

## CHAPTER 2

### 2.1 Consumer Behavior

The consumer behavior's definition is defined by the American marketing Association (Peter&Olson, 2005) as "The dynamic interaction of affect and cognition, behavior and environmental events by which human beings conduct the exchange aspect of their lives" Schiffman and Kanuk (2000) assumed that consumer behavior study focuses on how people make choice to spend their resources including period of time, funds, and work on items. Also, these actions are directly concerned on selecting, obtaining, using, and removing of goods and services and perceptions to meet their satisfaction, including the purchasing decision that preface and follow these actions (DeVries, 1996) But social factors psychological factors, marketing and consumer characteristics are also important in order to study with the criteria effects on customers, see figure below (Hogg&Lewis, n.d.).

#### Consumer Buyer behavior

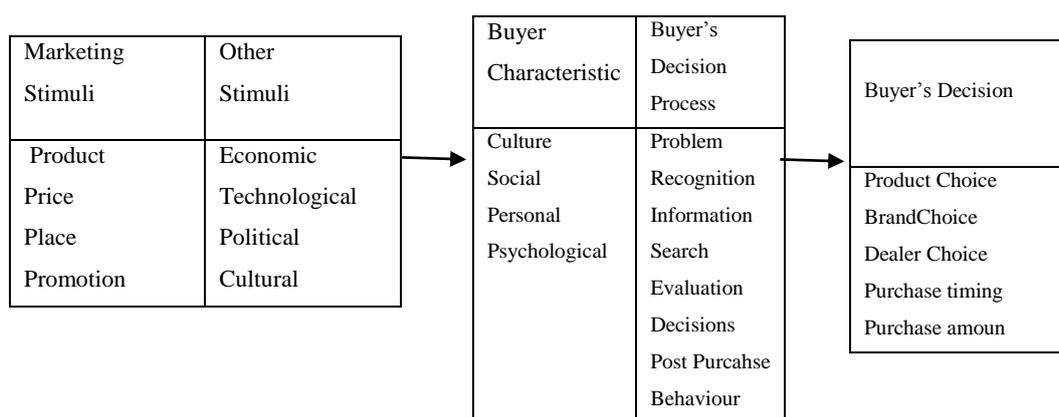


Figure 2.1: Factor impact on buyer's decision

Source: Kotler (1994), p.174 cited Hogg&Lewis (n.d.)

According to Hogg&Lewis (n.d.) claimed that marketing criteria implicate the activities and inputs of manufacturer and distributors in term of marketing mix, brand, products price, place and promotions. Besides, there are the other factors that involve economic, political and technological attributes in the marketing area. Buying behavior can be affected also by family background and life styles.

### 1.1.1 Five Stages of Consumer Behavior

Consumers buying decision will revolve according to the level of complexity and involvements of each item. The varieties available and items that are costly will take longer time in making decision. The variety of complexity of purchasing decision processes increase even more to problem solving that may be described as being greatly difficulty. For eg. costly items like house. (Loudon&Bitta, 1993).

There are 3 types of consumer problem so of lving that are divided into 3 forms as follow:

1. Routine problem solving:- it is involved a little or no information finding and is performed promptly when buyer purchase the product/brand they have bought before
2. Limited problem solving:- it usually relates a reasonable amount of information finding and time in choosing when consumer purchase well known product category
3. Extensive problem solving:- when buyer buy an unknown product or service it required more time to acquire the product or service.

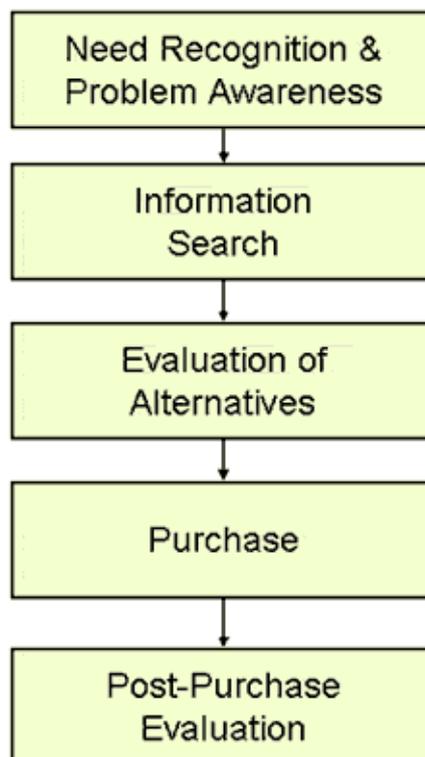


Figure 2.2 Five Stage Consumer Buying Decision

Source: Ferrel&Hartline (2008)

To emphasize more on tailor made suits industry five stage of decision making process will be explained as follow:

1. Customer will recognize the need for suits when they need to attend an important meeting or on special occasion.
2. After this customer will look for information and alternatives that are available for them to choose. For instance how many shops are available to make purchase, which shop has good reputation or competitive price.
3. Customer will compare alternatives that they have and then compare with other brands. This stage buyer will select what they think the best. This may be influence by several factors as mentioned in earlier part of this paper.
4. Customer will now buy the selected brand.
5. After buying customer will evaluate the usage, whether it meets their expectation, if they feel good they will keep in mind and go back to the same brand/shop in future.

Many researchers use the consumer behaviour textbook as a source of a consumer behaviour model. The traditional model of consumer behaviour process has 5 steps as mentioned above. This five stages model of consumers is normally the norms that most consumers go through during the process of making buying decision. Consumers decision making process is difficult to understand (Pfister, 2003). Consumers mostly need efforts to find available information so they can reach suitable judgement. Consumers therefore may use interferences to select the product/services. Huber&McCann (1982) found that there is a relationship between interference and people's evaluation process. Interferences come from past experiences and similar database about the product like country of origin or brands.

## **1.2 Concept of Brand Image**

Hsieh, Pan and Setino (2004) stated that an achieved brand image enables customers to explain the consumer's needs that brand occupy and that are different from other competitors. A company product or service with beneficial image to the public may acquire a promising position in the market and gain an edge on competitive advantage, this will result in improving the market share and operating results (Park, Jaworski&McInnes, 1986). Kotler (2001) defined image as "set of belief, ideas, and impressions a person hold toward an object". Similarly, Aaker (1991) defined brand image as " a set of associations that has been organized in a certain meaningful way" (p.109). Measuring image enables marketer to recognize the strengths and weaknesses of their brands and consumers' perceptions towards

their product or services. As for Keller's (1993) concept of brand image, it is referred to as perception of a brand reflected by brand association retained in consumer's mind. He also suggested that "brand association" constitutes brand attributes, brand benefits and overall brand attitudes.

### **1.3 Self-Concept and Product-Image**

The initial discussion of self-concept and product-image was found by Gardner&Levy (1955) and Levy (1959) with the focus of an image projected in different products. It's thought that consumers are the preference in products with positive image that has been consonant with self-concept as Grubb and Grathwol (1967) addressed "Individuals' consuming behaviour is directed towards furthering and enhancing his self-concept throughout the symbolic consumption of products and services". Self-image and product-image can refer to the match and mismatch of actual, ideal, social or ideal social self-image with corresponding personality images of products. Matching between one's actual self-image and the product image is referred to as "self-congruity", matching between ideal one's self image and product image is refer as "ideal congruity", matching between one's social self-image and product image is referred as "ideal social congruity" (Sirgy 1979, 1980,1981 a; Samli&Sirgi 1981). Congruence between these pairs of constructs (product image and self-concept) is established through the use of different distance measures. For instance, Euclidean distance, absolute difference, simple difference and difference squared indices (Birdwell, 1968;Dolich 1969; Ross1971; Schewe&Dillon 1978; Sirgy 1979,1980). Many studies have been conducted on the congruity between self-image and product image in terms of single congruity effect, that is self-congruity effect( involving actual self-image only) (Grubb&Stern,1971; Birdwell 1968, Bellenger, Steiberg&Stanton 1976; Hughes&Gurrero 1971; Green,Maheswari&Roa 1969) Most of these studies provided evidence between self-congruity and consumer choice.

### **1.4 Conspicuous Consumption**

The issue of conspicuous consumptions has been discussed in various economics contexts, start from in's Leibenstein's seminar paper(1950), then Frank (1985) to Ng(1987). The first test assumed that price increase utilization. Recently, Ireland (1994), Fershman&Weiss(1988) and Bagell and Bernheim (1996) proposed model that define the utility of a product in term of consumption and status instead of consumption and prices. Bagwell and Bernheim addressed that the price a person pays for merchandises can affect the

equilibrium. The investigation implements a similar modeling strategy, the utility is based on regular consumption and status; quantity and prices of conspicuous-consumption goods have not directly been engaged. When prosperity determines one's social status, the classical conspicuous-consumption goods serve as the best sign which separates people on the basis of their income level and their capability of spending money on product that communicate's utility their richness. When agent's utility function meets the single-crossing property, a continuous conspicuous-consumption product may differentiate itself among agents on the basis of their income level. However, a question rises as to whether it is not only spending on the expensive items and prosperity that constitutes an individual's social status. Two major contributions of our model to conspicuous-consumption are dual attributes that determines status and the introduction of a cultural signaling good.

## **2.5 Product Related Criteria**

In analyzing consumer-product relations, it is important to consider product attribution, features, prices and brand choices. Several of these factors have been known of controlling the success of products or brands.

### **2.5.1 Product Attributes**

According to Kotler (2003, cited Bruce and Liz, n.d.), he claimed that the design, service, products, individuals, events, places, properties, companies, information, ideas or a combination of these can be a product which can be provided to market in order to satisfy consumers' want or need. Moreover, products and product attributes are the most important stimuli that influence consumer's behavior. These attributes might be physical and tangible or psychological and intangible such as design or quality. Also, products are evaluated by purchasers in terms of their own value, objectives, beliefs and past knowledge (Evans et al., 1996)

### **2.5.2 Price**

Price is one of the most intangible factors of marketing mix. This means that the price variable usually provides very little for the purchaser to experience at the sensory stage, even though it might create considerably cognitive activity, time and behavioral effort (Evans et al., 1996). From seller point of view, they have tendency to increase prices as they want to receive as much as possible in an exchange with purchaser (Ferrell&Hartline, 2008). However, in consumer's point of view, price is normally defined as what the buyer needs to

give up to the purchase of goods or service (Peter&Olson, 2005). Price perceptions focus how price information is realized by purchasers and made meaningful to them. In the cognitive processing purchasers may make a comparison between the known price and price range they have in their mind for the products and services. Moreover, the stated price for a particular brand might be considered as a product attribute. It can be supposed that an attitude is built toward the many brand alternatives that might lead to buying behavior (Peter&Olson, 2005).

### **2.5.3 Brand**

According to Aaker (East, 1997, p.30) defined brand as “a distinguishing name and/or symbol (such as a logo, trademark or package design) intended to identify the goods and services of either one seller or a group of sellers, and to differentiate those goods and services of either one seller or a group of sellers and to differentiate those goods and services from those of competitors”. A brand is an offering that consist of name, symbol, term or design which has two parts including the brand name and the brand mark (Ferrell&Hartline, 2008). Moreover, brand is the total grouping of meaning, reaction, insights, beliefs and goodwill featured to any market offering showing a particular sign (Muniz, 2007).

Through varieties of communication methods applied by marketers brands offer information to consumers. Individual understand this information and brand image is built in the mind of consumers and eventually become mindset toward the brands. Once this brand image is in place buyers develop set of expectations for the branded goods and services. These belief or values are referred to as brand equity, a tangible asset that involve to associate made by person regarding goods or services (Sheehan, 2008).

Also, brands have changed the lives of purchasers once brand simplify decision making by promoting inevitably and responsibility. Consumers who have tried a particular brand recognize what that brand provides and trust that they can expect the same value every times (Muniz, 2007). Moreover, it can be assumed that the significant strategy of branding not only generates recognition but classifies the goods and services and enhance the value of company.

### **2.6 User Related Criteria**

In analyzing the user related factors it is important to consider these criteria such as culture factors, social factors and psychological factors. These criteria have been found to control the success of new product or brand.

### **2.6.1 Cultural Factor**

There are growths of an interesting nature regarding cultural issues in consumer behavior so organization need to understand the cultural factors that it is an important factor that affect consumer behavior (Kacen&Lee, 2002). Those scholars also believe that cultural factors are crucial influence factor to consumer buying behavior.

According to Solomon, Bamossy and Askegaard(1999, p.377) mentioned that cultural factor is a key concept to understand consumer behavior. Culture is the collection of shared meaning, tradition, norms between the members in group or society which include both conceptual idea such as importance as well as material items and service such as clothing and groceries. With respect to above statements we can conclude that Cultural factor is one of the important factors affecting buyer behavior.

### **2.6.2 Social Factor**

Cihagir (2009) divided social factor into three parts as group reference family, and roles and status. Reference group can be referred as a group or people which serves as a point of comparison for an individual in general or specific value, attitudes or guide of behavior contain both formal and informal groups as a result acceptance in their society, people tend to act the same as their group behavior (Schiffman&Kanuk, 2007). Family is an important group of people who significantly influence behavior because they are closed in relationship. Finally, Roles and Status, one person can have several roles and status, for instance, a woman can be wife, mother business woman which affect her buying decision (Solomon, Bamossy and Askegaard, 1999)

### **2.6.3 Psychological Factor**

Psychological factor stands for internal factors influencing purchasing behavior. MMC Learning (n.d.) mentioned that buying behavior are affected by psychological variables which include motivation, personality, attitude, memory, learning and perception. However, Bhoopat (2008) classified the psychological factor in to eight categories by adding two more factors which are self-concept and belief. However, Maslow's Hierachy of need is concerned in this factor, in term of motivation of consumer's need which strongly influences the behavior of people as well as purchasing behavior (Solomon,Bamossy and Askegaard, 1999).

## **2.7 Marketing Factors Theory**

Product, Price, Place and Promotion are normally known as Marketing Mix, one of the major concepts of modern marketing. Setting the right strategy for each “P” and blending them together would lead business to reach its objectives. Armstrong and Kotler (1999: 47, 49) stated the definition of marketing mix as follows:-

We define marketing mix as the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for its products. It is necessary to modify marketing mix strategy when applying to service. Only traditional marketing mix, which includes product, price, place and promotion is not appropriate to communicate with and satisfy their customers. Those additional variable are called expanded marketing mix for service, which include people, physical evidence and process. These are all added to traditional marketing mix to create effective marketing strategy for service.

## **2.8 Marketing Mix Concept**

Marketing products and services require a lot of activities. These activities can be grouped under 4 majors groups. These are known as the marketing mix concept called 4 p of marketing- Product, Price, Place (Distribution) and Promotion. The objectives of these activities are to ensure a satisfying exchange relationship between sellers and buyers.

### **2.8.1 Product**

Product is the total bundle of satisfactory that is offered to the target market in the exchange transaction whether it is goods, service or combination of both. The key success factor of the product is to satisfy customers’ expectation.

A product can be tangible or intangible, it includes not only physical product but also complementary components such as packaging or a warranty. Each consumer may views the importance of each component of product in the different way. Complementary components may be perceived by customers to be more or less important that core product. According to Armstrong and Kotler (1999: 236), product has three levels; core product, actual product and augmented product. Business can differentiate product by differentiating each component of product.

### **2.8.2 Price**

Price is the cost of product that a customer has to pay for the benefits of having or using the product. Thus, price could be best measure by customer willingness to pay in exchange of transferring ownership of the product or service. In other words, price reflect the value of a product in customer's perception.

Since price is the only element in marketing mix that can be viewed as a source of income, price is very sensitive factor affecting customer buying decision. Hence, it is important to set the most reasonable price to maximize business profit. There are many factors that should be considered when setting price such as marketing objectives, marketing mix strategy, cost of product, organizational considerations, the market and demand, rival's cost, prices and etc.

### **2.8.3 Place**

It is activities done by business to make sure the product available in the target market. The place of selling generates an impact on the perception of product. Therefore, setting and effective channel of distribution is critical. To decide which channels of distribution to choose depends on variety of factors. Instances are production specifics, need of control and margin desired (Silbiger, 1999:33).

### **2.8.4 Promotion**

Promotion is persuasive communication between business and target market in order to communicate benefits of products and to build the demand for the product as well. The ultimate goal of promotion is to affect buyer behaviour. Promotion includes all the advertising and selling effort of marketing plan.

The appropriate promotion mix, a blend of personal or non-personal promotion methods aimed a target market would lead to achieving its objectives. There are five general elements of production mix; advertising, personal selling, sales promotion, public relations and direct marketing.

When applying the strategy to service it is necessary to modify the marketing mix strategy. The additional variables which are called expanded marketing mix for service have to be used to better communicate with and satisfy their customers. The expanded marketing

mix for service include people, physical evidence and process and are added to traditional marketing mix to create effective marketing strategies for service.

### **2.8.5 People**

People are everyone who plays a part in service delivery and thus influence the buyers' perceptions. The company's personnel, the customer and other customers on the service environment. People are the elements that differentiate services marketing from product marketing.

It's important to pay attention to how people are selected, trained, motivated and managed because these matters influence the consistency of service quality in customers' perception (McDonald and Payne, 1996:181). Hence, it is possible to say that by adding value in the way they perform and by maximizing the impact of their activities, people have the capacity to give the company a competitive edge.

### **2.8.6 Physical Evidence**

Physical evidence connotes the environment in which the service is delivered and where the company and customer interact, and any tangible components that facilitate performance or communication of the service (Bitner and Zeithaml, 1996:26). The physical evidence of service includes all of the tangible representation of the service such as brochures, letterhead, business cards, equipment, physical facility where the service is offered and so on. This marketing mix factor provides excellent opportunities for business to communicate with customers and build better image of service in their perception.

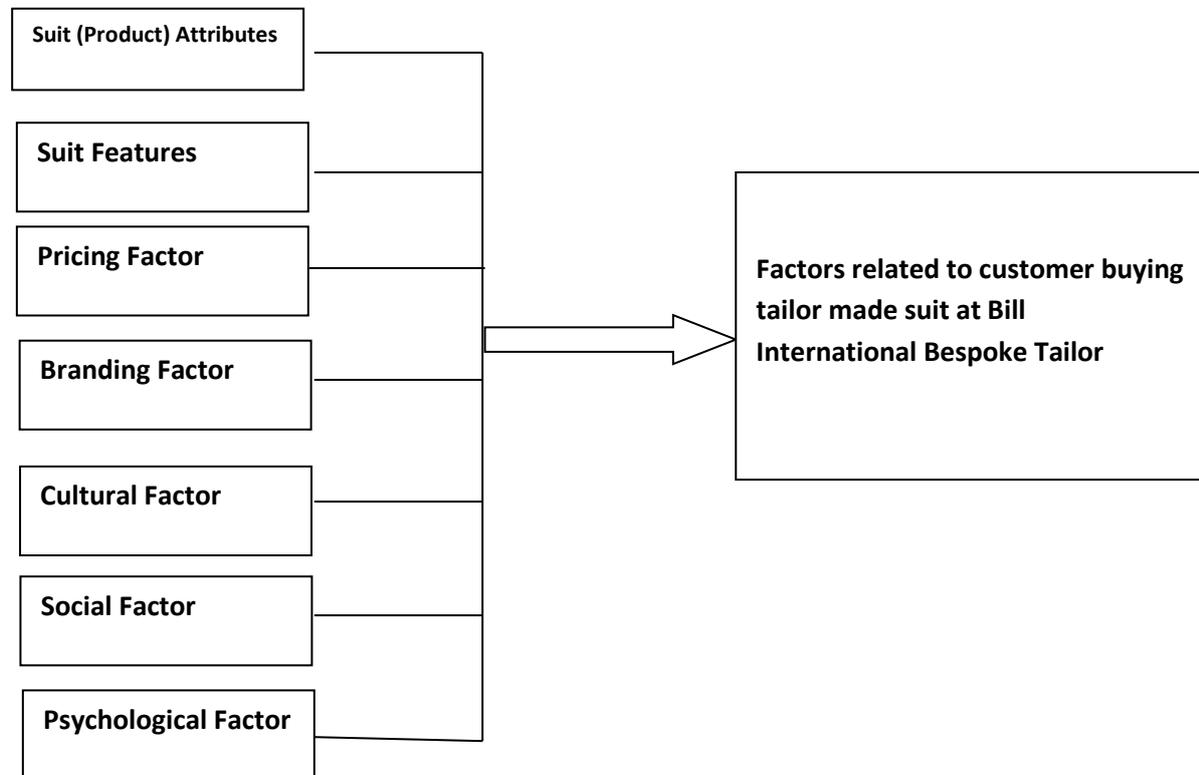
### 2.8.7 Process

Process means the actual procedure, mechanism and flow of work activities by which the service are created and delivered to customer. Obviously, process will inevitably lead to an improvement in process and in service quality.



Figure 2.3 Marketing Mix Concept Source: <http://yazeedalherini.blogspot.com/>

## 2.9 Conceptual Framework



## **2.10 Hypothesis**

Based on the research purposes and literature review in previous sections, the researcher has placed the hypothesis in order to study the difference between product related criteria and users relate criteria were evaluated considering the relation towards buying tailor made suit from Bill International Bespoke Tailor. The hypothesis are described below:

### **Hypothesis 1**

There is no relationship between Suit (product) attribute and purchasing decision of tailor made suit at Bill International Bespoke Tailor

### **Hypothesis 2**

There is no relationship between Suit Features and purchasing decision of tailor made suit at Bill International Bespoke Tailor

### **Hypothesis 3**

There is no relationship between pricing factor and purchasing decision of tailor made suit at Bill International Bespoke Tailor

### **Hypothesis 4**

There is no relationship between branding factor and purchasing decision of tailor made suit at Bill International Bespoke Tailor

### **Hypothesis 5**

There is no relationship between cultural factor and purchasing decision of tailor made suit at Bill International Bespoke Tailor

### **Hypothesis 6**

There is no relationship between social factor and purchasing decision of tailor made suit at Bill International Bespoke Tailor

### **Hypothesis 7**

There is no relationship between psychological factor and purchasing decision of tailor made suit at Bill International Bespoke Tailor