

A Study on Consumer Buying Behavior from the Perspective of Behavioral Economics: A Case Study Based on the Purchase of Sneakers

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Abstract:

In today's competitive market environment, there are various factors influencing a company's market share, especially in product categories with abundant options and diverse consumer groups, where consumer purchasing behavior may be more complex. This study aims to explore the multidimensional factors influencing consumer purchasing behavior, particularly focusing on sports shoes as a case study. Initially, the study examines the complexity of consumer purchasing behavior from economic and psychological perspectives, emphasizing the comprehensive interpretation provided by behavioral economics. Subsequently, a literature review reveals the limitations of traditional economic theories in predicting consumer behavior and highlights the importance of behavioral economics as an emerging perspective. We then delve into the process of consumer purchasing behavior, including key steps such as need recognition, information search, evaluation, and purchase decision-making. We analyze the influence of personal, behavioral, psychological, social, and environmental factors on consumer purchasing behavior, with particular emphasis on psychological factors, brand cognition, and cultural backgrounds in purchase decisions. Finally, considering environmental factors, the study underscores the importance of fully considering and leveraging these social factors in marketing strategies to enhance product sales and brand competitiveness.

Keywords: Consumer behavior; Behavioral economics; Brand cognition; Mental accounting; Decision-making process.

1. Introduction

Consumer purchasing behavior is a complex topic, influenced by numerous factors that ultimately affect consumer decisions. Research can be analyzed from different perspectives, such as traditional economics focusing on rational consumer decisions, psychological perspectives emphasizing consumer psychological states and emotional consumption habits, and social perspectives focusing on consumer cultural identity, social background, and social relationships. Consumption plays a crucial role in economics, yet traditional economic theories have contributed relatively little to the study of consumption. This is because conventional economic theories assume that consumers have infinite independent desires and are only influenced by prices and income, neglecting the impact of social and psychological factors [1]. Therefore, the study of consumer behavior from the perspective of behavioral economics has garnered increasing attention. The complexity of consumer behavior is not only manifested

in the complexity of factors but also in the significant differences in purchasing decisions for different products and services. For example, the reasons behind purchasing everyday items versus luxury goods are distinctly different. Hence, this study chooses a specific product category, sneakers, for consumer behavior analysis, aiming to better understand the reasons behind purchasing decisions by examining the decision-making process and influencing factors of consumers. Through a comprehensive understanding of consumer behavior, it can enhance market predictions, enabling businesses to design products and services that better meet consumer needs and preferences, thereby promoting the efficiency and competitiveness of the entire market. Moreover, consumers who understand their purchasing influence can also consume more rationally and efficiently. This study utilizes literature review and textual analysis methods, combined with the current status and characteristics of the sneaker market, within the theoretical framework of behavioral economics, to ana-

lyze consumer purchasing behavior. By focusing on the core four steps of the consumer purchasing process and analyzing the influence of different dimensional factors including individual, behavioral, psychological, social, and environmental dimensional factors on consumer behavior, it reveals the economic laws and psychological mechanisms behind consumer purchasing behavior.

2. Literature Review

Economics lacks a unified disciplinary definition, but mainstream textbooks often define it as the study of both the level of individual and societal economies [2]. In economics, consumer theory typically combines positive and normative aspects and relies on models of rational maximization to describe how consumers make choices [3]. However, real-world consumer behavior often deviates from economic models, rendering traditional economic theories unable to accurately predict consumer purchasing behavior. Behavioral economics, as a relatively new field, is a branch of economics that integrates psychology, sociology, and economics to address this discrepancy [4]. It not only examines the basic theoretical frameworks of each discipline but also emphasizes analyzing decision factors at the individual level. Behavioral economics seeks to gain a deeper understanding of the complexity and diversity of consumer behavior by studying factors such as individual decision biases, rational limitations, and psychological and social influences.

Traditional economics emphasizes rational assumptions and simplification of human behavior [5], which has significant limitations in guiding real-world social outcomes. In contrast, behavioral economics, rooted in models of irrational behavior, focuses on describing and understanding human economic behavior in real-world contexts. In behavioral economics, consumer decisions are often influenced by cognitive biases, emotional factors, and social influences. Many classic psychological theories, such as the theory of mental accounting, can provide valuable insights into understanding consumer purchasing behavior within the framework of behavioral economics. Consumer behavior refers to the process of individual selection and purchase of goods and services to meet their needs [6]. This process includes steps such as identifying needs, searching for information, comparing evaluations, making purchasing decisions, and actual purchase behavior [7]. Different product categories are influenced to varying degrees by different factors during the purchasing process.

With the rise of fashion and fitness trends and the increasing income levels of people, the demand for sneakers has been continuously increasing. The diverse marketing environment and growing market demand have placed the

sneaker consumer market in a phase of rapid development and change. Major brands are also competing to launch new styles, designs, and technologies to cater to and meet the diverse needs of consumers. Therefore, when studying consumer purchasing behavior, it is necessary to consider the relationship and interaction between processes, factors, and product characteristics.

3. The Process of Consumer Purchasing Behavior

3.1 Identification of Consumer Needs

Consumer recognition of the need for a particular product involves various factors, such as personal, social, and marketing factors. Personal factors mainly refer to individual perceptions and experiences. In the purchase of sneakers, consumers may be interested in sports, or they may have set goals such as weight loss or fitness. It could also be due to worn-out old shoes needing replacement. Social factors that generate demand mainly include fashion trends, peer influence, celebrity effects, and even social gift-giving. Marketing factors include various social media platforms and advertisements. All these factors can generate consumer desires and thereby create demand.

3.2 Information Search After Generating Demand

Consumer search behavior, as perceived in economic theory, is often considered a rational maximizing effect [3]. However, this overlooks the influence of psychological, social, and environmental factors on consumer search and decision-making processes in complex real-world contexts. Especially in the case of purchasing sports shoes, where mainstream prices typically fall within a range affordable for the average income in China, consumers are more susceptible to influences beyond rational considerations. During this process, consumers utilize various channels to search for product-related information, including explanations of different brand prices and features. During this process, consumers can search for product-related information through various channels, including different brands' prices and feature descriptions. Sneaker brands range from practical goods to luxury items, with a huge difference in price ranges. The depth and breadth of information search depend on various factors, including the product's value. The higher the product's value, the more cautious consumers are and the more actively they search for information. Purchase frequency also influences information search. The higher the purchase frequency, the less effort consumers invest in information search because habitual consumers tend to continue their purchases based on past habits. Personal economic conditions

also influence information search. When individuals have more money, they do not spend much time on information search because their time is more valuable to them, and even if the purchase fails, it is a low opportunity cost trial. Market competition influences information search. When the market competition for such products is fierce, consumers have more channels to obtain information. Therefore, it is easier to compare different brands and product performance and prices to find the optimal option.

3.3 Evaluation and Comparison of Goods Before Purchase

Consumers evaluate and compare the information they have found to decide which specific goods best meet their needs and expectations. This step is the core step in consumer purchasing behavior, largely determining the outcome of consumer purchases. When comparing information, consumers consider product attributes such as brand, price design, functional fit, and after-sales service. Behind the evaluation of these product characteristics are multiple factors such as personal, social, behavioral, and psychological factors. Different people can make vastly different decisions when presented with the same information. Rational consumers base their decisions on actual parameters to maximize their satisfaction. The concept of rational needs is also a theoretical assumption in traditional economics, where traditional economic models can predict consumer behavior only under ideal conditions. However, when it comes to purchasing items like sneakers, which belong to a diverse category with overall moderate price value in the mainstream market, consumers tend to act irrationally. They consider not only objective factors like appearance, functionality, and price but also subjective factors such as brand, emotions, social circles, external stimuli, and even imagination. The complexity and variability of these influences lead to highly subjective consumer purchasing behavior. Consequently, this provides opportunities for businesses to manipulate and guide consumer purchasing behavior.

3.4 Purchase Decision and Behavior

After evaluating all available information, consumers make specific purchase decisions, including the purchased goods, quantity, time, place, and channel. Once the decision is made, consumers engage in the purchasing behavior. In this step, post-purchase consumer experience is noteworthy. After purchasing the goods, consumers also evaluate their satisfaction, directly determining brand loyalty when repurchasing in the future.

4. Dimensions of Factors Influencing

Consumer Purchase Behavior

The purchase of consumer goods entails a complex decision-making process. When it comes to purchasing sneakers, this category of products combines functionality with aesthetics and comes with a wide price range. Consumers are influenced by various dimensions of factors, primarily categorized into five groups: personal factors, behavioral factors, psychological factors, social factors, and environmental factors.

4.1 Factors at the Personal Dimension

Personal factors influencing consumer purchase behavior include gender, age, income level, occupation, personality, and lifestyle [6]. These factors are relatively objective and difficult to change. For example, consumers across different age groups may have preferences for designs that suit their age range. Similarly, individuals with lower income levels may not consider purchasing expensive items with low practical value, such as limited edition or commemorative sports shoes. Additionally, individuals whose occupations involve formal social engagements or who lead more sedentary lifestyles may not prioritize purchasing sports shoes.

4.2 Factors at the Behavioral Dimension

Behavioral factors pertain to consumers' past behavior patterns and purchasing preferences. Some consumers tend to conduct extensive research, perform detailed evaluations and comparisons, and make informed decisions. Others exhibit decision inertia, preferring to reduce decision-making time by purchasing familiar brands or styles. Some consumers focus on value for money, prioritizing the matching of price with quality to maximize the utility of their purchases. Businesses leverage these habitual tendencies to strengthen or differentiate their product positioning, thereby influencing consumers' perceptions and psychological processes.

Given the relatively low malleability of personal and behavioral factors, companies primarily focus their marketing strategies on the following three levels of factors. The wide price range of sports shoes with similar functionality, ranging from tens to tens of thousands of dollars, is mainly attributed to psychological and social factors.

4.3 Factors at the Psychological Dimension

Behavioral economics emphasizes the irrationality and emotional influence of consumers. There are many psychological factors that influence consumer behavior, including individual's emotional cognition, psychological motivation, and so forth. Among them, several well-known theories from the field of psychology can effectively explain how psychological factors impact consumer

behavior.

4.3.1 The Mental Accounting Theory

The Mental Accounting Theory, a fusion of psychology and economics, posits that individuals compartmentalize their finances or resources into different mental accounts, such as daily necessities, entertainment expenses, and significant milestones. This compartmentalization leads to the manifestation of irrational behaviors in purchasing decisions, as well as varying sensitivities to different accounts during expenditure [8]. People tend to consider the inflow and outflow of specific accounts when making decisions, rather than the overall financial situation, potentially resulting in decisions inconsistent with rational economic models. For instance, if someone views purchasing sneakers purely for utility purposes, only basic requirements need to be met, leading them to be willing to pay anywhere from tens to hundreds of units of currency. However, if they perceive buying sneakers as a gift for a loved one, they may be willing to spend from hundreds to tens of thousands of units of currency. Moreover, if certain limited-edition sneakers are seen as collectibles or for investment purposes, consumers' psychological price expectations may be even higher.

4.3.2 Anchoring and Adjustment Theory

The anchoring effect refers to the tendency for individuals to use initial information as a reference point when evaluating subsequent information and making corresponding decisions [9]. Many companies leverage this theory for brand shaping and pricing strategies, paying close attention to the primary products in each product line. Brand shaping by enterprises is achieved through embedding brand images into consumer behaviors, encompassing past experiences and current image construction [10]. After consumers acquire relevant product information, they may start imagining various scenarios: "What outfits can I pair with these athletic shoes?" "What kind of image will wearing this brand of athletic shoes convey?" These mental imaginings are just the beginning of a series of complex thoughts. Consumers tend to center their value constructs around themselves, and with each repetition, their behavior patterns and thought processes gradually solidify. As this system becomes established, consumers develop their stable needs and even brand loyalty. For example, Nike initially promoted its products with the "Just Do It" ethos of perseverance in sports while also assuming various social responsibilities. Such emotional shaping fosters positive perceptions among consumers, associating the brand with an optimistic, proactive, and responsible image, which subsequently influences their purchasing decisions. The impact of brands on consumer purchasing

behavior not only manifests in psychological factors but also extends to social factors.

4.3.3 Price perception

Prices are influenced not only by costs and profits but also by consumer psychology. Sometimes, even if the price of a product is the same, consumers may perceive it differently due to factors like income, product quality, brand image, market positioning. Even minor price changes can affect consumer decisions. Different price endings affect the perception of different categories of goods [11]. For instance, a pair of sneakers priced at ¥295 may be more appealing to price-sensitive consumers than those priced at ¥300.

4.4 Factors at the Social Dimension

With advancements in technology and manufacturing processes, designing and producing athletic footwear has become commonplace. Many mainstream athletic footwear brands offer diverse product lines, such as basketball, soccer, running, and casual collections, making it challenging to maintain a definitive competitive advantage in overall categories and quality. Consequently, brands emerge to differentiate themselves from their competitors. A brand refers to a commercial identifier or symbol used to recognize a product or enterprise, evoking associated associations. A successful brand holds immense and long-term commercial value, garnering consumer trust, identification, and even loyalty. Brands influence consumer satisfaction through five dimensions: product quality, employee behavior, ideal self, brand identity, and lifestyle consistency [12]. These dimensions are reflected when consumers, after purchasing athletic footwear, evaluate the product's performance, employee attitudes, and after-sales service, assess whether the product aligns with their ideal image, feel a sense of belonging to the brand, and evaluate the alignment between the brand's promoted lifestyle and their own. If these dimensions align closely with consumers' psychological standards, they are likely to develop brand loyalty and dependence. Take Nike as an example: In terms of product quality and service, consumers generally do not consider these as decision-making factors due to the brand's established positive reputation. Instead, they focus on the social value it brings. By disseminating its corporate culture and historical stories, Nike conveys a positive, brave, and resilient image to consumers. Consumers aspire to achieve their ideal self by purchasing this brand. Nike frequently engages celebrities from various sectors to endorse and advertise, shaping its cultural values and strong social status, garnering emotional support from consumers and fostering brand identification. Athletic footwear is often associated with a healthy and vibrant

lifestyle, leading consumers to use products to showcase their attitude towards life. Additionally, social factors manifest in the aesthetic, functional, and brand preference differences among consumers from different cultural backgrounds. For instance, over a decade ago, purchasing overseas-branded athletic footwear symbolized status and identity for some affluent individuals in China, whereas now, buying domestic brands is a source of pride. In such cases, regardless of pricing or brand strategies, market potential may be lost due to cultural differences. Apart from broad cultural backgrounds, there are also subcultures. As social beings, individuals are influenced by their immediate relatives, friends, classmates, and colleagues, seeking identity within their social circles, often succumbing to peer pressure to purchase specific products. For example, if surrounding peers wear overseas-branded athletic footwear like Nike, while one purchases a local brand like Warrior, they may face direct or indirect ostracism.

4.5 Factors at the Environmental Dimension

Environmental factors encompass the natural environment, shopping environment, product display, shopping platforms, advertising, and marketing. For instance, in China's Hainan province, the hot and humid climate results in minimal demand for athletic shoes, with people wearing them only on specific occasions or for certain purposes, thereby greatly affecting shopping demand. The shopping environment also plays a significant role, as consumers have different psychological expectations regarding the prices, they are willing to pay in lavishly decorated stores compared to street-side stalls. Moreover, the marketing strategies employed by businesses have a direct impact on consumers. Many impulsive purchases stem from marketing stimuli, with promotions being the most common. Impulsive buying is characterized by sudden, instant-desire-driven purchases, often lacking thorough information collection and consideration [13]. The reasons for impulsive purchases are diverse, not only limited to environmental factors but also including psychological or social reasons. However, regardless of the factor, the core essence remains the same: purchases are driven by short-term stimuli rather than genuine need or attraction to the product itself.

The rise of online shopping has also increased opportunities for impulsive buying [14]. Previously, offline shopping channels made it difficult for individuals to be influenced by external market factors if they were not physically present in stores. However, technological advancements such as smart communication devices and online shopping platforms have made purchasing goods more convenient. Therefore, when browsing online, consumers may encounter stimuli that trigger their desire

to buy impulsively. Additionally, research indicates that cultural factors also influence impulsive buying behavior [14]. For example, many athletic shoe brands incorporate elements of Chinese trends and cultural identities into their designs. In such cases, consumers may purchase not only out of necessity but also due to the cultural significance and national identity associated with the product. Businesses may also induce emotions through advertising, leveraging storylines and audiovisual effects to resonate with consumers emotionally and prompt impulsive purchases. Athletic shoes can also attract consumers' attention through various product display methods, such as showcasing new arrivals or highlighting special offers and limited-edition shoes.

5. Conclusion

This study delves into the multifaceted factors influencing consumer purchasing behavior, with a particular focus on athletic footwear. Consumer buying behavior is a complex process influenced by various factors such as personal, behavioral, psychological, social, and environmental aspects. While traditional economic theories emphasize rational decision-making, they have limitations in accurately predicting consumer behavior. The emergence of behavioral economics provides a more comprehensive perspective. When purchasing athletic footwear, personal factors such as gender, age, and income, as well as behavioral factors like information search and evaluation, play crucial roles in consumer decision-making. Psychological factors such as mental accounting theory and psychological pricing, along with social factors such as brand awareness and cultural background, also significantly impact consumer purchasing behavior. Furthermore, environmental factors like shopping environments and advertising directly influence consumer buying behavior. Therefore, when devising marketing strategies, businesses should consider and leverage various social factors to influence consumer purchasing decisions, thereby enhancing product sales and brand competitiveness.

However, this study has its limitations. Firstly, despite attempting to explain consumer buying behavior from multiple dimensions, there may still be other unconsidered factors such as individual differences and regional cultures. Secondly, this study primarily focuses on athletic footwear, and different types of products may entail different buying behavior patterns and influencing factors, limiting the generalizability of the research findings. Future studies could further explore the interactions between different factors and their variations across diverse cultural backgrounds, such as the influence of online shopping and social media on consumer decision-making. Additionally,

empirical research methods could be employed to obtain more comprehensive and accurate data. By better understanding the dynamic changes in consumer behavior, businesses can provide more effective marketing strategies and product recommendations.

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