

# Factors Influencing Consumer Behavior In An Urban Area

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## **Abstract**

*Many variables affect consumer behavior. Go-to-market success requires client understanding. "It is crucial to remember that consumer expectations always change due to outside causes (think financial markets catastrophe, lay-offs, housing crash, introduction of internet), and companies need to be nimble and embrace change to suit customer wants."*

*Consumer purchasing behavior is the final buyer's behavior. Many elements, specificities, and qualities affect the person and the consumer's decision-making process, shopping habits, buying behavior, brands, and merchants. These elements determine a purchase. Consumers are impacted by their culture, subculture, socioeconomic class, membership groups, your relatives, personality traits, psychological characteristics, and social and societal surroundings. Brands can improve their strategy, advertisement (Unique Value Proposition), and advertising campaigns by knowing and comprehending the factors which impact their customers.*

**Keywords :** *Consumer behaviour, expectations, financial markets crash, housing crash, advent of internet, consumer, purchase decision, psychological factors, target consumers, real asset.*

## **Introduction**

The term "consumer behavior" is used to describe how people decide what to buy and how they use those products after they have them. Consumer behavior involves a number of distinct mechanisms. The buyer starts by researching various goods until he finds the ones that would provide him with the most value. The shopper then calculates how much money he has left over after purchasing the goods he wants. Finally, the customer considers the current commodity prices while deciding which commodities to buy. In the meanwhile, a wide range of social, cultural, personal, and psychological elements come into play when consumers make decisions. This section provides an explanation of these elements.

Brands can better meet the demands of their clientele and drive revenue if its strategy, communications (Unique Value Proposition), as well as advertising campaigns are efficient as well as in line with the requirements and methods of thinking of its target consumers, which can be determined by recognizing and comprehending the factors that affect their customers.

An urban consumer's buyer behaviour is influenced by four major factors:

- 1) Cultural,
- 2) Social,
- 3) Personal,
- 4) Psychological.

Because of these considerations, urbanites tend to choose certain brands and products. Understanding the effect of these characteristics is crucial for developing marketing mix tactics that will appeal to the tastes of the target market, even if many of these aspects are outside the direct control of marketers.

An urban customer goes through a series of steps before settling on a final purchase. There are up to five steps in this procedure:

Initial Step: Identifying the Issue,

Step Two: Collecting Relevant Data,

The third step is to examine potential solutions.

Purchasing is the fourth stage.

Behaviour after the purchase (stage five).

The time required to reach a conclusion varies. A customer in a large city may not make a purchasing decision without being affected by a number of others. The number of individuals who weigh in on a purchase grows in tandem with the amount of time and thought that goes into making it.

Cultural, social, personal, and psychological factors all have a role in shaping consumer behavior and, ultimately, their purchasing decisions. Marketers need to know how these factors play a role in order to create effective marketing strategies that resonate with their target audience.

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**Cultural Factors as influences of Culture and societal Environment:** The importance of one's culture in comprehending their requirements and habits cannot be overstated. Culture is an inherent aspect of any civilization and a major factor in shaping individual desires and actions. Marketers need to tread carefully when assessing the cultural norms of various groups, regions, or nations since the extent to which culture affects consumer behavior differs widely. An individual's upbringing is shaped by the people closest to him, whether it be his family, his friends, his community, or his culture at large. A company's product and marketing strategy should be tailored to the specific needs of each market or scenario, which requires an awareness of and sensitivity to the cultural variables that make up that market or environment. Because they affect how customers think, feel, act, or think they should feel.

In the West, for instance, it is not uncommon to host a dinner or cocktail party for coworkers or friends. In contrast, inviting someone home is not a common practice in Japanese society. This kind of excursion is best done at a restaurant with close friends or coworkers.

If a Japanese person gives you a present, it is considered polite to reciprocate the favor with something of equal or more value. McDonald's is a fantastic illustration of how to adapt to local market conditions and cultural norms. Fast food giant McDonald's knows how to cater to customers from all over the world by offering regionally specific menu items such as the McBaguette in France (made with French baguette as well as Dijon mustard), the Chicken the Maharaja Mac as well as the Masala Grill Chicken in the nation of India (made with Indian condiments), and the Megabyte Teriyaki Burger (made with teriyaki sauce) as well as the Gurakoro (made with mac-aroni gratin as well as croquettes) in the nation of Japan.

**Cultural trends:** The term "cultural trend" or "bandwagon effect" refers to a phenomenon in which a fad gains momentum simply due to the number of individuals who adopt it. When a trend becomes popular, more individuals will want to join it.

As an example, Facebook has recently entered popular culture. The popularity of this social network has skyrocketed, making it an absolute need, particularly for young city dwellers.

It's the same with the explosion of the tablet computer industry. Many middle-class city dwellers have followed the worldwide cultural trend toward tablet computers by purchasing an iPad or Samsung Galaxy Tab.

**Social Factors:** Organizations, families, roles, and social standing are all a part of this. This explains how other people might have an effect on our buying habits in subtle ways. Consumer behavior is heavily influenced by social variables. There are three main types of them:

- i) reference groups
- ii) family and social roles
- iii) status.

**Reference groups and membership groups:** A person's membership groups are the networks of people he is connected to and influenced by. Group affiliations are often based on shared characteristics, such as age, location, occupation, interests, and leisure activities. People's attitudes and actions may be influenced by the people with whom they often associate. The relevance of peer groups differs across categories and labels. For instance, reference groups have a greater impact when the product in question is very visible (e.g., a dress, shoes, or cosmetics). An opinion leader is another kind of individual who is often brought up in discussions as a reference point.

Individuals may get some insight into their own actions, preferences, and preferences by comparing them to those of their peer group. They affect how someone perceives himself and how they act. Whether or not it requires membership to participate. For the simple reason that one might be swayed by the values and norms of a group to which he does not now belong but aspires to join. An aspirational group describes these people. Consumers who want to fit in with and mirror the characteristics of this group will be more susceptible to its members' spending habits.

Even if he doesn't need it just yet, a beginner swimmer may desire to acquire the same high-end brands and equipment as more skilled swimmers (the aspirational group) in order to seem more like them. While trying to fit in with the popular men at school, a kid can want the same pair of shoes or smartphone that they use. Some companies are getting this, and they promote the positive social impact their goods make in subtle or not-so-subtle ways.

Various functions have been discovered within a reference group that affects consumer purchasing decisions:

- i. Whoever proposes making a purchase of some kind
- ii. The influencer is the key opinion leader who can sway a consumer's choice. The members of the group look up to an individual who is not part of the group per se (a famous singer, athlete, actor, etc.).
- iii. The buyer decider, or the individual who ultimately makes the purchase choice. Typically, it's the buyer, although there are exceptions. A leader of a soccer fan club, for instance, may decide once and for all which scarf its members will all purchase and wear to the next big game.
- iv. The purchaser; the eventual owner of the goods. This is the person who ultimately buys the product.

**Family:** It's possible that one's family has the greatest impact on their development. It creates a social setting in which one may mature, build their identity, and pick up morals and ethics from others. But not only that, one must also form thoughts and perspectives on issues like politics, society, social interactions, and even one's own wants and needs. The members of a family have a significant impact on the purchasing decisions of urban consumers. As a result, businesses are investigating the impact of fathers, mothers, and children on purchasing decisions. Marketers will aim their ads towards women if they believe that they have sway over their husbands' purchasing decisions according to gender. In particular product categories, children are positioned as the center of attention because of their weight in family purchasing decisions.

It is important to realize that as consumers' lives evolve, so do their purchasing responsibilities. For instance, suppose a youngster never drank Coke because his parents warned him it was unhealthy because of all the sugar it contained. The odds of him or her becoming a lifelong Coke drinker are far lower than those of someone who started drinking it later in life.

**Social roles and status:** a person's standing in his many social circles, including his family, his workplace, his country club, his pals circle, etc. All of this has a clear definition based on one's position in society. An individual's career, rank in the family, gender, peers' expectations, etc. all contribute to shaping the collection of behaviors that constitute his or her "social role."

A customer may choose to invest in a Ferrari or Porsche not only for the driving experience, but also for the status symbols that brands represent in the marketplace. Furthermore, clients and business partners are less likely to take a CEO seriously if he is seen driving a compact automobile like a Ford Fiesta or Volkswagen Golf rather than a German luxury vehicle. This sort of influence and conduct may be seen at any position or rank. Once again, many corporations have caught on, as they have paired their goods with images that symbolize significant societal roles or statuses.

**Personal factors:** Age and life stage, career, financial stability, lifestyle (activities, hobbies, views, demography), personality, and self-concept are all included. These factors may explain why our tastes change as our 'situation' evolves. Obviously, the unique qualities of each customer also play a role in shaping their decisions and actions.

**Age and way of life:** A city dweller's spending habits change significantly between the ages of 20 and 70. Throughout his life, he makes adjustments to his way of life, values, surroundings, routines, pastimes, and purchases. There may be a correlation between the age and life cycle of urban consumers and their spending habits. Obviously, customer tastes evolve over time, and so do the products and services they buy. The varied phases of the family life cycle, from young singles to married couples to never-married people, provide valuable information to marketers. An urban customer, for instance, may switch to a better diet from harmful items (fast food, ready meals, etc.) throughout middle age with his family, and then switch again to a low cholesterol diet a little later in life to prevent health concerns.

It is possible that the variables that go into making a purchase will likewise evolve. Consumers under the age of 25 are more likely to consider the brand's social value while making a purchase than those over the age of 65. Whether the person is single, in a connection, in a relationship with children, etc., as well as the geographical location of the country and the type of city in which he resides (large city, small town, rural area, etc.), all have an impact on his values, lifestyles, and purchasing behavior. Brands and stores may find it useful to learn about the specific criteria and individual elements that impact their consumers' purchasing decisions. Consumers in Mumbai, for instance, may be different in their behavior and spending patterns from those in Shimla. Knowing and accommodating these variations can only help a store's bottom line.

**Lifestyle:** Activities, interests, values, and beliefs all make up a person's lifestyle. The urban consumer's way of life affects his habits and purchases. A customer who strives for a healthy, well-rounded existence may, for instance, shop at specialty health food shops, choose organic foods, go for frequent jogs (and therefore purchase running gear), etc.

**Personality and self-concept:** Each person has their own unique collection of qualities and traits that make up their personality. It's the consistent actions that arise when an individual's psychological and physiological traits intersect. It manifests itself in characteristics like extroversion, introversion, curiosity, adaptability, charisma, openness to people, and openness to new experiences. In contrast, a person's self-concept is the impression he gives to others around him. For instance, ever since its inception, Apple has worked to build a public persona that is synonymous with innovation, originality, daring, and uniqueness. This allows the company to attract customers who value these qualities in themselves and find validation in purchasing Apple products.

**Occupation:** A person's purchasing habits are heavily influenced by his profession. A company's marketing manager could aim to stock up on professional attire, while an entry-level employee might stock up on rough work wear.

**Economic Situation:** The purchasing habits of urban consumers are significantly affected by their financial circumstances. Customers with more disposable incomes and savings tend to buy more costly goods. A person with limited disposable cash and savings will, on the other hand, choose to shop for low-priced items.

**Lifestyle:** Customers' way of life is a major determinant on their purchasing habits. A person's lifestyle is an outward manifestation of the values they hold and the choices they make as members of society. What drives a customer's behavior and how he chooses to engage with the world is his interests, views, hobbies, etc.

**Personality:** People's identities change as they go through life and encounter new experiences. As a result, it has the potential to significantly impact consumers' propensity to shop. Personality, in fact, is not a man's wardrobe but his whole demeanor in a variety of settings. Its many traits, like as dominance, aggression, self-confidence, and so on, may be used to predict how customers would react to a certain product.

**Psychological factors:** Motive (Maslow's ladder of needs), awareness, learning, beliefs, and attitudes all play a role in the final choice to buy. A consumer's final choice to buy is often influenced by others around them. A marketer's marketing efforts will be more effective if they are directed at the right people, thus it's important for them to identify who those individuals are and what part they play in the purchasing decision. A customer's motivation, perception, learning, and beliefs and attitudes are all examples of psychological elements that influence consumer behavior.

**Motivation:** Consumers need to feel compelled to change their buying habits. It's the consumer's way of saying that their demand has become urgent enough that it warrants action on their part. It operates mostly below the conscious level, making its effects hard to quantify. Customers' spending habits are influenced by their amount of motivation. Everyone has many physiological, biological, social, and other demands. Some of the demands are more urgent than others because of the nature of the needs themselves. As a result, a need transforms into a motivation when it is strong enough to drive an individual to actively pursue fulfillment. The consumer decision-making process may be broken down into phases, and each step corresponds to a certain sort of motivation. Brands may enhance their sales and the likelihood of customers making a purchase if they focus on creating, bringing to the front, or reinforcing a desire for the product among target consumers. He would be far more likely to think about and purchase their offerings. According to studies, sellers need to zero in on the specifics of the products they provide and the kind of customers they seek out, then zero in on the specific motivations and needs those customers have so that their products stand out as the obvious answers.

**Perception:** A person's ability to perceive is based on his ability to filter, sort, and make sense of the data he takes in. A person's decision on whether or not to take action may be based on how they now interpret the circumstances. Perception is the mental process through which we choose, organize, and interpret data in order to have a meaningful experience of the world. Perception may be broken down into three distinct processes: attentional selection, distortion, and retention. In the event of selective attention, marketers strive to capture the interest of consumers. When consumers engage in selective distortion, they look for ways to make the data fit with their own worldview.

**Selective Attention:** The person is hyper-focused on a small subset of the information or stimuli to which he is exposed. Each person has a unique sensitivity to different kinds of data and stimuli. Brands and marketers are finding it harder and more competitive to attract and maintain customers' attention. Many Internet users, for instance, ignore banner advertising on the web without even realizing it. Banner blindness describes this phenomenon. Both the individual's current activity and the abundance of external stimuli affect their attention span. A passenger on a train who is feeling bored may pay closer attention to an advertisement than someone who is not. It's an outside influence that shakes up his routine on the journey. Consumers will pay a lot more attention to cues that address a genuine need. When looking for a new vehicle, for instance, a buyer is more likely to pay attention to commercials from automakers. But we've been ignoring them in favor of computers. Finally, individuals are more inclined to pay attention to novel or unusual stimuli. Consumers are more likely to recall a novel advertising or marketing message that stands out from the crowd.

**Selective Distortion:** When presented with the same piece of information or set of stimuli, no two persons will have the same reaction. Depending on one's background, current emotions, worldview, and other factors, people will interpret events differently. Selective distortion causes individuals to see events in ways that support their preexisting worldviews.

This implies that no matter how well marketers craft their messages, consumers will never receive them in precisely the same manner. Also, it's possible that many people may interpret it in various ways. That's why checking in with customers on a regular basis is crucial for gauging how they really feel about your business. Selective distortion often favors well-known and widely-used brands. Consumers' impressions and evaluations of a product are strongly influenced by the public's impression of the brand, according to several studies. Consumers are more likely to report satisfaction with a product's quality or flavor when they are led to believe that it is associated with a well-known brand, according to a number of research.

**Selective Retention:** No one can remember all they have ever seen or heard. The term "selective retention" refers to how a person chooses whatever aspects of a given experience or set of stimuli to remember. As for selective distortion, people are more likely to remember facts that corroborate their preconceived notions. Consumers, for instance, are notorious for only recalling the positives of a product or brand they enjoy, while conveniently forgetting any negatives or benefits offered by similar alternatives.

**Learning:** Action is the best teacher. Learning occurs by doing. It means that the experience has led to a change in conduct. As a person gains knowledge and experience, his or her conduct adapts accordingly. For instance, if you become unwell after consuming milk, you would likely learn to avoid drinking milk because of the unpleasant experience you had. As a result, you have stopped purchasing milk. Instead, you'll be far more likely to make a repeat purchase if you enjoyed using the product. Brands may leverage the learning theories in their advertising.

**Beliefs and attitudes:** One's firm conviction in something is called a belief. His purchasing decisions will be influenced by his experiences, knowledge, and the opinions of others (such as family and friends). Customers have strong opinions and biases about the things they buy. Marketers take an interest in such notions since they form the basis of consumers' impressions of a brand and their subsequent purchasing decisions. Marketers may alter consumers' perceptions and attitudes by rolling out targeted advertising campaigns. To alter the brand's positioning or marketing strategy in order to persuade target audiences to revise their first impressions of the product.

**Stages of the Consumer Buying Process:** The Buying Decisions Process (For Complicated Purchases) consists of Six Steps. The act of buying is only one component of the whole procedure. Buying isn't the end result of every choice process. Depending on the level of complexity, the 6 steps may not be present in all consumer choices.

**The 6 stages are:**

1. **Problem Recognition:** Distinction between ideal and real circumstances. Lack of available goods. Hunger--Food. When you're hungry, you want to eat more.
2. **Information search**
  - a) Memory and introspection.
  - b) If you need more information, try looking elsewhere. Word of mouth between friends and family. Comparison shopping, public records, and other sources not controlled by the marketer.
  - c) Criteria for evaluating alternatives, such as qualities the buyer wants and does not want, need to be established. Search for past employment or rank available options. It's possible that the customer has a preference for spicy foods, in which case Indian cuisine would be given preference.
  - d) Choices on where, when, what, and how to acquire anything are all part of the purchasing choice.
  - e) Purchase--Product availability, the length of time between steps 4 and 5, and the final choice all have a role.
  - f) Satisfaction or dissatisfaction after making a purchase.

Is the buyer's decision the right one? - incongruity between thoughts. This might be aided by warranties, communication after the sale, etc. He may develop a taste for Chinese cuisine after eating Indian.

Consumer Purchasing Patterns:  
There are four distinct patterns of consumer spending:

- i. Low-involvement, preprogrammed responses and purchases commonly bought things that are inexpensive in cost and require little in the way of searching or decision making are called "impulse buys." Things like soft beverages, snack meals, milk, etc. are examples.
- ii. Ability to Make Limited Decisions - Buyer Who Buys Product Rarely. When researching a new brand inside a category you're already acquainted with. Time invested in research is about average. Some instances are: Clothing; am familiar with category but not label.
- iii. High-Involvement, Decision-Making Tasks/Products that are both novel and costly despite their infrequency of use. Extreme potential for loss in terms of money, performance, or mental health. Some examples are automobiles, houses, computers, and schools. Invest a lot of effort into gathering data and making a judgment. Word-of-mouth (MM) from customers, coworkers, and other company insiders. Complete all six steps of the purchasing cycle.
- iv. Spending without thinking it through; impulsivity.

**Psycho-social and Demographic Characteristics of Urban Consumers Innovators 2.5%**

- a. take up novel ideas or items before the general public
- b. bold; open to novel concepts
- c. accept a certain amount of risk while making purchases
- d. are engaged in ongoing research
- e. people who have a wide range of friends and acquaintances
- f. be able to get their hands on some money (to aid them out if their ideas end up failing).
- g. often use or enjoy a certain category (for example, "tech-heads" are early adopters of new communication technology).
- h. youthful, privileged, and well educated characterize this group.

**Early adopters 13.5%**

the second wave of consumers to try out novel items or ideas

**Conclusion**

The speed with which new ideas spread across a society depends on a variety of interrelated elements. Successful consumer-oriented markets in metropolitan areas need service providers to adopt the role of psychologist in order to entice and retain customers. Factors that may be changed to improve outcomes and bring about the desired level of customer satisfaction should be kept in mind. Understanding customer purchasing patterns is the key to commercial success.

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