

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**



**Diploma Thesis**

**Impact of External Communication on Consumer  
Buying Behaviour**

**Hemisha Patel**

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

## DIPLOMA THESIS ASSIGNMENT

Bc. Hemisha Patel

Business Administration

Thesis Title

**Impact of External Communication on Consumer Buying Behavior**

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### **Objectives of the thesis**

The diploma thesis aims to analyse effects of external communication and its impact on consumer buying behaviour

### **Methodology**

Extensive literature review is particularized based on relevant secondary synthesis and available literature on same lines. In addition, primary data gathered through the survey and online forms were coded and analysed using different statistical tool like descriptive statistics and factor analysis and using SPSS software. Microsoft excel was also used widely to cross tabulate the data with the help of pivot table and graph generations.

Recommended structure:

1. Introduction
2. Goals and Methodology
3. Literature Review
4. Analysis
5. Results and Discussion
6. Conclusions
7. References
8. Appendices

### **The proposed extent of the thesis**

60-80 pages

### **Keywords**

External Communication, Consumer, Advertising, Buying behaviour

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### **Recommended information sources**

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### **Expected date of thesis defence**

2017/18 WS – FEM (February 2018)

### **The Diploma Thesis Supervisor**

Ing. Michal Chocholoušek, Ph.D.

### **Supervising department**

Department of Management

Electronically approved: 28. 3.  
2019

**prof. Ing. Ivana Tichá, Ph.D.**  
Head of department

Electronically approved: 28. 3.  
2019

**Ing. Martin Pelikán, Ph.D.**  
Dean

## Declaration

I declare that I have worked on my diploma thesis titled "Impact of External Communication on Consumer Buying Behaviour" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on \_\_\_\_\_ 26/03/19\_\_\_\_\_

## **Acknowledgement**

This thesis would not have been possible without the contribution of the following:

First of all, university has been a tremendous support system. The resource in terms of knowledge, exposure as well as the ambience gave me wonderful insight to delve into the topic.

My mentors, Michal Chocholousek and Ievgen Tomashevskyi have guided me and made me look at the topic and its ancillary issues from different perspective.

The largest and most effective contributor came in terms of the books available in library, which helped me quotes terms, issues, strategies, and case studies which were most apt to the relevant topic discussed. The internet, Google proved itself just next to god again. I thank my search engine to help me optimize research and study.

Last but not the least, I would like to thank my family and ‘Vismay Patel’ who have always believed in me and have been always there for me.

Thank you all.

# Impact of External Communication on Consumer Buying Behaviour

Abstract:

*The buying behaviour of the ultimate consumer refers to Consumer Buying Behaviour. Shopping habits, purchasing behavior, the brands bought earlier, reference from his friends and family specificities and characteristics of the retailers he visits are some of the factors that influence the individual in what he is and in his decision-making process. Each one of these factors cause the ultimate result of the purchase decision. An individual and his personality is led by his culture, subculture, social class, membership groups, family, psychological factors who is our ultimate consumer. He is influenced by his cultural, social and societal environment as well as fashion trends. a marketing strategy can be developed by identifying and understanding the intensity of factors that influence their customers and thereby brands (Unique Value Proposition). Word of mouth is more efficient, as it is a real asset to better meet the needs of its customers and increase sales. It is in line with the needs and ways of thinking of their target consumers.*

**Keywords:** External Communication, Advertising, Consumer, Buying Behaviour, Word of mouth, income, brand and social class.

# Dopad externí komunikace na chování spotřebitelů při nákupu

## Abstrakt:

Kupní chování konečného spotřebitele se týká chování kupujícího spotřebitele. Nákupní návyky, nákupní chování, dříve zakoupené značky, odkazy na jeho přátele a rodinné zvláštnosti a charakteristiky maloobchodníků, které navštěvuje, jsou některé z faktorů, které ovlivňují jednotlivce v tom, co je a v jeho rozhodovacím procesu. Každý z těchto faktorů způsobuje konečný výsledek rozhodnutí o koupi. Jednotlivec a jeho osobnost je vedena jeho kulturou, subkulturou, společenskou třídou, členskými skupinami, rodinou, psychologickými faktory, kterým je náš konečný spotřebitel. Je ovlivněn kulturním, sociálním a společenským prostředím a módními trendy. marketingovou strategii lze rozvíjet identifikováním a pochopením intenzity faktorů, které ovlivňují jejich zákazníky a tím i značky (Unique Value Proposition). Ústní slovo je efektivnější, protože je skutečným přínosem pro lepší uspokojení potřeb svých zákazníků a zvýšení prodeje. Je v souladu s potřebami a způsoby myšlení svých cílových spotřebitelů.

Klíčová slova: Externí komunikace, reklama, spotřebitel, nákupní chování, slovo úst, příjem, značka a společenská třída.

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## **Chapter-1**

### **Introduction**

Since the dawn of mankind, humans have constantly communicated with each other sharing and talking about anything and everything. Informal communication can be easily built through shared point of views, experiences, disagreement or persistent advices. People can easily describe their last experience without any distress and give their feedback about any product, website, importance of the service. In the last three decades, internet and its usage has progressed exponentially, making information sharing easier and more efficient.

Most people think of external communication as just being about selling of products and advertising. This is an inadequate view – external communication that is also marketing embraces much more than just telling people about a product and selling it to them. There are thousands of definitions of advertising and marketing– each article seems to think of a new one. One of the clearest and shortest is from the Chartered Institute of Marketing: “Marketing is the management process responsible for identifying, anticipating and satisfying consumers’ requirements profitably.” Another definition from Contemporary Marketing Wired by Boone and Kurtz: “Marketing is the process of planning and undertaking the conception, pricing, promotion and distribution of goods and services to create and maintain relationships that will satisfy individual and organizational objectives”.

When it comes to advertising and marketing their product, every marketer spends millions of dollars on it. From conventional marketing techniques like newspapers, radio and television to latest trends like internet selling website and direct mail, companies make sure to get marketing mix through getting into all fields of advertising to make their visibility in the market which could eventually lead to sales but when it comes to branding and sales, nothing can beat word of mouth advertising.

## **1.1 Promotion**

Promotion is about communicating with potential customers and actual purchaser and consumers. Effective promotion is not only about creating awareness of products but also has to make an effective product image and more so product ‘personalities’ that consumers can identify with. Other techniques of promotion include direct selling and sales promotion offers apart from advertising. The ‘promotion mix’ is the combination of all forms of promotion used by a business for any product. The promotion budget is the amount firms spend on promotion is often a key decision, but successful communication is not just about the total amount spent. The promotions mix is also about how the budget is allocated between the competing forms of promotion available. A separate ‘P’ in the marketing mix is the packaging of products, but it is very closely tied to promotion and product imagery. Above-the-line promotion is a form of promotion that is undertaken by a business by paying for communication with consumers. Advertising is paid-for communication with consumers to inform and persuade, e.g. TV and cinema advertising. Below-the-line promotion is based on short-term incentives to purchase and a directly paid-for means of communication. Sales promotion: incentives such as special offers or special deals directed at consumers or retailers to achieve short-term sales increases and repeat purchases by consumers.

## **1.2 Advertisements**

Advertisements are often classified into two types, but in practice this distinction is often quite blurred.

### **1.2.1 Informative advertising**

Informative advertising is adverts that give information to potential customers of a product, rather than just trying to create a brand image. This information could include main features and places where the product can be purchased price and technical specifications. This style of advertising could be particularly effective when promoting a new product that consumers are unlikely to be aware of or when communicating a substantial change in price, design or specification.

### 1.2.2 Persuasive advertising

Persuasive advertising is adverts trying to create a distinct image or brand identity for the product. They may not contain any details at all about materials or ingredients used, prices or places to buy the product. This form of advertising is very common, especially in those markets where there might be little differentiation between products and where advertisers are trying to create a perceived difference in the minds of consumers. Perhaps there is little difference between these two styles of advertising: 'The more informative your advertising, the more persuasive it will be' (David Ogilvy, *Confessions of an Advertising Man*, New York: Ballantine Books, 1971). Not all advertising is aimed at the final consumer. Trade advertising is aimed at encouraging retailers to stock and sell products to consumers and, if possible, to promote them in preference to rival products. This type of advertising is most likely to take place in trade journals and magazines not available to consumers.

## 1.3 Marketing

The two type of marketing that are often talked about can be discusses as follows-

### 1.3.1 Asset-led marketing

It is a way of marketing balancing between market and product orientation. It is an approach to marketing that instead of based purely on what the customer wants puts it on the firm's existing strengths and assets. This does not attempt to satisfy all consumers in all markets and is based on market research too. Instead, the firm will consider its own 'Unique Selling Point' or 'strengths' in terms of assets, brand image and people will make only those products that use and take advantage of those 'competencies'. Using this approach, Levi Strauss offer a wider range of clothing than ever before with the addition of its Dockers brand majorly restricting its product to clothing and accessories. Similarly, BMW does use its brand strength to market sports and luxurious 4 × 4 SUVs (sports utility vehicles) and does not enter the commercial-vehicle or motor-caravan markets. Several other firms focus on their existing strengths, USPs in terms of assets and products rather than trying to meet every new consumer taste and fashion and entering entirely new markets. It

is significant to realise that all market-oriented businesses will not succeed. Market research and identifying consumer needs are not a guarantee of business success – the new products developed in this way may come to market too late or fail to impress consumers compared to rivals' products. In the twenty-first century, success and survival in the competitive and globalised markets of depend upon the whole marketing process. This includes market research but cannot end there – the aim of the rest of this study is to examine the other factors that determine marketing success.

### 1.3.2 Societal Marketing

This approach of 'societal marketing' adopts a wider perspective than the previous forms of orientation. It focuses on the business and its consumers as well as other stakeholders. Social responsibility can be regarded as an important strategic marketing tool and is becoming increasingly popular among organisations. what the central purpose of marketing should be? Has become the central question. Is it 'a means of satisfying consumer needs profitably, but with minimum damage and costs to society' or should it be 'a management tool to help maximise profits' be? The former concept of marketing is the correct one to adopt according to the managers who claim to believe in 'societal marketing'. In 1972, Kotler first coined, the term 'societal marketing'. Societal marketing is this approach that considers the effects on all members of the public (society) involved in some way when firms meet these demands and not only the demands of consumers'

These other members of the stakeholders or public include government, the community, the natural environment employees, suppliers, shareholders and competitors.

The Body Shop is an example of societal marketing which promises its supplies from sustainable sources produced in non-environmentally damaging ways and not to support animal testing of its products and purchases. These products meet society's long-term interests and are not the cheapest.

The sale of dolphin safe tuna fish is another example, which has been caught by rod and line rather than nets that can trap dolphins. This is more appealing to society's concerns consequently tuna is more expensive.

The societal-marketing concept has the following implications:



- It is an attempt to balance three concerns: society's interests, customer wants and company profits.
- Societal marketing prioritises long-term consumer and social welfare (protecting the environment or paying workers reasonable wages) over short-term consumer wants (low prices). It considers long-term welfare.
- Businesses should still aim to identify consumer needs and wants and to satisfy these in a way that enhances consumers' and society's welfare and more efficiently than competitors do.
- A significant competitive advantage is given to business using this concept. Purchase of products from businesses that are seen to be socially responsible are preferred by many consumers.
- A societal-marketing strategy, if successful, becomes a 'unique selling point', as benefiting society could lead to the firm being able to charge higher prices for its products.

**Table 1- Appropriate Promotional Strategies over the life cycle of the product**

Stage of life cycle	Promotional options
Introduction	<ul style="list-style-type: none"> <li>informative advertising to make consumers aware of the product's existence, price and main features</li> <li>sales promotion offering free samples or trial periods to encourage consumers to test the product – incentives may need to be offered to the trade to stock the product</li> </ul>
Growth	<ul style="list-style-type: none"> <li>to continue some informative advertising, but the focus may now move to brand building and persuasive advertising</li> <li>sales promotion to encourage repeat purchase</li> <li>attempt to develop brand loyalty</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>advertising to emphasise the differences between this product and competitors – may be needed to remind consumers of the existence of the product</li> <li>sales-promotion incentives to encourage brand switching and continued loyalty</li> </ul>
Decline – assuming no extension strategy	<ul style="list-style-type: none"> <li>minimal advertising, apart from informing consumers of special offers</li> <li>sales promotion – there may be little additional support for the product if the intention is to withdraw it</li> </ul>

Source: Researchers views, Table prepared by the researcher.

Whether they have achieved their aims cost-effectively or not is the main test of promotional campaigns. The main aim of advertising and sales promotion could be part of a longer-term 'brand building' exercise, where the benefits will be spread over many years and is not always to increase sales in the short term. It is vital for the business to assess the

degree of success a campaign, irrespective of the original aim of the company. This is usually a tough thing to do. Lord Leverhulme, a British businessman, said a very famous quote: ‘I know half of the money I spend on advertising is wasted, but I can never find out which half’ (The Ultimate Book of Business Quotations, Capstone Publishing, 1997). By this he meant that it was not easy or probable to measure the true effectiveness of an advertising campaign. As new techniques and technology have enabled the effectiveness of all promotion campaigns to be assessed with some accuracy Modern marketing experts now differ their view with classical businessman.

## **1.4 Public relation**

Public Relation provided by the media is designed to gain free publicity as opposed to advertising that is paid for. Public Relation departments in all large businesses try to arrange as much positive TV and press coverage as possible of their business.

The launch of a new product might include a press conference where journalists will be provided with details about the product and its performance – with the hope that this will later appear in an article or TV news programme. Journalists might be offered a week’s free holiday in a new hotel or be encouraged to test drive a car for a week – all these enticements are usually likely to lead to positive media coverage. when these events such as major cultural and sports are reported in the media, as the name of the sponsoring company is nearly always mentioned too sponsors often receives free publicity. Putting forward the company’s view on incidents that might be damaging to image or reputation. will also be the task of the Public Relation department. When there is a quick and detailed response in public to an event, such as a faulty batch of products or an aircraft accident, then the negative impact of the incident may be reduced.

## **1.5 Branding**

To a product or a range of products is named by a firm. The aims of **branding** products include:

- aiding consumer recognition
- giving the product an identity or personality that consumers can relate to.
- making the product distinctive from competitors

There are specialist agencies who will advise firms on name suitability as the choice of brand name is an important part of the overall marketing strategy. These agencies check to see that the proposed name does not have an unfortunate translation in other languages and not been registered by another company. Finally, the proposed brand name go through a survey of consumers will be undertaken to gauge their reaction. It is claimed that an effective brand identity will have the following benefits for businesses:

- When shopping in a supermarket, there are several product options available increasing the chances of purchasing the brand that is recalled by consumers.
- Clearly differentiate the product from others.
- Allow for the establishment of a 'family' of closely associated products with the same brand name.
- Reduce price elasticity of demand as consumers have been shown to have preferences for well-known brands.
- Increase consumer loyalty to brands, which is a major marketing benefit.

A recent development has been the growth of 'own-label brands'. These are ranges of goods that have been launched under their own store name by retailers. Retailers buy them in with their own labels and brand names on; it is very rare for the to produce the goods they. Often, the goods are made by leading manufacturers who have their own well-known brands on the market that compete with the own-label brands. It can be a way of using up spare manufacturing capacity but clearly has the disadvantage of creating a more competitive environment for the well-known brands. For the retail stores, this strategy gives them a reasonable quality product, bought with bulk discounts, over which they have full marketing. The performance of sale before and after the promotion campaign: When compared with the daily and weekly sales during and after the campaign, some conclusions could be drawn regarding the sales of the product before the campaign was launched.

### 1.5.1 Brand extension

The introduction of new or modified products can be used as a means of supporting a strong brand identity. For example, Adidas and Puma extended its brand to personal hygiene; Caterpillar to shoes and watches, Mars extended its brand to ice cream, and

Dunlop from tyres to sports equipment. Using the same name in this way helps as the advertising of one support sales of the other products, and to create a family of products too.

## **1.6 Marketing or promotion expenditure budgets:**

These spending limits can be set by using several different approaches:

- 1) A percentage of sales: Using this approach, with the level of sales the marketing budget for expenditure will vary. Thus, the department will have additional funds allocated to it for promotional activities, if sales increase. This method has a major defect – perhaps due to inadequate promotional activity, if sales are declining, then the amount to be spent declines too.

- 2) Objective-based budgeting: This approach starts out by analysing to meet objectives what sales level is required and then assesses how much supporting expenditure is required to reach such targets. This then becomes the promotion budget.

- 3) Competitor-based budget: In terms of sales, when two or more firms are of roughly the same size, they will attempt to match each other in terms of marketing spending. Possibly, leading to spiral promotion costs as each try to do below the-line spending and outdo the other's advertisements. Also, just because the same approximate amount is being spent does not guarantee its effectiveness. Even though one firms spend as much, the other firm might have a particularly creative and attractive promotional mix that is not easily matched.

- 4) What the business can afford: In smaller businesses, finance is often very limited. Managers can it is quite commonly adopting the attitude that marketing that it can only be afforded after all other expenses have been met as is a luxury. In these cases, after all other forecast expenses have been paid for marketing budgets will be based on what can be afforded. This method will, therefore, fail to take either marketing objectives or market conditions into consideration.

5) Incremental budgeting: A new figure is set, adding on a percentage by taking last year's budget to reflect inflation and this is called incremental budgeting. One criticism of this approach is that just the 'increment' that is being asked for and it does not require marketing managers to justify the total size of the budget each year.

## **1.7 Is the marketing budget well spent?**

### 1.7.1 From the viewpoint of society and the consumer

On all forms of promotion, including advertising, billions of dollars are spent worldwide each year. There are many observers who argue that this money would be more effectively spent, and this is a waste of resources in the interests of the consumers, in other ways. Society itself must not bear an unreasonable burden from excessive advertising is the view supported by those who believe in promotional activity.

### 1.7.2 From the viewpoint of the business

Whether or not they have achieved their aims cost-effectively is the main test of promotional campaigns. The main aim of advertising and sales promotion could be part of a longer-term 'brand building' exercise it will be spread over many years and is not always to increase sales in the short term. It is vital for the business to assess the degree of success, whatever the original aim of a campaign, and this is not always an easy thing to do. There is a very famous quote from Lord Leverhulme, 'I know half of the money I spend on advertising is wasted, but I can never find out which half' (*The Ultimate Book of Business Quotations*, Capstone Publishing, 1997) by a British businessman. By this he meant that it was difficult or impossible to measure the true effectiveness of an advertising campaign. Effectiveness of all promotion campaigns to be assessed with some precision using some new techniques and technology.

1. Sales performance before and after the promotion campaign: By comparing the sales of the product before the campaign was launched with the daily and weekly sales during and after the campaign, some conclusions could be drawn. The results of this comparison could then be used to calculate the promotional elasticity of demand.

2. Consumer awareness data: A series of questions are asked concerning the advertisements they have seen and responded to, based on these answers to this test each week market research agencies publish results of consumer 'recall' or awareness tests. Whether the advertisements or sales promotions have been seen and remembered is the rapid feedback on the progress of a campaign that the advertising agencies and their clients.
3. Consumer panels: These were discussed in the market research the impact of promotions and the effectiveness of advertisements are useful for giving qualitative feedback.
4. Response rates to advertisements: This is more than just checking on sales levels. Newspaper and magazine adverts often have tear-of slips to request more details and even TV adverts can ask for consumers to ring in, perhaps with the chance of winning a competition. Websites can record the number of hits and video-sharing sites the number of times an uploaded advert has been viewed.
  - The promotional elasticity of demand could then be calculated to compare results. The primary use for promotional elasticity of demand is making sure promotional expenses are justified by their returns. A price comparison of Promotional Elasticity of Demand (PED) can be used to calculate whether more promotion would maximize profit. Price Elasticity of Demand applied alongside Promotional Elasticity of Demand can help determine what impact pricing changes may have on demand. For maximum profit, a company's promotion-to-sales ratio should be equal to minus the ratio of the promoting and price elasticities of demand. If a company finds that their Promotion Elasticity of Demand is high, or if their Promotion Elasticity of Demand is low, they should promote aggressively.

## Chapter-2

### Objective & Research Methodology

#### 2.1 Research Objectives:

The diploma thesis aims to analyse effects of external communication and its impact on consumer buying behaviour. The main objective of this diploma thesis are as follows-

- The impact that family, society and culture have on the purchases of a consumers in terms of product fit match between the product/ brand and their personality.
- In regards of their financial position and their purchases, how much are consumers convinced.
- To see how word of mouth through friends and family transfer meaning recommends by them and to what extent does it shape their buying intentions

#### 2.2 Hypothesis:

**H1:** Customer perceived their family, culture and society in their links is absolutely associated to their engagement with a brand and behaviour's in decision making.

**H2:** The respondent is affected by its financial situation while shopping.

**H3:** High (versus low) perceived social media interactivity will give way further positive attitudes to the online marketing i.e. website, review of the brand.

**H4:** The need to belong to their age group will positively affect the forwarding of Contents through all possible means of communications i.e. electronic media, print media, social media etc.

**H5:** Word of mouth positively affects the purchasing decision and standard marketing

#### 2.3 Research Methodology:

Factors that influence the purchasing behaviour of an individual will be seen in this research. And for that quantitative study will be done on attitudes and behaviour's of consumer in relation to shopping, leisure, electronic gadgets, books, travelling and personal productivity. We also tried to explore the influencers in terms of buying behaviour, factors affect you most while shopping and making decisions regarding big

purchases. We also validated Duesenberg's theory stating that the neighbourhood majorly determines the expense on your lifestyle.

### **2.3.1 Population and sampling:**

To confirm that the sample selected is representative of the population, stratified sampling in terms of age, gender and education will be used in this research where the population will be broken down into categories, and a sample will be taken from each category. For this study, a well-designed questionnaire will be exercised. The questionnaires will direct to 58 respondents constituting the sample size.

### **2.3.2 Data collection:**

Data has been collected through the use of primary sources. Primary research design includes both quantitative and qualitative method i.e. structured questionnaire has been conducted. Questionnaire has helped to view the public opinion more broadly. Filling up google form has given an excellent result due to respondent's expertise experiences. Secondary data has been taken from articles, cases, research papers and blogs, etc. related to word of mouth impact on purchasing behaviour of online communities.

### **2.3.3 Procedures and measures:**

The questionnaire was circulated via google forms to friends and network. The respondents are from varying backgrounds in terms of age, education and sex. The questions are such as to understand social, cultural, friends' word of mouth impact on overall marketing, changes in marketing due to quick dissemination of information. Questions such as my society, family and culture affect my buying behavior and it has to be rated in terms of strongly agree or disagree. Whether the respondent considers financial conditions important while buying products. To what extent does social media play important role in spotting the latest trends. For the respondent does family plays an influential role that affect their buying behavior. Whether they are affected by people's opinion and their age while buying a product. Their personality is the determinant while buying a product. The respondent is consistent even if he has not had a good experience with the product. This is to understand how customer responds to changes of new product/services.



The last part would be like how customer perceive word of mouth, and they can give any additional comment regarding word of mouth online purchasing behavior. Responses are used to test the hypothesis. The respondents are given five options to choose i.e. to agree, strongly agree, neutral, disagree and strongly disagree.

## **2.4 Research Method**

Exploratory, research methods are adopted here as per the need of the study. Exploratory method provides insights into and grasp of an issue or situation. This type of research is used where the problem is not clearly defined. It helps to determine the best research design, data collection and, helps to choose the subject parameter.

## **Chapter-3**

### **Literature Review**

#### **3.1 Research Literature**

A high-speed globe where things are altering rapidly, in our modern customer-oriented society, where products and services become obsolete in no time. Customers are flooded with diverse range of products and services. Companies have become more observant of what they sell (Lange & Elliot, 2012). People take feedback of the potential buy from previous customers of the company (Attia et al, 2012). Usually, customer will buy the cheapest ones with the top quality, it is not actually simple to be sure that it is the right one.

Just like a coin has two side same is with word-of-mouth communication as it has both positive and negative impact. One of the instruments for marketing experts since positive opinions can influence customer to consume the brand in question is positive word-of-mouth communication is (Arndt, 1967, pp. 291-295). On the other hand, negative word-of-mouth communication has the opposite effect. In this regard, the majority of previous studies have indicated that consumers are less affected by positive word-of-mouth opinions than negative ones (Lam and Mizerski, 2005, pp. 215-228; Tybout, Calder and Sternthal, 1981, 73-79; Mangold, Miller and Brockway, 1999, pp. 73-89;). In addition, negative word-of-mouth communication not only damages a brand's reputation but also influences consumers' buying behaviours regarding the product (Hoyer and MacInnis, 1997, p.37). With regard to the latter, it has been observed that a displeased consumer conveys his/her opinions to at least five people (Mangold et. al, 1999, pp. 73-89) and to as high as nine people on average (Buttle, 1998, pp. 241-254). Besides, in the process of purchasing newer products, especially newer goods. A significant effect on consumers' buying behaviours has been of word-of-mouth communication from existing purchasers (Engel, Blackwell and Miniard, 1993,p. 621).

Active and passive communication are included as the two dimensions of Word-of-mouth communication. To convey ideas about certain goods, services, brands and company refers to as active word-of-mouth communication. Whereas, the gathering of information via

families, friends, and colleagues by consumers' before buying certain goods denotes passive word-of-mouth communication (Lampert and Rosenberg, 1975, pp. 337-354).

About the latter, passive word-of-mouth communication also works as a form of active communication since these individuals, upon retrieving the information, convey their ideas to additional parties (Christiansen and Tax, 2000, pp. 185-199). Through either active or passive communication methods, directly or indirectly purchasers formulate their opinions regarding certain products and believe the views of those close to them. Moreover, potential consumers can make quicker decision-making based on these seemingly trustworthy comments (Silverman et al., 2006: 601-634).

### **3.2 Word-of-mouth**

The word-of-mouth communication model consists of five steps:

First, the consumer (i.e. student) becomes conscious of his/her needs. Second, potential customer collects information regarding how to satisfy his/her needs. In this step, the approach can diverge based on several associates such as the opinions of friends, relatives and salespeople, certain beliefs and previous experiences. Third, the consumer assesses the gathered information. Fourth, the consumer decides to buy the most appropriate product based on the evaluation. Finally, after the purchase is made, the consumer evaluates and develops opinion regarding the product or service in question either positive or negative, depending on his experience (Severn, Belch and Belch, 1990, pp. 14-22).

“Any positive or negative statement made by customer based on his experience about a product or a company, that is made available to a mass of people and institutions using the internet” (Heming-et.al.,2004). Word of Mouth (WOM) is a communication between two non-commercial people without the awareness of the business and no money involved in it (Taylor et. al, 2012).

With the introduction of new media, the need for more efficient and cost-effective communication are driving the change in marketing environment. (Low, 2000). Integrated tactics are used to implement their company's marketing communication strategies through managers. Integration of different marketing approaches must be used as a holistic concept Kitchen and Burgmann (2010) and Kitchen et al (2004). Integrated messages must be

distributed to the target audience to promote and reinforce customer interactions. Integrated marketing communication (IMC) is used by companies that are struggling to effectively deliver their services in the global competitive market. IMC is used for aligning the company's marketing message with marketing objectives of managers and the target audience. A study by Kerr et al. (2008), in building public and media relations a significant role is played by IMC as a key communication tool. The core channels for delivering messages with accuracy and reliability are effective advertising, sales promotion and direct marketing. The needs of the stakeholders, particularly of employees and suppliers is recognized by the marketers through IMC Kitchen *et al.* (2004).

Most of the consumers are keen to respond, creating an exchange of information between consumers and thereby seeing a rise in word of mouth effect. Advent and appreciation to the internet, consumers have large amount of information to be successful and also giving power back in the hands of customer. In the World Wide Web, a bundle of blogs, forums and social networking websites present customers the means of sharing this kind of information (Chu & Kim, 2011). The e-Word-of Mouth trend is by means of all the technologies together with the Internet also the most important consumers the Word-of-Mouth trend developed firstly through Face-to-face communication's way (Fakharyan&Elyasi, 2012). To be in touch with people around you or around the world the Internet enhanced the technique. Facebook, Myspace, and Twitter has provided better use of online social network tools. Online word-of-mouth became more admired as communication vehicles such as face-to-face connections, phones, mobile devices, and even e-mails are replaced by social networks (Ho, J. Y., & Dempsey 2010).

The companies' strategies have a significant division of Marketing. Currently, in marketing and above all in e-Marketing, Word-of-Mouth is also a great aspect. In order to pass on information to potential customers present everywhere on the Web, from advertisements to opinion on blogs or forums are the diverse tools used by marketers (Hung & Li, 2007). Irrespective of companies liking, people chat about a variety of products and services. Companies usually fail to stop customers and potential consumers to critique their products, the use of their company names and brands in discussion groups (Huang, J. H., & Chen, Y. F, 2006). E-WOM that is Electronic Word of Mouth) can be originating in effective communities: blogs, consumer reviews, social media and forums (Yi-Wen Fan &

Yi-Feng Miao 2012). Mainly between regular internet users, communal norms or opinions in the effective communities affect approval of e-WOM, (Kozinets, et. al. 2010)

It has become the hardest to make a choice to decide whether to purchase a computer or a coffee machine. Advice from friend's and awareness of the substitutes given to them. A person can make an accurate and stable decision as the analysts had noticed in their research (Ren et al, 2013). Social set-ups have a greater influence on others than themselves, third person influence undesirably on individual's behavioral aim related to word of mouth communication (Cengiz& Yayla,2007). A message is sent by people on various discussion platforms where many other users notice it directly through E-WOM though it occurs just among few people.

According to studies done earlier, customer decision is influenced heap and bounds by Word of Mouth also helps to present a good post purchase wakefulness (Allsopet al.2007). In the present world, Word-of-Mouth might have different kinds of special effects. Firstly, it could be unconstructive or optimistic effects. Secondly, it has an impact on the service, the performance of the employee, the brand and also the product (McGriff, J. A, 2012). Effect of Word-of-Mouth has discrete target. A successful WoM has an impact through not only positive word of mouth but also by not getting a negative word of mouth (Mcgriff, J. A, 2012). The brand feels it difficult to set off its products and services in this fresh market in the market if the doesn't have a good representation by the Word-of-Mouth distribution.

At present we are surrounded by new technologies all over the place around us. Our way to communicate and to interconnect with people has been altered through new technologies. Technology platforms such as email, chitchat, phone or social networking websites is used extensively by people compared to previous decades (Herr et. al. 1991). Earlier face-to-face communication was preferred over emails which has changed through outbreak of technology. People's communication facilitates and has become more eye-catching through usability of these technologies. After three decades of world wide web the fruits that we are reaping through social networking websites are the most motivating through communication's technology. The form of blogs, vlog, forums and personal pages such as Facebook or Myspace are the kinds of website (Vilpponen et al 2006). These sites grow as it is typically created by marketers who broaden the site to their personal network and steadily the followers on the site grows (Thurauet. al. 2009). According to Brown et. al., the impact on an individual to control another individual by social networking websites is

studied and has accomplished in the importance of this technology to share out an idea from individual to a group of people. Furthermore, they concluded that one with few friends will have a better impact on his friends when he passes on a message than someone with a lot of acquaintances (Brown et. al. 2007).

Even if the prospective customer has never heard about a brand or if they never thought to take a service of the brand. When suggested by some network or connections suggest this brand, the behavior and attitude of the customer will influence their purchasing pattern. Before indulging in major purchase or services people seek out recommendation from their network and friends. Usually family members are the first lot contacted to and then one with experience and information in similar field is contacted. Those who are in towering uncertainty- avoidance culture will need to be more at ease and will ask advice from their dependable relatives (Osmonbekov.et. al. 2010). Word of mouth is one of the strongest networks of communication in the market (Allsop et al). Customer without fundamental knowledge of this part of business will have less impact of Word of Mouth and that's a dissimilar experience. When told something positive or negative about a picky brand will lead to biased outcome (Goldsmith, R. E., & Horowitz, D 2006). One is studied to be less tempted by another brand that is advised by a competitor. Perhaps your real worry is when the brand that one usually uses has received abundant amount of negative feedbacks that is when even a loyal customer starts to rethink their options.

### **3.3 A review on the book “Talk trigger” by Jay Bear and Daniel Lemin**

Technology has changed the world around us, and few people have had to make as many adjustments as marketing experts. The old school approach of buying up advertising slots between popular television shows just doesn't cut it any more. If one wants to stay on the top of the competition, one would better be steering the conversation and giving customers a reason to talk about your business.

After all, few things are as likely to make people reach for their wallets as a personal recommendation from someone they know and trust. But that is only going to happen if you are offering something memorable enough to bring up in conversation in the first place. In other words, you need a talk trigger. Whether it's a unique menu, ultimate

comfort or world-beating efficiency, talk triggers add value to your product or service while avoid gimmickry. Most importantly, they communicate your business's core values.

Crafting them might be an art, but it is not impossible. All it takes is some careful planning and an ability to read the market and respond to feedback from your customers.

Word- of mouth advertising is the most effective, and talk triggers increase your chances of being mentioned.

Few things are more likely to convince consumers to buy something than a friend's recommendation. That is something companies understand, which is why they hire celebrity "influencers" to promote their brand. But what if there was some way to spread the word about your business without having to shell out for reality TV personalities.

Well there is it's called word-of mouth advertising, and it has the potential to replace old-school marketing techniques. Take the cheesecake factory. The restaurant chain's yearly advertising bill comes in at a stunning \$268 million less than its competitor Darden Restaurants, the company behind Olive Garden. In total it spends just 0.2 percent of its revenue on advertising. Not bad for a multibillion-dollar enterprise!

Two words: Talk Triggers. The Cheesecake Factory has created a reason for customers to effectively advertise its product to each other for free. That is, its eye-catchingly enormous menus. These are 5,940 words long and feature 85 chicken dishes alone! This sets the company apart from the competition and sticks in the mind of anyone who comes to the restaurant for dinner.

Talk triggers are all about sparking conversation between customers and potential customers. Adding a feature to your product or service that gets people talking and allows them to tell a story about their experience is a great way of boosting your chances of being mentioned or recommended.

In this study, we will take a closer look at specific talk triggers that helped increase business' public profile, mentions on social media, personal referrals and turnover. As we will discover, word-of-mouth recommendations are so effective because they're regarded as more credible than advertising. In an age of greater suspicion and savviness, that's critical. Creating talk triggers that work rather than random perks or worst of all, gimmicks? There are four criteria you should look out for.

First, Remarkable, if your product or service is uninteresting enough for a customer to mention it. The cheesecake Factory's menu could overwhelm or even annoy customers, but it generates a huge number of conversations and recommendations. When the authors conducted a survey of the company's customers, they found that 57 percent mention the size of the menu when recommending the restaurant.

Next up, be relevant. Good talk triggers say something about your business's core values. Take the Hilton's DoubleTree hotel chain. The first thing every guest receives when she checks in is a warm cookie- the perfect symbol of the hotel's emphasis on cosy hospitality.

Third, be reasonable you don't need to go overboard to create effective talk triggers. In fact, avoiding showing stunts and keeping it real actually makes your brand seem trustworthy. Five guys, which gives every customer an extra serving of fries with her order. It is a popular policy that is not over the top.

Finally, be repeatable talk triggers should apply to every customer, rather than a random sampling of clients. The Californian burger restaurant skip's ketchup puts this into practice every day. Every customer is asked to pick up a card. If it is joker, the meal is on the house. Proprietor Skip Wahl first tried the scheme out on a busy day to keep customer the chance to get a free meal. Its sniffy trick- even customer who end up paying for their orders mention the talk trigger to friends and in their review. No differentiator will be loved by 100 percent of customers; if that were the case, it wouldn't be different enough to create conversations.

The other two types of talk trigger focus on efficiency. Emotion-based talk triggers can be extremely useful, but they don't make sense for every company. That doesn't mean these companies should forego the opportunity to set themselves apart from the crowd, however. In fact, emphasizing efficiency can be just as effective.

Two things that are beneficial are usefulness and speed

Usefulness worth talking about refers to whatever makes a product or service so convenient and user-friendly that it becomes a talk trigger on its own. Take Air New Zealand, for example, in 2011, the airline introduced the so-called sky couch in their economy cabin. That's essentially a regular seat with removable armrests and extra-large footrests that folds down into a futon after take-off. It is a real boon for passengers who



want to lie down to get some sleep and parents can use the extra space to let their children play. Even better, the company provides bedding on request.

We are so used to the idea that uncomfortable seats are something we have to endure on long-haul flights. So, improving seats instantly gets passengers talking, especially when their friends ask the inevitable question: “How was your flight”

Speed is another talk trigger. It is useful when you’re competing with rivals whose service is inconvenient or inefficient. That’s especially true in an age when most of us are growing increasingly patient and expect instant service. Take it from Paragon Direct, a Honda and Acura dealership in New York City. The service that really gets their customers talking is extremely convenient. They pick up your car, service it and drop it off anywhere in New York City, often overnight, so it is ready for you in the morning. That cuts out those time-consuming trips to and from the car dealership. It is also unique helping the company stand out from its rivals. In-fact since it introduced this policy, the company has grown by over 20 percent. A recent study says, around 40 percent of consumers in 2014 customer service survey by Parature rated quick resolution of an issue as the top priority of good customer experience.

Although there are some rare exceptions, like the joker used by Skip’s Kitchen, most talk triggers don’t translate into immediate profit boosts. Crafting the perfect talk trigger is all about developing and sustaining a carefully designed strategy. That requires the attention of more than just one department.

In fact, you’re best off involving your whole company in the process of creating talk triggers. An example of triangle if Awesome, that essentially a way of bringing together representatives from your marketing, sales and service departments to look at your customers’ needs from different angles. Marketing gives one insight into your market position and starts the conversation about your trigger by looking at your customer base, employee and stakeholders. That’s where the sale department comes in. this department has the lowdown on your unique selling proposition, or USP and knows what customers lack in the current marketplace. Finally, there’s customer service, the department that interacts with customers every day and knows their specific concerns- a great starting point for developing a durable talk trigger.

First interdepartmental talk trigger meeting by having each corner of the triangle present data on who uses your products and what customers are saying about your company and

market segment. Then write out any pattern in bullet points. That might look like: X percent of our customers cycle to work” or “customers want bigger size range” or “people don’t find our packaging very practical.”

The next part of the process is all about creating a “because” statement to explain your talk trigger. For this, you should ask yourself what kind of story you want your customers to tell each other and how this connects with your company’s core values. Remember the examples we looked at earlier: DoubleTree chose a cookie because it communicated its desire to make guests feel welcome. Meanwhile, Air New Zealand adopted the adjustable sky-couch because it wanted to offer passengers greater comfort. Complete this statement for your business: We’re introducing this because....”, and you will be well on your way to crafting an effective talk trigger.

The key thing is that talk trigger should be easy to communicate. The best way to confirm that is to test it out as much as you can. Try explaining it to a child, for example. If he gets it, is likely your customers will too

Another good indication that you’re on the right track is that your trigger doesn’t have any “ifs” and “buts” After all no one in his right mind is going to tell his friend about a great restaurant that gives its customers an extra portion of fries’ subject to availability in selected location only.

The next step is to quantitatively analyses conversations about ones’ talk trigger. That means looking at online conversations and sifting through data on social media topics, tagged customer uploads and mentions in reviews. You can also monitor offline conversations by using surveys, comment cards anecdotes from your sales team. At least ten percent of all conversations about your business should focus on your talk trigger during the test phase. Once you’ve permanently rolled it out, that should rise to at least 25 percent. DoubleTree’s warm cookie policy for example is mentioned in about 35 percent of all conversation about the company.’

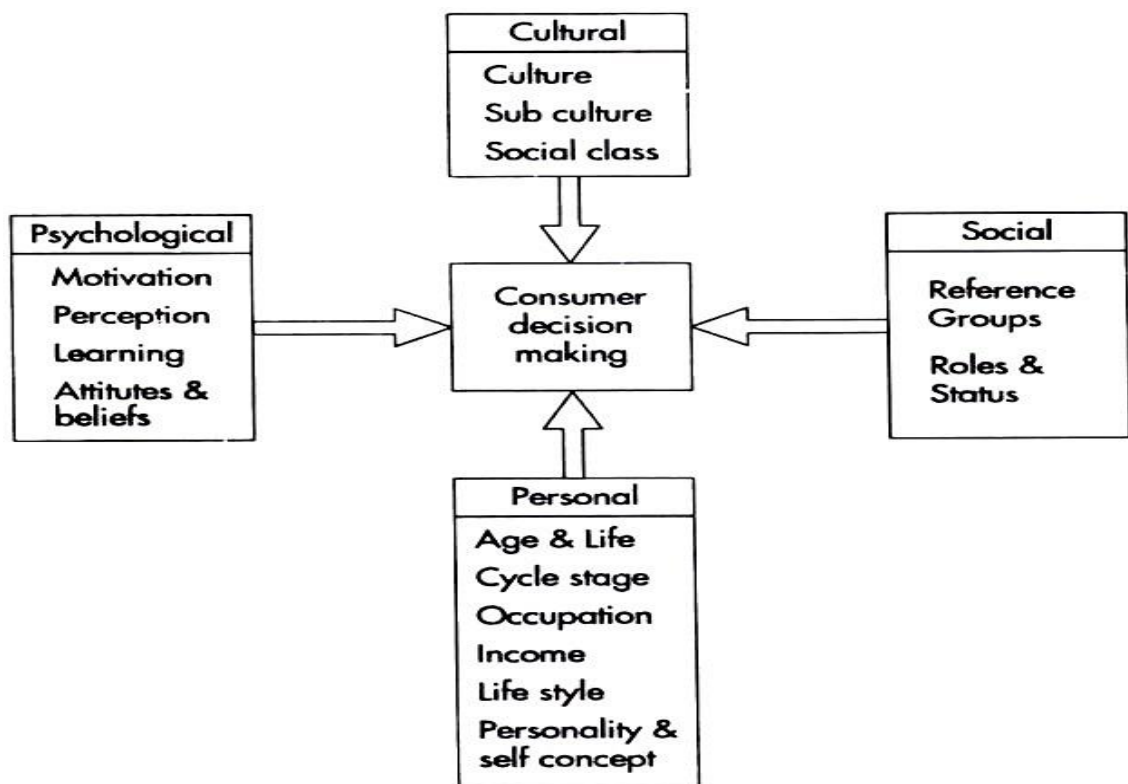
### 3.4 Factors Influencing Consumer Buying Behavior

The consumer behaviour or buyer behaviour is influenced by several factors or forces.

They are:

1. Cultural factors
2. Internal or Psychological factors
3. Social factors
4. Personal & Economic factors

Figure 1 Factors Affecting Buying Behaviour



Factors Influencing consumer behaviour

Source: Researchers views

According to this model, to produce a series of outputs in the form of purchase decisions, stimuli in the form of both the elements of the marketing mix and the external environment enter the buyer's 'black box'. It also interacts with the buyer's decision-making processes and characteristics. The task faced by the marketing planner involves understanding how

the black box operates. The two principal components of the box must be considered; firstly, the decision-making processes that is used and secondly the factors that the individual brings to the buying situation.

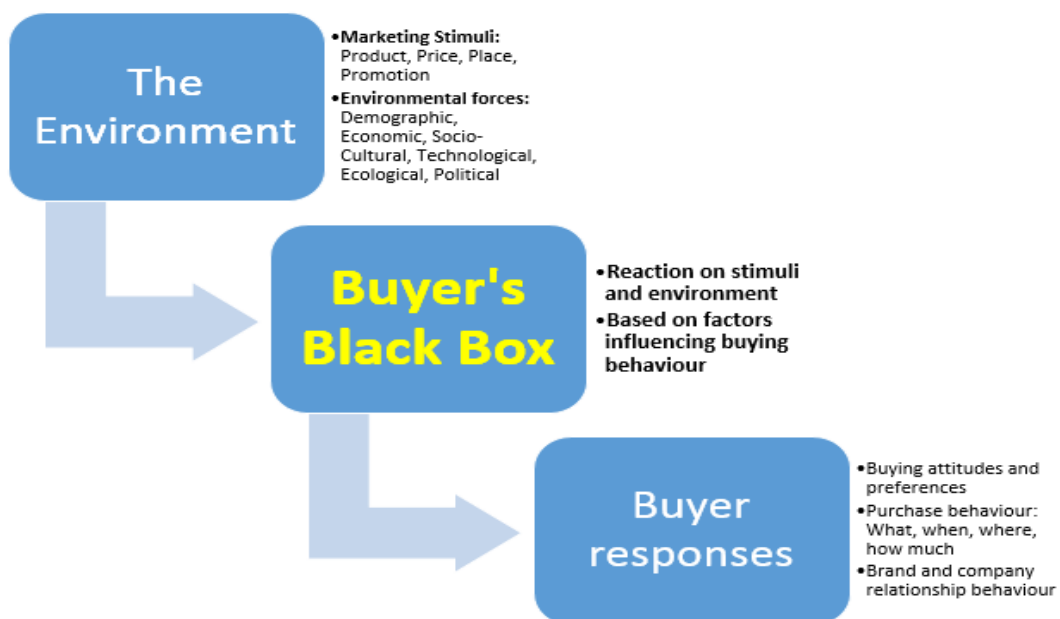
**The consumer behaviour or buyer behaviour is influenced by several factors or forces. They are:**

**The Black Box**

3.4.1 Internal or psychological factors:

The buying behaviour of consumers is influenced by several psychological or internal factors. The most significant ones are perception and motivation.

**Figure 2-Factors Influencing consumer behaviour or buyer behaviour**



**Sources: Researcher 's views**

3.4.1.1 Perception:

Significantly, human beings have more than five senses. Apart from the basic five senses i.e. smell, sight, touch, hearing, and taste. We have sense of direction, balance, a clear familiarity of which way is down, and so forth. Each sense is feeding information to the brain constantly, and the amount of information being collected would seriously overload the system if one took it all in. Therefore, the

brain selects from the surrounding of the individual and cuts out the extraneous noise. Hence, the information inward bound the brain does not provide a comprehensive view of the environment around you. To map the remaining information what is happening in the outside world the individual assembles and constructs a world-view. Of course, there will be many gaps which will be filled in with imagination and experience. The cognitive map is a construct of the imagination but then again is a 'photograph'. This mapping will be affected by the following factors:

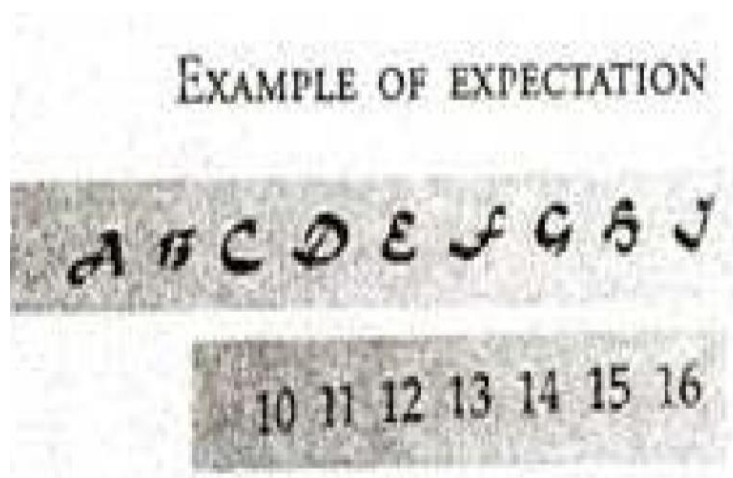
**1. Subjectivity:** This is unique to the individual as it is the existing world-view of an individual.

**2. Categorisation:** This is the prejudging of events and products and is the 'pigeonholing' of information. 'Chunking' is a process known for pigeonholing, whereby the individual organises information into chunks of related items. For example, a picture seen while a piece of music is playing might be chunked as one item in the memory, so that sight of the picture evokes the music and vice versa.

**3. Selectivity:** The brain is also a function of how much is going on around the individual, also depending on how selective (concentrated) the individual is on the current task in choosing from the environment.

**4. Expectation:** Through their expectation individuals interpret information in a specific way. For instance, look at this series of numbers and letters:

**Figure 3-Example of Expectations**



Source: Researchers Views

In the first series it would be interpreted as a B because that is what the brain is being led to expect, whereas, the B in Matura M1 Script looks like '13' when looked at it with focus the number 13 appears in both series.

**5. Experience:** In the light of what we already know, this leads us to interpret later experience. Psychologists call this the law of primacy, sometimes sights, smells or sounds from our past will trigger off inappropriate responses: the smell of bread baking may recall a village bakery from twenty years ago, but in fact the smell could have been artificially generated by an aerosol spray near the supermarket bread counter. An example of cognitive mapping as applied to perception of product quality might run as follows. The consumer uses the input selector to select clues and assign values to them. For quality, the cues are typically price, brand name and retailer name. There are strong positive relationships between price and quality in most consumers' perceptions, and brand name and quality; although the retailer name is less significant, it still carries some weight.

#### 3.4.1.2 Motivation:

"A motive can be defined as a drive or an urge for which an individual seeks satisfaction it becomes a buying motive" by William J Stanton. The force that activates goal-oriented behaviour, 'A driving force that impels an individual to act to satisfy his needs act' is known as motivation. An inner urge (or need) that is a motive, moves a person to take purchase actions to satisfy two kinds of wants viz. core wants and secondary wants. When it is aroused to enough level of intensity, it becomes one of the internal factors influencing consumer behaviour that is as a need becomes a motive. A motive is a need that is sufficiently pressing to drive the person to act. There can be of types of needs:

**1. Biogenic needs:** Thirst and hunger arise from physiological states of tension.

**2. Psychogenic needs:** needs for recognition and esteem arise from psychological states of tension such as needs for recognition and esteem

#### 3.4.2 Social factors:

Our behaviour patterns, likes and dislikes are influenced by the people around us to a great extent as man is a social animal. We seek validation from the people around us and avoid

doing socially unacceptable act. Consumer behaviour is influenced by the social factors such as a) Family, b) Reference Groups, c) Roles and status.

#### 3.4.2.1 Family:

Usually buyers have two types of families that is nuclear and joint family. A small family size that is a nuclear family is small in size and have more liberty to take their own decisions. Whereas, in joint families where there are a greater number of people, decision making gets more preferred over the individual. In the Asian context, family members have strong influence over the buying behaviour and decision-making process. The family buying behaviour roots the tastes, likes, dislikes and life styles etc. The buying behaviour of a member may be found in two ways: firstly, as the individual personality, characteristics, attitude and evaluation criteria is influenced through the influence of the family. Secondly, the decision-making process has an influence on the purchase of goods and services. In nuclear families, the man of the family may alone or jointly with his wife decide the purchase. So, marketers should study the relative influence and role of the husband, wife and children in the purchase of goods and services.

In an urban set up an individual normally lives through two families: first is family of orientation and second is procreation.

Family of orientation is the family in which a person takes birth. A person is strongly influenced by his upbringing and his parents on the buying habits. For instance, a customer raised in an orthodox Gujarati or Tamil vegetarian family may not consume egg and/or meat even though he/she may appreciate its nutritional values.

Family of procreation: formed by an individual with his or her spouse and children. Usually, under the influence of his/her spouse, an individual's purchasing habits and priorities change after marriage. The people usually settle in certain roles as the marriage gets older. For instance, normally man of the house takes decisions related to finance whereas the lady in the house takes decision on household, social life and health of children. From a marketing point of view, the level of demand for many products is dictated more by the number of households than by the number of families. The relevance of families to marketing is therefore much more about consumer behaviour than about consumer demand levels.

#### 3.4.2.2 Reference group:

Those who share a set of norms and whose relationship makes their behaviour interdependent. A reference group is a group of people with whom an individual associates. A person's attitudes, values and behaviour directly or indirectly influence a group of people they are also called as reference groups. They are not necessarily exhaustive that is non-overlapping but still falls into many possible groups.

#### 3.4.2.3 Roles and status:

Family, friends, clubs, and organizations are some of the ways through which a person participates in many groups, which also defines their position and name it as role and status. A role consists of the activities that a person is expected to perform, and each role carries a status. People choose products that communicate their role and status in society. Marketers must be aware of the status symbol of the potential consumer i.e. its products and brands.

#### 3.4.3 Cultural factors:

An individual who is also a potential customer grows up with a set of preferences, perceptions, values, and behaviour patterns both within the family and other key institutions observed by Kotler. A set of values, which controls and to a very large extent derives demand also determine behavioural pattern. According to Schiffman and Kanuk, values include achievement, efficiency, freedom, youthfulness, humanitarianism, individualism, material comfort, practicality, progress, and success. This broad set of values is then influenced by the subcultures like nationality, religious groups, racial groups and geographical areas. Cultural factors consist of a) Culture, b) Sub culture and c) Social class all of which exhibit degree of differences in ethnic taste, cultural preferences, taboos, attitudes and lifestyle.

#### 3.4.4 Personal factors:

Consumer buying behaviour is affected by personal factors that play an important role in determining the purchases.



#### 3.4.4.1 Occupation:

A customer's job type and nature of job has a direct influence on the products and brands he picks for himself.

#### 3.4.4.2 Age and life cycle stage:

A young bachelor tends to spend more on luxury items for several reasons one is that he is confident that he has many years to earn. Second, he wants to fulfil all the dreams that he could not when he was on students' loan.

#### 3.4.4.3 Personality:

Every customer has his/her personality traits that heavily influences consumption. A fitness freak will definitely want to buy more fitness and sports equipment rather than spending his money on beer.

#### 3.4.4.4 Lifestyle:

Austrian Psychologist Alfred Adler in 1929 proposed term lifestyle, it refers to the way in which individual stays in a society. An individual staying in posh society starts spending approximately same amount of money on his lifestyle.

#### 3.4.4.5 Economic condition:

The buying tendency of a customer is directly proportional to its earning of a month or in some case a week. Customers with high income would buy premium and expensive products. Whereas an average income group will buy necessity and comfort goods. Low income earners will be mostly observed buying inferior or giffen goods.

### **3.5 Ways to create word of mouth advertising:**

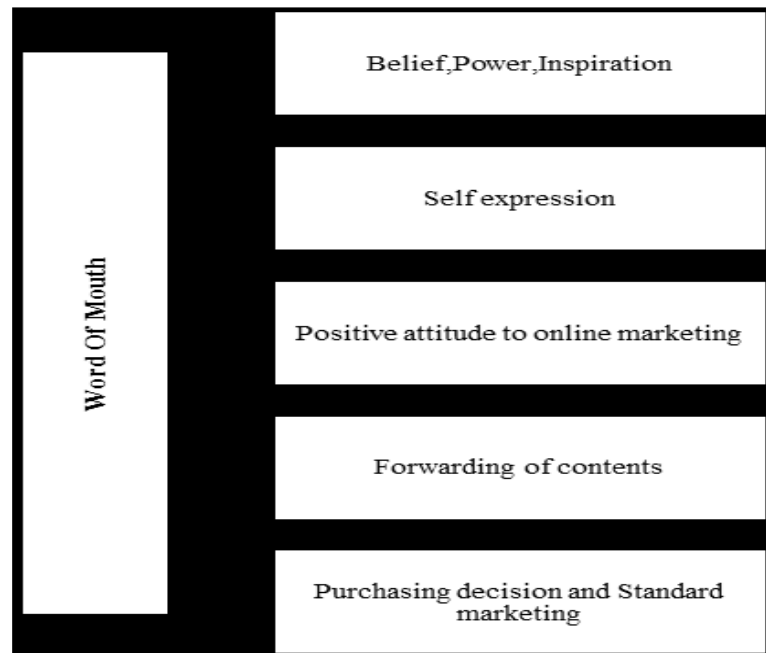
The most important parameter of a product is quality and at any cost must not be compromised. A quality product sells on its own and that's a key to word of mouth advertising. If a product solves the purpose and lives up to its branding, it results in satisfying customer base which will lead to word of mouth advertising.

1. A key deciding factors in a repeat sale process is post sales services. If a customer is satisfied with the product and its services, then they will constantly spread

positive opinion about the product which will lead to more people associating with the brand and would like to stay loyal with the company.

2. Not only customers; but employees as well are a huge assistance in word of mouth advertising. If a company offers a training to its employees, keeps them motivated. The company also makes sure that its employees are well trained, and they are well verse about the product they are offering for sale, this results in plentiful sales conversions and positive word of mouth advertising in the market.
3. If the company makes sure to deal with its customers complain rather than ignoring them as every customer looks for a grievance redresser policy by the company and it results in positive image branding strategy by the company which in turn rewarded with word of mouth branding by the consumers.
4. Delivering the promise is what a customer looks for in a brand. A company should never promise things which they cannot provide to consumers. Word of mouth advertising only takes place when a consumer's satisfaction level exceeds their expectation level and that is only possible if companies succeed in fulfilling their promise in terms of product and its utility.
5. The simplest and most effective way to spread word of mouth advertising is involvement of customer. By creating connectivity between the customers and connectivity through the product and information related to its results will also lead to word of mouth advertisement.

**Figure 4-Word of Mouth as an influencing factor in Buying Behaviour**



Source: Researcher's views.

Hence, external communication is an important business activity. To sum up, external communication activities are all those associated with identifying the particular needs and wants of target-market customers and satisfying those customer needs better than your competitors do. This means that market research is needed to analyse and identify customer needs. With this information and knowledge, strategic decisions must then be taken about product design, pricing, promotion and distribution. In advertising, the new buzz around is word of mouth and its power is unbeatable. This is done directly by the consumers it is an unpaid form of promotion. A satisfied and happy consumer converts masses of potential consumers by giving good feedback about the product and the company. Word of mouth marketing is the credible and more authentic form of advertising as a consumer expresses its experience and spreads positivity about the brand which results in conversion of potential customers to consumers. External communication through Word of mouth advertising is a cost-free promotional strategy. WoM usually happens, when a service or a product exceeds the graph of customer expectation. While making a purchase every customer does hold some expectation about the experience they will have and if their experience exceeds their aspirations, it leads to word of mouth advertising. It is the most testimonial form of advertising as it is done directly by the users of the product. It is often rated as true and unbiased form of information. Word of mouth advertising is not

something which a company can purchase, it is hard work and genuineness of a product and a company needs to put in so as to have unswerving customers in its kitty that can spread positive words about its product and company. Often a result of incredible quality, a complete utility satisfaction to consumers and dedicated post sales services leads to word of mouth promotion.

### **3.6 Interview with managers of Panther Sports Shoes Ltd**

The marketing director, Jim Singh, of Panther Sports Shoes Ltd commented 'If our major competitor spent \$3 million on promotion including advertising last year, how can you justify that our company should spend only \$1.5 million this year. We will never be able to gain more market share than Shoe flight.' At the recent board meeting, he continued: 'Unless we base our promotion budget on what our competitors are spending, we will always have lower sales. I am asking for a budget of at least \$3 million this year.' 'It isn't just a question of how much we spend – it also depends on what it is spent on. I still believe that the \$300,000 we spent on children's TV advertising last year was largely wasted. I still think that a promotion budget of 10% of expected revenue is the right amount to spend.' Imran Farouk the finance director firmly.

'I think you are both wrong. We should spend more on new designs of shoes that become well-known and recognised – with distinctive colours and features. These new products would almost sell themselves. The cost of the new designs would mean that we would only be able to afford a promotion budget of around \$0.5 million. This should not be a problem.' Said the managing director disagreeing with both of his directors.

## **Chapter-4**

### **Data Analysis & Interpretation**

This study was conducted on primary data. Moreover, primary data gathered through the survey and online forms were coded and analysed using different statistical tool like descriptive statistics and factor analysis and using SPSS software. Microsoft excel was also used widely to cross tabulate the data with the help of pivot table and graph generations.

For any research to be conducted a sound research methodology is must. Research methodology is a manner in which the researcher conducts the research. It is a science of studying the overall tactics behind the present research. It also includes the type of approach selected for the given study. Not only it depicts the techniques applied for the given research, but it also elucidates the reason behind the same. Which means, it also justifies the methods used for the research. The research methodology must be robust to minimize the errors in data collection and analysis. Methodology provides scope to the research. (Kolb, 2008)

#### **4.1 Tools for Data collection**

The study was conducted on both primary data. For collecting primary data survey method was approached.

Survey Method: Surveys are pre-determined written tools in which a series of questions are asked, which were then assessed on the basis of one of the numerous suggested responses. These questions are open-end and therefore permits respondents to answer in their specific words. The benefit of survey method above other approaches is that the investigator can tabulate, relate and thus analyse data (responses) as the questioned by each respondent are similar research (Kolb, Marketing research a Practical Approach, 2008)

To gather primary data from the respondents under the set questions, online questionnaire was also prepared and were filled by the customers of different age groups. Simple and cross tabular methods were used to analyse the data. Relevant tools were used as required

per research objectives. The collected data were processed and presented in tabular form and were analysed statistically thereafter wherever required.

## **4.2 Sample Size**

Current study is conducted on 58 respondents. And the target sample is customers of all age and educational background.

## **4.3 Questionnaire for the Current Study**

Major Research Questions included for the current study are as follows:

Please rate the following factors as per your priority in terms of buying:

- Q-1. My society, family and culture affect my buying behaviour?
- Q-2. I consider my financial conditions while shopping?
- Q-3. I use social networking sites to spot the latest fashion trends?
- Q-4. My family are the most influential people that affect my buying behaviour?
- Q-5. I care about people opinions when I buy things?
- Q-6. My age determines the things I buy?
- Q-7. I only buy products that suit personality?
- Q-8. I often change to another product if I had bad experience with the previous one?
- Q-9. I take in consideration my society beliefs (Wearing clothes)?
- Q-10 Which of the following influences you in terms of buying behaviour?
- Q-11 Where do you spend the most?
- Q-12 Factor affects you the most while shopping:

### **4.3.1 Demographic Details**

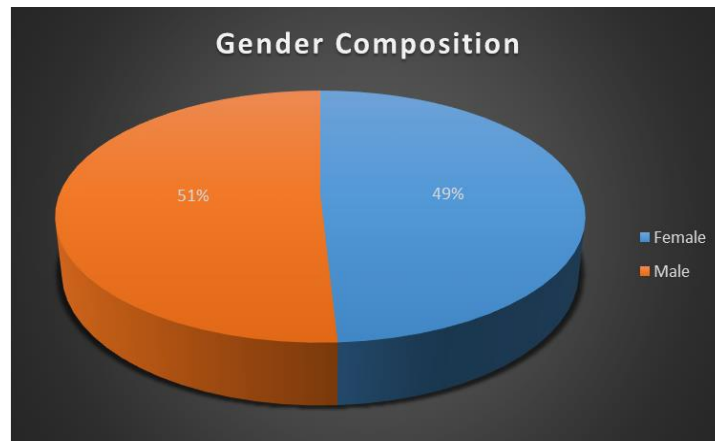
Table 2 and figure 5 shows the gender composition taken for this study. According to the chart it can be inferred that percentage of males are leading with respect to that of females . Out of 57 respondents, 29 respondents were males covering 51% of the population and 49% of them are females covering 49% of the population under this study.

Table 2: Gender composition

Gender	Frequency	Percentage
Female	28	49%
Male	29	51%
<b>Grand Total</b>	<b>57</b>	<b>100%</b>

Source: Primary data, Table prepared by the researcher

Figure 5: Gender composition



Source: Primary data, Chart prepared by the researcher

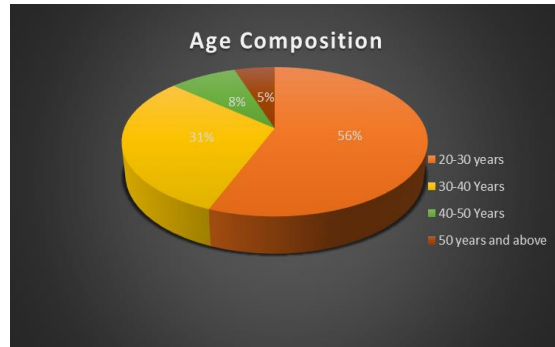
#### 4.3.2 Age Composition of the Respondents

Table no. 3 and figure no.6 shows the total frequency of males and females of the total sample taken for the study. It was found that the majority of the respondents aged 20-30 years covering 76%, followed by 30-40 years i.e. 17% of the population and respondents less than 20 years has covered 5% of the population while, rest 2% were more than 40 years.

**Table 3-Age Composition**

**Figure 6-Age Composition**

<b>Age Composition</b>	<b>Frequency</b>	<b>Percentage</b>
20-30 years	33	56%
30-40 Years	18	31%
40-50 Years	5	8%
50 years and above	3	5%
<b>Grand Total</b>	<b>59</b>	<b>100%</b>



**Source: Primary data, Chart prepared by the researcher**

### 4.3.3 Educational Qualification

From the above table no. 4 and figure no. 7, majority of the respondents i.e. 38% holders are graduate which are 22 out of 58 covers the total population of this study. 36% of them holds a post graduate education qualification which are 21 out of 58, 14% of them holds Higher secondary as a qualification with 8 respondents, 5% of them holds PhD with 5 respondents out of 58 and rest, 3% holds other type of qualification with just 2 respondents. So, we realise that literacy level of respondents implying that they had acceptable level of understanding of research problem.

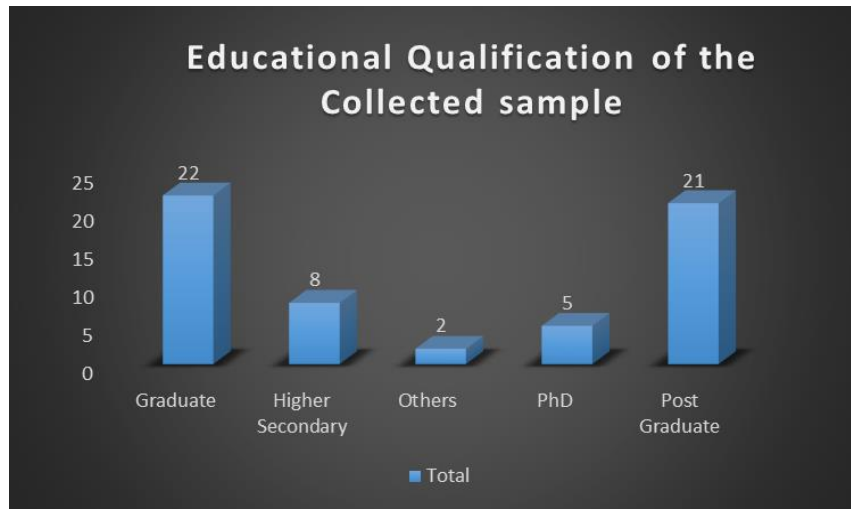
**Table 4: Educational Qualification**

<b>Educational Status</b>	<b>Frequency</b>	<b>Percentage</b>
Graduate	22	38%
Higher Secondary	8	14%
Others	2	3%
PhD	5	5%
Post Graduate	21	36%
<b>Grand Total</b>	<b>58</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**



**Figure 7: Educational Qualification**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.4 Influences in terms of Buying Behavior

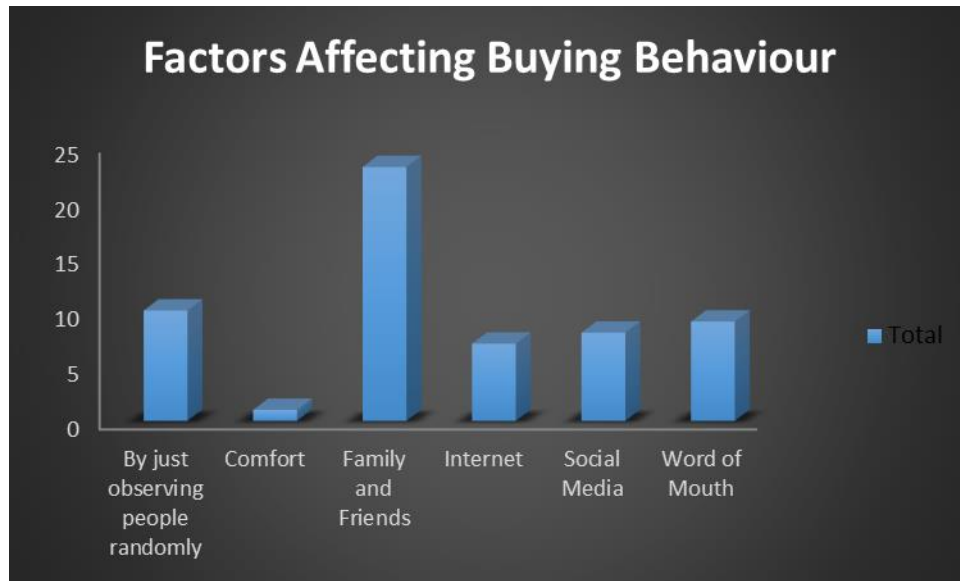
From the above table no. 5 and figure no. 8, the majority of respondents are influenced “family and friends” covering 40% i.e. 23 out of 58 respondents. While, 10 out of 58 respondents are influenced “by just observing people randomly” covering 17% of the total population, 15% is covered by “word of mouth” i.e. 9 respondents, 14% covered with “social media” with 8 respondents out of 58, 12% covered with “internet” and the rest 2% is covered with “comfort” with only 1 respondent.

**Table 5: Influences in terms of buying behaviour**

<b>Factors Affecting Buying Behaviour</b>	<b>Frequency</b>	<b>Percentage</b>
By just observing people randomly	10	17%
Comfort	1	2%
Family and Friends	23	40%
Internet	7	12%
Social Media	8	14%
Word of Mouth	9	15%
<b>Grand Total</b>	<b>58</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 8: Influences in terms of buying behaviour**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.5 Consumer’s Major Spending Items

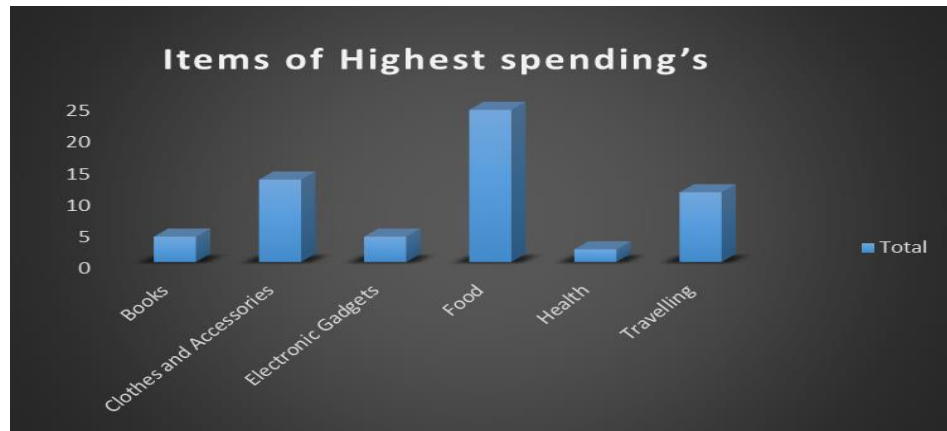
According to the above table no. 6 and figure no. 9, the question “where do you spent the most?” is clearly being answered here as “food” has the majority of population with 41% i.e. 24 respondents out of 58. While, “Clothing and accessories” has being at the 2nd by 22% of coverage under “where do you spent the most?” with 13 respondents, 19% coverage is of travelling with 11 respondents out of 58, books and electronic gadgets are equal with 7% of coverage and 8 respondents equally and the rest, 4% is being covered by health with 2 respondents out of 58.

**Table 6: where do you spend the most?**

Items of Highest spending’s	Frequency	Percentage
Books	4	7%
Clothes and Accessories	13	22%
Electronic Gadgets	4	7%
Food	24	41%
Health	2	4%
Travelling	11	19%
<b>Grand Total</b>	<b>58</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 9: where do you spend the most?**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.6 Factors affecting most while shopping

From the above table no. 7 and figure no. 10, we can clearly see that “personal factor” covers 73% under the factor which effects while shopping with 42 respondents out of 58. While, cultural factors cover 10% with 6 respondents out of 58, Psychological factors covers 7% with 4 respondents out of 58 and both i.e. social factors and other/none covers 5%-5% with 6 respondents equally.

**Table 7: Factors affecting most while shopping**

<b>Factors affecting most while shopping</b>	<b>Frequency</b>	<b>Percentage</b>
Cultural factor	6	10%
none	3	5%
Personal factor	42	73%
Psychological Factor	4	7%
Social Factors	3	5%
<b>Grand Total</b>	<b>58</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 10: Factors affected while shopping**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.7 Buying Behavior Influenced by Word of Mouth

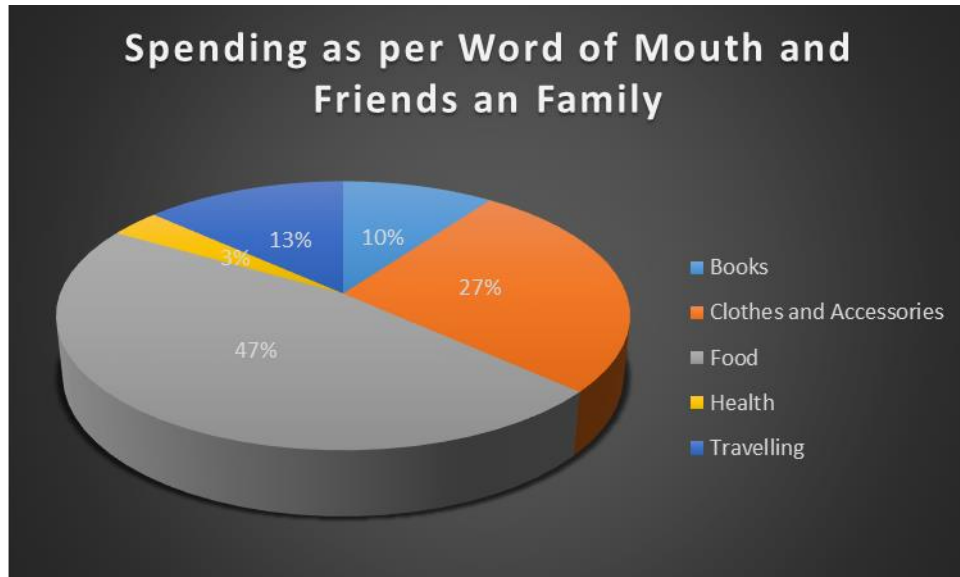
Table-8 and figure-11, revealed how the buying behaviour of the respondents influenced by word of mouth and Friends and family. Its influence was measured on variety of items such as, “food” which covers the majority of the population i.e. 47%, 14 out of 30 respondents. 27% is covered by clothing and accessories with 8 respondents, travelling is covered by 13% with 4 respondents, books covered 13% , 3 respondents out of 30. Hence it was found that people usually consider word of mouth while purchasing food and clothes and accessories.

**Table 8- Buying behaviour as influenced by Word of Mouth and Friends and family**

<b>Buying behaviour as influenced by Word of Mouth</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Books</b>	<b>3</b>	<b>13%</b>
<b>Clothes and Accessories</b>	<b>8</b>	<b>27%</b>
<b>Food</b>	<b>14</b>	<b>47%</b>
<b>Health</b>	<b>1</b>	<b>3%</b>
<b>Travelling</b>	<b>4</b>	<b>13%</b>
<b>Grand Total</b>	<b>30</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 11- Buying behaviour as influenced by Word of Mouth and Friends and family**



**Source: Primary data, Chart prepared by the researcher**

**Data Analysis of the questions based on Ratings on the major factors determining consumer’s buying Behaviour**

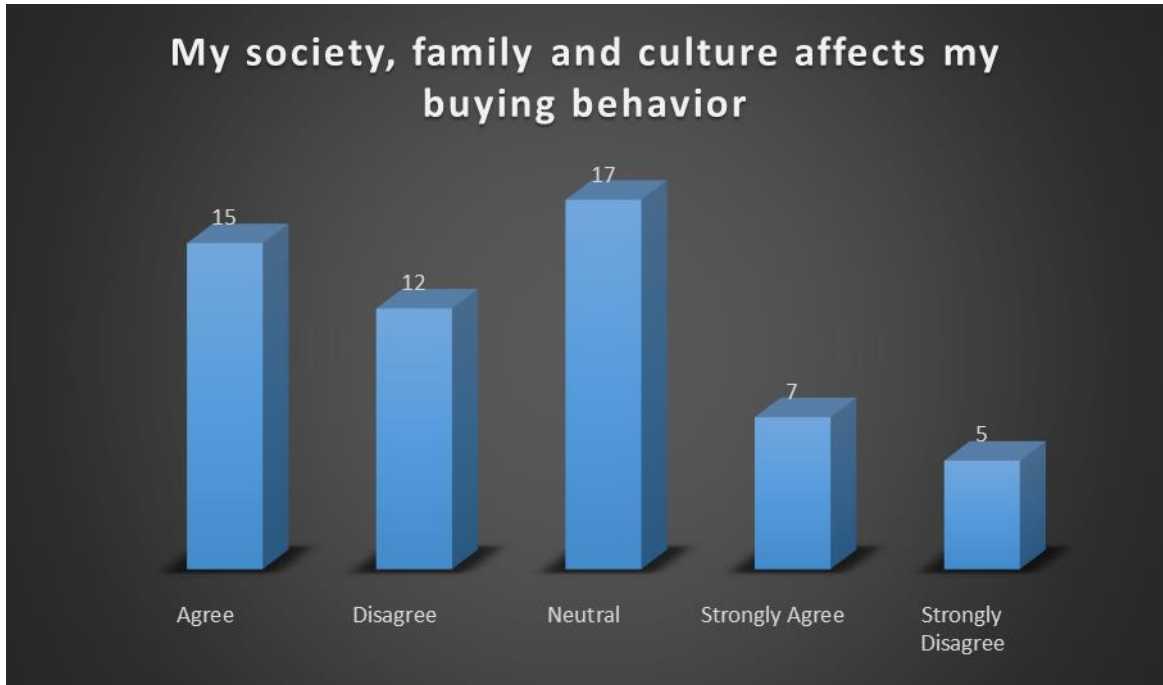
**4.3.8 Do Society, Family and Culture Affects Buying Behavior?**

Table-9 and figures-12, reveals the respondents buying behaviour affected by their society, family and Culture. It was inferred that most of them took neutral stance i.e.29%, 17 out of 58. Followed by affirmative response with 27%, however, 14% of them strongly agree on the statement. On the other hand, 21% and 9% of the respondents disagrees and strongly disagrees on the said statement.

**Table 9-Buying Behaviour affected by Society, Family and Culture**

<b>[My society, family and culture affect my buying behaviour</b>	<b>Frequency</b>	<b>Percentage</b>
Agree	16	27%
Disagree	12	21%
Neutral	17	29%
Strongly Agree	8	14%
Strongly Disagree	5	9%
Grand Total	58	100%

**Figure 12-My Society, Family and Culture Affects my Buying Behaviour**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.9 Do you Consider Financial Conditions while Shopping?

Table- 10 and figure 13, the majority of people with 27% strongly agree that the financial condition of a person is considered while shopping, everyone cannot afford to buy same number of quantities as others. Also, there are 18% of the people who agree with the above statement. 6% are in a neutral stance, 3% of the consumer’s disagree and the rest 2% strongly disagreed that the financial conditions of a person doesn’t matter while buying an item.

**Table 10-I consider my financial conditions while shopping**

Consider financial conditions while shopping?	Frequency (Responses)	% of responses
Agree	18	32%
Disagree	3	5%
Neutral	6	11%
Strongly agree	27	48%
Strongly disagree	2	4%
<b>Grand total</b>	<b>56</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 13-I consider my financial conditions while shopping**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.10 Use of social networking sites to spot the latest fashion trends

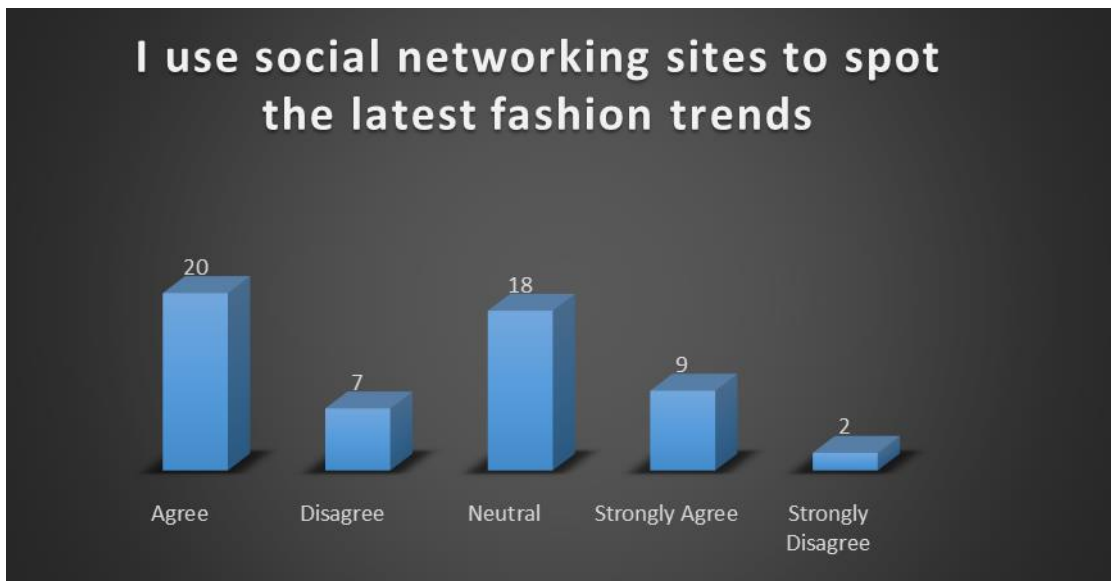
Table- 11 and figure 14, people have been asked about their priorities in terms of buying and 20% of the people agree that social media sites are a spot to know about the latest fashion trends. On the other hand, 9% of the respondents were also of the same view. While 18% of the people are neutral as whether the social networking sites are a spot of latest fashion trends or not. 7 % disagreed that it is not a spot for latest trends and 2% are strongly disagreeing for the social networking sites. The researcher wanted to know from the respondents about their priorities in terms of buying.

**Table 11-I use social networking sites to spot the latest fashion trends**

Use of social networking sites to spot the latest fashion trends	Frequency (Responses)	% of responses
Agree	20	36%
Disagree	7	12%
Neutral	18	32%
Strongly agree	9	16%
Strongly disagree	2	4%
<b>Grand total</b>	<b>56</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 14-I use social networking sites to spot the latest fashion trends**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.11 Family are the most influential people that affect my buying behavior

From the above table- 12 figure-15, it is depicted that 16% of the respondents are neutral that families are the most influential people who affect the buying behaviour of a consumer. While 12% of the respondents disagree with the above question while the 10% are agreeing. Rest of the respondents are equal in strongly agreed and strongly disagreed by 9% as their families are not the most influenced people in terms of purchasing. Hence, the researchers need to know from the participants that whether their families do influence their buying behaviour or not.

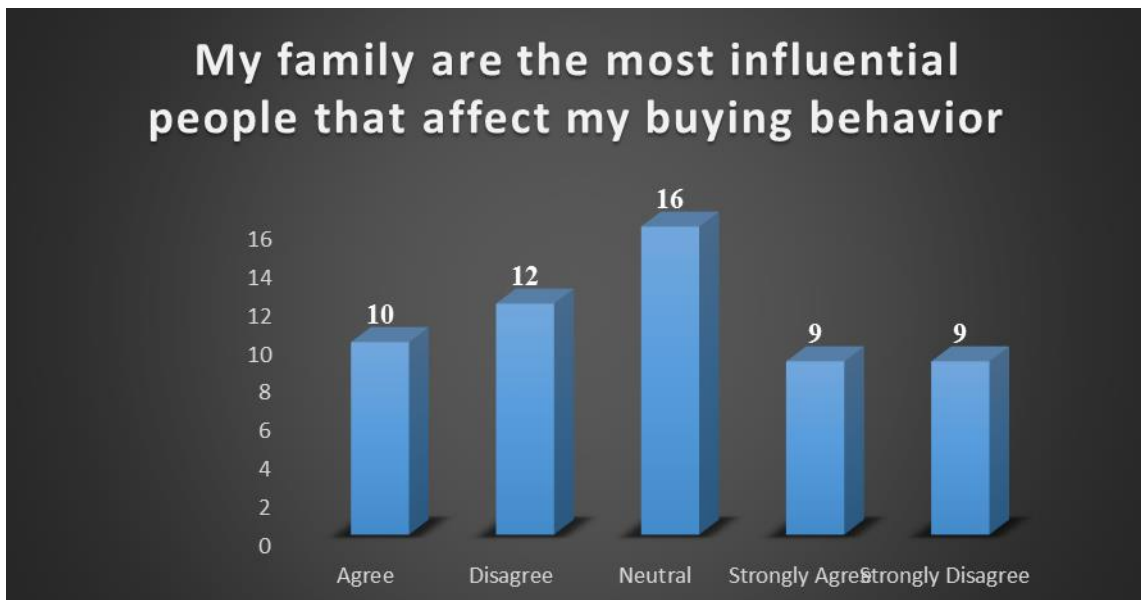


**Table 12-My family are the most influential people that affect my buying behaviour**

Family are the most influential people that affect my buying behaviour	Frequency (Responses)	% of responses
Agree	10	18%
Disagree	12	21%
Neutral	16	29%
Strongly agree	9	16%
Strongly disagree	9	16%
<b>Grand total</b>	<b>56</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 15-My family are the most influential people that affect my buying behaviour**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.12 Care about people opinions when I buy things

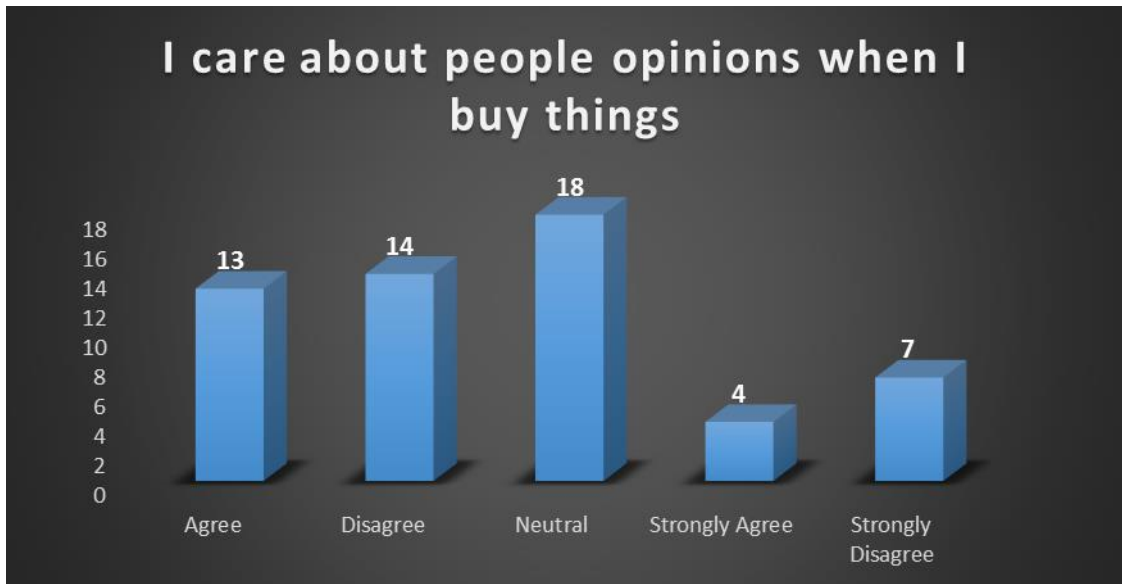
Looking at the table-13 and figure no. 16 above, 18% of the respondents are at a neutral stance that they don't know if they care about people's opinion when purchasing items. While 14% disagreed that they don't care about people's opinion. 13% of the respondents agree about what kind of opinion's people have. Rest of the 7% respondents strongly disagrees about the people opinions in their purchasing and 4% strongly agrees that they care about people's opinions and it do influences people's purchasing.

**Table 13-I care about people opinions when I buy things**

Care about people opinions when I buy things	Frequency (Responses)	% of responses
Agree	13	23%
Disagree	14	25%
Neutral	18	32%
Strongly agree	4	7%
Strongly disagree	7	13%
<b>Grand total</b>	<b>56</b>	<b>100%</b>

Source: Primary data, Table prepared by the researcher

**Figure 16-I care about people opinions when I buy things**



Source: Primary data, Chart prepared by the researcher

#### 4.3.13 Age determines the things I buy

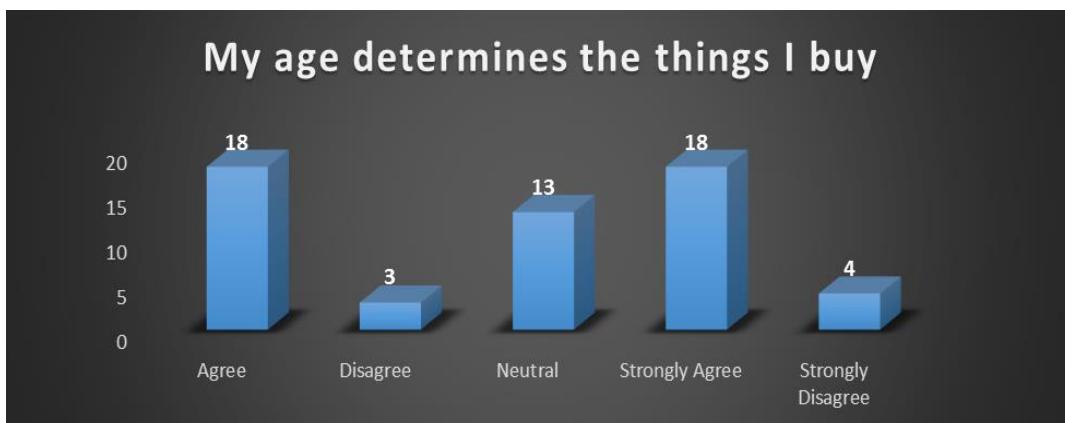
Table-14 and figure no. 17, it is clearly observed that there are equal numbers of majority of people i.e. 18% who strongly agrees and agree that age factor is determined when items are purchased. While, the other 13% of the respondents are neutral. Rest 4% are strongly disagreeing that age doesn't determine the things people buy and 3% also disagreed about the age factor in terms of buying. The researchers need to know whether the participants do have "age" as their priority in their purchasing style or not.

**Table 14-My age determines the things I buy**

<b>Age determines the things I buy</b>	<b>Frequency (Responses)</b>	<b>% of responses</b>
Agree	18	32%
Disagree	3	6%
Neutral	13	23%
Strongly agree	18	32%
Strongly disagree	4	7%
<b>Grand total</b>	<b>56</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 17- My age determines the things I buy**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.14 Family Influences Buying Behavior:

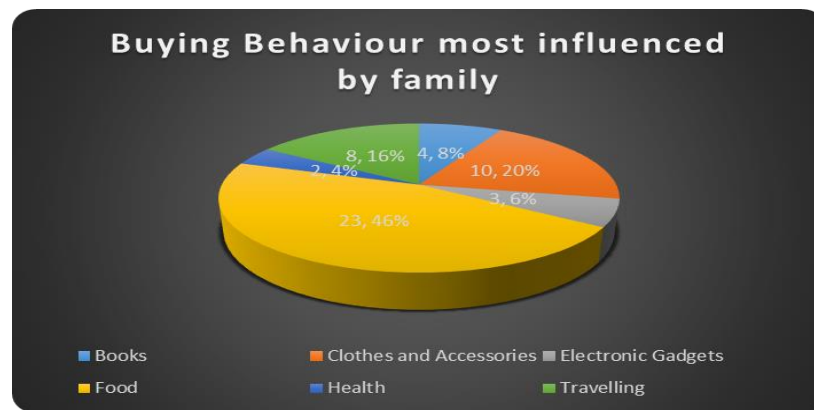
Table 15 and figure 18, it shows that food is the most influential item that causes buying behaviour and it covers 46% of the population with 23 respondents out of 50. While, clothing and accessories has also covered 20% of the population with 10 respondents, travelling has covered 16% of the population with 8 respondents, books has covered 8% of the population with 4 respondents, electronic gadgets has covered 6% and the rest, 4% is being covered by health by 2 respondents.

**Table 15-Buying behaviour most influenced by family**

<b>Buying behaviour most influenced by family</b>	<b>Frequency</b>	<b>Percentage</b>
Clothes and Accessories	3	22%
Food	9	64%
Travelling	2	14%
<b>Grand Total</b>	<b>14</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 18- Buying behaviour most influenced by family**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.15 People opinions Influences buying Behavior

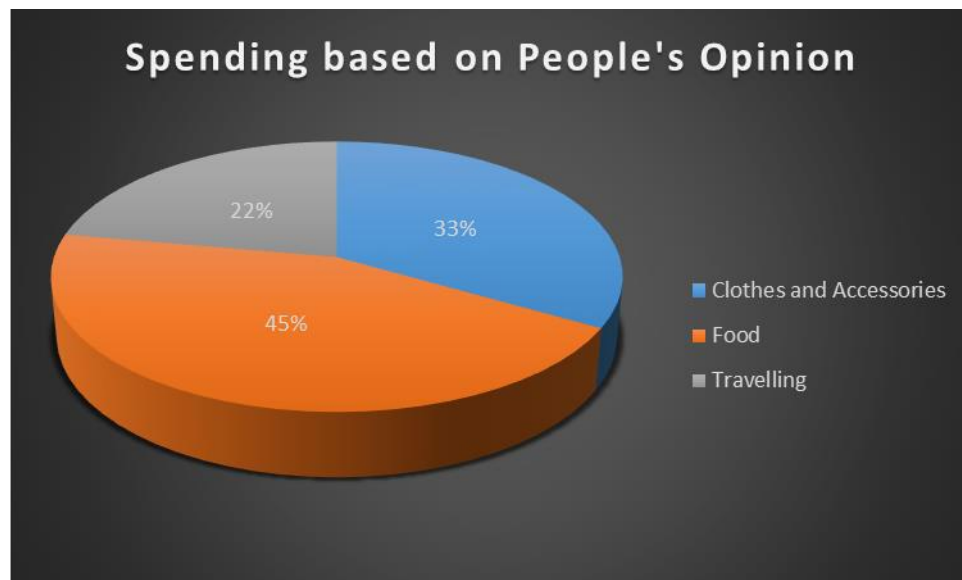
Table 16 and figure 19 reveals the spending pattern of respondents influenced by people’s opinions. It was observed that around 45% of the population is being covered by food by 4 respondents out of 9. While, 33% is being covered by 3 respondents out of 9 under clothing and accessories, rest 22% is being covered by 2 respondents under travelling.

**Table 16-I care about people opinions when I buy things**

<b>Spending's as per Peoples Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
Clothes and Accessories	3	33%
Food	4	45%
Travelling	2	22%
<b>Grand Total</b>	<b>9</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 19-I care about people opinions when I buy things**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.16 Buying Behavior as per individuals Personality

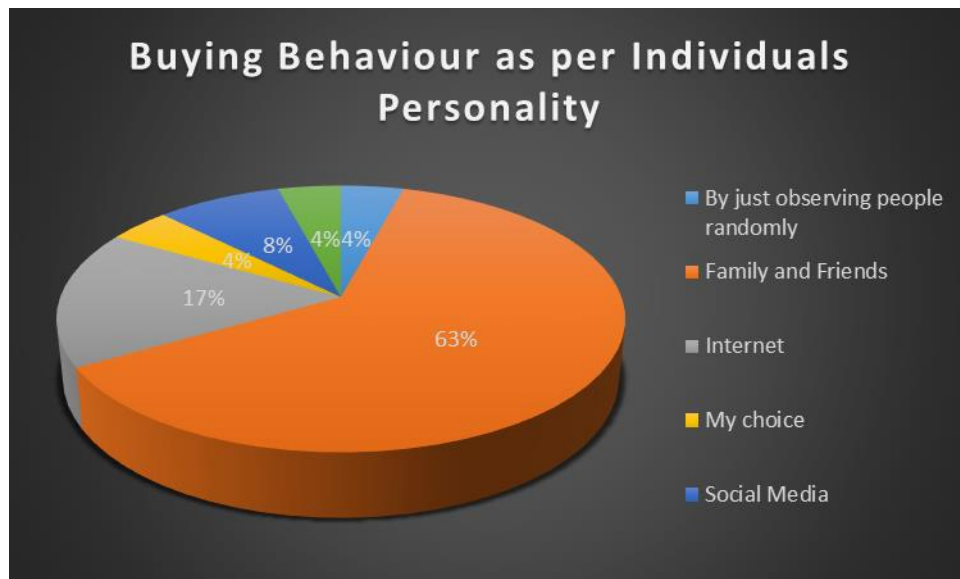
Table 17 and figure 20, it shows that buying behaviour as per individuals' personality is mostly influenced by family and friends i.e. 63% by 15 respondents out of 24. While, internet is also one with 17% by 4 respondents out of 24, 8-8% is also being covered by social media and by just observing people out of 24 respondents and the rest 4-4% is being covered by my choice and word of mouth out of 24 respondents

**Table 17- I only buys products that suit personality**

<b>Buying Behaviour as per individuals Personality</b>	<b>Frequency</b>	<b>Percentage</b>
By just observing people randomly	1	8%
Family and Friends	15	63%
Internet	4	17%
My choice	1	4%
Social Media	2	8%
Word of Mouth	1	4%
<b>Grand Total</b>	<b>24</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 20- I only buys products that suit personality**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.17 Buying Behavior as per previous Experience

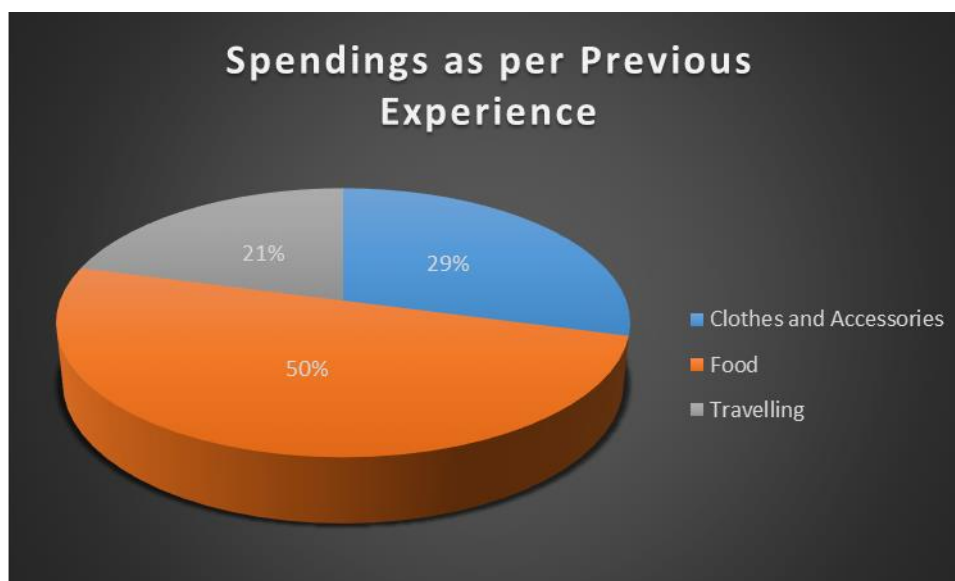
Table 18 and figure 21, it reveals about the spending as per previous experience in which food has covered the highest responses with 50% of population by 12 people out of 24, 29% in clothing and accessories by just 7 respondents out of 24 and travelling covers 21% by just 5 respondents' responses out of 5.

**Table 18-I often changes to another product if I had bad experience with the previous one**

<b>Buying Behaviour as Per previous Experience</b>	<b>Frequency</b>	<b>Percentage</b>
Clothes and Accessories	7	29%
Food	12	50%
Travelling	5	21%
<b>Grand Total</b>	<b>24</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 21- I often changes to another product if I had bad experience with the previous one**



**Source: Primary data, Chart prepared by the researcher**

#### 4.3.18 Spending influenced by Society beliefs

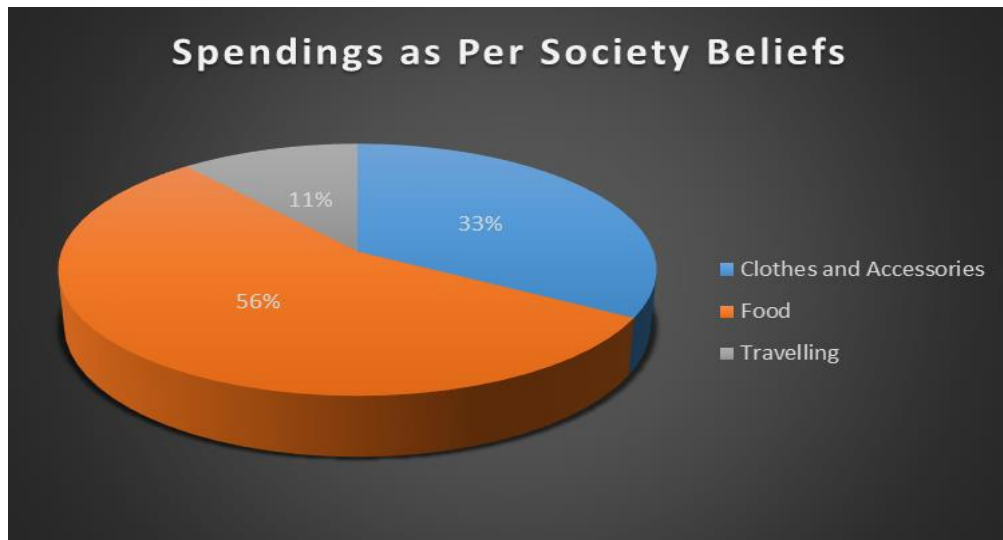
Table 19 and figure 22 it indicates that spending as per society belief is majorly based on food by 5 respondents covering 56%, clothing and accessories covers 33% by 3 respondents out of 9 and the rest, travelling is being covered by 11% by just 1 respondent out of 9.

**Table 19- I take in consideration my society beliefs.**

<b>Spending's a per Society Beliefs</b>	<b>Frequency</b>	<b>Percentage</b>
Clothes and Accessories	3	33%
Food	5	56%
Travelling	1	11%
<b>Grand Total</b>	<b>9</b>	<b>100%</b>

**Source: Primary data, Table prepared by the researcher**

**Figure 22-I take in consideration my society beliefs.**



#### 4.3.19 Spending as per Age

Age is one of the most vital components for a study as it reveals a person's point of view according to their maturity level. From the above table-20 and figure no. 23 the respondents comes under an age bracket of 20-30, 30-40, less than 20 and more than 40 years. So, in the reference of figure no. 2, there are a majority of respondents i.e. 44 out of 58 comes under an age group of 20-30 years. While, 10 out of 58 are from 30-40 years of age covering 17% of their population in this study. Rest, 5% is under an age group of less



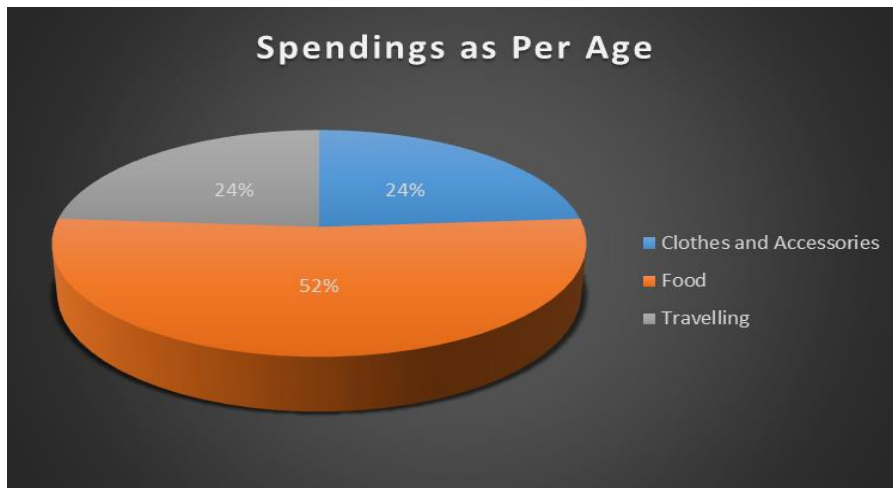
than 20 years with 3 respondents and 2% are under an age group of more than 40 years with 1 respondent.

**Table 20: Spending as per Age**

Spending as per Age	Frequency	Percentage
Clothes and Accessories	5	24%
Food	11	52%
Travelling	5	24%
<b>Grand Total</b>	<b>21</b>	<b>100%</b>

Source: Primary data, Table prepared by the researcher

**Figure 23: Spending as per Age**



Source: Primary data, Chart prepared by the researcher

#### **4.4 Statistical Analysis among Various Factors Influencing Buying Behavior**

As per the current study it was observed that there were various factors which affect consumers buying behaviour. To analyse the relevance of the major factors among those taken under study, factor analysis was performed for the factors under consideration. Tool used for the same was SPSS (Statistical Package for Social Science). The factors are:

- My society, family and culture affect my buying behaviour
- I consider my financial conditions while shopping
- I use social networking sites to spot the latest fashion trends
- My family are the most influential people that affect my buying behaviour
- I care about people opinions when I buy things

- My age determines the things I buy
- I only buy products that suit personality
- I often change to another product if I had bad experience with the previous one
- I take in consideration my society beliefs (Wearing clothes)

**Table 21- Communalities among various factors affecting Buying behaviour**

<b>Communalities</b>		
	Initial	Extraction
My society, family and culture affect my buying behaviour	1.000	.698
I consider my financial conditions while shopping	1.000	.667
I use social networking sites to spot the latest fashion trends	1.000	.595
My family are the most influential people that affect my buying behaviour	1.000	.838
I care about people opinions when I buy things	1.000	.551
My age determines the things I buy	1.000	.708
I only buy products that suit personality	1.000	.569
I often change to another product if I had bad experience with the previous one	1.000	.687
I take in consideration my society beliefs (Wearing clothes)	1.000	.274

Extraction Method: Principal Component Analysis.

**Table 22-Total variances among factors affecting Buying Behaviour**

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	2.729	30.322	30.322	2.729	30.322
2	1.685	18.718	49.040	1.685	18.718	49.040
3	1.173	13.038	62.078	1.173	13.038	62.078
4	.992	11.020	73.098			
5	.736	8.180	81.278			
6	.553	6.147	87.425			
7	.474	5.267	92.692			
8	.387	4.296	96.988			
9	.271	3.012	100.000			

Extraction Method: Principal Component Analysis.

**Table 23-Component Matrix of Factor Analysis among various factors affecting Buying Behaviour**

	Component Matrix <sup>a</sup>		
	Component		
	1	2	3
My society, family and culture affect my buying behaviour	.416	.719	.091
I consider my financial conditions while shopping	.708	-.129	.385
I use social networking sites to spot the latest fashion trends	.270	-.660	.295
My family are the most influential people that affect my buying behaviour	.426	.668	.459
I care about people opinions when I buy things	.618	-.137	-.388
My age determines the things I buy	.639	-.080	-.542

I only buy products that suit personality	.720	-.047	-.221
I often change to another product if I had bad experience with the previous one	.651	-.359	.367
I take in consideration my society beliefs (Wearing clothes)	.263	.336	-.303
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

**Table 24-Component Transformation Matrix of Factor Analysis among various factors affecting Buying Behaviour**

Component	1	2	3
1	.700	.595	.395
2	-.038	-.522	.852
3	-.713	.611	.343

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

## 4.5 Interpretation

The above tables -21, 22, 23 and 24 represented the factors which plays most important role in buying behaviour. It was found to be the seen that the most important factors were: My society, family and culture affects my buying behaviour, my family is the most influential people that affect my buying behaviour and My age determines the things I buy. Thus, this shows that word of mouth actually plays a concrete role in taking buying decisions.

## 4.6 Suggestions as per collected response

- One of the most vital factors that affect the consumer's buying behaviour is the "financial conditions of a person" which may include his/her income or money level, purchase potentials, the financial capacity to spend and economic factors.

- The latest “trend” is also one of the aspects which affect a consumer buying behaviour as people like to go with the flow of latest and fashionable trends which are going on in the market.
- Another factor which should affect a person’s buying behaviour is the place from where they belong such as, their culture, place where they work, social factors. Also, society’s mentality is a factor which should be considered here.
- A person’s professionalism is also important towards their purchasing behaviour as a person needs to be dressed up according to their occupation, personality, the brand image for their company and their work place.
- There are many people who also consider their “personal factors” which should affect their buying behaviour. Personal factors here are such as quality of a product, the quantity of a product in responding to the price, purchasing power in terms of budget and the needs and wants of person.

#### **4.7 Limitations**

The study is based on primary data, and data collection method was survey method through questionnaire as a tool to gather data. This method itself is prone to research biasedness. However, another limitation to the current study were time and expenditure constraint. This was the reason due to which a specific region of Central Gujarat, India was undertaken for conducting the study. There was statistical bias too, as there was non-accessibility of proper respondents. But in all a proper care was taken while undertaking the study. A proper check was maintained in order to ensure information reliability by counter questions and verification.

## **Chapter-5**

### **Conclusion**

As human being is a social creature proving the same through sharing his feelings and thoughts from his or her existence. With the study which is constituted, in making decisions these sharing is so much important. From the view of human being's being social creature, it is aimed to study that how important student's sharing with the other in university choices. The purpose of this study was to understand important factors while making a purchase.

In today's era, before making a purchase a potential customer relies on word of mouth advertising done by their family and friends. Many consumers make their purchase decision after gathering enough information about the product, brand and company through internal portals which talk about the same in length. Thus, a company needs to ensure a satisfying customer base time and over again to create a positive word of mouth advertising. Nowadays, in a well-connected and informed world, nothing works like word of mouth advertising. As stated in various studies a single satisfied customer gets at least four new customers to the company. Hence, companies are required to constantly live up to the expectations of their customers to enjoy the fruits of this unconventional and incredible form of advertising by giving them a truly incredible purchase experience. Due to rise in social media, where followers can read the review of the existing consumers importance of word of mouth is Impact of word of mouth on marketing arises. They see whether it would be effective for them to buy such things or not so marketers become aware of people choices now and they try to improve or produce better quality, due to customer's loyalty.

## Chapter-6

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## **APPENDICES**

### **Questionnaire Link-**

<https://docs.google.com/forms/d/1IGkVjveim6HO7I2j8Tgvc1aCC535bYAGCuIIGmczWVM/edit>