

CONSUMER BUYING BEHAVIOUR AT TWO STAGES OF FAMILY LIFE CYCLE

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ABSTRACT

Family has an institutionalised position in the society and provides primary setting for consumer socialization. The assignment of roles to specific members of the family has an impact on the overall buying behaviour. This paper compares buying behaviour of Young Married Couples and Empty Nest families at various parameters and suggests its implications to marketers. Study highlights that items, and frequency of purchase of grocery were similar for both categories, but there were remarkable difference in factors affecting their purchase and decision making. In context of large purchases, study revealed Young married couples buy items as per their needs, whereas for Empty Nest Families decision is driven by luxury and need, both. Large purchase decision is highly affected by media and advertisement among Young Married Couples, but Empty Nest families go by word of mouth of relatives and friends. When trying to reach families, marketers should realise that family influence is an important factor. One axis is stage in FLC that determines the problems household is likely to encounter, other axis is set of social strata which provides a range of acceptable solutions. Each cell represents a market segment. Thus, FLC is a useful way to develop marketing strategy.

KEYWORDS: Buying Behaviour, Empty Nest Families, Family Life Cycle, Purchase Decision, Young Married Couples

INTRODUCTION

Family is not just a social group but also an important buying decision making organization in consumer markets.

A set of buying roles also exist within the family such as Initiators, Influencers, Gatekeepers, Deciders, Buyers and Users. The role of member is shaped partially by cultural and social determinants, including the mass culture, sub cultural references, social class and reference groups. Families use products even though individuals usually buy them. Determining what products should be bought, which retail outlets to use, how and when products are used and who should buy them is a complicated process involving a variety of roles and actors. Decision within a family can thus be classified into four categories that refer to the extent to which husband and wife act independently versus together in making purchases.

The family also has a lifecycle that determines its needs and expenditure patterns at different phases in its development. The family lifecycle includes seven stages which describes changes in the families' buying behaviour patterns across times. This has implications for segmenting families into various markets. Marketers need to communicate with consumers assuming each of these roles.

The study of consumer behaviour provides us with reasons why consumers differ from one another in buying and using products and services. There are six stages of consumer buying decision process, where actual purchasing is one of the stages. These stages are problem recognition, information search, evaluation of alternatives, purchase decision, actual

purchase, post purchase evaluation. By understanding where on this map the decision to buy particular product falls, marketers can determine which aspects of specific products to advertise to different household members and which media will reach the influential family member.

Statement of the Problem and Objectives

The purchase and consumption of products are driven by the Family Life Cycle (FLC). Marketing manager must analyse the household decision process separately for each product category within each target market. In this aspect one has to know the individuals they are focussing on, what they buy, from where they buy, how often they buy and how often they use it. Thus, the study was designed to analyse differences/similarities, individual/autonomous/joint decision making of various aspects of behavioural decision making of consumers. It also implicates the opportunities for a marketer based on the response given by individual class and categories of the purchases. Keeping the above problem in mind, the objective of study was 'to compare buying behaviour of families at *Young Married* and *Empty Nest* Stages of FLC'.

REVIEW OF LITERATURE

Engel *et al.* (1968) gave model of consumer buying process that consists of five activities viz, motivation and need recognition, followed by search for information, alternative evaluation, purchase and outcomes. Patrick *et al.* (1979) gave concept of modernised family life cycle which contains five major stages- young, single; young, married, without children; other young; middle aged; and older with thirteen sub categories. A revised family life cycle with implications for family sociologists, consumer and marketing research was proposed. Loudon (2002) described the concept of family life cycle and discussed its applications to consumer behaviour and marketing strategy. He also favoured use of life cycle as way of segmenting markets. Hawks *et al.* (2005) identified shopping styles, information use and decision making differences by family life cycle stage in purchase of durable goods. Kotler *et al.* (2009) discussed the 'stage model' of buying decision process. He mentioned that consumer do not pass through all stages in buying a product.

RESEARCH METHODOLOGY

The study required primary data which was collected from families comprising of Young Married couples and Empty Nest families of district Udham Singh Nagar of Uttarakhand. A sample size of 50 Young Married couples and 50 Empty Nest families was randomly selected and interviewed through structured questionnaire. The data was analysed with statistical tools like averages and percentages and inferences were drawn accordingly.

RESULTS AND DISCUSSIONS

The study was organised to deal with buying behaviour of respondents with respect to (a) regular grocery purchase, (b) large purchase, at two different stages of FLC, viz Young Married couples and Empty Nest families.

Age and Income of the Respondents

Age is one of the key factors determining the decision making. Age carries with it cultural, behavioural and attitudinal norms and has a lot influence in the consumption of products. During the study it was observed that 84 percent of Young Married couples were aged 26-30 years and the age of Empty Nest couples ranged between 46-50 years (64 percent).

Income of the family had major impact on purchase decision. 40 percent of Young Married couples had annual

income between Rs 4.0-5.0 lacs whereas majority (40 percent) of Empty Nest families had annual income between Rs 6.0-7.0 lacs.

Decision Making for Regular Grocery Purchase

Frequency of Purchase

In the decision regarding purchase of grocery items, the frequency of purchase did not show much difference between the two stages of FLC. In both stages, 60-65 percent respondents confirmed that they make monthly purchase of grocery items. But 36 percent of Young Married couples agreed that their frequency of purchase is weekly whereas weekly frequency for Empty Nest families dropped down to 16 percent only.

Type of Purchase

Although most of the families at both the stages purchase grocery items only when there is need, but impulsive buying was observed more among Young Married respondents. Almost 33 percent of the Young Married respondents believed that they buy the items as and when they feel. Impulsive buying among Empty Nest respondents is very low.

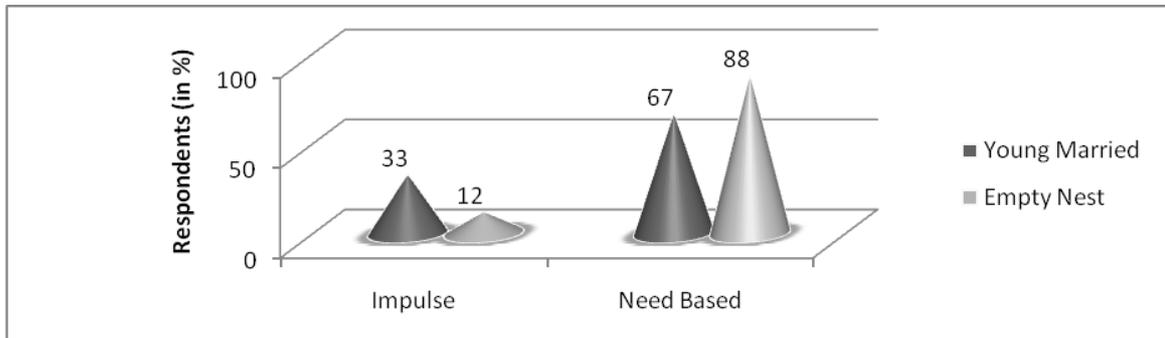


Figure 1: Comparison of Type of Purchase for Grocery Items at Two Stages of FLC

Decision Maker

In case of purchase of grocery, decision maker is generally found to be females or wives in Young Married couples. On the other hand, joint decisions are made by couples in Empty Nest families. The reason behind joint decision being the dual earner families and the joint responsibilities both hold towards family decision making. Among Young Married couples, 68 percent of females are sole decision makers whereas only 32 percent of females in case of Empty Nest category make these decisions.

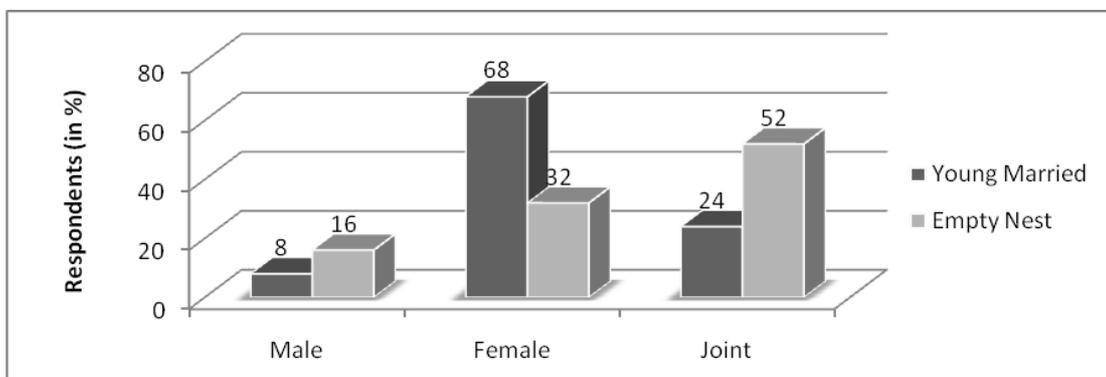


Figure 2: Comparison of Decision Maker for Grocery Items at Two Stages of FLC

Factors Affecting Purchase Decision

It was analyzed that the area of study is “price sensitive”. Out of total respondents of Young Married couples, 48 percent purchase grocery on the factor of “low price” whereas quality was given more preference than price by 52 percent of respondents in Empty Nest category.

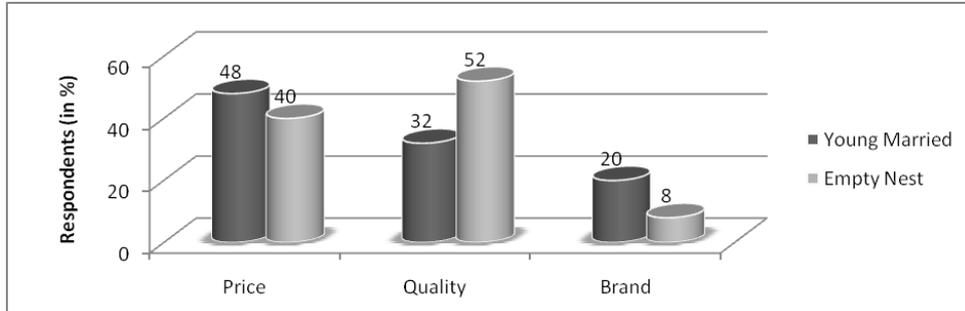


Figure 3: Comparison of Factors affecting Purchase Decision for Grocery Items at Two Stages of FLC

Effect of External Sources

During study it was observed that there was negligible impact of external sources in purchase of grocery items by Young Married couples while Empty Nest families believed more on word of mouth of neighbours, colleagues and friends in making purchase decision. 60 percent of respondents in Young Married stage and 36 percent of the respondents in Empty Nest stage made the purchase decision themselves without any external influence.

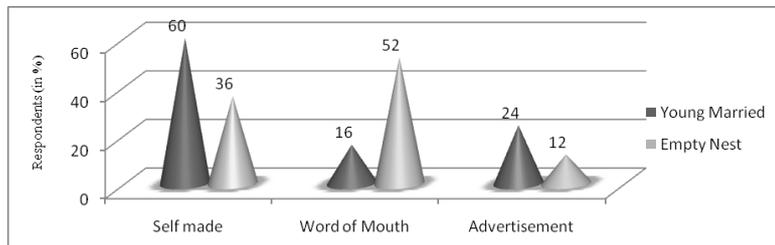


Figure 4: Comparison of Effect of External Sources for Grocery Items at Two Stages of FLC

Decision Making for Large Purchases

Frequency of Purchase

With marriage, the requirements and resources change and household requirements increase. Young married stage therefore represents a high expenditure period where purchases include durable goods such as refrigerators, TV, Laptops and other appliances, furniture etc. In case of decision regarding major purchase, the frequency of purchase of these respondent was found to be half yearly, followed by yearly purchase. Contradictory to this stage, families in empty nest spent more on luxury products and the frequency of purchase tends to be yearly or more than an year.

Type of Purchase

For large purchases, decision is invariably need based in case of Young Married Couples, where 92 percent of couples agreed that there purchase is totally on the basis of need while rest with deep pockets and dual earners confirmed to purchase large items impulsively too. In empty nest, the need or desire to purchase large item is luxury driven, 72 percent of respondents agreed to buy products for luxury. Home improvements or buy improved products in lieu of existing old ones are indications of luxury based purchases in Empty nest families. Similar to Young Married Couples,

most of the Families in Empty Nest refused to impulse purchase of large products, except for 16 percent of dual earner and high income families, who agreed to buy impulsively.

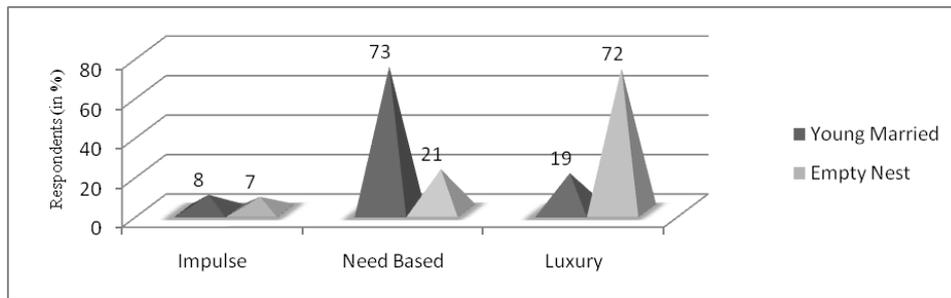


Figure 5: Comparison of Type of Purchase for Large Purchase at Two Stages of FLC

Decision Maker

The picture in decision making was surprisingly opposite in both the stages. In Young Married couples, decision was found to be taken jointly. The reason behind joint decision is well education and contribution of female in the income of family. Females, nowadays, are equally aware about the products. But in Empty Nest Families, still male decisions are prominent and 64 families agreed that only husbands take decision n case of large purchases.

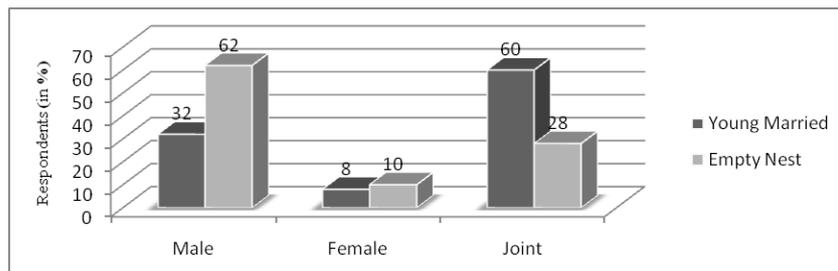


Figure 6: Comparison of Decision Maker for Large Purchase at Two Stages of FLC

Factors Affecting Purchase Decision

It was analyzed that although the area of study is price sensitive, but for Young Married Couples Brand plays a vital role for large purchases, followed by quality. Among Empty Nest Families, almost equal respondents considered Price as important as Quality. Only 8 percent of respondents believed in large purchases by Brand. This reveals another contradiction in behaviour of respondents at both stages towards large purchases.

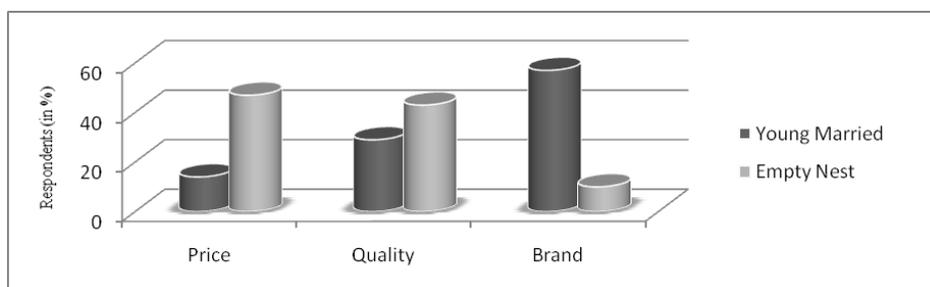


Figure 7: Comparison of Factors affecting Purchase Decision for Large Purchase at Two Stages of FLC

Effect of External Sources

The buying behaviour is inclined towards various lifestyles, categories of classes and sub classes, culture,

subcultures and the influence of factors like advertising and word of mouth. During study it was observed that there was high impact of external sources in case of large purchase in both the stages. About 60 percent of Young Married respondents were influenced by advertisements. Promotion of products through television, hoardings, newspaper etc, helps in making healthy purchase decision of large products. Whereas, 60 percent of respondents were influenced by word of mouth in the latter stage.

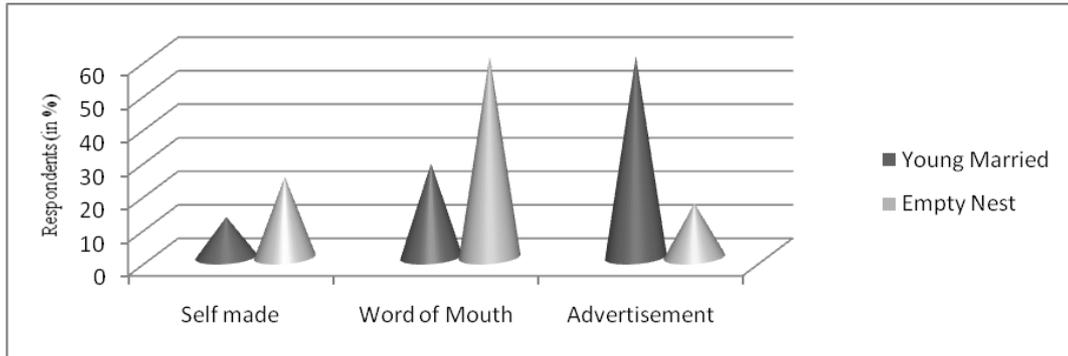


Figure 8: Comparison of Effect of External Sources for Large Purchase at Two Stages of FLC

CONCLUSIONS

Comparing various factors and driving forces that lead to differences in the purchase decision of two stages, it was extracted from the study that type of purchase is main point of distinction between the two stages. The driving force behind purchase is need for Young married Couples, whereas Luxury is motivation behind purchase decision especially for large purchase in case of Empty Nest families. Young married Couples purchase for fulfilling their basic motives, whereas Empty Nest families are associated with self-expression, self-esteem and advanced motives along with basic needs. There is also more focus on safety and health needs in Empty Nest families. Physiological needs dominate more among Young Married Couples than in Empty Nest Families, where physiological needs shifts towards materialist needs. A major difference can be observed in the effect of external factors on purchase decision, wherein, TV or electronic media plays an important role among Young Married Couples, but in latter stage word of mouth of friends and relatives is far important than any other media.

Table 1: Difference in Purchase Decision at Two Stages of FLC

Factors	Young Married Couples	Empty Nest Families
Influence	Individual, situational	Group, impulsive
Need	Need based	Luxury/status based
Motives	Basic motives	Basic and advanced motives
Physiological	More physiological needs	Physiological as well as materialistic needs
Safety	Less safety need products	More safety need products
Belongingness	Internal belongingness, feeling related products like gifts etc.	Internal as well as external belongingness
Esteem	Low tendency	High tendency desire for status, superiority, self respect and prestige
Income level	Income level low as early phase of settlement	Income level higher
Media effect	Media exposed is television and e-Media	Television and Word of Mouth

Thus, the study explicitly show that purchase of products are driven by FLC. Marketing Managers must analyse the family decision process separately for each product category within each target market. Participation of family member

varies according to specific product, role specialization, personal characteristics, one's culture and also varies largely by stage of FLC in decision process.

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