

INVESTIGATING THE EFFECT OF PERSONAL FACTORS ON THE CUSTOMERS' PURCHASING DECISION

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Abstract

The aim of this study is to investigate the effect of personal factors on the customers' purchasing decision. Personal factors are investigated with the aspects of age and the life cycle stage, job, economic contexts, lifestyle, personality and self-concept and decision making strategies with the imperative, analyzing, conceptual, and behavioral aspects. The research is the descriptive-correlation and based on the purpose is an applied one which is based on the field and library studies. The statistical population of this research includes the trades people and sale customers (90 people) and the statistical sample was determined through Cochran formula and was 73 people. Sampling method in this research was the simple random and data collection was done using questionnaire. The related questionnaire to the personal factors variable (Cronbach's alpha and life cycle stage=0.746, job= 0.746, economic contexts=0.645, lifestyle= 0.728, personality and self-concept= 0.851) researcher framework and purchasing decision (Cronbach's alpha =0.730) is standard and its validity and reliability have been confirmed. Analyzing the collected data was done using SPSS19 and LISREL.72 software and the obtained results are as: the internal personal factors affect the customer's decision. Age and life cycle stage affect the customer's decision. The economic contexts affect the customer's decision. Job does not affect the customer's decision. Lifestyle does not affect the customer's decision. The self-concept personality does not affect the customer's decision.

Keywords: personal factors, purchase decision, age and life cycle stage, job, economic contexts, lifestyle, personality and self-concept.

Introduction

One of the most desirable tendencies in psychology science has been the customer's behavior psychology and during the last years has got many experts, producers, and service provider institutions' attention. Some of the most important fields in this major are expectations, tastes, and the needs of consumer (customer). With the contribution of this science through identifying the consumer's behavior, effective factors on choosing the brand of goods and also the cultural and social factors effective on the consumer's decision can be investigated. Applying the research methodologies correctly about the consumers' behavior and predicting the behaviors related to purchase, producing goods in a better way and presenting it which finally result in sale increasing and customer's satisfaction can be possible. Familiarity with the consumer's behavior affects the organization's work quality and quantity.

Correct decision makings and effective strategies and tactics creating of marketing and sale depend on identifying and correct understanding of organizations towards the consumers and customers. Nowadays, researchers are permanently trying to identify the consumers' behaviors and on this basis adopt appropriate strategies for better and more effective sales and increasing the market interests.

For supplying the demands, holding and extending the market interest, the producers should be aware of the perceptual, intellectual, and behavioral layers of potential buyers' behavior to take action for producing the products, their distribution and promotion according to their decisions' structures and mechanisms. Products' inventors and designers can be aware of different angles of people's expectations and satisfaction

merely by the epistemology of consumers' behavioral patterns and pave the way more with modeling for their utilization (Maleki, 2011).

Customer oriented philosophy: entering the third millennium, a lot of concepts has gotten other meaning in pioneering organizations and following it have gotten a new role in communities. The word of "customer" has not been safe from this change and its meaning does not evoke merely a transaction in mind anymore. Today, the human communication is meaningful concept in a reciprocal interaction; in a way that any individual is another one's customer and on the other hand he/she is has some customers for him/her. For example, the work of administrative officer is not business but he has customers who are the employers of that organization and when they refer to a department store is a customer. Therefore, taxi driver's passengers are his customers and on the other hand when he goes to a gas station or a repairing garage is considered their customers (Shaahin et al, 2008, 13-14).

A great deal of research has been done in recent years on this matter and the results show remarkable differences between the customers oriented organizations and usual organizations (Mohammadi, 2004, 20-40).

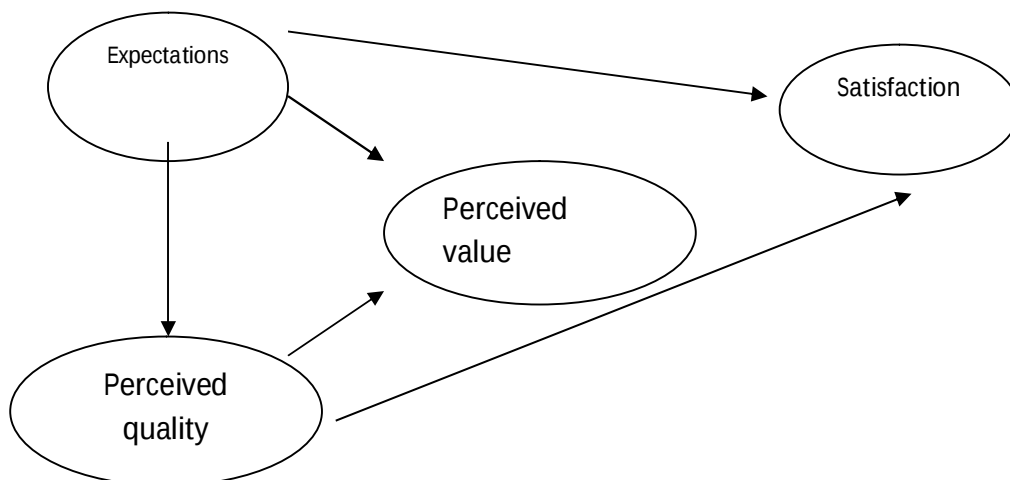
Customer definition: an organization or the receiver person of a product such as consumer, final client, retailer, and buyer are called customers (adopted from clause 5-3-3 in ISO 9000).

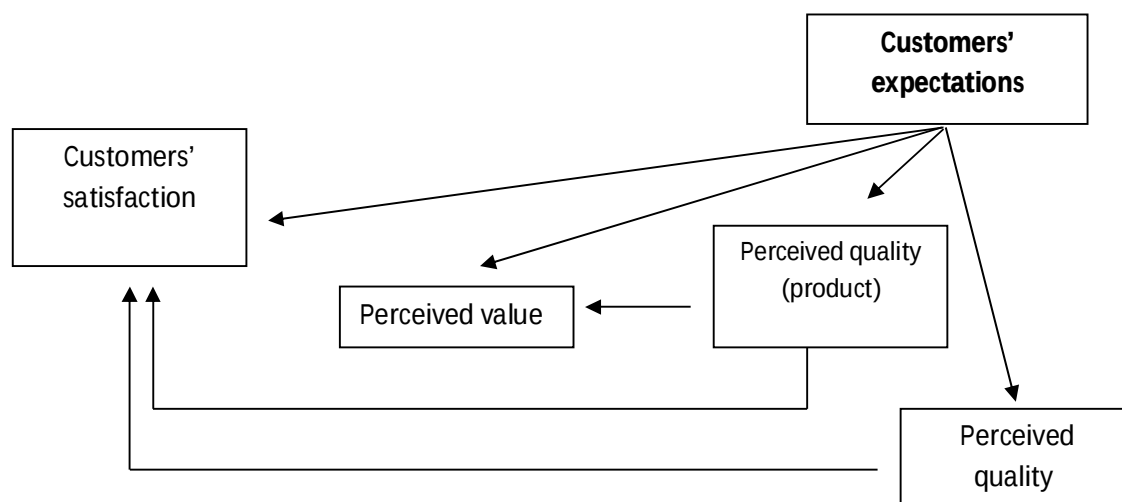
Customer's satisfaction: the customer's attitude towards the rate of meeting his/her demands.

Customer service: the organization interaction with customer during the life period of the product (Pourshams, 2006, 17-18).

Customer oriented approach: the organization should adopt the customer oriented approach and be ready to get feedback from the customers especially about their complaints, and with appropriate and on time action shows its commitment towards them (Pourshams, 2006, 21).

Two models of customers' expectations are provided following:





Consumer's behavior: the customer's behavior is considered of new issues in marketing realm. The first books on this issue were compiled in the 1960s, but the history of this fact refers to earlier time. For instance it can be pointed to the 1950s when the Freud's ideas were applied by marketers. The customers' behavior is a controversial and challenging issue that involves the individuals and what they buy. The reason and the way of their purchase are marketing, and the combination of marketing and market. Willkie and Salmon have defined the customer's behavior in this way: physical, emotional, and mental activities people do during the choosing, purchasing, using and dismissing the goods and services to satisfy their own needs and demands.

Customer's personality and behavior: the personality concept has four main characteristics.

Firstly, for considering an individual's behavior as one of his/her personal traits that behavior should be permanent.

Secondly, some distinctive behaviors should distinguish an individual from others. One personal trait cannot be common among all of the consumers.

Thirdly, researchers are not able to predict one's behavior in a specific context according to a personal measuring (Harold et al, 1975, 197-201). What that is predictable through the personal variables includes the stable tendencies which place the individual in general classes of behavior. For example, knowing one's personal traits researchers are able to predict his/her behavioral tendencies, meticulous shopping, athletic participation, healthy lifestyles, and tendency to bargain with a good certainty level (John, 2000). Although the personal traits cannot determine an athletic field one wants to take part beforehand, they can predict the degree of one's participation in all of the athletic fields (Ardestani, 2011, 175-177).

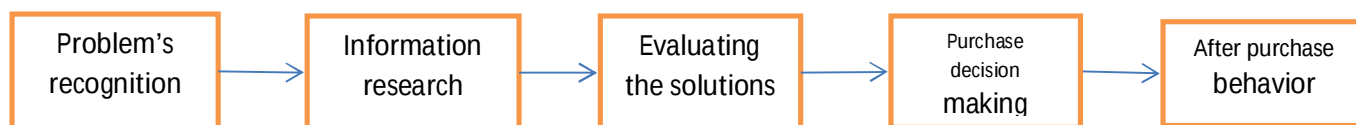
The fourth personal trait is balancing the effect of messages and contexts on the customer's behavior. In the field of moderating variable, the variable is an individual who interacts with the context or the type of the exchanged message; the consumer's contexts mean the temporarily environmental factors which create a background which occurs in the consumer's activity, a type of social context in which the purchase is completed.

Researchers have found that consumers act differently, based on the view if others monitor their purchases or not. This contextual variable could interact with personal traits that differentiate people based on their tendencies towards the conformance or the social pressures during purchasing. A scale which is called attention the social comparison interaction has been created to measure the tendency towards following others (William et al, 1990, 461-471).

Consumer's purchase decision process

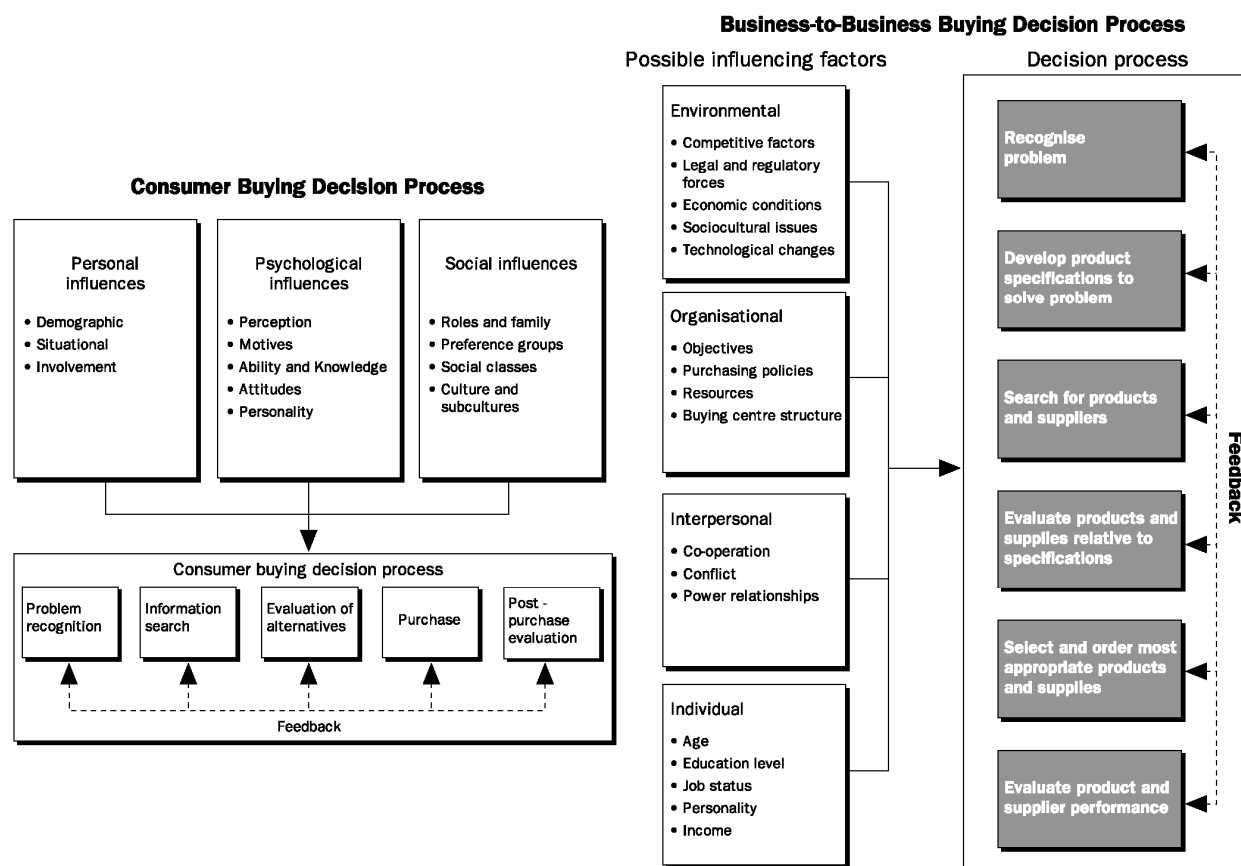
Before acquiring something consumers pass a decision making process. Consumer's decision making is defined as processes including identifying the problem, searching for solution, evaluating the alternatives, choosing among the choices, and evaluating the choosing results. Consumers make decisions not only about what choices of brand choosing, but also the make decision about the amount of that brand to be purchased (Braun, 1998; 71-81). Consumers make decision to achieve their goals; these goals include choosing the best option among the substitute activities, decreasing the amount of effort in decision making, minimizing the negative excitements, and maximizing the amount of decision's justification. Decision making is a constructive process. That is, consumers make decisions at "on the fly" and the applied process is under the effect of problem's difficulty, identifying the consumer's characteristics, and the contextual features (James, 1998, 187-237). Identifying the type of decision making activity which is utilized by the target market is a vital issue for managers, because the type of decision making activity affects each of the management fields' application. Behind any act of purchasing there hides an important decision making process which should be investigated. The stages passed by customer to purchase to decide what kinds of products and services should be purchased, are called the "decision making process". This process includes stages which have been illustrated in following diagram (Rousta et al, 1384, 113).

Diagram 1. Decision making process f purchasing (Rousta et al, 2005, 113).



In the process of consumer's purchase decision making, one of the most important issues is to notice and concern the demand factor or the ability to purchase. For example, human has numerous needs which are recognized by him/her or others notice him/her. Sometimes, the in-need-individual cannot even pass different stages of this process with awareness of his/her intense need (Rousta et al, 1384, 113).

Figure 3. The purchase decision making model and behavior of consumer (Smikin, 2000, 154).



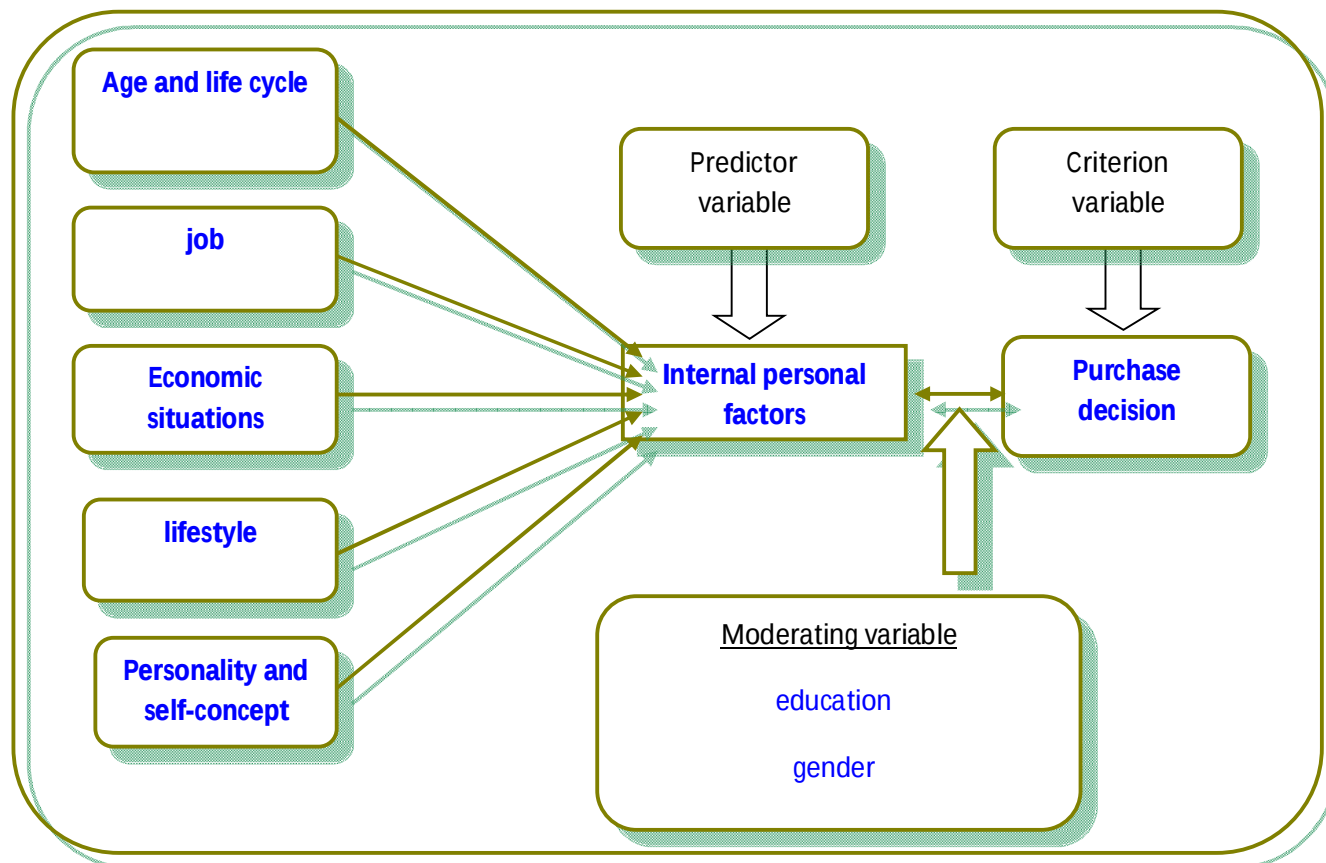
The above figure illustrates the process of consumer's purchase decision making with the consumer's purchase behavior and effective variables on it well. This model has been confirmed by marketing experts and the bases of consumer's purchase behavior are based on this model (Smikin, 2000, 154). As it is seen in this model, the personal motives (social, mental, and personal traits), and external motives (environmental, organizational, and interpersonal) affect the consumer's purchase behavior in different stages.

Review of the literature

In 2009, Liang et al, conducted a research as the effect of customers' perceptions on the financial performance of financial service providers in Taiwan and found that customers' perceptions have positive effect on the financial performance (Liang et al, 2009, 131).

In 2006, Osiu Ahighi conducted a study as correlations of the customers' loyalty through measuring the personal factors with the financial performance of banks in Nigeria, and using the hierarchy regression he found that perception of the services quality and customers' satisfaction are the strong fortune teller factors of customers' loyalty and the effect of satisfaction in this issue is more (Osiu Ahighi, 2006, 503).

Conceptual model of research



Research methodology

The present study based on the goal of the study is an applied one and based on the nature and method is a descriptive correlational research. The statistical population of this study includes the wholesale buyer of carpet in Borujerd city, and there 90 carpet stores in this city. The relevant questionnaires were distributed among the shopkeepers and customers. For determining the content of the sample the Cochran's model was used. Regarding the content of the statistical population in this research a number of 73 people were selected as the sample content, and the sampling method was a kind of classified random (quota). Required data and information were sorted through library and questionnaire which are the most common field methods based on the five-choice-Likert, and scoring each question was done from very much to very little. The questionnaire used in this research is a researcher-made one. The designed questions are based on the following table:

Table1. Questions relevant to each aspect

variables	aspects	questions
Personal factors for consumers' behavior	Age and life cycle stage	1-5
	job	6
	Economic situations	7-11
	lifestyle	12-19
	Personality and self-concept	20-29
Customers' purchase decision	1-7	

Questionnaire reliability: in this research for determining the reliability the Cronbach's Alpha method was used. To this aim, a primary sample including 30 questionnaires was pre-tested and then using the obtained data from the questionnaires and using SPSS software for any dependent and independent variable and totally the following table is provided:

Table 2. Cronbach's alpha coefficient of the research variables

variables	aspects	questions	Cronbach's coefficient
Personal factors for consumers' purchase	Age and life cycle stage	1-5	0.746
	job	6	0.750
	Economic situations	7-11	0.645
	Lifestyle	12-19	0.728
	Personality and self-concept	20-29	0.851
Costumers' purchase decision		1-7	0.730

Data analysis and hypotheses testing were done using SPSS and LISREL.72 software.

Hypotheses testing and findings analysis

Table 3-4 includes the regression coefficients, estimation error, testing statistics, and significance level. The testing coefficients statistics is the Wald index. The significance level shows the effectiveness of the predictor variables on the dependent variable or the significance of the hypothesis. Based on the shown level of significance all of the regression coefficients except the relevant coefficient to the age and life cycle stage and economic situations variables are insignificant.

Table 3. Model fitness indices

Cox & Snell R2	significance	-2Log likelihood	Chi Square(χ^2)
0.156	0.001	88.481	18.475

Table 4. regression coefficients, estimation error, testing statistics and the significance amount

Hypothesis result	significance	Wald	Estimation error	β	Predictor variables
confirmed	0.026	4.927	0.502	1.115	1-age and life cycle stage
confirmed	0.010	5.795	0.364	-0.621	2-economic situations
rejected	0.595	0.283	0.664	-0.353	3-lifestyle
rejected	0.325	0.969	0.558	0.549	4-personality and self-concept
rejected	0.475	0.343	0.208	0.122	5-job

Main hypothesis of research: internal personal factors affect the customer's decision

For rejecting this hypothesis it is necessary to reject the effect of all of the internal personal factors on the purchase decision, and for confirming it is enough for one of the internal personal factors to be effective on the decision purchase. Regarding this fact that age and life cycle stage and economic situations have been effective on the purchase decision, it can be said that the the main hypothesis is confirmed.

First peripheral hypothesis: age and life cycle stage affect the purchase decision

Regarding the obtained results from the regression coefficient and Wald statistics and the significance level it can be state that age and life cycle stage at the certainty level of 95% are effective on purchase decision (the significance level is less than 5%). With respect to this fact that, the β coefficient has been positive for age and life cycle stage it can be concluded that with increasing the age and life cycle stage, at the certainty

level of 95% the probability that purchase decision goes higher from analyzing to conceptual is expected and with decreasing the age and life cycle stage the probability that purchase decision goes higher from conceptual to analyzing and eventually the hypothesis is confirmed.

Second peripheral hypothesis: economic situations affect the customer's decision.

Regarding the obtained results from the regression coefficient and Wald statistics and the significance level it can be stated that the economic situations at the certainty level of 95% are significantly effective on the customer's decision (significance level is less than 5%). Concerning this fact that β coefficient has been negative for the economic situations variable it can be concluded that with improving the economic situations the probability that purchase decision at the certainty level of 95% goes higher from analyzing to conceptual is expected and with worsening the economic situations the probability that purchase decision goes higher from conceptual to analyzing is expected. Accordingly, this hypothesis is confirmed.

Third peripheral hypothesis: job affects the customer's decision

Regarding the obtained results from regression coefficients and Wald statistics and the significance level it can be stated that at the certainty level of 95% job does not have a significant effect on the customer's decision (significance level is more than 5%). Accordingly, this hypothesis is rejected.

Fourth peripheral hypothesis: lifestyle affects the customer's decision

Regarding the obtained results from regression coefficients it can be stated that at the certainty level of 95% lifestyle does not have a significant effect on customer's decision (significance level is more than 5%). Accordingly, this hypothesis is rejected.

Fifth peripheral hypothesis: personality and self-concept affect the customer's decision

Regarding the obtained results from regression coefficients and Wald statistics and the significance level it can be stated that at the certainty level of 95% the personality self-concept does not have a significant effect on the customer's decision (the significant level is more than 5%). Accordingly, this hypothesis is rejected.

Conclusions and suggestions

Regarding this fact that age and life cycle stage and the economic situations have been effective on the customer's decision it can be stated that the main hypothesis is confirmed.

According to the obtained results from regression coefficients and Wald statistics and significance level it can be stated that age and life cycle stage affect the customer's decision and it can be concluded that with increasing the age and life cycle stage at the certainty level of 95% the probability that the customer's purchase decision goes higher from analyzing to conceptual and with decreasing the age and life cycle stage the probability that the customer's decision goes higher from conceptual to analyzing is expected and accordingly the research hypothesis is confirmed. With respect to the obtained results it can be stated that the economic situations have significant effect on the customer's decision. Regarding the β coefficient that has been negative for the variable of economic situations it can be concluded that with improving the economic situations the probability that customer's decision goes higher from analyzing to conceptual and with worsening the economic situations the probability that customer's decision goes higher from conceptual to analyzing is expected. Accordingly, this hypothesis is confirmed.

Referring to the obtained results it can be said that at the certainty level of 95% job does not have a significant effect on customer's decision, and the hypothesis is rejected.

Regarding the obtained results it can be stated at the certainty level of 95% the lifestyle does not have a significant effect on customer's decision. Thus, the hypothesis is rejected.

Referring to the obtained results it can be stated that the personality self-concept at the certainty level of 95% does not have a significant effect on customer's decision, and the hypothesis is rejected.

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