PSYCHOLOGICAL FACTORS IN DETERMINING CONSUMER BEHAVIOUR

Georgi T. Lichev

“D. A. Tsenov” Academy of Economics

Abstract - This article is aimed at understanding the role of psychological factors in determining consumer behaviour. It is an attempt to integrate psychological and economic knowledge in order to solve significant problems in contemporary business. Consumers are complex socio-psychological creatures and numerous psychological properties and processes underlie their activities. This scientific paper takes into account the achievements of different sciences and has an interdisciplinary nature. The leading idea is to work out approaches and models for applying properly psychological and other knowledge to economic practice. This requires not only acquainting the public and businesses with a number of current issues, but also inspiring the transformation of attitudes in line with modern requirements. The aim is to identify the reference points for working out a comprehensive theoretical research model that will be empirically tested and will serve to achieve some positive changes in the activities of the commercial organizations in Bulgaria.

Keywords: behavior, cognitive model, consumer, commercial activity, motivation, psychological factors

1. INTRODUCTION

Like any human behaviour, consumer behaviour is seen as determined and conditioned by the effect of certain factors. The factors are influences significant enough by their force, becoming the reasons for the activity. “The factors are causal phenomena possessing an impact force capable of changing consumer behaviour” (Аврамов, 1992). The consumer behaviour factors are processes, phenomena and conditions that urge people to make decisions to purchase goods and services. The effect of some of them can be relatively easily identified and measured because they are located on the ‘visible range’ of the forces. Others are manifested by some other means and act ‘under-layer’, but their impact is tangible with the psychological factors.

The different factors have a positive or negative impact on consumer activity. Studying them contributes to a better understanding of certain regularities and working out approaches and specific methods for increasing or restricting the influences. Understanding them enables the coordination of the commercial policy with the objective causal phenomena so as to achieve the desired results. It is important to reduce spontaneity in the manifestation of forces, to control and use different trends in consumer markets.


The main purpose of this paper is to explain the influence of psychological factors on the behaviour of consumer markets based on certain views on the mechanism of motivation. Achieving the research objective is possible when binding the consumer behaviour theory more tightly with the

Corresponding author at: “D. A. Tsenov” Academy of Economics, Department of Commercial Business, Svishtov, Bulgaria. e-mail: gt111@abv.bg
modern achievements of the psychological science universal in its importance. That definitely brings an element of interdisciplinarity in the study.

2. Psychological factors and the issue of motivation of consumer behavior.

The psychological factors are individually important in each person. Their influence is strong, but difficult to study. The specifics of that group of factors is that they represent consumers’ unique qualities and ways of responding. In their psyche, the external influences are reflected and transformed so as to trigger the process of motivation.

To clarify in depth the way of making purchasing decisions and to determine which factors play a decisive role in consumer behaviour requires a special approach to the issue of motivation. This is a key issue and many sciences focus on the creation of the explanatory model of human behaviour.

Motivation is a system of impulses – the result of complex interactions between the objective and subjective, the mutually supporting and mutually contradicting motives. Focused on the genesis of motives, the model of motivation is as illustrated in Figure 1. It points to the importance of the issue of adequate strategies designed to stimulate different consumer groups.

Figure 1. Model of motivation, focused on the genesis of motives (Личева & Живков, 2013)

The sense of motivation is the justification and regulation of behaviour. Consumer motivation is understanding and connecting needs, interests, values, norms, goals in such a way that they can be included as reasons (motives) for the activity. In consumer behaviour motivation is linked with the needs that can be satisfied as a result of a purchase. H. Vroom claims that man is “motivated for an activity as he expects that through it he will move to a state of things, which will be more satisfying than the previous state (Vroom, 1964)”.

When identifying the basic structure of the phenomenon three components are highlighted: stimuli, motives, needs. Stimulus (from Latin ‘Stimule’ = goad) is presented in the form of external, mainly targeted impact on the individual, which has to activate him/her. Motive (in the narrow sense)
is a factor assuming the quality of an internal driving force. This is an ‘impulse’, the grounds for an action. The motive is a ‘reflection’ of needs – “it is like a higher degree of awareness of the need in the manifested desire to buy a particular product” (Kosturova-Paraskevova, 2000). Unsatisfied needs are the major motivator. Needs themselves are the most profound basis, the source of motivation – its actual ‘core’. It must be taken into account that every need is specifically conditioned (a need for something particular). According to Leontiev, it becomes objective after finding an object that satisfied it (Леонтьев, 1978).

According to V. Avramov consumer activity is manifested in three forms: experiencing the need (generating a desire to buy); actions to satisfy it (visiting shops, collecting information, buying) and volitional control over consumer behaviour (affecting the judgment and continuing to the very decision to buy) (Аврамов, 1992).

When motivating consumers, the direction and nature of the impact must be properly defined, the different stimulating instruments must be coordinated, the motivational effect must be taken into account by comparing the outcomes with the objectives of the impact. It is important not to overlook some other elements in the motivation of consumers – unleashing the imagination (dream lifestyle), triggering curiosity (new, non-standard), inducing ‘the effect of expectation’ (promises of benefits). It should also be borne in mind that the purchase of many goods (especially durables) is poly-motivational and the influence of a complex set of factors should be taken into account.

3. Approaches to consumer motivation – classical and alternative.

The impossibility to present a unified view of researchers leads to a most general overview of the different perceptions of the issues. The different psychological theories seek to identify what the driving forces are – the sources of human activity. The concept of Z. Freud is very characteristic (Фройд, 2014). The basic idea is that human behaviour is determined by the depths of the human psyche. The follower of Freud – Carl Jung had a similar understanding. According to this psychologist the ‘collective unconscious’ is leading – the traces in the memory, which through the experience of past generations are deeply encoded below the level of consciousness. In contrast, scholars such as Karen Horney and Erich Fromm (Фром, 1992) redirect the explanation of motivation to the social environment of the individual and socio-cultural interactions. Behaviourists (Watson, Thorndike, Skinner, Tolman) tend to eliminate the role of consciousness as an intermediary between stimulus and response and to take into account the emotional moments in behaviour. In the science of organizational behaviour, behaviourism is dominant. In the science of consumer behaviour, however, its views are seriously argued against by the cognitive trend, which sets the focus on consciousness.

Today, the cognitive school of George Miller, Jerome Bruner and Ulric Neisser shows a strong affinity for highlighting the role of knowledge. It defends the view that the building of cognitive structures and their permanent transformation are implemented depending on the experience that a person accumulates when actively influences the surrounding environment. The cognitive component contains the so important consumer skills, conviction and knowledge of the given objects of buying. Besides the role of the consciousness and sub-consciousness, sometimes the presence of ‘super-consciousness’ is shown. It refers to a higher level of personal development bound with the social and moral standards, with insights and intuition. Thus the characteristic of the modern consumer is completed.
As a matter of fact, each element of the structure of the human psyche has its role in determining behaviour – at that with a varying value for the different types of personalities. It is a fact that the subconscious precedes genetically the conscious, hence its strong influence on the buying behaviour. In neurobiology there is the understanding that consciousness as super-structural and secondary cannot control what is located ‘below’ (literally) it as a base.

In this regard, it can be argued that consumers are not well aware of the forces that govern their behaviour and are unable to fully understand the motives for their actions. When customers buy a certain product of a particular brand they ‘declare’ the need to satisfy their mainly pragmatic needs, but they hardly understand their deepest motives related to a subconscious desire (e.g. to feel young or independent, to confirm a desired status). Ph. Kotler emphasizes that people are hardly aware of the actual sources of their motivation. This author makes interesting conclusions about the associative subconscious effects on the mind of the consumer: “Consumers oppose the purchase of prunes because they are shrivelled and look like old men. Men smoke cigarettes as an alternative for adults to suck their thumbs. They like cigarettes (cigars) with a strong smell that highlights their male nature” (Котлър, 1992).

It should be noted that the concepts of the nonconscious nowadays have changed in comparison with the original psychoanalytic version. It is no longer a ‘warehouse of instincts and impulses’, but plays a role in solving problems in creativity.

The vast majority of mental processing takes place at a nonconsciouss level. According to D. Shultz, R. Bomstein and J. Masling “the new nonconscious is rational rather than emotional, and is included in the first stage of knowledge in responding to a certain stimulus” (Шулц & Шулц, 2006).

The different established theories of human motivation refer to basic approaches to the needs. In presenting the link between the needs Maslow emphasizes their inequality, hierarchy (Maslow, 1970). The basis of study is the average individual. The following stand out as basic concepts of his famous theory:

1. The satisfaction of needs follows in an ascending order (from lower to higher needs). In this situation the satisfaction of the basic needs has priority (e.g. hunger, security), urging individuals to seek the acquisition of food, housing, etc. 2. The satisfaction of some needs motivates an individual to seek other needs of the next hierarchical level – respectively higher rank needs. 3. Satisfying a need ceases to be a stimulating factor. 4. The closer to the base of the pyramid the need is, the greater motivation it creates. 5. The trend is that the number of consumers decreases towards the higher levels. This is because the higher needs are not inherent to every person. They are subject to the aspirations of a smaller number of people. Thus, according to Marchevski I. (Марчевски & Йорданов, 2013) and R. Yordanov the market potential of different products is changing. 6. The hierarchy of needs provides an overview of the very process of personal development. Personal development can be completed to a certain level (the satisfaction of the lower needs does not necessarily lead to actualization, e.g. intellectual needs).

The theory of Maslow takes into account some important moments which commercial organizations offering products to different target audiences have to comply with. Product supply should correspond to the nature of potential consumers, their needs and preferences. However, the real world situation is too complex and, therefore the theory can be used mainly as a general reference point. For example, ‘bypassing’ levels in the satisfaction of needs can be observed, but it is not a common phenomenon. One of the conditions for this is the increase in the degree to which the
modern consumer is civilized. (One could spend money to satisfy intellectual, emotional and social needs regardless of the fact that he has no housing or enough food). The explanation lies in the presence of other factors – biological predispositions, values, role models and so on. In this regard it should be noted that needs can perform their role of ‘main motivators’ of behaviour by relating to the system of values and norms. What needs will evolve and dominate depends largely on the priorities chosen.

Another American scholar – F. Herzberg differentiates between two groups of factors (resp. needs) – ‘hygiene factors’ and ‘factors-motivators’ (Herzberg, 1966). The first group of factors refers to satisfying basic human needs. They do not bring satisfaction, but ensure the manifestation of the second group of factors. ‘Motivators’ – the needs of a higher order are perceived as ‘factors of satisfaction’. Thus two personality types are differentiated: ‘seekers of security’ and ‘seekers of motivation’. Reconsidering the theory of F. Herzberg in terms of the research on consumers leads to the need for careful analysis and identification of factors leading consumers to satisfaction or dissatisfaction with the products of certain brands. It also helps to understand the peculiarities of consumer groups with their expectations and to understand what would bring extra satisfaction. The concepts of Maslow and Herzberg are further developed and enriched by a number of other scholars.

The different theories of motivation are useful as long as they help to clarify the different aspects of consumer behaviour and assemble the whole picture.

4. Cognitive psychology explaining consumer behavior as a process.

As regards the clarification of the psychological factors of consumer behaviour scholars express a preference for the concepts and methodological formulations in cognitive psychology. The latter helps to better understand the nature and mechanism of the mental processes and states underlying the processes of making consumer decisions.

The contact of the individual with the external world is through the senses – ‘the front doors’ to mind, but the focus in the literature on consumer behaviour is traditionally on the next moment: perception. Perception (Котлър , 1992) is a psychophysiological process of reflection of objects and phenomena in the totality of their properties. Kotler points out that perception is the process by which an individual selects, organizes and interprets incoming information (Котлър , 1992). It should be taken into account that each irritating factor has multiple properties, and each property assumes the role of an individual irritating factor. The overall image of the irritating factor is formed (e.g. a certain marketing incentive, commodity). There is a pattern: the more analysts are involved in the perceptual process, the more complete, more accurate and more relevant the overall picture is. Man has even the ability to build the image when perceiving only separate elements. An important feature of perception is rationalization – i.e. the ongoing mental processing of incoming information, which is adjusted to the needs of the individual. Under the same conditions in different individuals there are different interpretations. It is possible to observe ‘denial of information’ – when the information entering is in conflict with the personal attitudes. In general, individuals highlight what somehow corresponds to their needs and interests. For example, among the many advertising messages only some are noticed. Certain stimuli have to be distinguished among the others (size, shape, sound, colour, brightness, motion, being non-standard). This relates to attracting attention. Certain stimuli create the so-called ‘figure of perception’ – they are distinguished among the others and the human psyche contrasts and separates them in the process of perceiving the numerous irritating factors. Everything else is simply a ‘background of perception’ and is not perceived in
detail. It prepares (adjusts) the psyche, directs to the basic idea and creates the perception of the consumer.

It is of paramount importance to the success of the impact on the consumer that specialists in marketing and commerce use symbolism, since symbols are an incentive and lead to a mental process as regards the product and the brand. They contain hidden messages. The company logo is an important symbol (not just a means of designation). The colour tones are also peculiar symbols containing elements of emotional impact, and this in turn could be different for different audiences (in terms of age, nationality, etc.). The symbols trigger associative thinking, generating analogies with the consumer’s past experience, with their dreams and desires (even fears). This requires: first – frequent use, and second – much greater caution and professionalism in commercial advertising. ‘The effect of the field of view’ should also be taken into account, namely that eyes move from left to right and the right side is better noticed by consumers.

Generating interest (utilitarian, aesthetic or other) is a prerequisite for the cognitive process following perception – remembering. Memory plays a key role in that it stores information, including emotional experiences. Remembering depends on the strength of the impact and its emotion. Emotional memory is very strong in most people (they remember feelings, emotional states – e.g. disappointment with a poor quality good, offence when being serviced, excitement when meeting an unknown good). There are findings that it is best remembered with a simultaneous impact on several senses (e.g. the combination of colour – sound – smell). The typical repetition of information in commercials leads not only to remembering but also to placing it into the deep structures of the psyche.

The stored images of past perceptions when objects and phenomena no longer affect the senses are known as ‘mental images’. These mental images have a decisive influence for the consumers. They direct their searches and participate in decision-making. (e.g. when buying furniture, paintings, etc. consumers try to ‘relate’ the observed purchases to the idea of their homes in their mind). The stored units of information are individual reflections of objects that form the structure of knowledge of each consumer.

A key idea is that consumer behaviour is learned behaviour. The responses to the impacts are learned. This learning continues throughout life until the consumer processes the accumulated information (Peter & Olson, 2007). The consumer learns by trials and errors, by solving problems, by borrowing (observation and role models) and in many other ways.

Beliefs and attitudes are cognitive elements associated with motivation and learning. Beliefs are permanently formed relationships towards an object or phenomenon (brand, product). They participate in building a more comprehensive structure – consumer attitude. The attitude expresses the focus of the psyche, the predisposition of an individual to react in a certain way in the quest to satisfy their needs. Professional advertisers apply the EQ scale of D. Wells, the SD scale of C. Osgood, etc. in their work. Using selected pairs of words opposite in meaning, they record consumer attitudes to advertising messages according to various signs. Attitudes underlie customer loyalty.

An important regulator, activating and controlling mental activity, is attention. The volitional control of consumers in decision-making in the retail stores is also important.

5. Cognitive models as tools for studying consumer behaviour. Outcomes of applying them.

Psychological factors affect unconditionally and permanently consumer behaviour. They all build an entire set involving the elements of motivation (needs, motives, stimuli, value orientations)
and mental conditions and processes (perceptions, ideas, attention, imagination, feelings, emotions, passions, thinking, will, etc.). None of the psychological factors is absolutely independent and its manifestations are not separated from those of the rest. However, some of the factors could have a significantly greater weight than the others in certain situations of purchase or be decisive in certain types of individuals.

With regard to the psychological aspects, the growing importance of psychological methods and approaches should also be mentioned. They can have a serious impact on consumer behaviour. Some irrational moments in making consumer decisions come to the fore, revealing opportunities for psychological intervention from outside. This fact is significant, but given the adherence to the norms of business ethics it is unacceptable to use to manipulate consumers. From a purely practical point of view in a highly competitive environment a similar behaviour of abuse of consumer trust would lead to negative consequences.

The increase in the proportion of the subconscious raises the interest in understanding the complex relationships between the various elements of the human psyche. This is in line with the trend to strengthen the role of psychological science in clarifying and solving important problems in economic practice. We can expect in the future even tighter binding between commercial activities and psychology and getting the idea of forming a special, meaningful sphere in practical terms – neuromarketing. It will further develop and enrich the understanding in neuromarketing, which is already gaining ground in developed societies.

The psychological models of consumer behaviour have methodological significance for carrying out the study on the impacts of the factors. The cognitive models are the most commonly used at present. They place particular emphasis on the mental processes in the mind and on highlighting the key view of the ‘black box’ hypothetical construct. The consumer’s ‘black box’ consists of two parts – two types of processes, summarized in the following categories: perceptual process and learning process. Psychological factors and the relationships between them are difficult to measure empirically, but they can be identified according to indicators in the models (Farley & Ring, 1970).

Cognitive models represent the movement of multiple streams of influences. They are reflected in the mind of the consumer as: attention, information retrieval, predispositions and biases, the formation of consumer selection criteria, trust, motives, intentions, attitudes, etc. In cognitive models every element of psychological nature appears as a validating construct (Howard, 1965). Perceptions play a particular role.

In a model used extensively in marketing and commercial research, J. Howard and J. Sheth point out that perceptions reflect strongly on the assessment of the information received by the consumer, its primary processing, consequently – interpretation, orientation in alternatives (Sheth, 2011). Perceptions are always refracted through past consumer experience. The model of the two authors is repeatedly tested in various purchasing situations, selection of brands and products. It is topical and can be used in an adapted version for the Bulgarian economic practice.

In order to predict the differences in consumer choice, in his studies D. Cox highlights three points: 1. presence of cognitive clarity (understanding the meaning of information); 2. a built ‘cognitive style’ (way of thinking and information processing); 3. a level of self-confidence (self-confidence of the consumer arising from knowledge, experience). This scholar emphasizes that in a more favourable situation in their choice consumers have a high degree of socialization, with more information from personal sources (Cox, 1967).

K. Lancaster explicitly notes that in a developed economy there are more goods than the characteristics (attributes) of these goods are (Lancaster, 1968). This means that there are many
alternative ways of acquiring consumer benefits. The author explains the choice of brand comprehensively, again associating it with the key role of perceptions. The choice of brand is determined by the combination of product attributes in brands with personal significance given to them by the consumers themselves. This necessarily means that emotions, symbols, associations, ideas, values are involved in the process. J. Howard, D. Cox, J. Carman, etc. measured consumer predisposition to a particular brand, taking into account the very important indicator ‘level of trust’ (Carman, 2011).

In terms of psychology, consumer behaviour is influenced by factors such as: convenience, affordability, situational influences at the time of purchase (people, circumstances, time constraints), the level of risk. Thus, for example, characteristic strategies are formed in various types of products depending on the risk. In low-risk products, such as foodstuffs, the decision-making mechanism is greatly simplified and the process of buying is accelerated over time (Carman, 1970). The very perception of ‘risk’ differs too much in different individuals. In countries such as Bulgaria the weak economic potential of a significant proportion of consumers is the reason for higher consumer anxiety and sense of insecurity. With regard to the author’s own empirical study in different towns and villages throughout the country, conducted in 2016-2017, a specific style of decision-making for groups of food products was established, which is closer to that of the more complex decisions. The proportion of thoroughly planned purchases of Bulgarians is significant compared to non-planned purchases made routinely. In sweets and chocolates, in particular, the results showed: 16% strictly planned purchases, 20% products planned in general, 19% partially and non-systematically planned purchases, 6% attempts for planned purchases (frequent changes in the plan), 30% situational decisions in the retail outlets with a strong element of impulsiveness and only 11% routine purchases. On the whole the result is – over 50% confirmed consumer behaviour of planning the decisions for purchase in retail outlets in a characteristic and mass product group of foodstuffs. Bulgarian consumers tend to use diverse strategies – mainly depending on the situation. All this is not typical of the theory of consumer behaviour in developed countries. It has its explanation in the Bulgarian reality and even in the Bulgarian mentality.

6. Conclusion

In conclusion it must be emphasized that posing the issue of psychological factors in determining consumer behaviour aims to boost interest in significant and topical problems. It is done in three ways: in terms of the scientific community (experts in economy of commerce and marketing), in terms of the general public (Bulgarian consumers), and especially in the real business practice in Bulgaria (commercial companies). This could help to raise awareness of the situation and carry out the complex task – transforming the attitudes of retailers and consumers. It is associated with the need to ensure the prerequisites for specific changes in Bulgarian commercial practice and to bring it in line with the international requirements. As long as a recipe does not exist, it is important to define the priorities and guidelines for work. Bulgarian commercial business should go its own way to success based on a new understanding of the nature of the consumer and their role for success.

Despite being important, psychological factors are not manifested in isolation and do not define the consumer behaviour per se. This behaviour is complex, dynamic and comprehensively conditioned. In it the psychological factors are linked to the operation of socio-economic, demographic, territorial, cultural, organizational and many other factors. Under the modern conditions of collision of national and global trends it is necessary to pay more attention to the psychology of the market, proper identification of needs, attitudes and intentions. The specifics of
consumer behaviour, its dynamics, moments of controversy, satisfaction and other aspects have to be studied in depth, and ultimately to work out flexible approaches to stimulate consumer activity. This will ensure a timely adaptation of the activities of commercial companies to the changes in the environment and the current consumer preferences of Bulgarians. We see this as a fundamental condition for achieving competitive advantages, survival and prosperity.

7. REFERENCES

Марчевски, И., & Йорданов, Р. (2013). Основи на маркетинга. В. Търново.