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Awareness of the Endogenous Factors Influence Purchasing
and Consumption Decisions

Ionuț-Claudiu POPA¹, Raluca-Giorgiana (POPA) CHIVU^{2*},
David-Florin CIOCODEICĂ³, Nicoleta Valentina DUMITRACHE⁴,
Bianca Cristiana VOICU⁵

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Abstract

Companies use marketing to understand the consumer, produce products according to their needs and desires, and, as a result of consumer satisfaction, the company makes a profit.

Many factors influence consumption and purchasing behaviour, and these factors include psychological or endogenous factors. The determination of these factors is done through psychological tests or using research aimed at consumers' reaction to specific hypotheses issued.

In this paper, we review endogenous factors: perception, motivation, learning, personality and attitude, depending on their impact on consumer decision-making. In addition to their definition, we also show how these factors influence consumer behaviour and an example of research that sought to determine the influence of the element on consumer behaviour and how marketing can help reduce adverse effects for the company, generated by the endogenous factors of each consumer.

In the case of this article, a research was conducted among a sample of 180 respondents that aimed to determine which of the endogenous factors exerts the greatest influence on behavioural decisions (purchasing and consumption) of consumers.

Keywords: marketing, consumer behaviour, endogenous factors.

JEL Classification: M31.

¹ Bucharest University of Economic Studies, Bucharest, Romania, popa.claudiu3@yahoo.com.

² Bucharest University of Economic Studies, Bucharest, Romania, raluca.chivu0126@gmail.com.

* Corresponding author.

³ Bucharest University of Economic Studies, Bucharest, Romania, ciocodeicadavid@yahoo.com.

⁴ Bucharest University of Economic Studies, Bucharest, Romania, dumitrachenicoleta03@gmail.com.

⁵ Bucharest University of Economic Studies, Bucharest, Romania, biancaa.voicu@yahoo.com.

1. Introduction

Consumer behaviour is an essential element in the economy, especially in marketing, as it tracks the way the potential customers of specific products act, why they are influenced before and during shopping. Manufacturers and firms can use their knowledge of consumer behaviour to change them to buy certain products in as large quantities as possible to make the most profits. The consumer's reaction is the result of attitudes and motivations of the individual's personality, which is influenced by a series of factors, both endogenous and exogenous, which imprint their decisions as a consumer. In most cases, there are five categories of factors that influence the consumer's behaviour: cultural, social, psychological, personal-psychological and situational psychological. This article attempts to measure awareness of the influence of endogenous factors among consumers and the extent to which they consider endogenous factors to influence consumer decision-making. To achieve this goal, marketing research was carried out as a research tool.

The studied topic is important for the literature because it addresses endogenous influencing factors individually, separately from the general umbrella of personal elements of influence and tries to identify the extent to which each of the factors highlighted in the literature influences consumer behaviour and whether there are significant differences in the degree of influence or they act as a unitary whole on decisions.

In the first part, the article addresses a review of the literature identified and selected as relevant for the subject studied, and in the second part it presents the results obtained by the authors in their own research.

2. Problem Statement

Endogenous factors of influence of consumer behaviour: a theoretical approach: Marketing has grown over the twentieth century, from focusing on the production of goods to creating products and services according to customer needs. As a result of the change in the purpose of the company's output, the consumer's behaviour has emerged in marketing, and this behaviour is also part of the economic activity of the people. Consumer behaviour is manifested by purchasing and consumption decisions taken by people when it comes to goods and services (Balaure et al., 2002, p. 179). Some factors influence directly or indirectly the decision-making process of purchasing and consuming customers. They can be "individual - which refers to personality, cognitive power, lifestyle and perceived risk, and environmental factors - which refers to the socio-demographic factors (the reference group, the families), the economic environment. All goods and services are equally influenced by income levels; for example, when a person's income is reduced, spending on durable and cultural-fun activities is the most affected. Decisions are the functionality and price of goods and services" (Şeclăman, 2014, p. 15).

The consumer's behaviour is influenced by two types of factors, which are directly observed and deduced. Among the direct factors are economic,

demographic, marketing and situational factors. The deduced elements are divided into two categories: endogenous factors (perception, motivation, personality, learning, and attitude) and exogenous factors (family, group of belonging, reference group, social class, culture, and subculture) (Cătoiu and Teodorescu, 2004, p. 47).

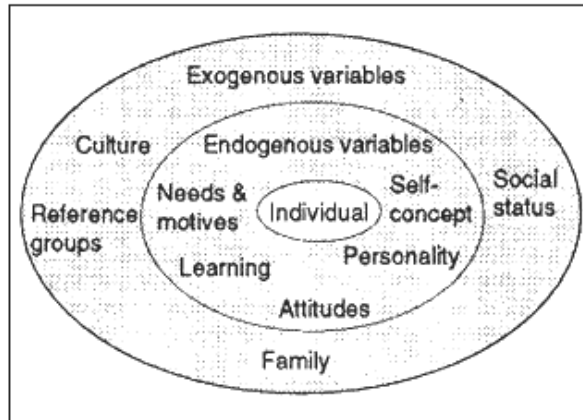


Figure 1. Endogenous factors of influence

Source: <http://www.fao.org/docrep/004/w3240e/W3240E05.htm>.

Next, we will present the endogenous factors, namely perception, motivation, personality, learning, and attitude. These factors are also defined as psychological factors, as marketing uses psychology to explore how these factors influence consumers' consumption and purchase patterns. The way to investigate endogenous factors is most often done by generating hypotheses that interact with the human mind, referred to in the black box literature. As a result of this interaction, certain behaviours appear, which are included in behaviour patterns (Cătoiu and Teodorescu, 2004, p. 57).

Perception

Perception is considered a process by which people select, organize and interpret information and create a picture of the environment (Kotler and Armstrong, 2004, p. 193). Every day consumers have lots of images, many of which are not taken into account. A photo can be relevant to a person if they identify themselves with that image or if it is consistent with its values and principles. One example is that people passionate about sports or competition consumers will react differently when they see an image (sometimes an ad) in which a sporting competition or a product sponsoring a game or sport is presented compared to another person who does not have the same passions or values. In the economic environment, there have been numerous experiments in which individual images have been shown in activities (viewing a movie), encouraging the consumption of a product, and then it has been found that sales for that product have increased, making it a direct link to image display.

As a result of the research done by the academic environment and the business environment, products are perceived by the consumer as suitable for them.

Research is being done to determine how packaging, colour, and even the size of food should look so that the consumer prefers it to the detriment of another, is considered a quality product and provides consumer confidence (Ampuero and Villa, 2006).

Motivation

Motivation is that faith that causes you to do or not to do a particular action. This would be a short definition of motivation. Motivation is also influenced by certain factors such as primary needs, emotions, consciousness, education. Due to these factors of influence, there are several types of motivation: primary motivations, rational motivations, emotional motivations, conscious motivations, or intrinsic motivations (Blythe, 1998, p. 21).

Research on consumer motivation shows that consumer motivation has many dimensions and that high motives, such as hedonistic or normative, must be delimited by social and moral norms; however, they should be taken into account to have a complete picture of what motivates the consumer (Barbopoulos and Johansson, 2016, p. 75).

Personality and learning

Personality is a set of features by which a consumer differentiates himself/herself from another, having a different consumption and purchasing behaviour (Cătoiu and Teodorescu, 2004, p. 71). Personality builds over time, being a mix of genetic, hereditary, innate traits, and others trained in family and family environment, at school, at work, or in society.

The behaviour of certain brands and products is, to a certain extent, determined by the consumer's personality. Research has concluded that the consumption of a particular type of product is often determined by, and the products are created on the target audience model. It can be said that there is a strong link between the consumer's personality and the personality of a brand (Banerjee, 2016, p. 213).

Learning is that change that can be observed or not, which can lead to repeated consumption based on previous experiences (Cătoiu and Teodorescu, 2004, p. 69). Most likely learners are children and adolescents. Most often, the way of consumption is formed in childhood and adolescence, when the influences of the family and the close ones play an important role.

Attitude

Attitude is defined as a learned trend by responding to the purchase of a product or service. Perspective may be cognitive, based on knowledge and information, practical when based on feelings and emotions, and intentional, represented by intent (Blythe, 1998, pp. 88-90).

Attitude often leads to the purchase of a product by reference to a particular principle or value. The position is also related to certain demographic factors. In a research, it was concluded that the preference for a natural (sustainable) wine is closely associated with a favourable attitude of consumers towards sustainable products, and among these people are young people, the latter preferring sustainable products such as food (Sogari et al., 2015, p. 312).

However, the researchers' questions arise when identifying consumer awareness about the existence of these endogenous influences.

3. Research Questions/Aims of the Research

Thus, we examined some factors that impact consumer behaviour and purchasing decisions, each of which has a significant role in the economy, especially in marketing and sales.

To begin with, the study includes an analysis of the literature, which highlights the results obtained in other research. Given the purpose of research (identifying endogenous factors that have the most significant impact on purchasing and consumption decisions) and research objectives (including the determination of endogenous factors that influence consumer decisions by category of purchased products), one of the hypotheses was established, according to which the impetus for environmental responsibility, spirituality and perceived effectiveness of consumers are the key psychological determinants of sustainable consumer purchasing decisions. This hypothesis was established after studying the specialized literature: In the case of a survey conducted among 450 people, structural equation modelling was used to predict the power of the variables under consideration. According to the findings, the desire for environmental responsibility, spirituality, and perceived consumer effectiveness is the most essential psychological determinants of consumers' long-term purchasing decisions. The findings of the study will be helpful to policymakers and government agencies to develop campaigns to encourage sustainable purchasing habits among young consumers. Promoting sustainable purchasing habits may reduce the harmful effects of unplanned purchases on the environment and society.

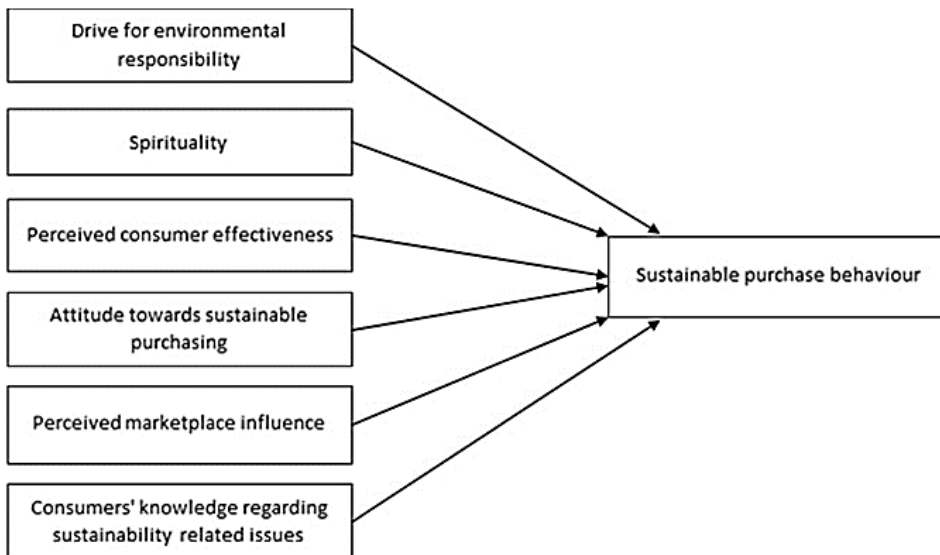


Figure 2. Model of endogenous factors of influence

Source: Joshi & Rahman (2019).

4. Research Methods

In this article, exploratory research on the literature was carried out, first of all, in order to identify which are, in general, the most important endogenous factors that influence of the consumer decision-making process. For the research part, a model from the literature was studied to see the level of influence exerted by endogenous factors on behavioural decisions, followed by quantitative marketing research (pilot research) to determine which are, for Romanian consumers, the most influential endogenous factors in purchasing decisions and especially if they differ depending on the category of products purchased. To conduct this research, a questionnaire was designed as a research tool, which was applied to a sample of respondents. The most important results obtained are highlighted in the next section.

5. Findings

To identify the extent to which consumers are aware of the influences exerted by endogenous factors on their consumption decisions, we surveyed a target group of 180 respondents aged 20-26 with a level of increased education (university studies in progress) and middle-income.

They responded to a questionnaire consisting of 21 questions, 14 thematic and seven classifications and identification.

Among the questions in the questionnaire, the most relevant to the quality of the answers provided were the following:

Which of the following factors will influence the choice of certain services at the expense of others?

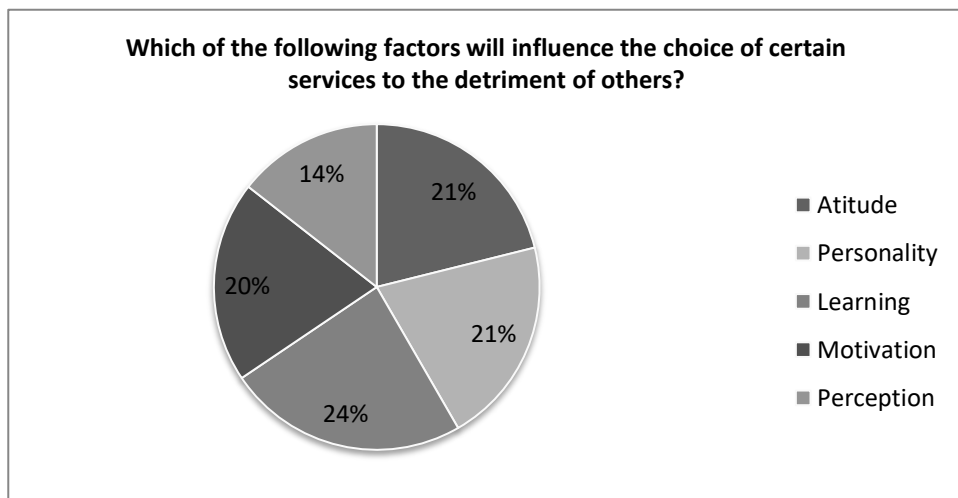


Figure 3. Endogenous factors and their consumptions influence

Source: Made by the author for the research.

As a result of the answers, we can see that the distribution of responses is balanced, meaning that most consumers consider that learning (the learning level) influences them most in choosing certain services at the expense of others, but the differences to the other factors of influence (personality, motivation, and attitude) are not significant.

From the answers offered, respondents were asked an open question about the level of influence that learning exerts on consumer decisions as follows: To what extent do you consider that knowledge has changed your consumption decisions (open response)? Respondents' answers refer, in most cases, to changes in the degree of awareness of the quality of certain products and learning by experience, in the sense that, with self-education or acquiring new information, they responded much more rationally to performing acquisitions than before. Also, in experience-based learning, respondents have referred to consumer habits and familiarity with specific products they continually acquire.

Another question in the questionnaire referred to how consumers choose certain types of products according to their degree of matching with their personality.

Do you consider that you choose the following product categories according to your personality?

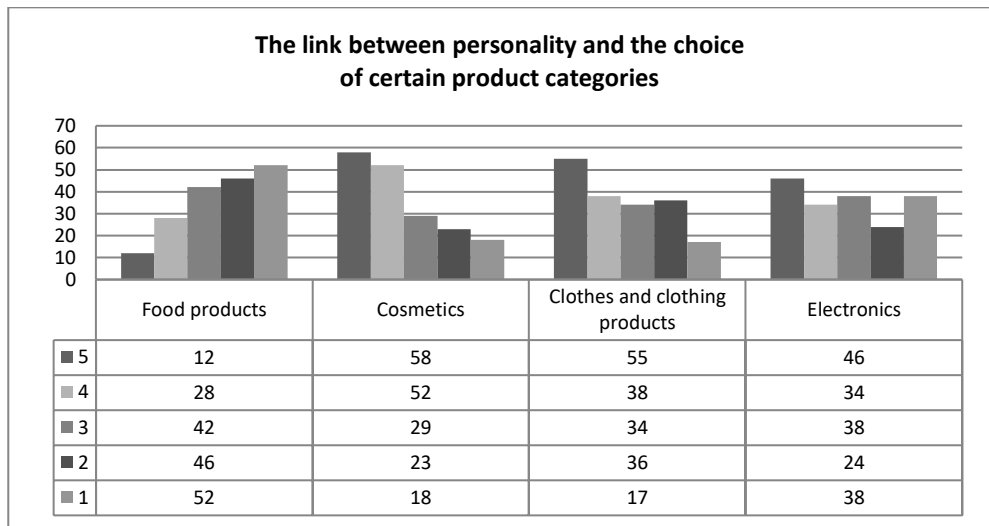


Figure 4. The link between personality and the choice of specific product categories

Source: Made by the author for the research.

$$\text{Score Food: } 12 \times 5 + 4 \times 28 + 3 \times 42 + 46 \times 2 + 52 \times 1 = 60 + 112 + 126 + 92 + 52 = 442$$

$$\text{Score Cosmetics: } 58 \times 5 + 52 \times 4 + 29 \times 3 + 23 \times 2 + 18 \times 1 = 290 + 208 + 87 + 46 + 18 = 649$$

$$\begin{aligned} \text{Clothes Clothes and Apparel Score: } & 55 \times 5 + 38 \times 4 + 34 \times 3 + 36 \times 2 + 17 \times 1 = \\ & = 275 + 152 + 102 + 72 + 17 = 618 \end{aligned}$$

$$\begin{aligned} \text{Product Score Electronics: } & 46 \times 5 + 34 \times 4 + 38 \times 3 + 24 \times 2 + 38 \times 1 = \\ & = 230 + 136 + 114 + 48 + 38 = 566 \end{aligned}$$

Following the scores, we can see that personality has a significant influence on the acquisition of Cosmetic products, followed by the purchase of clothing products and electronic products, the last being the food.

6. Conclusions

Determining consumer behaviour is a complex process, and it can be achieved by measuring some indicators. The psychological influences of consumer behaviour can more strongly determine how an individual consumes and buys than the directly observable factors. By identifying the psychological profile, a company will know what types of products they prefer, how they should look and why they buy a particular product. It is often noted that consumers purchase products and services, but it is unknown why they are buying that product and not another one; at the moment, the product market is a diverse one, and the competition is high.

The loyalty of a client has a more significant connection with the values and ideals to which it adheres than with the level of income obtained. Building solid brands with which a consumer can identify is made by personalizing the marks and assigning specific characteristics following the target audience personality.

As for awareness of the influence of endogenous factors on consumption decisions, there seems to be a complicated discussion in that most of the respondents react to endogenous controls, most of them involuntarily but conscious if they are subject to a retrospective analysis of purchasing and consumption decisions.

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