

**P-E-S-L MODEL OF CONSUMER PURCHASE BEHAVIOUR
(A Study on Organized Retail Industry)**

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ABSTRACT

Consumer perception and expectations are changing day-by-day while purchasing a product or service due to technological development and changing marketing concepts. Now organizations are becoming more organized than ever before and more conscious about **customer comfort and services** rather offering a product. The concept of Retail industry, in western economy, has contributed more than unorganized sector in this respect because it is providing all at a single place while consecutively improved **service quality**. In current market scenario, customer is more concerned about convenience, location, comfort and cohesiveness (**How they are being treated?**) for meeting their needs, wants, demand and desires to justify their level of satisfaction which may result as a positive outcome for a brand ultimately create customer loyalty. This paper focuses on how retail industry is conditioning consumer perception and enhancing consumer expectations for selecting and experiencing a brand from organized retail shop rather purchasing from traditional marketplace (unorganized sector).

KEYWORDS: - Consumer behaviour, Consumer Perception, Consumer Expectation, Consumer Satisfaction, Consumer Loyalty, Integrated Brand Communication, Experiential Value.

OBJECTIVE:-

- ⇒ To analyze the factors influencing customer for purchasing or selecting a product and service from a retail shop.
- ⇒ To find out the strategy adopted by the retail industry for customer involvement.
- ⇒ To justify, how customer satisfaction and consumer loyalty is reciprocated by consumer perception and consumer expectation?

1. OVERVIEW:-

Marketing concepts are experiencing drastic change over the years. The so called marketing terms consumer satisfaction and consumer loyalty is of vital importance for policy makers. This is seen that marketing concepts are rapidly adopting new concepts with respect to changing perceptions and expectations of consumers. As technology & innovations are taking shapes of socio-economic

development so the consumer is seeking for more comfort with service quality & freedom of choice at a market place.

The proposition is best suited for the organized retail industry because this is the only concept to provide all these stuff to a single location. In the current market economy organized retail industry is gaining stunning importance into the consumer's mind.

2. LITERATURE REVIEW

Consumer is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires" (Solomon 1995, 7). In the marketing context, the term consumer " refers not only to the act of purchase itself, but also to patterns of aggregate buying which include pre-purchase and post-purchase activities. Pre-purchase activity might consist of the growing awareness of a need or want, and a search for and evaluation of information about the products and brands that might satisfy it. Post-purchase activities include the evaluation of the purchased item in use and the reduction of any anxiety which accompanies the purchase of expensive and infrequently-bought items. Each of these has implications for purchase and repurchase and they are amenable in differing degrees to marketer influence (Foxall 1987). Engel, et al. (1986, 5) define consumer behaviour as "those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services, including the decision processes that precede and determine these acts". Simple observation provides limited insight into the complex nature of consumer choice and researchers have increasingly sought the more sophisticated concepts and methods of investigation provided by behavioural sciences in order to understand, predict, and possibly control consumer behaviour more effectively. Psychology, social psychology, and sociology are the disciplines most widely employed in this endeavour which has become a substantial academic industry in its own right.

In order to develop a framework for the study of consumer behaviour it is helpful to begin by considering the evolution of the field of consumer research and the different paradigms of thought that have influenced the discipline (Marsden and Littler, 1998). Paradigms in consumer research can be broadly classified as a set of fundamental assumptions that researchers make about what they are studying and how they study it (Kuhn, 1962).

Tse and Wilton (1988) define as, "the consumer's response to the evaluation of the perceived discrepancy between prior expectations (or some other norm of performance) and the actual performance of the product/service as perceived after its consumption" (p.204).

Services have been widely researched and analyzed for their unique characteristics and intensive customer orientation. Some of the major concepts that have been studied to explore the true nature of services are Service Quality (Parasuraman , Zeithaml & Berry, 1985; Gronroos, 1988; Cronin & Taylor, 1992; O'Neill, 1992; Oliver, 1997), Satisfaction (Oliver, 1993 & 1997; Wirtz & Bateson, 1999; Zeithaml & Bitner, 2000), Loyalty (Dick & Basu, 1994; Oliver, 1997; Bowen & Shoemaker, 1998; Reichheld & Sasser, 1990; Heskett, Sasser & Schlesinger, 1994; McMullan & Gilmore, 2003; McMullan, 2005) and Complaint Management Systems (Boshoff, 1997 & 1999; Mattila, 2001; Boshoff & Staude, 2003; Craighead, Karwan, & Miller, 2004; Mattila & Patterson, 2004).

Gee *et al.* (2008:362) state that customer satisfaction is generally based on meeting or exceeding one's expectations, while Hill (2006:2) defines customer satisfaction as a measure of how your organization's total products perform in relation to a set of customer requirements. Oliver (1981) put forward a definition as, "the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumers' prior feelings about the consumption experience" (p.27). According to Dimitriadis (2006:783) customer satisfaction has been a major goal for business organizations for many years and that loyal customers contribute to the company's profitability by spending more on the company's products and services, but warn that one should distinguish between customer satisfaction with services and goods as they may be influenced by different factors.

Role of customer loyalty gains more prominence when applied in the context of services due to the higher human involvement in comparison to goods. Such people intrinsic character of services along with its intangible and perishable nature, enhance the scope for error at the time of service delivery and amplify the role and significance of human relationships in business transactions.

3. RESEARCH METHODOLOGY:

3.1. Research Design

This is a type of "**phenomenological research**" elucidating the subjective reality of an event that is subsequently affecting consumer buying behaviour.

Phenomenology describes the "subjective reality" of an event, as perceived by the study population; it is the study of a phenomenon. It is the psychological study of subjective experience.

3.2. Data Collection

Secondary data collection

4. P-E-S-L MODEL:-

The **P-E-S-L Model** is based on the assumptions to describe the process inflow for analyzing consumer purchase behaviour in growing market economy through retail market.

4.1. Assumptions:-

- 1) **Consumer Perception (P_c):** is an individual consumer's mental interpretation of collected information and consumption of a product or service.
What defines the value for a product / service?
- 2) **Consumer Expectation (E_c):** can be defined as the consumer's assumption of his / her experience in fulfilment of a need with the available resources at his / her disposal.
What Expectation they put into their mind for money and time value against purchase intention?
- 3) **Consumer Satisfaction (S_c):** is a measurement of consumer attitudes regarding products, services, and brands.
What experience at the top of the consumer's mind?

- 4) **Consumer Loyalty (L_c):** encompasses loyalty attitudes which are opinions and feelings about products, services, brands, or businesses that are associated with repeat purchases. At times, consumers display loyalty behaviour without having loyalty attitudes.

What factors motivates customers for re-patronize product & services?

4.2. Intent of P-E-S-L Model:

CONSUMER PERCEPTION (P_c)	CONSUMER SATISFACTION (S_c)
P _c . Convenient marketplace (Location) P _c . Comfort at marketplace P _c . Cohesiveness with seller	S _c . Marketing mix S _c . Offer mix (Range, Line & Intangibles) S _c . Brand Experience
CONSUMER EXPECTATION (E_c)	CONSUMER LOYALTY (L_c)
E _c . Need for freedom of choice & awareness E _c . Want of hygiene, ambience, amenities & entertainment E _c . Desire for offers, cost effectiveness, viz, smt.Unexpected that Passively affects consumer emotion & mood	L _c . Emotional experience L _c . Physical attribute based satisfaction L _c . Perceived value of an experience

4.2. a. Consumer Perception (P_c):

- *How consumer sense external information?*
- *How they select and attend to various sources of information?*
- *How this information is interpreted and given meaning?*
- *How quality compares to other brand?*

Consumer perception is typically affected by advertising, reviews, public relations, social media, personal experiences and other channels. Retailing has influenced the Communication strategy of a marketer and is formulated by analyzing knowledge of consumer, i.e., how consumer acquire and use information from external sources?

The consumer perception is influenced by characteristics of stimulus (such as packaging, colour, shape, size, and intensity) and the context in which it is seen and heard (word of mouth).

4.2. b. Consumer Expectation (E_c):

- *How consumer analyzes and evaluates its value for money while selecting a brand and store location?*
- *How service style and presentation at store affects the consumer mood?*
- *How value added market offerings facilitate the consumer motive?*

The retailing / e-tailing have changed the level of consumer willingness of accepting product and services. Now consumer is more concerned about marketplace and store location, convenience, market offerings etc. while selecting a brand for fulfilling its tangible needs (product & service , marketplace) as well as intangible needs (such assurance, empathy, reliability and responsiveness).

Think about any major purchases you’ve made recently. Did you research your purchase? Did you collect information from advertising, salespersons, friends, associates, or even test the product?

This information influences consumer expectations and gives us the ability to evaluate quality, value, and the ability of the product or service to meet our needs.

4.2. c. Consumer Satisfaction (C_s):

- *How consumer is driven by various marketing campaign?*
- *How market offerings are reciprocated by brand experience?*
- *How experiential value affects consumer behaviour?*

Consumer satisfaction reflects the expectations and experiences that the consumer has with a product or service. Expectations reflect both past and current product evaluation and use experiences. Consumers hold both explicit and implicit performance expectations for attributes, features, and benefits of products and services. The retail market places are adding more experiential value to consumer expectation.

In current marketing scenario integrated brand communication is delivering the experiential value (**Extrinsic**- convenience, quality, impression, possession; **Intrinsic** – fun, beauty, ethics, sacredness) to the brands of the company that is optimizing the companies' positioning strategy and translating consumer's expectation about the product & services into brand satisfaction.

Marketers are executing a variety of Options for Experiential Event Photo and Video activations, Including:

- Photo / Video Promotions
- Stationary Booths/Hatt & Mela
- Mobile Photo Activation Apps- Smart Activator
- Sweepstakes Integration
- Social Media Integration
- Custom Data Collection
- Branded Photo Overlays
- Video Capabilities & VAN activation program
- E-coupons / Special Offers
- Inbound Lead Generation
- MMS / SMS Opt-Ins
- Direct Mail Campaigns
- Website Retrieval Programs
- Post Campaign Reporting

4.2. d. Consumer Loyalty (C_L):

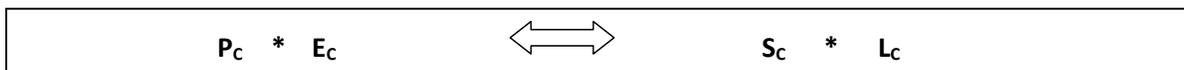
- *How emotional commitment makes consumer delighted towards a brand?*
- *How loyalty program encourages consumer for consistent purchase?*
- *How "trust factor" increases consumer retention?*
- *How can you make the post-sale experience more satisfying?*

Consumer loyalty is both an attitudinal and behavioural tendency to favour one brand over all others, whether due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand. Consumer loyalty encourages consumers to shop more consistently, spend a greater share of wallet, and feel positive about a shopping experience, helping attract consumers to familiar brands in the face of a competitive environment.

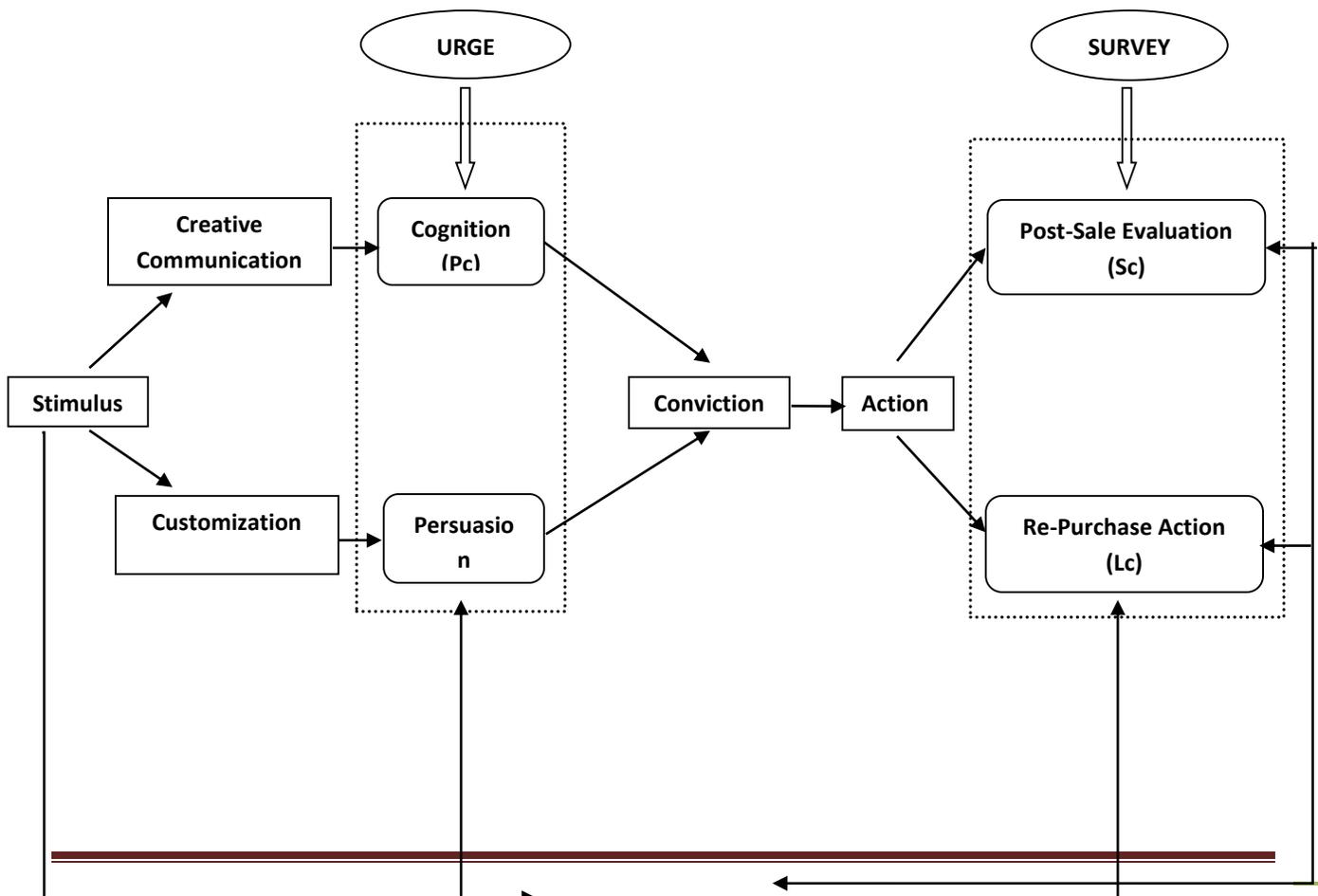
Consumer loyalty can be said to have occurred if people choose to use a particular shop or buy one particular product, rather than use other shops or buy products made by other companies. Consumers exhibit consumer loyalty when they consistently purchase a certain product or brand over an extended period of time.

5. PROCESS INFLOW OF P-E-S-L MODEL:

- ⇒ **Stimulus:** 7 P's
- ⇒ **Creative Communication:** A meaningful advertising driven by such elements like surprise, Novel Ideas, unexpected details, connects unrelated objects & artistic verbal impression.
- ⇒ **Customization:** Marketers are more concern with convenience of customer by providing them freedom of choice and pleasant ambience and other tangible and intangible offers.
- ⇒ **Urge :** Need , Want , Demand , Desire



PROCESS FLOW OF P-E-S-L MODEL



Feedback Process

- ⇒ **Cognition (Pc):** Mental interpretation of consumer influenced by characteristics like packaging, colour, shape, size & intensity of product and services.
- ⇒ **Persuasion (Ec):** Conditioning the consumer mind by serving them tangible & intangible benefits of product & services.
- ⇒ **Conviction:** Developing consumer mind to purchase a product / services.
- ⇒ **Action:** setting customer to purchase & disposal of the product / services.
- ⇒ **Survey:** Customer satisfaction survey & Customer loyalty survey.
- ⇒ **Post – sale Evaluation (Sc):** Evaluating product performance expectation such as attributes features & benefits.
- ⇒ **Re-purchase (Lc):** Checking the attitudinal & behavioural tendency of customer for disposal of product & services.
- ⇒ **Feedback:** Assessing the result & effects of the process for evaluating performance of product & services.

6. CONCLUSION:

Since the purpose of business is to create and keep a customer so this model provide customer with extrinsic & intrinsic stimulus **(Sc)** , fulfil their tangible as well as intangible needs **(Ec)** for arousal of desire to select market offerings (purchase intention) because what satisfies customer becomes their expectation from marketer.

The model is also bringing customer with comfort, freedom of choice, cohesiveness and several engagement program creates loyalty **(Lc)** among customer that influences the mind of customer to re-patronize **(Pc)**.

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