



# New Products' Dependence on Consumers' Behaviour in Seeking a Successful Market

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## ABSTRACT

Widespread perception about the motivations behind decision making process in purchase of a new product is crucial for the success behind the development of innovative products. This article used a quantitative research method to test hypotheses that were associated with different stimulating factors of consumers personality traits that affect the sale of new products; at the same time, it helped to highlight factors that have a significant effect. A non-probability convenience sampling method was used to distribute questionnaires to 105 students living in the UK. This research paper has found out that differences in personality traits of consumers have a significant effect on buying behaviour and intentions in case of new products, which in turn affects the final purchase of the products.

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## Introduction

Previous studies revealed crucial insights about purchase behaviour in buying a new product, is also known as Diffusion of Innovation theory to the literate world (Rogers, 1983). This article focuses on the personality traits of consumers that influence consumers to buy a new product. Schiffman and Kanuk (2007) described consumer innovators as relatively small group of consumers who are the earliest (concern over the concept of earliest by same authors) purchasers of new products in the market. If the modern consumer psychology is taken into consideration, it is really important to determine how the new breeds of end user of a product act when they are exposed towards innovative products which are new at their respective markets. The new product policy makers must update their knowledge about consumer views constantly and initiate campaigns accordingly.

## Literature Review

For the last century, consumer buying behaviour has been highlighted by scholars in their researches as it is a crucial aspect in the business world (Dichter, 1947; Haugtvedt, Herr & Kardes, 2007; Harmancioglu et al., 2009; Rogers, 1983). Consumer buying behaviour represents the study of individuals and the activities that take place to satisfy the realised needs through purchase or intention to purchase any product (Lake, 2009). Psychological environment of consumers will always make ways for a gap in the research. Consumer innovators are risk takers; their (Schiffman & Kanuk) research has defined them as those falling within an arbitrary proportion of the total market. Marketing strategists consider personality traits a key factor referring towards consumers' perceived risk about purchasing products and venturesomeness. Here focus is on identifying factors of personality traits of consumers that affect the new product purchase.

## Personality Traits

Researchers (Frankin et al., 2008; Sivakumaran and Marshall, 2010) have tried to uncover various facts about psychological factors that lead to purchase of a new product.

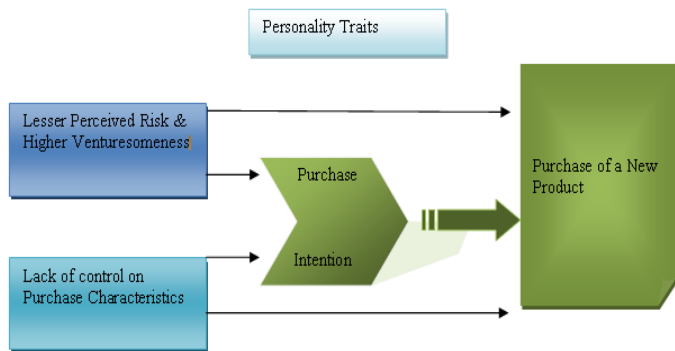
According to the studies by Dawson and Kim (2009), there are both internal and external factors which trigger purchasing. The external factors refer to those stimuli placed by the sellers that compel consumers to buy more, whereas internal factors refers to the personality traits of the consumers; therefore it will be essential to get an in depth understanding of the consumers personality traits which have a significant effect on the purchase call for decisions. Consumer innovators tend to have the need for uniqueness that allows an individual to enjoy the feeling of superiority (Schiffman and Kanuk, 2007). Researchers also posit consumer innovators as open-minded and tend to be brand switchers. In order to get realistic information, Tellegen (1982) and Youn and Faber (2000) called for a Multidimensional Personality Questionnaire in order to get a better understanding of consumer personality traits. Personality questionnaire took into account eleven primary personality dimensions which included wellbeing, social potency, achievement, social closeness, stress reaction, alienation, aggression, control, harm avoidance, traditionalism, and absorption. However, for this research, aggression (perceived risk and venturesomeness) and control (purchase and consumption characteristics to be among the first user of new products) have significance in purchase of new products. Accordingly, we test the following two factors.

The model presented below, followed by an in depth discussion of the theory and the hypothesised factors.

## Hypothesised Factors of Personality traits that Motivate Purchase of New Products

### Aggression (Perceived Risk & Venturesomeness)

Rogers (1983) posits various aspects of consumer's personality traits in his theory of Diffusion of Innovation. According to that, new product users are obsessed with venturesomeness. They go through high level of uncertainty about new products introduced to the market. The research by Schiffman and Kanuk (2007) expresses that it can be an effective barometer of actual innovative behaviour. On other hand, perceived risk refers to the degree of risk, uncertainty or fear involved with purchase of a new product.



**Figure: 1 (Proposed theoretical model for testing the factors influence the purchase of new products)**

The research also admits that, high risk perception limits innovativeness. Therefore, it is necessary to consider perceived risk and venturesomeness of a consumer to get actual information about probability of that consumer's purchase of new products (Robertson and Kennedy, 1968). Diffusion of Innovation theory also hailed venturesomeness as a salient value and consumer must have the desires to be the hazardous, the rash, the daring, and the risky. Hence, it can be proposed as follows,

H1.a: Aggression (Venturesomeness) has a positive relationship with new product buying behaviour.

H1.b: Aggression (Venturesomeness) has a positive relationship with new product buying intentions.

#### **Control (Purchase and Consumption Characteristics)**

Control signifies the individual characteristics mode of monitoring purchasing behaviour. Findings from Youn and Faber (2000) state that there are two types of consumers – one being those who are cautious, rational, careful and sensible, and the other being innovation driven who lack control on their impulses with the characteristics of being restless, spontaneous and prefer to make decisions very rapidly. Consumers who possess this trait continually seek for new ideas and experiences (Sivakumaran and Marshall, 2010) and also seek immediate fulfilment of their desires, even when such satisfaction may be inconsistent with the reality. Consumer innovators are not dedicated brand loyal and likely to be deal prone (Schiffman and Kanuk, 2007). The study also marked consumer innovators as heavy users of the product category in which they are innovative. Marketers try to make most out of their "lack of control" on buying behaviour in new products promotional activities to attract consumer innovators. Based on the literature above, it can be assumed that consumers who possess these characteristics, i.e. having lack of controlled approached towards purchase and consumption characteristics towards new products in the market, exhibit a positive relationship. Therefore, it can be proposed as follows,

H2.a: lack of control in purchase and consumption characteristic has a positive relationship with new product buying behaviour.

H2.b: lack of control in purchase and consumption characteristic has a positive relationship with new product buying intentions.

#### **Research Methodology**

Adoption of quantitative method for this research is necessary because it helps to determine the relationship between independent variables with dependent variables in a population, also permits to create an association among the variables (Bryman and Bell, 2007). Quantitative research interprets the data collection and analysis in accents of quantification and a deductive approach to interpret the theory applied and approach by the research (Hussey and Hussey, 1997). Therefore, it suits

to achieve the research objectives as the research adopts previous findings and frameworks in order to develop new research objective. In pursuit of the desired outcome, this research would use a primary data collection. The designed primary research questionnaire comprises multi-reflective indicators based on five-point Likert scales ranging from 'Strongly Agree' to 'Strongly Disagree' (1-5) respectively. This allows this research to obtain intensity of the respondents feeling and at the same time it's very easy to measure (McDaniel & Gates, 2006). Self-completion questionnaire was taken as the appropriate data collection method for this research due to several reasons: it enables to collect data from a large number of respondents in a very short time, and it is cost effective (Saunders et al., 2009). It also allows creating a relationship between the different hypothesised factors and buying intentions and behaviour (Gupta, 2010). Finally, it helps respondents to respond independently and quickly (Bryman & Bell, 2007). According to Bryman and Bell (2007) findings obtained by means of convenience sampling may offer first insights for further research and enable comparisons with present findings. Accordingly, data will be collected by using an online survey, whereby the respondents will receive a link for the survey on eSurveysPro.com.

Every research methods have limitations and disadvantages. These do not necessarily lead to invalid outcomes but it is important that all contents are appreciated and might be used to pave the way for further research in future. This research has few limitations as well. Firstly, for the sampling procedure, a convenience sampling procedure will be used. Drawback of this approach might be lack of generalisation in the findings. However, it can provide a springboard for further researching on same topic or allow links to be forged with existing findings in an area (Bryman and Bell, 2007).

The second limitation might be the places from where the data have been collected. Due to time and budget constraints data would be collected through the internet.

Finally, Self completion questionnaire may have a few drawbacks. First of all it can be read as a whole before answering the first question. Therefore, it can create a possible chance of biased answers or even the questions might not be answered in the correct orders (Bryman and Bell, 2007). It can also limit the amount of questions to be asked to the respondents due to the possibility of them getting bored or fatigued (Saunders et al., 2007).

#### **Research Findings**

Research findings present and discuss the main outcomes that have been collected from the survey questionnaire using the SPSS software (Version 11). The research targeted more than 100 respondents to fill up the questionnaire. The total number of respondents to the questionnaire was 112, to be exact. However, due to complexity and inconsistency in some responses, the total figure of questionnaire has been limited to 105 to facilitate the findings of this research.

#### **Hypothesis Testing**

##### *Personality traits*

According to Schiffman and Kanuk (2007) consumer innovators show two types of personality traits when are about to purchase new products. Both hypotheses are tested below.

##### *Venturesomeness*

H1.a: Aggression (Venturesomeness) has a positive relationship with new product buying behaviour.

H1.b: Aggression (Venturesomeness) has a positive relationship with new product buying intentions.

The hypothesis for this test and the SPSS outputs are provided below.

Null hypothesis,  $H_0: \rho = 0$

Alternative hypothesis,  $H_A: \rho \neq 0$

**Table 1: Correlation between “Buy new products from any brands” & “Reaction to a new introduced product”**

Correlations			
		Buy New Product from any brand	Reaction to a new introduced product
Buy New Product from any brand	Pearson Correlation	1	.485
	Sig. (2-tailed)	.	.015
	N	105	105
Reaction to a new introduced product	Pearson Correlation	.485	1
	Sig. (2-tailed)	.015	.
	N	105	105

From the above output, it is quite clear from the P value (sig value) of the test that the null hypothesis of the test will be accepted at any significance level above 0. This finding is also backed by the correlation of .485, which suggests a positive relationship. Therefore, it can be suggested that “Buy new products from any brands” and “Reaction to a new introduced product” do converge on some level. This refers to the fact that customers respond venturesomely to a new introduced product when it first comes to market. Therefore, hypotheses H1.a and H1.b are accepted.

#### **Purchase and consumption characteristics**

H2.a: lack of control in purchase and consumption characteristic has a positive relationship with new product buying behaviour.

H2.b: lack of control in purchase and consumption characteristic has a positive relationship with new product buying intentions.

The hypothesis for this test and the SPSS outputs are provided below.

Null hypothesis,  $H_0: \rho = 0$

Alternative hypothesis,  $H_A: \rho \neq 0$

**Table 2: Correlation between “Buy new products from any brands” & “Good offer attracts me”**

Correlations			
		Buy New Product from any brand	Good offer attracts me
Buy New Product from any brand	Pearson Correlation	1	.642**
	Sig. (2-tailed)	.	.000
	N	105	105
Good offer attracts me	Pearson Correlation	.642**	1
	Sig. (2-tailed)	.000	.
	N	105	105

\*\* . Correlation is significant at the 0.01 level (2-tailed).

From the above output, it is quite clear from the P value (sig value) of the test that the null hypothesis of the test will be rejected at any significance level above 0. This finding is also backed by the correlation of .642, which suggests a strong positive relationship. Therefore, it can be suggested that “Buy new products from any brands” and “Good offer attracts me” do converge on some level. It is clear that customers cannot resist going for new brands if they find any good offer from the new brands. Therefore, hypotheses H2.a and H2.b are accepted.

#### **Brand loyalty:**

**Table 3: Responses on brand loyalty**

Buy New Product from any brand					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	50	47.2	47.6	47.6
	Agree	22	20.8	21.0	68.6
	Neutral	19	17.9	18.1	86.7
	Disagree	11	10.4	10.5	97.1
	Strongly Disagree	3	2.8	2.9	100.0
Total		105	99.1	100.0	
Missing	System	0	.0		
Total		105	100.0		

From the frequency table it is clear that large number of respondents is brand switchers in case of introduction of new products in the market. 68.6 % respondents replied they would switch brand in case of any new offering is on the table. Therefore, the respondents are deal prone and heavy brand switchers. According to previous results, it is obvious that the personality traits of consumers has a positive relationship with new product buying behaviour as Venturesomeness, purchase and consumption characteristics show positive significance.

#### **Findings**

The outcome of this research indicates consumer personality traits, namely venturesomeness and lack of control, were also tested in this research. Findings from this research confirm that the respondents who have these traits are risk takers, deal prone and brand switchers in case of buying new products. This means if respondents find a good deal on a new product, they are more likely to take risk by purchasing the product regardless of the brand reputation.

#### **Contribution**

Although consumer behaviour has received a lot of attention from scholars, constant change in consumers' needs and technological advancement make the study on consumer behaviour ever inconclusive (Bagozzi, 1999; Harmancioglu et al., 2009; Gupta, 2010). The research contributes to the existing literature of purchase behaviour and product innovation in the following ways, this research has extended the prior research on purchase of new products by investigating some crucial factors such as product interest, new product knowledge, demographic characteristics and personality traits with latest views from respondents. The view of consumer innovators (2.5% of total social system) matters significantly as they influence early adopters and majority (accumulates 47.5% of the total social system) to use new products that has been introduced to the market (Rogers, 1971 & 1983). Accordingly, this research adds value to the prior research done on buying of new products by analysing some crucial factors in coming to a comprehensive conclusion.

#### **Managerial Implication**

Firstly, marketers have to understand the significance of consumer innovators as they are the earliest users of any new product of their (consumers) interest in the market. According to Schiffman and Kanuk (2007) the earliest users are not huge in number, but their reviews on new products in the market are vital for the promotional activities. Rogers (1971) has identified that 2.5% of the total population are consumer innovators, which might not bring a huge monetary contribution to the business. But, the free publicity from the earliest users is vital. Reviews from consumer innovators will induce or discourage others from purchasing specific new products.

Secondly, marketing managers need to acquire knowledge about consumer innovators' demographic characteristics and personality traits, and work accordingly to deliver the satisfactory product to the target market. Findings from the research pointed towards two major personality traits of consumer innovators; lack of control and venturesomeness. Consumers who possess lack of control on buying decision and are high on risk taking tendency on products are more likely to purchase a new product. Marketers can focus on these types of consumers through their offers on the new product and attractive packaging which might have a positive effect. The consumer innovators are not brand loyal and will switch brand for newer products. Therefore, focusing heavily to satisfy consumer innovators might not be efficient. Promotional activities during the introduction period of new products to the market might have short-term offerings such as: discount, free samples or lucrative bundle offers to satisfy the consumer innovators.

#### **Limitations and recommendation for further research**

Due to time and monetary constraints, this research has been only able to conduct the protocol analysis with a small number of participants (though this was in line with other studies of this type). This research did not focus on the gender and its influence on the degree of trust in new products in the market. For example, females are more easily influenced in their decision-making. However, they are more sceptical about the information about new products. Further, males trust reviews but do not depend on them as much as females. These hypotheses can be examined through deductive research.

#### **Final Comments**

As research on impulse buying behaviour field has been very limited (Pornpitakpan, 2004), further research should be conducted into the role and influence of various aspects that leads to purchase of a new produce. Different demographic characteristics can be helpful in order to explore the motivating factors for new products and can add value to this research to help marketers with an updated view from the consumers.

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