Client’s Individual Characteristics – Behaviour Factors

Adrian GHERASIM, Daniel GHERASIM
George Bacovia University in Bacau, ROMANIA
adrian.gherasim@ugb.ro
daniel.gherasim@ugb.ro

Abstract: Even a cursory analysis shows the following: consumer behavior, is of a relatively independent character compared to other processes taking place at the microeconomic level - which allows its modeling; the elementary processes that define consumer behavior must be approached in an unitarian way, each of them having a specific role, observable that it determines together; the components that have it registering a synergistic effect – overall, the result obtained being higher than the results of these processes considered separately; the consumer behavior has a systemic character, the consumer being a cybernetic system that operates autonomously, able of regulation and self-regulation processes. Although the term used on a large scale within the marketing studies is that of consumer behavior, in connection with its use there are to be taken into account some clarifications, which experts consider very important.

Keywords: client, consumer, life-cycle, behavioural styles.

Introduction

Dragging its name of the English verb to market, the science of marketing brings into the attention of the entrepreneurs the client, which is the starting point and destination in any market survey. The core of marketing resides in knowing the client, with all the arsenal of client’s expectations, temptations and quirks in order to understand their behaviour.

By studying consumer behaviour in a sufficiently comprehensive approach, means the study of individuals, groups, or organizations and the processes they use to select, use and dispose of products, services, experiences or ideas that meet their needs and the impact these processes have on the consumer and society. [1]

Consumer behaviour can not be explained only by knowing the system of factors that act in close contact and mutual interrelation, but the way of acting and especially the place and the role they play in the system. These are viewed differently and therefore one can find in the literature of the field more specialized classifications.

Thus, the Ph. Kotler groups the factors influencing consumer behaviour as follows:
  • cultural factors, represented by: culture, subculture and social class;
  • social factors, which include: reference groups, family, roles and statuses;
  • personal factors, which include: age and stage of life cycle, occupation, lifestyle, economic circumstances, personality and self-opinion;
  • psychological factors designated by: motivation, perception, learning, beliefs and attitudes. [7]

1. Personal factors

Personal factors, also known as permanent characteristics of individuals, relate to: age, occupation, economic status, personality, self-image, lifestyle etc. [10]

1. Age and family life cycle phase are behavioural factors that change from one period to another in customer's life, they determining their needs and desires, demands, preferences, reactions to different marketing variables etc..

In direct connection with age may have, buyers in Romania can be grouped into: [9]

a) veterans, including those with the most advanced age, born before the Second World War, the beneficiaries of a rigorous education and the principles of life as who prefer quality products, able to
articulate relief personality, being attached to certain brands and so on and they are great consumers of leisure, very active customers of media and frequent members of non-profit organizations;
b) *sons of socialism*, including those mature people born after the war, who have received an education of a different totally nature and are accustomed to consume lower quality products, of large series and in mass, whose claims towards service mode are smaller, focusing primarily on the price of goods, being less receptive to advertising actions (the belief that the best products are sold by itself, only bad ones requiring it) and so on;
c) *protesting youth*, including the people born since the early seventies, who more than anyone, felt the terrible shortage of basic necessities goods (but received instead of an education - and, in general, an education - long and fairly consistent), being distrustful of domestic products, showing a special attraction to all that is cheap, extravagant and possibly imported, their entire behaviour being thus marked by shortcomings they lived and by distrust, almost complete, in the future.

Regarding the **life cycle** of an individual, there are well-known their four phases: childhood, youth, maturity and old age (to which correspond significantly different behaviours).

Given both age and family life cycle phase, one can enumerate the types of clients listed in Table 1. [7]

| Table no. 1Types of clients according age and their family life-cycle phase |
|-----------------------------|------------------|-------------------|-------------------|
| **Children**                | **Youth**        | **Middle age matures** | **Aged**          |
| Bachelors                   | Married, without children | Married, without children | Married, with children |
| Married, with children      | Divorced          | Divorced, without children | Divorced, with children |
| Aged persons married        | Aged single persons |

Adding (to the two characteristics) incomes and the type of consume, the field literature [12, 8] arrived at the situation presented in Table no. 2.

| Table no. 2 Life-cycle and types of consume |
|-------------------------------------------|------------------|-------------------|
| **Family life cycle phase**               | **Income**      | **Type of consume** |
| 1) Bachelor                               | modest           | clothing, drinks, leisure |
| 2) Married youth without children         | growing          | long lasting goods, leisure |
| 3) Married with children under 6 years old| lowering         | shelter, household goods, toys, medicines |
| 4) Married with children over 6 years old | growing          | education, sport |
| 5) Mature couples supporting their children| stable           | secondary house, furniture, education |
| 6) Mature couples without children having at least one active member | maxim | travels, free time, holiday house |
| 7) Mature couples without children and without active members. | lowering | health, free time |
| 8) Aged person in activity                | stable           | travels, free time, health |
| 9) Aged person, retired                   | lowering         | health |

As it can be seen, each of the groups described in this table have specific concerns, focusing on certain categories of goods and services, having certain categories of income, operating with certain ways of distributing tasks etc.

2) **Occupation or profession** will affect customer behaviour by focusing on certain tangible or intangible goods. A farmer, for example, will distribute the income for non-agricultural goods and specific services, while a painter will buy more goods of different from a miner. Therefore, marketers
will need to define the manifestations of socio-professional categories as it regards the company’s products, in order to see which category has a higher interest than the average one and adapt them to the characteristics of these groups.

3) **The economic situation** of a client is given by revenues, savings and wealth that they have, i.e., respectively of their access to credit, all these influencing the level and structure of demand and the entire purchasing behaviour. [11]

*Nominal incomes* of consumers represent one of the main factors that determine the appearance and development of general application, and also the application-orientation towards the company products. They are *all cash earnings of a person in a given period* from: salaries, dividends, interest (received), pensions, welfare, etc.. In marketing studies, their size must always be correlated with the price (the influences of the two factors on the demand being able to annihilate each other). In turn, revenues are dependent on the employment of labour force, the labour productivity level etc..

*Consumers’ ability to pay* is a crucial factor that contributes decisively to making applicable their needs and desires. Opposite the incomes, the economic theory first put out the *general law of income*, according to which, once with revenue growth, overall demand for goods of population increases (and the other).

According to Engel's first law, applied to normal goods, *buyers’ demand and incomes* are in a *direct proportion ratio*.

*Inferior* goods (those cheap and of poor quality) are exceptions to this law, for them being applicable only the second Engel's law, according to which, as *buyers’ incomes rise, demand for inferior goods decreases*.

Analysing the major categories of goods once the incomes rise, it is considered that:

- increase the share of food expenditures;
- expenditures on clothing and housing remains constant;
- expenditures on luxury items increases . [2]

If the first and third category of goods things are almost invariably, for the second category the share can often be growing (depending on what level of income it starts).

The study of income is very useful in order to estimate the demand, but not enough. To arrive at useful conclusions, they must necessarily be correlated with the level and price developments, interest rate and other factors.

A person’s *fortune* is defined as the totality of its material and financial accumulation. Although it is in very close relationship with incomes, it should not be confused with them, there being enough cases of people (wasteful) which, although they collected huge revenues, they do not have any property, as there are individuals without incomes, but possessing great fortune.

Under the influence of wealth, demand is mainly influenced structurally. Typically, people with large fortunes on the market demand for high quality goods at great prices distributed in luxury stores, unaffordable to other persons located, in certain areas of towns (in the centres), which have a direct advertising etc.

In principle, between the size and wealth is a direct demand.

*Savings* and *credit* are factors that confer a certain independence from the actual incomes of consumers, being themselves sources for covering the demand. – bearing, therefore, all the ability of consumers to pay prices at which goods are exchanged (as in the case of incomes). Thus, *consumer savings* are nothing but *unspent current incomes* related to deferred current consumption (sacrificed) - in favour of the future. Their level depends, on the one hand, on the amount of revenue, and on the other hand, of the level of the *interest rate* (which determines the inclination of people to save or to consume). At *steady income*, the greater the rate of the interest is higher, the more evident people will
be inclined to save, the current demand decreasing proportionally with the saved amounts. On the other hand, if the interest rate is low, people will become more apparent inclined towards consumption, the current account increasing not only due to unsaved current incomes, but also due to the savings already accrued. In other words, if a market study shows a clear increase in consumer incomes, one should not necessarily draw the conclusion that demand will increase. If most of them will be saved, while the incomes increase, the demand will be even lower. Also, in a time when consumer income decreases, the demand can be held constant (or increases) on the account of savings accumulated in previous periods.

Loans are the opposite of savings, which are actually negative savings. Therefore, their impact on demand is opposed to the impact of savings, manifesting themselves in closely connection to the interest rate. Thus, in the case of low current incomes, the demand should not be automatically small. If the interest rate is low, consumers’ access to loans will cause the current request (or, at least, remaining constant) at their expense.

Regarding savings and loans, it would have to be reported another factor influencing demand (current and future) in a sensitive way: human propensity for consumption or for savings. This affects the current purchasing power (but also the future one), and the volume of goods demand structure. Their influence varies from one category of commodity to another. For instance, the propensity to save, in some way affects the consumption of basic necessities (electricity, heat, food, clothing, etc.) that remain relatively unchanged, and other durable goods consumption or investments.

4) **Personality** is defined either as a set of characteristics, beliefs, convictions, attitudes and distinct habits, which is a stable and coherent response to the environment and that differentiate people between them either as unique configuration of characteristics, beliefs, behaviours and customs each individual presents. Part of this pattern is innate, the other is the fruit of social learning, meaning the experiences and history of each individual. It helps to identify a relatively large number of types of customers (talking about people:
- subject or independent
- remove or aggressive;
- responsive or refractory;
- creative or conservative;
- active or passive;
- positivists or negative ones, etc.)(6).

Marketing specialists have conducted a series of studies to explain the manner in which a certain type of personality may be related to a certain type of customer behaviour, making it possible to anticipate it.

The defining personality traits influence both perceptual mechanism and the motivational one (and thus the behaviour one), but still it can not be clearly explained the nature of these links and their realization sequence.

Of all the marketing activities that are based on personality traits one can distinguish:
- loyalty to products and brands,
- attitude towards products and brands
- their image among consumers
- reaction to the packaging of products,
- fidelity to the distribution unit,
- promotional activity etc.

Knowing the personality type of consumer may be market segmentation criteria to adopt the style of communication, etc.
The most appropriate way of defining dynamic notions such as the personality is through identifying and describing its properties: [13, 14]

a. Personality reflects individual differences.
b. Personality is consistent and sustainable.
c. Personality can change.

Although each consumer personality is a unique combination of features, many consumers can share a common personality trait, they forming a segment on which the company can focus its marketing strategies and tactics.

Personality is consistent and sustainable. This trait shows that the personality is stable, implying that firms should not try to change consumers’ personality, but make products that are compatible with it.

Personality may change. Although the personality is stable, it can, however, change under certain circumstances, or as a result of a gradual aging process of the consumer.

Personality traits that have proven extremely useful in differentiating the non-innovative consumers include:

- dogmatism,
- social character,
- the class horizon,
- the optimal level of stimulation.

**Dogmatism** is a personality trait that measures the degree of rigidity that manifests an individual to things unfamiliar and towards information that is contrary to his beliefs set. A person who is strongly dogmatic approaches unfamiliar things defensively and with considerable discomfort and uncertainty. On the other side of the spectrum, a person who has a low degree of dogmatism will address immediately unfamiliar things or those opposed to the personal beliefs. Dogmatic consumers are easier influenced to buy products and new brands if presented in advertising in an authoritative manner (through celebrities or expert). Less dogmatic consumers are more receptive to messages that highlight functional differences and benefits of the products.

The **social character**. The personality trait known as social character originated in sociological research, which is focused on the identification and classification of the society into socio-cultural distinct types. As used in consumer psychology, social character is a personality trait that is ordered in a continuum sequence, that starts from directing the consumer from the inside and extends to the directing them to the others. Consumers directed from inside are based upon their own standards in evaluating new products, so that this fact makes them innovators. Consumers directed from the outside evaluate products based on external standards of other people, so they are dependent on the other consumers’ assessments.

The **horizon of the analysed class**. Another personality trait that makes the difference between innovative customers and the non – innovative ones is the horizon class they belong to. This feature seems to address the fundamental dimension of a person's risk strategy. Thus, there are consumers that demonstrate tolerance for incorrect choices, they are willing to accept the possibility of adopting a poor decision and that is why they tend to maximize the number of alternatives from which they choose. This category of consumers is willing to buy new or renewed products. Other consumers show a lower tolerance to risk, a reason for which they tend to minimize the number of alternatives from which they choose this leading to a lower probability of adopting an unsatisfactory decision. This category of consumers is more receptive to products presenting superficial changes.

The **optimal level of stimulation**. Some people seem to prefer a simple life, unconfused and calm, while others seem to prefer a complex, loaded one full of new and unusual experiences. Consumer researchers have begun to examine how such variations (called optimum levels of stimulation) may be influenced by selection of personality traits and how, in turn, specific levels of stimulation may be related to consumer behaviour. Research has revealed a relationship between high levels of stimulation and concerned people tendency to take risks, to be innovative and accept new facilities from the part
of the sellers. Other research show that in case of households electronics and computers, consumers who prefer high levels of stimulation buy products with more functions than those with a low level of stimulation. [13, 14]

The traits defining personality influence the choice of product, brand, and store. This shows the need of the managers of companies is aware of them and market products made subject to such influences.

Marketing researches aiming at consumer personality have the following objectives:
  a. segmentation of the market starting from segments based on the personality traits.
  b. developing forecasts on consumer’s behaviour.

2. Behavioural Styles

There are several behavioural styles, each with its other features:

1. The Sociable is an extroverted, eager for company and always ready to have fun. It is full of life and likes to feel good. Their motto is "fun first and only then businesses". The best way to capture their attention is that before passing to do business with them offers something fun. Sociable people are energetic, talkative and get excited easily. They are very careful about how they dress, many are very modern, sometimes dare some. They do not know fear when drawing attention to them, and they actually like it. They are fond of all kinds of toys, they often possess luxury sport cars. They are wearing all kinds of accessories, jewellery, expensive watches, luxury shoes or pens etc. The disadvantage when approaching a sociable person is that they do not know how to listen and they are careless being attentive, especially with themselves. Sociable persons do not support long details and technical presentations. They can lose all patience. For a sociable person your conclusion must have an answer to the question "how this thing helps me to show good and how fun it will be?

2. The Directive one is the client dominated by clear goals and objectives. Their motto is "Business first, party – may follow after!" It's good to attack the subject immediately, without any exchange of pleasantries and without trying to stimulate conversation. The directive loses patience fast and goes on to something else, because convenience discussions do not interested at all. They prefer to take and maintain control. As an introvert, they have a low tolerance to express feelings and emotional states. They dress in a conservative, prefer navy, not excessively modern and in no way flashy. They are full of caution in driving they possess cars strictly functional. The directive needs to have power and control, a thing that an ambitious sales representative is not allowed to omit. The fact that motivates the directive is the details about the impact of the product on their profitability.

3. The Cerebral. The two main features of the cerebral are: they are indirect (slow in making decisions) and has a closer nature (introvert). They are to be found most often among engineers, accountants and computer programmers. Their motto is "information first, business after." You can not hope to do business with a cerebral until you deliver all the data they need to make a sensible and informed decision. The cerebals hate being wrong and terribly angry when mistakes are made. They are very precise, detail conscious. A presentation made before a cerebral should be logical, fair and worthy of trust. The cerebral loves technical data. But instead of being showered with such information, ask them what they would prefer to be shown. Once they will tell what data is important to them, give these data to them immediately. Expect that a cerebral compare your product or service with the competitors’ ones. They rarely take information without checking it. They firmly reject buying by the impulse. The general attitude of a cerebral is "I am right, you do not, but you may have the right not have right!" The cerebals focus on two important aspects of the sale: accuracy and detail. They tend to do things right from the first time, as opposed to sociable, which in most cases, restore a work several times, because every time they neglect something important.

4. The Interactive. The main features of the interactive is that they are indirect (and take decisions slowly) and open (extroverted). They are very sensitive people, often treating situations as if being personal businesses. They are very intuitive and precise when decrypting nonverbal messages of their interlocutors. They are very good team players and strive to bring harmony in the community, whether it is about work, society, family, etc. Emotional, empathetic and sometimes hypersensitive, the Interactive can be easily moved to tears. The interactive ones hate conflict of any kind. Do their best to avoid misunderstandings and to get rid of them by using arguments. They are very conformists and
prefer to do what everybody does instead of going on their own. The Interactive ones are very good listeners and prefer to ask than to give themselves information. They are motivated by good relationships and they want to please everyone. They need to be popular and tend to take very difficult decisions, not to disturb or offend someone. The presentation of some references is very effective in dealing with an Interactive increasing their confidence in the product or service offered. One should assure an Interactive person of the fact they are not the only ones using the product. The presentation that you make need to focus on the human side of business: harmony, security, tangible benefits, in addition, it is good to frequently ask them for opinions and ideas.

5. The image about (to) oneself is defined as being a representation of all that an individual receives, feels and thinks about oneself, expressing their social position.[3]. Everyone thinks that the image he/she has of himself coincides with the one of the others.[5]. It can be considered as a means of expression and explanation of personality and customers’ behaviour, a reason for which some marketing experts consider this as being equivalent to personality.[7]

Generally speaking, an individual can have at least three types of self image:
- a real image, the one he/she sees, effectively as he/she is;
- an ideal image that he/she wants it (which he/she would like to have);
- an image from the outside, which, in their opinion, the other individuals are receiving.

Hence it was concluded that each client, through their behaviour (including the buying one), will try to send out the image of their own personality, the products they buy (clothing, interior decoration of homes, cars, etc.) these being the means by which they present themselves in front of the others. Therefore, customers will buy those products, which by their characteristics, represent the best their personality. Knowing the image of potential buyers, adapting products to the latter is almost certain a solution to conquer them.

6. The lifestyle is linked to the way in which people live, spend time and money, respectively the way in which they behave in society, determining and selecting their range of needs and in relation to their ideals. The famous publication "The Economist" (in a more simplified manner) states that lifestyle is the way people carry out their daily activities, according to their attitude towards life. So lifestyles are formed, developed, modified at the confluence of variable active forces acting within the consumer’s environment. This means that life experience, education and cultural influences coming from social macro and micro-groups inter-act with personality variables building up a specific lifestyle. From this interaction there results group behaviour patterns, more or less homogeneous, with all universalisation habit of spending money and time, customizing within the cultural geographical spaces - geographical and highlighting different lifestyles. An example of classification called Values and Life Styles (VALS - values and lifestyles) was made by Stanford Research Institute USA and it is divided into the following categories:
- the belongers, which are traditionalists, sentimentalists, stabiles, patriots satisfied with their lives;
- the achievers: in this category enter the prosperous materialists, which are self-confident and middle-aged;
- the emulators: young adults, ambitious, eager to carve a path in life;
- the myself group (I am me the group): impulsive, experimentalists, somewhat narcissistic;
- the societal conscious: mature people who have succeeded in life, willing to engage, and defend a cause;
- the survivors: the elderly and the poor, not at all optimistic about the future;
- the sustainers: individuals dissatisfied with their own condition in an attempt to make extremes meet each other. [4]

There are other ways to classify customers according to the lifestyle that they adopt.

The same typology VALS (Values and Lifestyles), depending on how they spend time and money, has identified the following groups:
a) principles oriented customers, which buy goods according to their own precepts and beliefs about the world and life;
b) status-oriented customers that purchase based on the principles of others;
c) action oriented customers, who are big fans of variety, being (obviously) very active and assuming risks easily.

On their turn, based on the level of resources available (here including the income, education, health, etc.), these three categories of consumers are divided into:

- customers with plentiful resources;
- customers with minimum resources.

In case of the consumers that have very many or very few resources, disregarding the orientation criterion towards themselves, they can be automatically integrated into the class that continually adjusts respectively the class of those who live from one day to the other. The first are people who have so many resources that may belong to any or all categories of themselves consumers’ orientation. By contrast, others have so few resources that may not be included in any of the categories mentioned above.

Taking into accounts the trend towards new (but also other criteria raised up until here), there can be listed the following categories:

- modernizing customers, who want and can afford any of the three types of guidelines listed;
- retained clients (the poor), which, for lack of income, can not afford any of these guidelines (obviously).

Lifestyle corresponds to a system of clues by which individual communicate to their environment their norms and preferences. These reflect the very different concepts. Thus, the ways in which the consumption is achieved means so many different lifestyles - which are identified based on the products and services purchased by the consumer. The term "lifestyle" is set in a more general way before the act of buying that, basically, influences it.

The gathering of information on the activities, interests, opinions form the basis of the dominant test (AIO) in the U.S.A. The questions inventory (AIO) is characterized by the absence of its structure. Exploratory statistical analyses (typological, factorial analysis) allow highlighting lifestyles.

**Conclusions**

In Romania, a research made by Daedalus Consulting firm on 2,000 subjects aged over 16 years, based on nearly 1,000 variables, identified the existence of three types of lifestyles that include 8 segments in total:

A. The lifestyle-oriented towards past (with the segments: the survivors and passive traditionalists). People having this lifestyle belong rather to the older generation who have difficulty adapting to the current changes. The inertia and the passivity characterize these people. They have low incomes and find it hard to survive in a world where their old values (about communist propaganda) seem meaningless. Many of them have nostalgia for "the good times of socialism."

B. The present oriented lifestyle (with segments: a-temporal, traditional family-oriented and sophisticated family-oriented). This lifestyle includes people focused on present, trying to solve the immediate problems. These individuals have faced the changes so far, although their lifestyle weakened somewhat in recent years. Family and God are those that help them find inner balance. They show a moderate optimism, but manifest a feeling of unease about the future.

C. The future oriented lifestyle (including: aspirants, imitators and the ambitious). This lifestyle includes people who watch the change as an opportunity for personal development at the social level. They are quite young, confident and adaptable. Money, career and success are the key motivators of their actions. They express optimism about their future.

From one country to another, the types of lifestyles can be much different.

Personal characteristics of customers can be considered as part of the behavioural factors named personal factors.
References