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Factors That Influence Consumer Purchasing Behavior in Nigeria

Dr. Njoku Ethelbert Chinaka

Lecturer, Department of Psychology, Imo State University, Owerri, Nigeria

Abstract:

The continued down turn in the economic fortunes of people gives great concern to researchers. In this circumstance, providing information on the current buying behaviour of people provides organizations that are into production information to know the purchasing trend so that production can be tailored in that direction. Nigeria is a multiracial and multicultural country. Understanding the proper factors that influence consumer purchasing behaviour is very important for organization's growth.

Culture, social factors, perception, personality, learning, psychological factors and belief and attitude have been identified as critical factors that influence consumer purchasing behaviour in Nigeria.

Keywords: *Consumer purchasing behaviour, consumer values, consumer attitude, consumer decision making process.*

1. Introduction

Consumer purchasing behavior refers to all the mental and physical activities that consumers perform to fulfill their needs and wants in the environment. It entails all behaviours that consumers showcase in searching, using, evaluating and disposing of products and services that will satisfy their needs. It discloses what human needs and wants are, how consumer thinks, feels and selects goods and services. It involves the process that includes the selection, purchase and consumption of goods and services (Wirtz & Mattila, 2014). Consumer purchasing behavior describes those factors that explain how and why consumers behave in a certain way when purchasing a product. Consumer purchasing behavior explains all consumers' attitudes, preferences, intentions and decisions regarding consumers' behavior in the market place when purchasing a product or service. Consumer purchasing behavior includes mental activity, emotional and physical that people use during, selection, purchase, use and dispose of products and services that satisfy their needs and desires (Kotter, 1999). Consumer purchasing behavior is understanding what consumers buy, why they buy, when they buy, where they buy, how often they use, how they rate a product after purchase and use and how this impacts future purchases and finally how they dispose of it (Akinfenwa & Okang, 2015).

2. Consumer Values

The central idea behind purchasing a product or service is to satisfy needs and wants. Thus, for a product or service to fill this gap, it must have value. Customer value refers to the benefits the customer will gain from the products and services purchased (Wang, 2004). Nigeria produces many raw materials Adding value to a product or service makes it possible for consumers to take decision easily in purchasing a product. For instance, an author can write a book and publish; another person can add value to the book by providing online portals and platforms for consumers to access the book. This arrangement makes the book easy to be bought. Value satisfies the emotional, functional and social needs of the consumer. It is evaluated from the consumer's perspective. Perception of the value however, depends on the socio-economic level the consumer belongs.

Establishing a laundry company in poverty stricken population will have no value to the population whereas establishing such company in a Government Reserved Areas and highbrow estates will have tremendous value. As a result of disparity in the classification of consumers, owners of businesses usually evolve ways that consumers can have value on their products and services. Also firms have understood the importance of consumer value in monitoring and influencing behavior especially in attracting new customers, increasing consumer retention, creating customer expansion, winning back old customers and effectively providing support to active consumers.

3. Types of Consumer Value

➤ *Place Utility:* This provides opportunity for a product that is made in a particular location to be available to consumers at a preferred location better than where it was produced. A consumer prefers to buy a milk in a neighborhood shop near to him/her than in a place that is far away where the good/services are manufactured.

➤ *Time Utility:* This explains the availability of a product/service at the actual time the consumer needs it. The product is readily available at designated places so that the consumer does not spend much time looking for it. The product is ready at the scheduled date, time and location.

➤ **Form Utility:** This occurs when a product has more value than the different items that were used to produce it. Form utility increases the propensity of a product to be bought. A typical example is the value of telephone handsets which is usually higher than the value of different parts of the phone like plastics, wire etc.

➤ **Possession Utility:** This is a situation where a consumer can have access to all the goods/services needed in a particular location. A typical example is a supermarket where different items are displayed for the delight and purchase of the consumer. Verhoef and Lemon (2015) identified 3 perspectives on Customer Value (1) Managing Customer Engagement (2) Managing Customer Networks (3) Managing Customer Experience.

3.1. Managing Customer Engagement

As a result of Social Media, non transactional customer behavior is increasingly dominating the relationships that should exist between the customer and the firm. Managing customer engagement reflects all customer behaviors that go beyond face to face transactions. It includes multiple behaviors such as blogging, mobile text messaging, internet advertisement etc. Customer engagement helps firms in making appropriate decisions in customer management which increases customer referral value, customer knowledge value and influence value.

➤ **Managing Customer Network:** Internet availability has opened widely the market place of many organizations. Understanding the demography of the consumers and their locations help in planning and proper understanding of the target consumers. Filtering customer network enables firms to analyze and detect consumers with high social influence. With this information, specific referral programs and seeding strategies can be developed to maximize the value of these consumers. Also marketing costs are reduced as marketing will be directed to the market target.

➤ **Managing Customer Experience:** Superior Customer Experience has become one of the central objectives of firms around the globe. In most cases, some firms incorporate consumer experience into the mission of the organization. Consumer experience encompasses search, purchase, consumption and after sales phases experiences. Customers experience is shaped by sensory, affective, intellectual and behavioral experiences. Good consumer experience makes the consumer to have loyalty on the brand and increases positive emotions in the goods and services (Ansari, 2008).

Nigeria is a country with over 250 tribes and more than 300 languages. These tribes have different historical antecedents, views and opinions that define their purchasing pattern. A study on the factors that discretely determine the purchasing behaviour of consumers especially in view of the dwindling oil fortunes is very important. Also, it will help producers and manufacturers to streamline their production to be in line with the thinking and purchasing behaviour of the people.

4. Consumer Purchasing Decision Process

As people stay alive, they make decision as regards what to buy and not to buy to satisfy their needs and wants. Decision making process is a cognitive process that propels choices between two or more alternatives that best satisfy the individual. It evaluates alternative purchasing behaviors and the outcome is a selection of behavior, which is the choice. Leslie (2015) confirms that this choice leads to purchase which is the only visible part of a more complex decision process created by the consumer for each buying decision he/she makes. Ashley (2015) identifies 5 steps of consumer purchasing decision process: Need Recognition, Information Search, Alternative Evaluation, Purchase Decision and Post-Purchase Behavior.

4.1. Need/ Recognition

Need for a product is the fundamental thing that determines consumer purchasing behavior. The consumer develops a need that he/she wants satisfied. Need recognition occurs when a consumer is faced with a difference between an actual and a desired state. This creates an impulse their drives the consumer to action.

4.2. Information Search

Information search entails a situation where a consumer checks the environment to determine if a product that can satisfy a need is available and also assembles related relevant information on the availability of alternative products that can satisfy a need. Two types of information search exist. The first is the internal search that has to do with the recall of past information stored in memory and external search that seeks information in the outside environment. Proper information search involves the combination of internal and external; search.

4.3. Evaluation of Alternatives

A choice is usually made at this stage. The consumer examines critically the alternatives that can satisfy his needs. The decision to purchase is anchored on the information and the selection made previously based on the perceived value, product features, quality of shopping experience, availability of promotion, a return policy or good terms and conditions for the product.

The alternatives considered during a consumer's choice process are called evoked set. This simply means the number of brand alternatives that are considered by consumers during the consumer choice process. On the other hand, inept set is the set of brands or products that have no chance of being purchased because of negative perception or experience of the consumer. Inert set defines set of products for which the consumer has no specific opinion. It should be noted that the higher the level of involvement and the importance of the purchase, the higher the number of solutions the consumer will consider will be important.

4.4. Purchase Behaviour

At this stage, the consumer chooses the product that seems most appropriate to the needs, then proceeds to actually purchase the product. Consumers may make three types of purchases which are trial purchases, repeat purchases and long term commitment purchases. A trial purchase is a situation where a consumer attempts to evaluate a product through direct use to know how it can satisfy a need. If the trial result is good, the consumer is likely going to use the product. Repeat purchase reflects a conscious loyalty to continue buying the same product after there is emotional attachment. Long term commitment buying is experienced in goods that have already made a mark in quality for years. The consumer moves directly from the evaluation stage to purchasing the product without first testing the product.

4.5. Post-Purchase Behaviour

Immediately the product is purchased, the consumer usually wants to know if the product meets the needs. If the product purchased is not consistent with the needs and beliefs, cognitive dissonance sets in (Festinger, 1951). However, the magnitude of the dissonance depends on the importance of purchase and the extent to which the choices were equally desirable. Walster (1964) identified a regret phase as post purchase dissonance. In this state, consumers experience a dissonance occasioned by under valuation of the choice made and become very much attracted to the rejected alternative. The regret phase is usually short lived as it is followed by dissonance-reducing over valuing of the decision made. To relieve oneself of this dissonance, the consumer brings his/her beliefs closer to the behavior. The consumer therefore engages in post-purchase evaluation. Post purchase behavior tries to re-assure the consumer that no mistakes were made. Also it serves to strengthen the belief in the product; thus creating brand loyalty. Two factors have been shown to influence arousal of post-purchase dissonance. One is the individual's commitment to the purchase decision. Commitment could be in terms of financial involvement and responsibility of consequences of purchase. The second factor is volition. Volition refers to the consumer's ability to exercise free choice. Post purchase dissonance is more significant when a consumer decides for a product voluntarily and out of his own volition.

5. Consumer Attitude

Attitudes are predispositions felt by purchasers before they enter the buying process. The purchasing process is a learning experience and can lead to a change in attitude (Polmez, 2013). Attitudes do not automatically guarantee all types of behaviour. They are actually the product of social forces interacting with the person's unique temperament and abilities. According to the theory of cognitive information process, attitudes are formed in the order of beliefs, affect, and behaviour. Thus, consumer attitude has the following functions: *Essential Predictive Function*: Consumer attitude provides the benchmark at each point in time for the assessment of consumer purchasing behaviour. A change to positive attitude means that consumers will shift focus to the product while a negative attitude indicates that consumer purchase behaviour will be low, thus, attitude serves a predictive function of what consumer purchasing outlook will be amidst other products. *Adjustment Function*: Attitude helps consumers to adjust to situations and avoid cognitive dissonance. This adjustment enables the consumer maintain his/her ego. *Derived Predictive Function*: Remarkable changes in the consumer purchase behaviour is usually attributed to changes in attitude of the consumer. Attitude change is basically followed by corresponding attitude and behaviour change.

5.1. Essentially Diagnostic Function

Attitude data provide relevant information on market research and consumer preference. Attitude data are gathered using survey, questionnaire, meta-analysis interviews and other implicit, methods. Firms are provided with relevant information for new product development from the analysis of attitude data.

5.2. Value Expressive Function

Consumer attitudes in this circumstance express the values of the people. Products that are inconsistent with expressed and cherished values of the people are discarded. Lan (2012) enumerated three components of consumer attitude to include: Affective Component: The affective component refers to the emotional reaction a consumer has towards a product. Consumers hold certain feelings towards some products or other objects. These feelings are based on the beliefs of the people.

5.2.1. Cognitive Component

The cognitive component reflects in the learned knowledge that a consumer obtains from his interaction with others as well as his own experiences. It is a mental evaluation of product.

5.2.2. Behavioural Component

The behavioural component is the overt manifestations of all that take place within the consumer. It implies the purchase and use of the product that meets the needs of the consumer or refusal to purchase the product if the emotion and evaluation had been negative. It is the action element of attitude as it includes the behavioural readiness linked with the product.

6. Factors That Influence Consumer Purchasing Behavior in Nigeria

The following factors influence consumer purchasing behavior:

6.1. Culture

Culture prescribes the people's way of living. It is the most basic cause of a person's wants and behaviour (Kotler & Armstrong, 2014). Human behaviour is learned. An individual growing up in an environment learns basic values, perceptions, wants and behaviours from significant others. Culture influences the consumer purchasing behaviour through family, friends and socialization process; which filtrate into the mindset of the person that subsequently influences the purchasing decision and behaviour.

6.2. Social Factors

These are factors outside an individual that determine purchase decisions either directly or indirectly. They fall into three categories; reference groups, family, and social roles and status. Reference groups are social groups to which a consumer belongs and which influence him/her. The reference groups are usually related in form of social origin, age, place of residence, work hobbies etc. They help to form a person's attitude or behaviour. They provide some points of comparison, choice alternatives, desires and habit. Reference groups influence the image of an individual and this affects the purchasing behaviour. The family is the most influencing factor for an individual. It forms an environment of socialization in which an individual evolves, shapes his personality and acquires values. These culminate in the development of the attitude of the consumer that finally translates to purchasing behaviour. More so, the position of a person in a family defines his social role and status and sets the attitude to be displayed. If the person is the first son and is influential, his purchasing behave is emulated by others who see him/her as a role model.

6.3. Psychological Factors

Psychological factors affect purchasing behaviour through motivation, perception, personality, learning, beliefs and attitude. Motivation drives the consumer to develop purchasing behaviour. It makes an individual to express a need strong enough to lead the consumer to want to satisfy it. It works at the subconscious level and very difficult to measure. Tidd (2013) related to the need of an individual and to encourage buying behaviour, the product has to be made to create, make conscious or reinforce a need in the consumer's mind so that he can develop a purchase motivation.

6.4. Perception

This is the process through which an individual select, organizes and interprets information in order to make sense of it. The way information is organized, selected and presented to a consumer determines how the information will be perceived. Thus principles of selective attention, distortion and retention are applied discreetly in order to make consumers perceive the product.

6.5. Personality

Personality is the set of traits and specific characteristics of each individual. It is a product of the interaction of psychological and physiological characteristics of the individual. It exhumes some traits such as confidence, sociability, customary, charisma, ambition curiosity etc. Products that cultivate the image of these attributes are attracted by consumers that identify with these values.

6.6. Learning

It implies a change in behaviour due to a new experience. The learning changes the behaviour of an individual as he/she acquires information and experience. The proper application of learning principles like continuous reinforcement can help firms to maximize advertisement. When consumers are shown and taught the goodness of the product through advertisement, consumers learn and implement what they have learnt.

6.7. Beliefs and Attitudes

A belief is a conviction that an individual has on something. Through the experience he acquires, the learning, external; influences, the consumer develops beliefs and attitudes that influence purchasing behaviour. Customer possesses specific belief and attitude towards various products. These beliefs and attitude make up product image and affect consumer purchasing behaviour.

6.8. Personal Factors

These include such variables as age, lifestyle, occupation, economic conditions, gender etc. Age typically affects consumer buying behaviour. The age borderline of a city affects the types of products that consumers have interest and motivation to purchase. The lifestyle of a consumer includes all of his/her interests, values and opinions. These cumulatively influence the consumer's purchasing decisions. The occupation of a consumer has impact on the purchasing behaviour. Senior managers in companies are likely to buy quality suits while drivers are likely buy low quality shirts. The economic situation also has significant impact in consumer purchasing behaviour. If the income and savings of a consumer is high, there is likelihood the person will purchase more and quality products. On the other hand, if the income and saving is low, the person will purchase less and low quality products.

6.9. Conclusion

Consumer purchasing behaviour entails understanding the trends in the market mix that encourages purchases. For organizations to remain afloat, they must critically understand this mix so that they can maintain good profit margin to remain in business. Nigeria, being a multi-cultural country needs this study more so that production can be tailored to meet the divergent tastes, perception and economic realities that the citizens are facing.

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