour (example Upper class, Middle class, Lower class). Among these variables, perhaps, family plays an important role in behaviour formation. Family life cycle provides a basic criteria for deciding buyer behaviour on the basis of different stages through which life of an individual passes.

Reference Groups indicate the position of a particular group of persons in a society. Man is essentially a social being and interacts with other individuals in a variety of social groups. Inspire of personal differences people may be forced to accept the decision of society. for example, The Group Insurance Scheme, where individual differences of opinion may not be given much consideration.

It is pertinent here to ask how these consideration influence marketing. The answer is simple, for the present - day marketing is consumer - oriented and consumer's psychology, their social and economic characteristics etc., therefore, form the corner - stone for marketing decisions. It is this recognition given to consumers that has given rise to the concept of market segmentation.

Consumer Decision Making Process

Consumer decision making process is the by which a consumer judges whether a product will meet a need or want well enough to warrant purchasing and using it and by which the decides when, where and how to make the purchase, and evaluates the satisfaction given by the purchase. Consumer behaviour is a process involving a series of related and sequential stages of activities.

The consumer decision making process will vary depending on the customer’s level of interest in the product. High involvement product often demand more time and steps before the customers arriving at a decision. The following are considered the normal step in the customer decision making process:

Need Recognition

The starting point is when the customer perceived the need for a product. This could be based on the individuals experience or may be the urgency that he or she faces given situation. The market has no influence on his need recognition. But he can create a certain stimulus which will make a customer feel the need for the product.

Development Decision Criteria

Once he feels the need, a consumer consults friends, relatives and other whom he perceivers to be experts in the field. In way, the consumer considers them opinion leaders. The consumer may even read specialized printed materials like journals or magazines on a particular product that could satisfy the need. That he develops certain criteria for arriving at a purchase decision.

Search for alternatives

Heaving developed the decision criteria the consumer looks for alternatives brand the models as well as dealers. He looks for advertisement in the newspapers and magazines hoarding or bill boards, new articles and may also consult the yellow pages.

Evaluation of alternatives

After collecting information regarding the alternative products available, he evaluates these alternatives on the basis of the produce ability to satisfy this need. In this process,

- The consumer considers various product attributes.
- He will try to find out the important weights to be given to the salient features.
- He is likely develop a set of brand beliefs about where each brand regard to each attributes. The set beliefs held about a particular brand is known as brand image.
- He assigns a utility for each attribute.
- He arrives at a choice of the brand.

Decision

After weighting all the parameters the consumer takes the purchase decision.

Post-purchase behaviour

When his purchase matches his expectation, he is satisfied and he is interested in future purchase. Hence, the level of satisfaction can be measured by the post purchase behaviour.

By their behaviour, low involvement products is one where the consumer needs very little time in searching for alternatives or for that matter in evolving decision criteria. Since the products are low on cost and risk and do not reflect consumer’s personality. The consumer spends little time in the evaluating brands. Moreover since there are little (or) major differences perceived among the alternatives often the basses for evaluation of prices, taste, size, packing, etc.

Roles in Consumer Decision Making

In a purchase decision, there are certain roles played by various people. A few of these roles are:

i. Initiator

Initiator is a person who shows the seed in the consumer's mind to buy the product. This person may be a part of the family like a child or a spouse or parents. Alternatively the person may be a friend, a relative, a collegue or even sales person.

ii. Influencer: Influencer is person within or outside the immediate family of the consumer influences the decision process.

iii. Decider: Decider is the person who actually takes the decision to buy the product.

iv. Buyer: Buyer is the person who actually buys the product.

v. User: User is the person who actually consumes the product.

Conclusion

Buyer decision is strongly influenced by variable like cultural, social and personal factors like demographics, self concept, life styles and personality. Cultural refers to set variables, traditions (or) beliefs, which guide the individual's behaviour. Culture refers to ideas, attitudes and other meaningful symbols created by people to shape human behavior and the behaviour transmitted from one generation to another. It has both the abstract and material dimension. This abstract dimension affects consumer preferences. A marketer needs to aware of these sub-cultural influences on consumer preferences. These will affect their branding, packing, advertising sales promotion and even distribution decision. Man is social animal. Hence, his behavior is greatly influence by social factors like the reference group pressures. Reference group here refers to peers, relatives, neighbours and friends often a product succeeds or fails in a market because of these influences. Individual consumer's age, sex, marital status, income occupation and geographic location also affect his or her consumption pattern. It is from this point of view that we have a child market, youth market, teenage market, adult market and senior market. i.e. old people. We also have low income, middle income, high income markets. In fact, demography has traditionally helped the marker evolve positioning strategies. The assumption here is that people having common demographic characteristics behave in an incidential manner and will have the same preferences. Each of us has a self image. This self image is based on the person whom we see as our role models. This affects our dress hair styles and almost every other thing including out table manners. This concepts of self image has been termed as self-concept.

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