

## **Analysis of Influence of Extrinsic and Intrinsic Factors on Consumer Behaviour**

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### **ABSTRACT**

*The consumer buying behavior is influenced by many factors which may be intrinsic or extrinsic factors. The intrinsic factors are the factors which are the internal factors like the belief and attitude, perception, cognition, learning, personality and role and status whereas the extrinsic factors are the factors which influence the consumer buying behavior externally, including, situational factors, product features and quality, reference group, annual income, lifestyle and social factors. This paper analyses the most influencing factor and the correlation amongst intrinsic and extrinsic factors using primary data wherein data was collected from 100 respondents from Amritsar. The results show that the reference group from extrinsic factors and learning from intrinsic factors are the most influencing factors.*

**Keywords:** consumer behavior, extrinsic factors, intrinsic factors, learning, perception.

### **INTRODUCTION:**

The marketers in the past have been trying their best to track the factors influencing consumer buying behaviour and many results have also been achieved but still the consumer behaviour remains unpredictable. There are numerous factors affecting the buying behaviour of consumers. There are certain factors which are external factors, which may be common for many consumers, these are known as extrinsic factors. Some of these factors are: product quality and features, lifestyle, reference group, culture and sub culture and situational factors. Product quality and features includes the quality and features that a consumer expects from a product, if the consumer is able to get as per the expectation, then he may accept the product or that particular brand else, he may reject it even for future purchase of that product or brand. Situational factors includes, the location of the store, ambience, music played in the store, the behaviour of the salesman and display of the products, the satisfaction received by the consumer from these situational factors will decide the future purchase of that particular product. Lifestyle includes the way in which a person lives his/her life, some people prefer having a very simple lifestyle whereas some people may prefer having a lot of show off or a regular party lifestyle so they will prefer buying branded clothes depicting their high profile lifestyle. Reference group includes the reference given to a person about a brand or a product by his friend, peer, family members, colleagues etc. sometimes even a stranger carrying a branded carry bag acts as a reference group member. India is a country or a hub of cultures, a person tends to buy a product or a brand as per the culture to which he belongs to, which enhances their cultural values. In the same manner, sub culture is a sub head of culture itself, for eg.: wearing a saree is a culture in southern part of India but the manner in which it has to be tied, is a part of their sub culture. Similarly, there are few factors which are internal to a human being, in other words, these differ from person to person depending upon their situation and circumstances, these are known as intrinsic factors. Intrinsic factors include belief and attitude, cognition, perception, personality, roles and status and learning. Belief and attitude means what a person believes and what attitude he develops towards the product based on his beliefs. For eg.: a person may believe an expensive product means a good quality product and at the same time, may develop an

attitude towards buying only expensive products. It is easier to change the attitude of a person but its very difficult to change the belief of a person. Cognition comprises of analyzing, reasoning, judging and interpreting the inputs and finally giving the output over it. The mental processing system of a brain is known as cognition. Perception at the same time depicts what one perceives, in other words a person may see at a half filled glass and perceive it as a half full glass whereas other might think it to be a half empty glass, so perception also changes the consumer thought process and thus influences the buying behaviour. Personality of a person also helps an individual in making a decision to buy or not too buy a product or a brand, an individual with a dominating personality will prefer buying a product or a brand which can help him in creating a kind of dominance over the other person's mind. Role and status includes what role a person plays in the house and at workplace, a person plays a role of a father, son, son in law, friend, officer and many such roles at the same time, so while purchasing a product, a consumer checks which product or brand suits his role. Status held by an individual also influences his choice of brand or product as an individual tries to match what he buys according to the status on which he is positioned at his workplace. Learning as a factor means what an individual learns from various sources, it may be an internal or external. Internal source includes what he learns from his past experiences and external source of learning means hearing the experiences of other people, advertisement or what he/ she learns.

## **REVIEW OF LITERATURE:**

Anic and Radas (2006), Mihic and Kursan (2010) Tinne (2011), Srivastava and Kumar (2013), Ghafran (2014) studied the impact of situational factors on the purchase outcome of the shoppers and found that the impact of these factors is high on the consumer buying behavior. Ward (1974), Tinne (2011), Shrestha (2016) also studied the influence of reference group on the decision making process of the consumers. Islam et. al. (2014), Ha et. al.(2014), Sharma (2014), Shetty and Satyanarayana(2015), Purohit et. al. (2015) conducted a study in order to check the influence of product quality and features and the influence of other such factors on the consumer buying process and it was found that better the quality of the product or service, a consumer is willing to cover extra miles to buy that particular product even at a higher price so given. Talay et.al.(2015), Jung and Kau (2004), Barnier et. al. (2006), Aggarwal (2010), Souiden et. al. (2011) gave more importance to the multi cultural country to check the influence of involvement of culture in the purchase decision and were found to be more influenced with status and the culture to which they belong and the choice of a particular brand or a product is found to be entirely dependent on their cultural values and norms. Sata (2013), Abdu and Purwanto (2013), Luo and James (2013) studied various intrinsic factors like perception, belief and attitude and motivation in the formation of the views and perceptions towards a particular product. Zinkhana and Braunsbergerb (2002), Fan and Burton (2002), McFatter (2005), Barnier et. al. (2006) analysed the effect of consumer perception towards an overall development of consumer views towards a particular product and stated that the consumer buy based on what they perceive and at times their perception takes a lead towards the purchase pattern on the whole.

## **RESEARCH METHODOLOGY:**

### **Source of Data:**

The data has been collected through questionnaire. Close ended questions are asked from the respondents to collect data for the same. Personal interviews are also used to collect the data more clearly.

### **Scope of Research:**

Data has been collected from the respondents from Amritsar. A sample of 100 respondents from Amritsar have been used to collect the data. The data has been collected from respondents who are more than 18 years of age and buy branded readymade garments.

## **OBJECTIVES OF THE STUDY:**

- 1.To study the influence of intrinsic factors on consumer buying behaviour.
- 2.To examine the influence of extrinsic factors on buying behaviour of consumers.

## **RESULTS DISCUSSED:**

The analysis of the data clearly shows that the consumer buying behaviour is highly influenced by reference group stating that the consumers listen and follow the recommendations given by their friends, family members,

peer group etc while making purchase of branded readymade garments. second most influencing factor is found to be the situational factor stating that the consumers are more conscious about the location of the store, ambience, hygiene and other such location factors of the store. The factors like lifestyle and culture are found to be the least influencing factors of all. This clearly verifies that the respondents in Amritsar do not pay much of attention to their lifestyle and culture, in other words, their choice of clothes is free from cultural restrictions and barriers.

Table 1.1 clearly shows the mean distribution of various extrinsic factors on consumer behaviour, it is found that the reference group is the most influential factor in consumer buying behaviour. This states that amongst all the extrinsic factors, reference group is the factor which influences the consumer behaviour to the highest level, which means that the consumers are not much concerned about situational factors, social factors, product quality factors etc. The least influencing factors are culture and lifestyle. This states that the cultural factors does not influences their buying behaviour as compared to other factors under consideration. The total influence of extrinsic factors is found to be higher than the influence of total intrinsic factors.

**Table 1.1: Showing mean distribution of various extrinsic factors on consumer buying behaviour**

	Mean	Median	SD	Minimum	Maximum
Situational	24.35	24.50	3.92	11.00	30.00
Reference group	29.98	29.00	3.78	9.00	35.00
Social	20.84	21.00	3.06	8.00	25.00
Culture	13.60	14.00	3.50	4.00	20.00
Product quality	19.90	20.00	2.78	9.00	25.00
Life Style	12.63	13.00	1.83	4.00	15.00
Extrinsic	121.30	123.00	15.15	45.00	150.00

The table 1.2 shows the mean distribution of various influential factors on consumer behaviour buying behaviour and it shows that the highest influence is found in case of role and status stating that the respondents are found to be more influenced by the role they play and the status enjoyed by them. The respondents are more inclined towards the pressure of the status they have. The highest influence is found to be in case of belief and attitude, the respondents are following their beliefs and attitude. The total influence of intrinsic factors is found to lesser than the influence of total extrinsic factors on the consumer buying behaviour.

**Table 1.2: Showing mean distribution of various intrinsic factors on consumer buying behaviour**

	Mean	Median	SD	Minimum	Maximum
Motivation	12.85	13.00	3.35	5.00	19.00
Belief and attitude	24.30	24.00	3.48	15.00	30.00
Perception	20.17	20.00	3.52	8.00	25.00
Cognition	16.33	16.00	2.43	8.00	20.00
Role and status	11.88	12.00	1.81	6.00	15.00
Learning	29.90	30.00	3.39	13.00	35.00
Intrinsic	115.30	116.50	11.98	89.00	138.00

The table: 1.3 shows the influence of income on extrinsic factors on consumer buying behaviour and it clearly states that reference group is the most influencing factor out of all the extrinsic factors in case of respondents earning annual income upto 2,00,000 per annum. In case of respondents earning 2,00,000-5,00,000 per annum, are also found to be influenced by reference group i.e., they buy garments as per the reference given by their friends, family or peer group etc. and lifestyle of the respondents is the least influencing factor. The respondents

earning 5,00,000- 10,00,000 and the respondents earning 10,00,000 are found to be more influenced by reference group and lifestyle is the least influencing factor in all the cases. Conclusively, reference group is found to be more influencing and least influencing is the lifestyle factor. Overall, the highest influence of extrinsic factors is found on the respondents earning less than 2,00,000 per annum and the respondents earning more than 10,00,000 per annum have the least influence of extrinsic factors.

**Table 1.3: Showing influence of extrinsic factors and income on consumer buying behaviour**

	Annual Income							
	<200000		200001-500000		500001-100000		>100000	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Situational	25.46	3.58	23.75	3.48	23.65	3.48	23.92	6.02
Reference group	30.31	3.28	30.53	2.89	29.76	3.44	27.67	6.64
Social	21.54	2.84	20.83	2.86	20.41	2.60	19.42	4.38
Culture	14.06	3.34	13.28	3.44	13.53	3.57	13.33	4.27
Product quality	20.29	2.30	20.14	2.68	19.29	2.87	18.92	3.99
Life Style	13.00	1.55	12.53	1.40	12.06	1.98	12.67	3.14
Extrinsic	124.66	12.68	121.06	12.62	118.71	14.48	115.92	26.04

Table: 1.4 shows the influence of intrinsic factors and income on consumer buying behaviour and learning is found to be the most influencing factor, stating that the respondents buy according to what they learn from their own experiences, advertisement etc. in case of respondents earning less than 2,00,000, 2,00,000- 5,00,000 and more than 10,00,000. Role and status is found to be the least influencing factor, stating that the respondents do not pay more heed to the role played by them and the status enjoyed by them. Overall, the respondents earning more than 10,00,000 are the highest influenced category by the intrinsic factors and the respondents earning income between 5,00,000- 10,00,000 are least influenced by the intrinsic factors on a whole.

Table below shows that the respondents having income upto 2,00,000, 2,00,000- 5,00,000 and above 10,00,000 have least by role and status. The role played by respondent is not found to be affecting the buying behaviour, the status of the respondent is also not influencing the buying behaviour. The highest influence is found by learning as a factor on the respondents buying behaviour, they are found to be more inclined towards their knowledge so acquired by what they learn from their experiences or experiences of other people around them.

**Table: 1.4 showing influence of intrinsic factors and income on consumer buying behaviour**

	Annual Income							
	<200000		200001-500000		500001-100000		>100000	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Motivation	12.91	3.29	12.86	3.35	12.76	3.82	12.75	3.28
Belief and attitude	24.77	2.85	23.61	3.67	23.29	4.15	26.42	2.68
Perception	20.40	3.09	19.83	3.66	19.24	4.49	21.83	2.29
Cognition	16.86	2.26	16.17	2.21	14.82	2.72	17.42	2.31
Role and status	11.71	1.78	11.86	1.71	11.71	2.14	12.67	1.72
Learning	30.17	3.12	30.14	2.67	29.94	3.31	28.33	5.63
Intrinsic	116.77	10.87	114.31	10.99	111.59	15.41	119.25	12.18

The intrinsic factors are found to be highly influencing the respondents earning more than 10,00,000 per annum and the least influence of total intrinsic factors is found in case of respondents earning 5,00,000- 10,00,000.

## CORRELATION AMONGST VARIOUS INTRINSIC AND EXTRINSIC FACTORS:

The table: 1.5 shows the correlation amongst various intrinsic and extrinsic factors and it clearly shows that the highest correlation is found in case of situational factors with learning and it is least correlated with cognition. At the same time, learning is found to be highly correlated with reference group, social factors, product quality and features and lifestyle. Cognition is found to be least correlated with reference group, social factors and lifestyle. Culture has been found to be highly correlated with motivation and least with roles and status. Product quality and features and belief and attitude are found to be least correlated and highly correlated with learning. Lifestyle and learning are also found to be highly correlated and least correlation is found with cognition. Overall, the correlation of total extrinsic factors is found to be highest with learning and least with cognition. Whereas, the highest correlation of total intrinsic factors is found in case of culture and least correlation is found with situational factors.

**Table 1.5: Showing correlation amongst various intrinsic and extrinsic factors**

		Correlation						
		Motivation	Belief and attitude	Perception	Cognition	Role and status	Learning	Intrinsic
Situational	Pearson Correlation	.436**	.146	.059	.115	.151	.653**	.381**
	p-value	.000	.146	.558	.255	.133	.000	.000
Reference group	Pearson Correlation	.285**	.136	.115	.006	.159	.952**	.407**
	p-value	.004	.178	.255	.951	.114	.000	.000
Social	Pearson Correlation	.276**	.092	.245*	.085	.166	.721**	.388**
	p-value	.006	.363	.014	.403	.098	.000	.000
Culture	Pearson Correlation	.929**	.127	.042	.111	.031	.418**	.431**
	p-value	.000	.208	.681	.273	.762	.000	.000
Product quality	Pearson Correlation	.447**	.041	.047	.216*	.092	.496**	.336**
	p-value	.000	.687	.641	.031	.362	.000	.001
Life Style	Pearson Correlation	.350**	.150	.158	.138	.215*	.625**	.396**
	p-value	.000	.135	.116	.169	.032	.000	.000
Extrinsic	Pearson Correlation	.579**	.145	.131	.130	.162	.815**	.487**
	p-value	.000	.149	.194	.197	.107	.000	.000
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05 level (2-tailed).								

## CONCLUSION:

The consumer behavior is found to be affected by both intrinsic as well as extrinsic factors. The impact of some factors is found to be higher and some have a lesser in case of some factors. The marketers need to focus on the factors influencing the buying behavior and necessary steps should be taken by them to ensure that these factors donot have a lot of influence on their overall profits. The reference group from extrinsic factors and learning from intrinsic factors are found to be the most influencing factors amongst all the factors under consideration.

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