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# PSYCHOLOGICAL MECHANISM OF CONSUMERS IN BRAND BUILDING OF ECONOMIC TRADE

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## Abstract

*The preference and psychology of consumers are important considerations in brand building of economic trade. This paper aims to identify the intrinsic relationship between the psychological mechanism of consumers and brand building. To this end, a questionnaire survey was conducted to grasp the consumer preference. Based on relevant psychological theories, the survey results were analyzed statistically to evaluate consumer psychology relative to brand building. The results show that males are mainly affected by product function, while females by marketing mode; the consumption of young people is greatly influenced by the marketing, followed by product function, while middle-aged and aged people focus on the function and practicability of products; the background of consumers (e.g. income, age, work and education) has a significant impact on consumer psychology, which in turn affects the purchase decision-making; the influencing factors of consumer psychology must be highlighted in brand building.*

**Key words:** Economic Trade, Brand Building, Consumers, Psychological Mechanism.

Received: 11-02-19 | Accepted: 15-06-19

## INTRODUCTION

The impact of economic trade branding on the development of the economy can never be ignored (Sprott & Liu, 2016; Ashworth, Darke, & Schaller, 2005). The choice, preference and consumer psychology of consumers are key factors influencing the branding (Stewart & Gallen, 1998; Roux, Goldsmith, & Bonezzi, 2015; Reimann, Castaño, Zaichkowsky et al, 2012). In the study of the shape and appearance of new products, American scholars first introduced the concept of product positioning and preliminary design. With the development of sociology and psychology, consumer demand has achieved great development and some factors influencing the psychological behavior of consumers have been obtained (Zhang & Zhang, 2007; Foxall, 1992). Consumer psychology has been

developing together with the innovation and development of scientific theories, and consumer psychology has achieved great development. In addition, domestic and foreign scholars pay more and more attention to the research on consumer psychology, so fruitful achievements has been obtained in consumer psychology in different cultural backgrounds.

Domestic and foreign scholars have carried out a series of studies on the economic trade branding, but most of these studies focus on the improvement of brand management and marketing measures, ignoring the impact of consumers' psychological mechanism and purchasing behavior (Beneke, 2014; Milton & Everitt, 2010; Atakan, Bagozzi, & Yoon, 2014). The manifestation of the difference in purchasing motive, habit and consumption pattern varies from customers to customers when purchasing. Some scholars summarize the consumption pattern in their studies and obtain the decision-making behavior of consumers in the purchase process (Schmitt, 2012; Sujana & Bettman, 1989; Aguirre-Rodriguez, Bóveda-

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Lambie, & Miniard, 2015). However, the improvement methods and optimization measures for trade branding are still far from perfect, and thus it is necessary to conduct in-depth and systematic research on the psychological mechanism of consumers.

Based on the above problems, this paper analyzes the consumer psychology and process of economic trade branding and uses the questionnaire for the survey and statistical analysis of consumer psychology. Based on related theories of psychology, this paper studies the consumer psychological mechanism of consumers.

## THEORY OF CONSUMER PSYCHOLOGY

### Basic theory of consumer psychology

Consumer psychology is the discipline born from psychology and consumer economics. The research on psychology interacts with the consumption field and promotes the development of each other (Wang & Ding, 2017; Guest & Dewe, 1988). In the early market environment where materials are scarce and demand exceeds supply, enterprises can make profits only if they can manufacture products. Enterprises do not need to consider sales, let alone analyze how to sell their products from the psychological perspective of consumers. Therefore, there are few studies on consumer psychology at that time and the progress is slow. With the development of economy, the commodities in capitalist countries have gradually entered the era of oversupply and the consumer-centered marketing concept has gradually become the mainstream in the market. The enterprise resources have gradually turned into the needs of the market and this period has greatly promoted the research on consumer psychology.

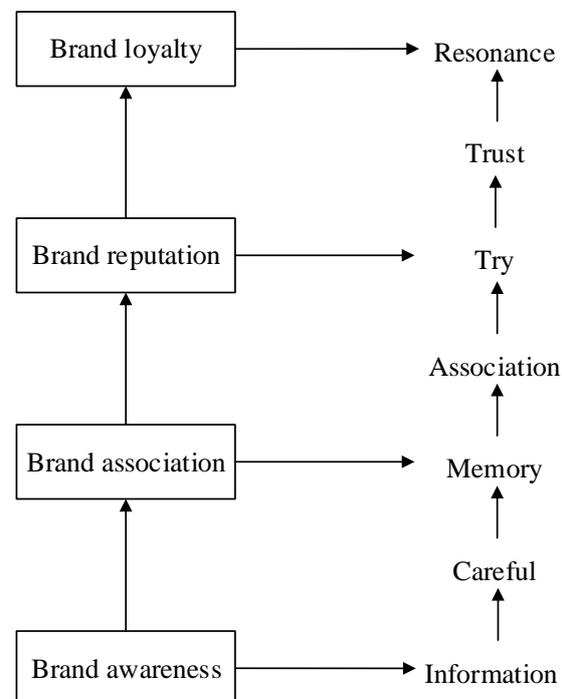
In the consumer transaction model, the key factor that determines whether consumers will accept the consumption is the cost of transactions while other influencing factors include the security level of payment, privacy factors, etc. On the basis of empirical research, information search is discovered as one of the main factors influencing the consumer psychology.

### Relationship between consumer psychology and branding

Consumers' perception of the brand is an

experience with lots of psychological changes, which is also the process of brand maturity. The relationship between brand and consumer can be reflected in four aspects: brand awareness, association, reputation and loyalty. These four aspects are also the process of brand upgrade and iteration and the value of the brand is like a pyramid. The psychological mechanism of development is shown in Figure 1. From the brand information in the very beginning to stimulating the consumption behavior of consumers until the emotional resonance in the final stage, the brand value is upgrading in this process.

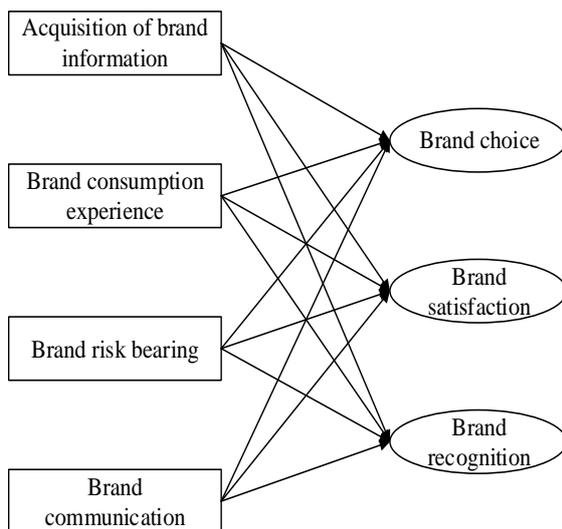
Figure 1. Brand and consumer psychological relations



The transformation process of consumer psychology from information to memory is the process of brand selection; the process from memory to attitude is the evaluation process of brand satisfaction; and the process from word of mouth to resonance is the brand recognition and loyalty process. The recognition of consumer psychology for the brand has gone through three processes: the first stage is the brand selection. At this stage, it is the information acquisition to the trial stage, in which consumers are still in the state of exploration and suspicion. This process occurs before the brand selection, which

is of great significance to the future formation of brand loyalty; the second stage is the brand recognition stage, which is the psychology formed by consumers after the trial. Once consumers are satisfied and have recognized the brand, they will show their attitude and the brand loyalty is basically formed; the third stage is the brand loyalty stage. At this time, consumers will purchase the brand again according to their actual needs to implement their brand loyalty. In this process, the purchase behavior of consumers completely affects the consumer psychology and the psychological factors determine the final purchase and recognition of the brand. The process is shown in Figure 2.

**Figure 2. Psychological and brand relations in different stages of consumption**



Consumers' recognition of a certain brand will go through two stages: brand selection, satisfaction and recognition. The whole consumption process of consumers, from information acquisition, to the purchase behavior and the final evaluation will affect the recognition psychology for the brand. The premise of brand selection is whether consumers are satisfied with the brand. If consumers choose the same brand for many times, it indicates higher satisfaction and if consumers have a resolute attitude towards this brand, it indicates higher brand loyalty.

## CONSUMER PSYCHOLOGICAL MECHANISM IN ECONOMIC TRADE BRANDING

### Research methods and data collection

The research on consumer psychology is of great significance for economic trade branding. This paper studies how to perform economic trade branding by analyzing the factors affecting consumer psychology. This paper analyzes the consumer psychology in the form of online questionnaire and the content of the questionnaire not only learns from some domestic and foreign classic scales, but combines a large number of documents and expert interviews, finally obtaining a comprehensive version. The settings of the questionnaire are shown in Table 1. The principle of random sampling is used and questionnaires are distributed online among different people in different regions, which ensures the sampling authenticity.

A total of 693 questionnaires are distributed in this study and 672 are recovered with a recovery rate of 96.96%, among which 653 questionnaires are valid, with an effective rate of 94.22%. The evaluation criteria of invalid questionnaires are too much missing information or that the filling time is obviously unreasonable. The basic information of the interviewees is shown in Table 2 and Figure 3. It can be seen from the Figure that the ratio of male to female interviewees is close to 1:1 and those aged between 16 and 45 are the main consumers, accounting for 83.15%. The proportion of those whose income level is below 9000 is 85.15%. The above survey is in line with the actual situation.

### Analysis of the survey results affecting the consumer psychology

The analysis of the factors affecting the consumption is shown in Figure 3. It can be seen from the Figure that the average score of consumption for males is generally lower than that of females. In real life, females prefer shopping, so it can be concluded that gender does play a certain role in the consumption. It can be seen from the survey results that the main factor affecting the consumption of males is the product function while the main factor for females is the marketing mode.

Table 1. Contents of the questionnaire

Type	Problem	Very agree	Agree	Commonly	Disagree	Very different
Product function	I will buy the best product	5	4	3	2	1
	The more functional the product, the more I will buy it	5	4	3	2	1
	The good appearance of the product will stimulate my desire to buy	5	4	3	2	1
Marketing	I will buy a lower price product	5	4	3	2	1
	The venue is clean and spacious. I will buy it	5	4	3	2	1
	Promotion discount I will buy	5	4	3	2	1
Personal quality	I will buy services and products with good reputation.	5	4	3	2	1
	Shopping Affected by Character	5	4	3	2	1
	The level of education affects my shopping	5	4	3	2	1
Information gathering	Cultural Background Affects Shopping Choice	5	4	3	2	1
	I can collect information about products	5	4	3	2	1
	I am familiar with the quality of products	5	4	3	2	1
Attitudes towards buying	I often find more room for choice	5	4	3	2	1
	Think that the products you buy are very cost-effective	5	4	3	2	1
	The shopping process was pleasant	5	4	3	2	1
	Will recommend to relatives and friends	5	4	3	2	1
	Repeated purchases of the same brand	5	4	3	2	1

Table 2. Information statistics of interviewees

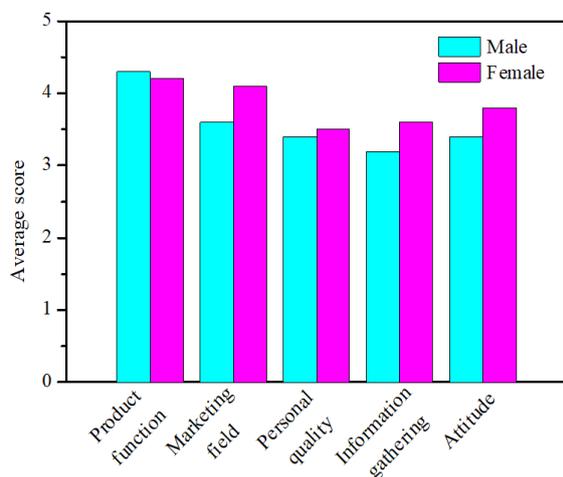
Project	Sub item	Number	Percentage
Gender	Male	332	50.84%
	Female	321	49.16%
Age	<16	21	3.22%
	16-30	312	47.78%
	31-45	231	35.38%
	46-60	63	9.65%
Education	>60	26	3.98%
	High school and below	317	48.55%
	Universities and postgraduates	283	43.34%
	Doctor	53	8.12%
Work	Student	232	35.53%
	Teacher	128	19.60%
	Boss	125	19.14%
	Civil servant	76	11.64%
Income level	Other	92	14.09%
	<3000	143	21.90%
	3000-6000	237	36.29%
	6000-9000	176	26.95%
	9000-12000	65	9.95%
	>12000	32	4.90%

The survey results of the factors affecting people's consumption at different ages are shown in Figure 4. It can be seen from this Figure that young people prefer shopping and pay attention to all aspects of shopping. The most significant influencing factor is the marketing

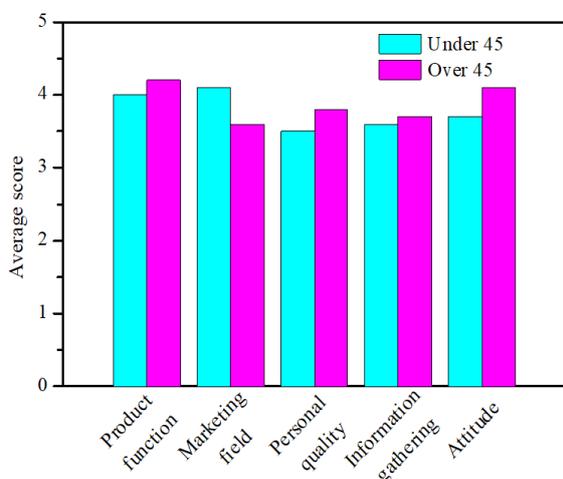
field, followed by the product function. For the middle-aged and older people, they value the function and practicability of products, and they are more concerned about the brand. They are willing to purchase the same brand that they have recognized repeatedly. For personal

qualities, middle-aged and older people think that the education background will affect their consumption.

**Figure 3. An analysis of the factors affecting male and female consumers**



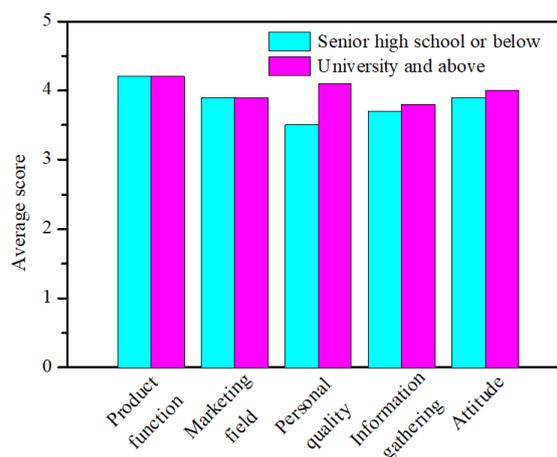
**Figure 4. An analysis of influencing factors of consumers in different age groups**



The analysis results of the impact of education background on consumption is shown in Figure 5. The higher the education level of consumers, the more rational they are in making consumption decisions. On the contrary, people with lower level of education are more likely to make impulsive consumption. People with different educational background are all concerned about the product function. The second most significant difference is the personal quality. People with high school

education background and below believe that personal quality and personality are more likely to affect their consumption while the impact of education background in other aspects is basically the same.

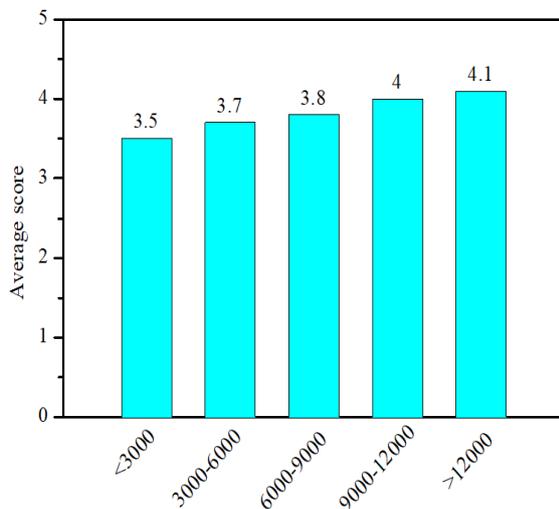
**Figure 5. Analysis of the influencing factors of educational level affecting consumption**



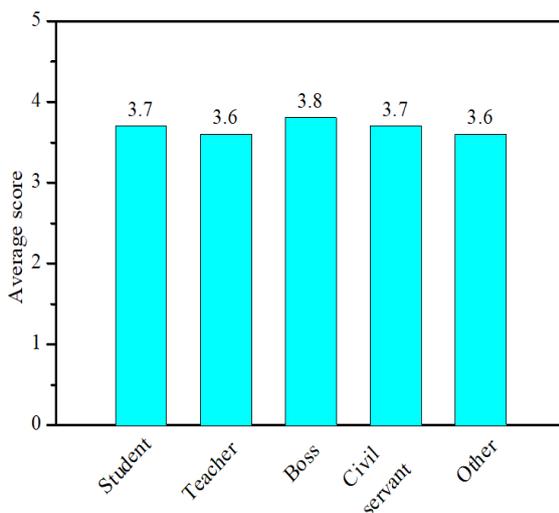
The average value of each influencing factor is used to obtain the impact of average monthly income on consumers. The analysis results of the impact of average monthly income and expenditure on consumers are shown in Figure 6. It can be seen from this Figure that people with different level of income are subject to the impact of their income level and have different average monthly expenditure, which will affect their consumption decision. The higher the income level, the less the decision-making time. Also, people with higher income level are concerned about various aspects of products and the purchase environment. They will recommend the product to their friends and relatives.

The analysis results of the impact of the work type of consumers on the purchase decision are shown in Figure 7. It can be seen from the Figure that the impact of different occupations on consumer decision-making is not significant. The most direct impact of different occupations on consumers is the cognition for products, recognition of the brand and their own consumption concept. The survey score of different groups of consumers is basically the same, indicating that the professional quality has little impact on the psychology of consumers.

**Figure 6. An analysis of the impact of consumer income on consumption**



**Figure 7. The impact of job type factors on consumer psychology**



In the economic trade environment, the branding should be conducted according to the factors affecting the consumer psychology. Consumers are affected by their psychological field when making purchasing decisions. Also, they are subject to the impact of product type, personal quality and marketing field. The income level, age, work, and education level of consumers all have a significant impact on the psychology of consumers, which then affects their purchase decision-making.

## CONCLUSION

This paper investigates and analyzes the consumer psychology in the form of questionnaire and explores the internal relationship between economic trade branding and consumer psychological mechanism. The main conclusions are as follows:

(1) Gender is of certain impact on consumer purchasing. Product function is the main factor affecting the consumption of males, while brand marketing has a greater impact on female consumption. Two of the most important factors for young people are marketing field and product performance, while middle-aged and older people prefer to choose more practical and specific functional products.

(2) The higher the education level of consumers, the more rational they are when making consumption decisions. People the lower educational level are more likely to make impulsive consumption; consumers are also subject to the impact of their income level. The higher the income level, the less the decision-making time. Also, people with higher income are concerned about various aspects of products but the professional quality has little impact on the consumer psychology.

(3) Under the economic trade environment, the branding should be conducted according to the factors affecting the consumer psychology. Consumers are affected by their psychological field when making purchasing decisions and the income level, work type and consumption level should be taken into consideration in branding so as to design a better way of trade branding combined with the consumer psychology mechanism.

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