



**AgEcon** SEARCH  
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

PROCEEDINGS  
of the  
WESTERN FARM ECONOMICS ASSOCIATION

---

THE WEST IN A GROWING ECONOMY

Thirty-Second Annual Meeting

July 14-17, 1959

Logan, Utah

## CONSUMER DECISION MAKING AND BUYING BEHAVIOUR

by

C. Richard Creek

Colorado State University

Increasing numbers of consumers might be listed as a "Problem of the Growing West." But more aptly they could be the solution of a transportation problem by having more customers nearer to our growing areas. Heavy migration of recent years is continuing and consumers of diverse tastes and buying habits are fitting into a new environment with more money to spend. How will their decisions to buy food be influenced?

Four items of decision making and buying behavior are:

1. a. rational learned buying behavior is illustrated by "shopping" activities.
- b. the process of learning includes "impulse" buying.
2. rational behavior is from the viewpoint of the consumer.
3. buying behavior is being influenced by changing "taste."
4. "price" will become less important to more people.

The consumer market is an "agglomeration of dynamic human forces increasingly capable of planned, organized, aggressive action." <sup>1/</sup> Education, communication and increased purchasing power are important factors in the development of our consumer-oriented economy.

But what do we know of the human characteristics and behavior, of the desires, actions and responses that are possible in 177 million (as of June 16) potential consumers in these United States? How difficult is the problem of management in food processing and distributing companies to adapt to consumer market changes in our dynamic and expanding economy? The necessity for making production and marketing decisions far in advance of consumer purchases is an integral part of our mass production--mass distribution economy. The tempo and extent of changes are increasing at accelerating rates to multiply the problems of processors who are having less influence over the final distribution decisions. The consumer has preempted this power through her increased knowledge and then delegated it to the mass retailer to implement.

---

<sup>1/</sup> Reed, Virgil, "Changes in Consumer Markets" Changing Structure and Strategy in Marketing, University of Illinois, 1957.

How do we learn the basic characteristics influencing a consumer's decision to purchase (or not to purchase)?

### Behavior Research

A modern answer is behavior research which "employs a variety of methods for describing, measuring and understanding present consumer behavior with the aim of predicting or influencing future behavior." 1/ Observation of consumer behavior, experimental situations, and question; asking are methods that many of us have used singly or in combination. But how many in agricultural marketing have progressed to "clinical methods designed to reveal ideas of buying behavior which consumers cannot express, or reveal motivations hidden even from themselves?" 2/

Identifiable characteristics of consumer behavior--what, how, where, when, etc. - can be obtained by the standard questionnaire survey. These data on the consumer's own behavior are still fundamental to the marketing executive as minimum knowledge. Large volume of data plus machine tabulation by family, economic and environmental characteristics yield information on past actions. But knowledge of consumer behavior must be kept up-to-date in our modern changing markets!

Periodic surveys or continuing panels of consumers are sources of information on trends in the highly competitive food industry. Consumers may be shifting to a new product in this age of convenience in foods and "built-in-maid service" in partially processed food items. How does marketing management anticipate these shifts?

By developing market research to understand consumer behavior, patterns of action can be learned relative to standards of living, impulse purchases, buying habits, motives, etc. The seller of a product which is superior in quality must know how to reach the consumer and explain this quality. He must communicate. Conversely, the user may have some reason for buying (or not buying) which the merchant or processor has not imagined. Research for understanding will uncover these hidden motives. Prestige considerations in many forms can be discovered by motivational means in behavior research although the consumer may not acknowledge these in direct questioning.

A quantitative measurement of these motives based on learning and experience is a needed contribution to marketing strategy. A beginning is based on Gestalt psychology which is described as "psychological analysis of perception.....representing renewed interest in conscious mind and rational decision..... concerned with goal-directed behavior and rational use of resources.....making allowance for learning from experience."3/

---

1/ Alderson Associates, Inc. "Introducing Behavior Research," Cost and Profit Outlook, Vol. XI, No. 1, January 1958.

2/ Ibid.

3/ American Marketing Association Editors (Richard Ferber and Hugh G. Wales); Motivation and Market Behavior, Richard D. Irwin, Homewood, Illinois, 1958

Rational behavior is emphasized in contrast to instinctive drives of the subconscious mind.

Consumer decision while "shopping" for food illustrate rational behavior defined as "the conscious and deliberate pursuit of goals .... consistent with survival and well-being of the individual." 1/ This concept of rationality must be considered from the viewpoint of the consumer in her economic and physical environment -- not from the viewpoint of the market researcher with preconceived ideas of hypothetical buying behavior. The term "shopping" implies comparison which in turn can only result from learning which may be from education as well as experience.

In marketing behavior and management policy it is the "motivation of the consumer purchasing agent" 2/ during or before the shopping activity that is directly concerned with decisions to purchase. The household is a special type of organized behavior system (some question may be raised on how well organized) concerned with activities of consumption. The household is similar to a business organization is using plans, budgets, credit, division of labor, etc. The housewife has most of the buying function to perform and becomes specialized in this activity through experience in the super-market plus experience with her family at the table. Problem-solving in the buying of food under the present-day situation of intensive competition of price and quality demands rational behavior. Impulse buying is a part of the learning process in which experience is gained to repeat the purchase or to reject the item on a rational behavior basis the second time.

The problem-solving functions of the consumer household which must be performed for every purchase were listed in sequence by Dr. C. Joseph Clawson at the Marketing Theory Seminary, University of Colorado, August 1957. 3/ Some of these functions were performed for the consumer purchasing agent and most housewives would faint if confronted with the list of 24 separate functions involved in making the sequence of decisions. Remember, these functions involve rational behavior based on learning and experience and directed toward a definite goal.

These functions range from "recognition of need," through "gathering information," "procurement," "use," "assessing results," to the final function of "disposal of used resources." 4/ Few of us think through all these functions in making a food purchase, hence all 24 are not listed here. However, these functions in detail are the first step in behavior research into the motives for buying any commodity. Each function was

- 
- 1/ Ibid.
  - 2/ Alderson, Wroe. Marketing Behavior and Executive Actions, Richard D. Irwin, Inc. Homewood, Illinois, 1957
  - 3/ Clawson, C. Joseph. "Problem-Solving Functions in the Behavior of Households" Cost and Profit Outlook, Vol. X, No. 9, September 1957. Alderson and Sessions, Philadelphia, Pa.
  - 4/ Ibid.

illustrated by a variety of actions and a motive was connected to these actions. Skillful depth questioning, projective techniques, or other procedures of motivation research could reveal the motives of the "consumer purchasing agent" in buying food items for the household.

Advertising and point-of-purchase promotions could then be developed to influence the buying actions of housewives. Seasonal and cyclical surpluses of farm food products could be moved into consumption in greater volume at less drastic declines in the producers' price and at little if any higher consumer price, than under surplus conditions with no reinforcement of buying motives. Volume of sales of substitute foods may decline in the short run, but the consumers are making the decisions. Most food items are substitutable on the basis of price relative to the personal tastes and preferences of the individual household. The motive of variety in meal planning will tend to keep any acceptable substitute in the "information-gathering" and "product-planning" functions. 1/

#### Changing Taste - A Continuing Problem

Some would say that the words "change" and "dynamic" are overworked in modern marketing literature -- others that too many in agricultural marketing research and extension do not recognize the implications. Behavior research, under the direction of professional personnel could be a method of keeping abreast of changes in consumers' motives and behavior. Business leaders recognize that taste is changing for the better and that wise policy is to anticipate it.

In FORTUNE this month, Gilbert Burck writing for the series "The Markets of the Sixties" defines taste "as the capacity to discern fitness, beauty, order, congruity, or whatever constitutes excellence." 2/ In the next ten years price will be relatively less important in decision-making for a greater number of families with higher incomes. Aesthetic quality of products that vary little in technical differences by brands, may be more important in future buying decisions. Can we develop this thought in reinforcing the motives of consumers for food products?

Four major forces are operating to upgrade the taste of American consumers: (1) rising real income; (2) more education (formal and informal); (3) the tastemakers; and (4) desire for self-betterment and self-expression. 3/

Primarily, rising real income allows people to buy more. Secondarily, it enables business to provide a constantly widening variety of choices instead of mass-produced uniformity. This latter effect on taste -- new

---

1/ Ibid.

2/ Burck, Gilbert. "How American Taste is Changing" FORTUNE, Vol. LX, No. 1, July 1959. Time, Inc.

3/ Ibid.

products from food technology laboratories -- could be the application needed for agriculture to participate in the "changing American taste." These technologists are the "tastemakers" for the tables of millions of American households. The home-service magazines as well as women's pages of newspapers carry the instructions, information and persuasion to upgrade taste for food. Can we include this influence in our research to expand the market for farm products?

Another illustration of sophisticated taste in food appeared in an earlier issue of FORTUNE last January under the title "Caviar in the Supermarket." Specialty-food shops and department stores are not the only retailers of fancy foods. Increasing sales in supermarkets indicate a desire for something "different," with prestige.

Somewhere in all the examples of greater purchases of a variety of specialty items is an idea to apply to the processing and distribution of staple foods to upgrade them to "fancy staples."

Consumer decisions and buying behavior are continually changing. Differentiated products that appeal to the self-betterment motive will sell readily as has been illustrated in many reports. Our knowledge of agricultural products should be used in cooperation with food technologists and behavior research specialists to expand the market for agriculture. Until all people are well fed, our job is not finished.

#### Summary

In any informal observation or formal study of "consumer decision making and buying behavior" please remember that:

1. a. the process of "shopping" in a modern supermarket illustrates rational learned buying behavior.  
b. "Impulse" buying in the supermarket is a part of the process of learning by experience.
2. "rational" buying behavior is according to the desires and motives of the consumer purchasing agent--she is doing the buying.
3. "changing taste" is exerting more influence on buying behavior and may be a factor of rationality.
4. "price" will become less important in decision making to more people as family incomes and discretionary purchasing power increases.