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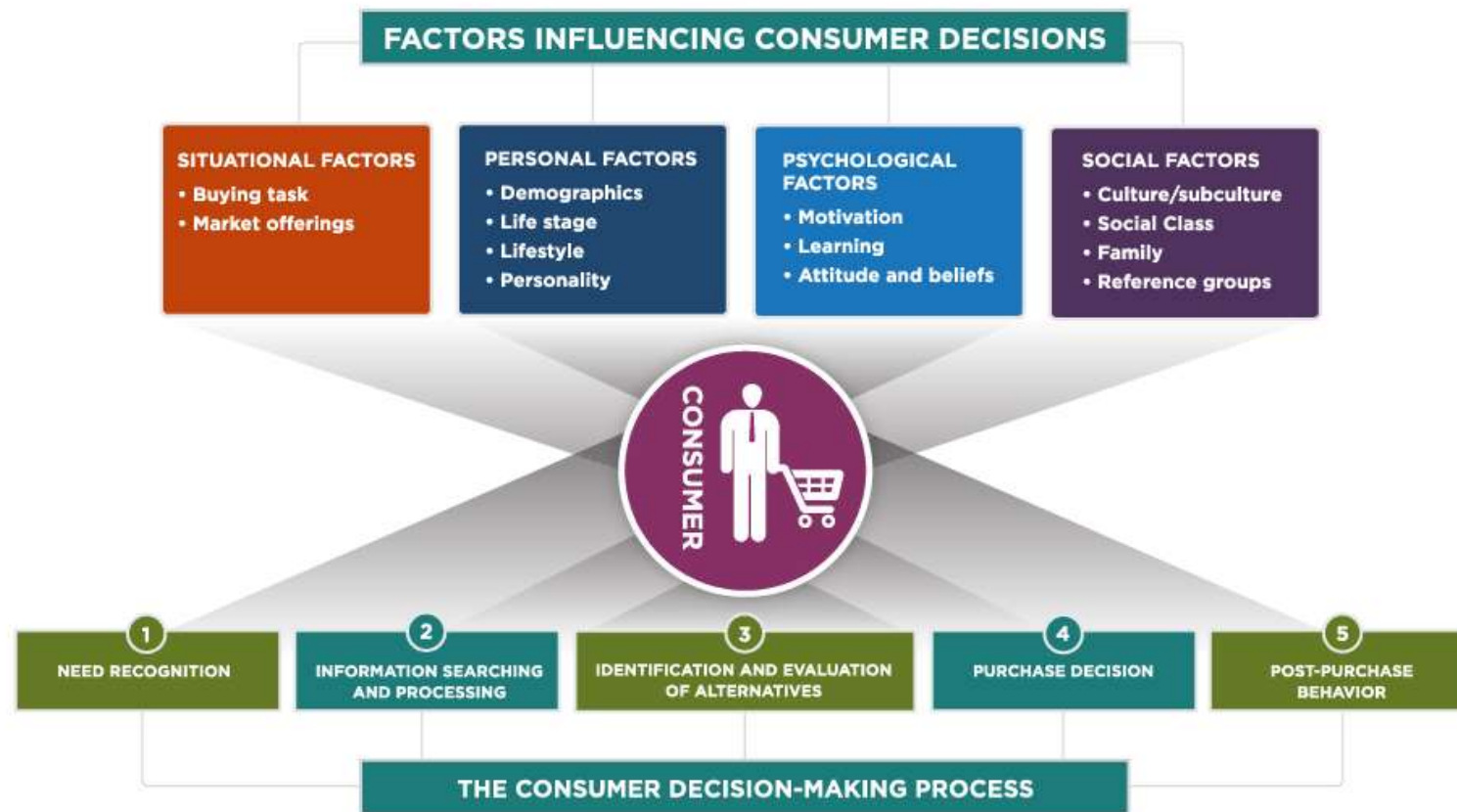
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E-Content BBA402- Marketing Management

Lecture 13- Factors affecting consumer buying behavior

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Factors Influencing Consumer Decisions and the Consumer Decision-Making Process

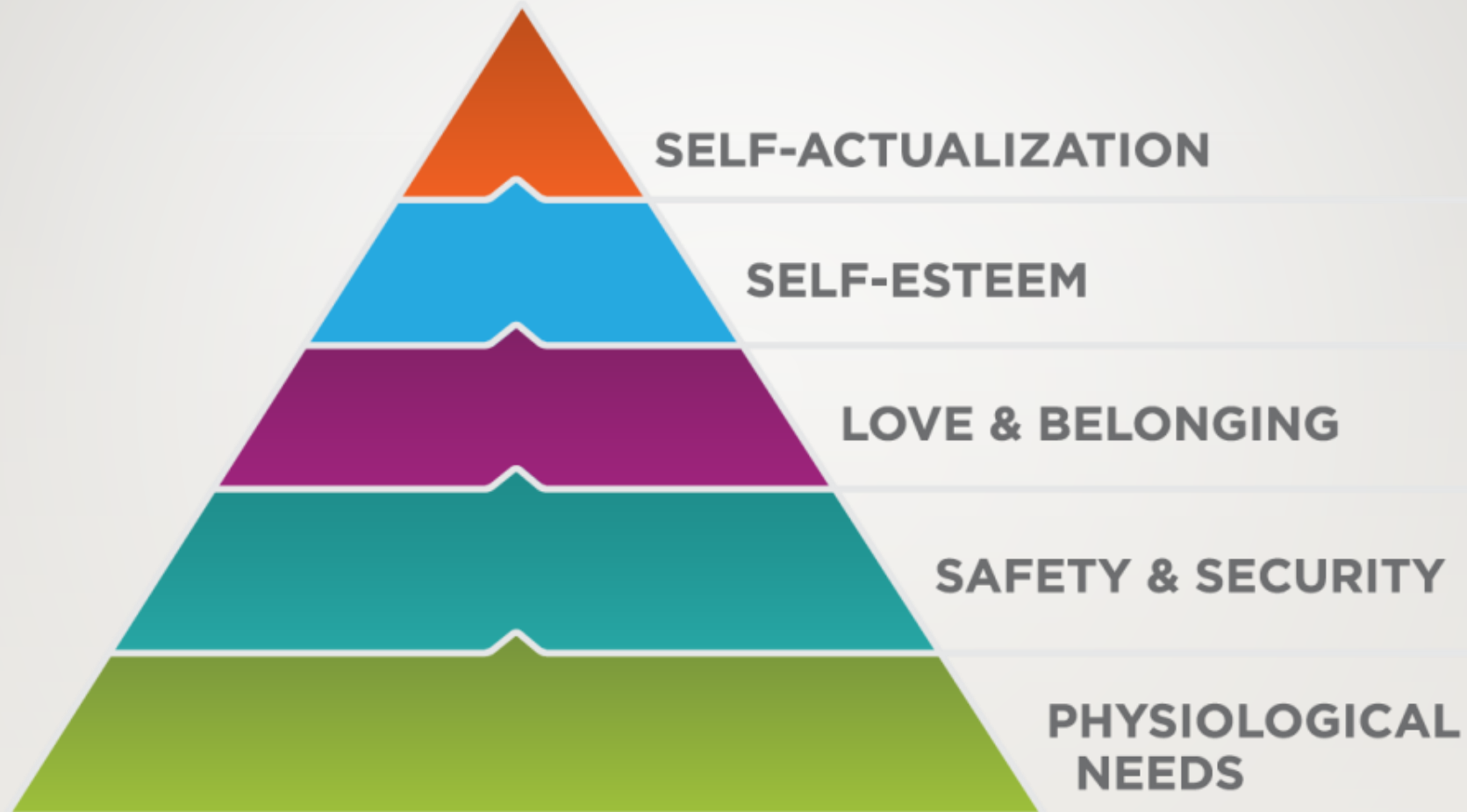


Demographics

- The Millennial Generation, Born: 1980 to 1997
- Generation X, Born: 1965 to 1980
- The Baby Boom Generation, Born: 1946 to 1964
- The Silent Generation, Born: 1928 to 1945
- The Greatest Generation, Born: Before 1928

Note that no chronological end point has been set for the Millennials. For the purpose of following a cleanly defined group, they're defined as those aged 19 to 35 in 2016.

Psychological Factors



MASLOW'S HIERARCHY OF NEEDS

Social Factors: Class

- Upper Class makes up 1% of the population.
- Upper Middle Class makes up 15% of the population.
- Lower Middle Class makes up 32% of the population.
- Working class makes up 32% of the population.
- Lower Class makes up 20% of the population

Reference Groups

Reference groups are formal or informal groups with opinion leaders

Can influence an individual in several ways:

- Role expectations
- Conformity
- Group communications through opinion leaders
- Word of mouth influence



B2B Decision Making Stages

STAGES OF ORGANIZATIONAL BUYING






Low-involvement B2B Decisions

- For rebuys and routine purchases, organizations use abridged versions of the process
- Some stages may be bypassed completely when a supplier has already been selected

Considerations in B2B Marketing

- Who will take part in the buying process?
- What criteria does each person use to evaluate prospective suppliers?
- What level of influence does each member of the process have?
- What interpersonal, psychological, or other factors about the decision team might influence this buying process?
- How well do the individuals work together as a group?
- Who makes the final decision to buy?



Complexity of B2B Buying

- Timing
- Technical specifications of the physical products, or complex technical specifications associated with services, timing, and terms of delivery and payment.
- Organizational

Unique Factors that Shape B2B

B2B purchasing decisions are influenced by a variety of factors that are unique to organizations, the people they employ, and the broader business environment





Practice Questions

Compare and contrast the buying process for

- A car
- A bag of rice
- A large, expensive photocopier

Quick Review

- What are the stages of the consumer buying process?
- Contrast the buying processes for low-involvement and high-involvement decisions?
- What are the major factors that influence consumer purchasing decisions?
- What are the B2B buying process and key factors influencing B2B purchasing decisions?