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## Consumer Behaviour toward Goods Expenditure



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### ABSTRACT

The decision of making process is complex. It often involves some decision alternatives. A decision usually involves choices among two or more actions alternative or behaviour. A decision always offers choices among the different behaviour conditionally. Mainly, in decision making process of purchasing, the consumer will pay attention to something which is important such as culture, social, relatives, individual, and psychology. Based on those considerations, the consumer will take an action as a decision of purchasing the product they want. Those factors show that the consumers usually focus on today's cultural factor. Beside lifestyle, this factor shows that the progress of consumers' behaviour is well organized toward one product. Through this dominant factor, the product which is offered by the producer will grow rapidly within the world changing.

## INTRODUCTION

Consumers' behaviour is a study of individual, group and organisation's ways in selecting, purchasing, and using the product, service, opinion, or experience to satisfy their needs and wants.

Before and after purchasing, a consumer will pass some process based on the decision making process, those are:

1. Problem recognition. The consumer will buy a product as a solution of a problem he gained. Without identifying the problem, the consumer can not define the product they will buy.
2. Information source. After knowing the problem, the consumer will be highly motivated to search the information to solve the problem by searching the information. The process of searching the information could be taken from the memory (internal) and based on others experiences (external).
3. Alternatives evaluation. After the consumer gains several information, the consumer will evaluate the available alternatives to overcome the problem he gained.
4. Purchasing decision. After the consumers evaluate some available and strategic alternatives, the consumer will make the purchasing decision. Somehow, the period between making purchasing decision and creating the actual expenditure is not similar because something that should be considered.
5. Post purchase evaluation is an evaluation process by the consumer which is not ended on the purchasing decision making process. After buying that product, the consumer will evaluate whether the product suitable or not with his wish. In this case, there will be the consumer's satisfaction or dissatisfaction.

The consumer will be satisfied when the product is proper with his want and it will increase the demand of the brand product in the future. In return, the consumer will dissatisfied when the product is not proper with his want and this would decrease the consumer's demand in the future.

### **A. The Background of the Study**

Today's progress requires the consumer to be smart, efficient and effective in choosing the product that wanted. The increase of consumer's demand of several products will make the producer attempt to fulfil the consumer's wants or needs. Thus, the producer creates many variants products and also the product variant itself. Moreover, the producer will create a product which the consumer never needed yesterday. These innovations will become a dilemma for the consumers, whether they will take the decision based on wants or needs. Therefore, the consumers will determine the factors that suitable for them, so they can take the exact decision and meaningful for their life.

### **B. The Problem of the Study**

Recognizing the consumer smart behaviour will apply more factors to respond a choice in one decision, next, it will take a concrete step by purchasing the product that wanted. At least the consumer should know the type of the product he will buy the brand of other products. Those are the price comparison, package, the quality of the product, the expired date, taste and colour, the use of the product, weight, and nutrition content.

### **C. The Aim of the Study**

This research is hoped will contribute accurate information concern with the consumer decision toward a product. The consumer should be smart, exact, effective and efficient in fulfilling the needs and the willing within the individual.

The analysis of this study will help the manager to:

- a. Designing a marketing mix,
- b. Segmenting the marketing business,
- c. Positioning and differentiating the product,
- d. Conducting the analysis of environment,
- e. Developing the market investigation.

These following questions are related to the consumer's behaviour in taking a decision based on 5W+ 1H principles which have applied to the consumer unconsciously.

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1. Why: Why do they gain that product/service?
2. What: what kind of product/service is it?
3. Who: who is gaining that product/service?
4. When: when is gaining that product/service?
5. Where: where is that product/service can be gained?
6. How: how that product/service can be gained?

#### **D. The Review of Related Literature**

The factors that influence the consumer behaviour in purchasing one product, according to Kanuk (2004, p.8) consumer's behaviour is a behaviour which the consumer demonstrates in searching for purchasing, utilizing, evaluation, and substituting the product/service which can satisfy the consumer's needs.

Below are some factors which influence the consumer's behaviour:

##### **Social Factor**

###### **a. Group**

Someone's attitude and behaviour are influenced by many small groups, where the individual who put in that group has the exact influence are called membership group. It consists of groups, primary groups (relative, friend, neighbour, and fellow worker) and secondary groups which is more formal and has a less routine interaction (religious group, professional gathering, and business alliance (Kotler, Bowen, Makens, 2003, pp.2003-204).

###### **b. Family Influence**

Family gives a major influence on purchasing behaviour. The market agent has checked the role and the influence of husband, wife, and children in purchasing the different product/service. For example, kid gives a major influence in involving the decision of the fast food restaurant (Kotler, Bowen, Makens, 2003, p.204).

c. Roles and Status

Someone has some groups, such as family, associations, and organization. A role consists of the activity which someone is hoped to do relate to people around him. Each role brings a status which reflects the common appreciation given by the society (Kotler, Amstrong, 2006, p.135).

**Personal Factor**

a. Economic Situation

Someone's economy condition will influence the choice of a product, for example, Rolex is positioned for the superior consumers and meanwhile, Timex is for the middle consumers. Someone's economy situation really gives influence in product decision and the decision in purchasing certain product (Kotler, Amstrong, 2006, p.137).

b. Lifestyle

Someone's lifestyle expressed in activity, attractiveness, and his opinion. People who come from cultural, social class, and the same job background, possibly have the different lifestyle (Kotler, Amstrong, 2006, p.138).

c. Personality and Self Concept

Personality is a unique characteristic from psychology which leads the balance and responds continually toward his social environment, for example, the confident person, dominant, love having socialization, autonomy, defensive, easy to adapt, and aggressive (Kotler, Amstrong, 2006, p.140). Every people have a complex self image and his behaviour tend to be consistent with that self concept (Kotler, Bowen, Makens, 2003, p.212).

d. Age and Life Cycle Stage

People change the product and service they purchase in line with the life cycle. The taste of the food, clothes, furniture, and recreation connect with the age, purchasing is also supported by the family life cycle. The important factors which are related with the age are always on marketing agent attention, because of the differentiation between the age of the market agent who defines the marketing strategy and those who purchase the product or service (Kotler, Bowen, Makens, 2003, pp.205-206).

e. Occupation

Occupation influences the purchase of product or service. For example, constructors will purchase their lunch from the catering which comes to their workplace. Executive business will buy their lunch from the full service restaurant; meanwhile, the office workers will bring their lunch their home or take it from the nearest fast food restaurant (Kotler, Bowen, Makens, 2003, p. 207).

**Psychological Factor**

**a. Motivation**

The urgent needs direct someone to find out the satisfaction from the needs. According to Maslow, people are controlled by needs at certain time. People need managed based on a hierarchy, start from the very urgent needs to the not really urgent needs (psychological needs, safety, social, self- esteem, and actualizing self). When the urgent needs are already fulfilled, those needs end up as a motivator, and those people will try to satisfy the next important needs (Kotler, Bowen, Makens, 2003, p.214).

**b. Perception**

Perception is a process where someone chose, organize, and interpret the information to create a meaningful perception from the universe. People can create the various different perceptions from the same stimulus (Kotler, Bowen, Makens, 2003, p.215).

**c. Learning**

Learning is a developing process and always changing as the result from the accepted newest information (through reading, discussing, observing, and thinking) or taken from the real experiences, include the accepted newest information or the individual experience as a feedback for the individual and prepare the basic behaviour in the future at the same context (Schiffman, Kanuk, 2004, p.207).

**d. Beliefs and Attitude**

Belief is a descriptive mindset that someone believes something. Beliefs can be based on the pure knowledge, opinion, and fate (Kotler, Armstrong, 2006, p.144). Meanwhile, attitude is a feeling of like or dislikes evaluation, and the consistent inclination tendency of an individual

on one subject or idea (Kotler, Amstrong, 2006, p.145).

### **Cultural Factor**

Cultural factor is the basic value, perception, willingness, and the learned behaviour through the family and other important institution (Kotler, Amstrong, 2006, p.129). The basic determination of an individual is willingness and behaviour. Culture comprises the basic value, perception, willingness and behaviour which learned by an individual continually in one atmosphere (Kotler, Bowen, Makens, 2003, pp.201-202).

#### **a. Subculture**

It is a group of people who share the value system based on the similar life experience and condition, such as nationality, religion, and area (Kotler, Amstrong, 2006, p.130). Although the consumers from the different country have the similarity in value, attitude and behaviour, these often become different dramatically (Kotler, Bowen, Makens, 2003, p.202).

#### **b. Social class**

The individual grouping is based on the similar value, interest, and behaviour. The social group is not defined by one factor only such as income but is defined by the occupation, education, wealthy, and others (Kotler, Amstrong, 2006, p.132).

### **METHODOLOGY**

This research applied the secondary data; the source of the study is gained through the books and related journals and also other references which relate to this study. The study of the consumer gives a direction to revise and introduce the product or service, determine the price, distributing plan, arrange the message, and develop the other marketing activity including knowing the consumer behaviour. This research fully discusses the theory or the reality of consumer's behaviour, including some important facts of consumer and consumer trend in the future, like Astra Honda Motor by analyzing the market plan of the best ideal motorcycle trend in Indonesia. The consumer behaviour of purchasing actually is influenced by cultural factors, social, individual, and psychology. Meanwhile, the most influencing factor, the widest, the deepest is the cultural factor.

## CONCLUSION

From the analysis above, it gained some conclusions about the factors which influence the consumer decision in choosing the product. The factors which influence the consumer decision are in the following explanation.

### 1. Culture

The characteristic of culture is wide and related to all human life aspect. Culture is the complex symbol and fact which created by human, inherited from one generation to the next generation as the defender and organizer of human attitude in the society.

### 2. Social class

The human division into classes/ group is based on certain consideration, such as the level of the income, type of the housing, and domicile area.

### 3. Small group reference

Small group around the individual becomes the reconciliation of how someone should behave; include the purchasing behaviour, such as religious group, group work, and society.

### 4. Family

The core environment where an individual lives and grow consists of father, mother and children. It should be paid attention the purchasing behaviour in a family. It involves:

- Who influences the decision to purchase?
- Who makes the decision to purchase?
- Who does the purchasing?
- Who is the user of the product?

### 5. Experience

Previously, various information that an individual gained will influence the next action.

### 6. Personality



Personality can be defined as an individual model characteristic which defines the respond how to behave properly.

#### 7. Attitude and belief

Attitude is a tendency to discuss to take an action toward the product offer in a suitable situation or not consistently. Belief is an individual trust regarding the certain value which affects his behaviour.

#### 8. Self-conceptualization

Self-conceptualization is an individual way to see him, and in the same period, he has the image of other people.

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