

Impact of Intrinsic and Extrinsic Motivations on Consumer Behavior : An empirical study in a Shopping Mall in Algiers

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Abstract:

This study aims to investigate the impact of intrinsic and extrinsic motivations in directing consumer behavior. To achieve this goal, a questionnaire was prepared and distributed to a sample of (200) consumers at a shopping mall in Algiers. The Spss program was used to perform the statistical analysis of the data. The results concluded that both intrinsic and extrinsic motivations play a crucial role in making consumer purchasing decision.

Keywords:

Consumer Behavior, Intrinsic Motivation, Extrinsic Motivation, Shopping Mall.

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Introduction:

Psychologists have started since the end of the last century to pay attention at the field of consumer behavior, and they focused on studying consumer needs and purchase motivation, and many researches were conducted to understand the purchasing processes adopted by the consumer when he wants to acquire goods and services.

Their studies have provided high quality research especially when combined with qualitative methodologies where emerged a number of consumer behavior models such as Francesco Nicosia Model (1966), James F. Engel Model, R. D. Black Well & David T. Kollat (1968), and Howard, John A. & N. Sheth Jagdish (1969) model which focused on consumer purchasing behavior using a quantitative approach, with the development of social science software packages such as: SPSS and AMOS ...

The results of the studies came to help marketers to understand the factors affecting consumer behavior, and directing them toward the promotion of their products and thus, improving their profits.

Accordingly; this paper tries to answer the following question:

To what extent can motivation influence consumer behavior?

The main objectives of this research are to study the customers' behaviors towards retail Malls and to investigate the influence of intrinsic and extrinsic motivations on consumer buying behavior in shopping malls.

1. Theoretical Framework:

1.1. Consumer Behavior :

Consumer behavior is the mental, emotional and physical activities that people engage in when selecting, purchasing, using and disposing of products and services so as to satisfy needs and desires (Priest, Carter & Statt, 2013, p. 5). In other words; Consumer behavior is comprised of the processes and factors consumers use to make purchase decisions (Folsom & Boulware, 2004, p. 86). It entails the study of people's needs, motivations, and thought processes used in choosing one product over another and the patterns of purchasing different goods and services " (Abu Auf, Meddou, Saoula, &Majid, 2018, p. 178).

Consumer's behavior is not arbitrary or random in most cases, but governed and directed by a goal or a group of goals aimed at satisfying its currently unsatisfied needs.

The definitions cited above clearly bring out that it is not just the buying of goods/services that receives attention in consumer behavior but, the process starts much before the goods have been acquired or bought. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post-purchase behavior which is also very important, because it gives a clue to the marketeers whether his product has been a success or not (Khan, 2006, p. 4).

A large number of factors influence Consumers Buying behavior. They are generally classified as (Ramya& Mohamed Ali, 2016, pp. 76-80); (Oliveira, 2016) :

- Psychological (motivation, perception, learning, beliefs and attitudes)
- Personal (age and life-cycle stage, occupation, economic circumstances, lifestyle, personality and self concept)
- Social (reference groups, family, roles and status)
- Cultural (culture, subculture, social class system).

1.2. Consumer Buying Process :

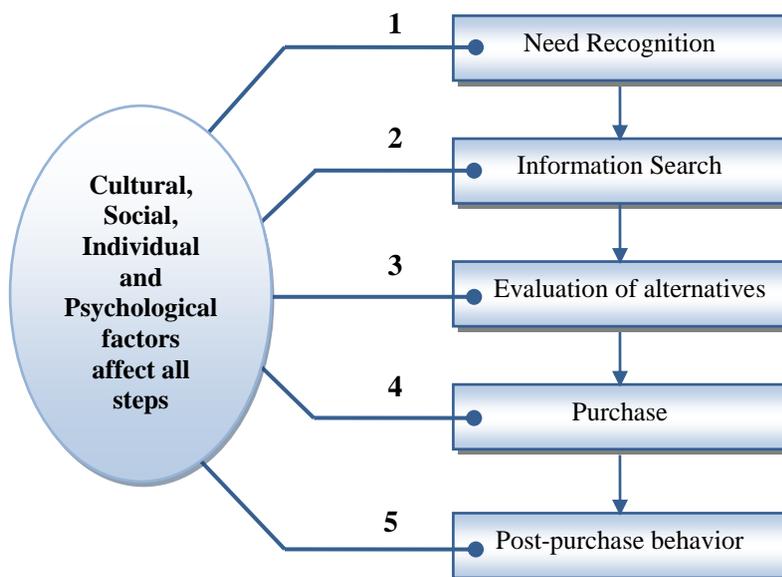
Consumer behavior can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services (Khan, 2006, p. 4). Thus, the Consumer Buying or purchasing Process consists of sequential steps consumers typically go through in making a purchase decision. Often the whole process will only take seconds or a few minutes, while other times it may take years (Folsom & Boulware, 2004, p. 87).

There are five stages when making a purchase decision. (as shown in figure N°01) (Khan, 2006, pp. 131, 132); (Folsom & Boulware, 2004, p. 87).

- ❖ **Problem recognition:** A consumer recognizes a need to buy a product.

- ❖ **Information search:** In the search stage, consumers identify different products that will solve their problems
- ❖ **Evaluation and alternatives:** In this stage, consumers consider and weight the choices available; In other words; The products which can fulfill the needs are evaluated in terms of plus and minus points.
- ❖ **Purchase action:** The purchase decision and action is, as the term suggests, the determination of which product will best satisfy consumer's need, and the action of making the actual deal.
- ❖ **Post-purchase behavior:** Addressed the question: Did I make the right decision? And did I get a good deal? This is how a consumer feels after using the product, i.e., satisfaction or dissatisfaction.

Figure N°01: Stages in the Consumer's Purchasing Process



Source: Wai San & Yazdanifard, 2014, p. 42.

The process focuses on how consumer makes decisions, where each step of the consumer buying process is affected by the Social, Individual and Psychological factors influencing consumer behavior.

1.3. Motivation :

In consumer behavior, motivation plays an important part in making a decision.

The term motivation appears to have first crept into psychologists' vocabularies in the early 1880s. Prior to that date, the more amorphous concept of the will was used by philosophers and social theorists when they discussed the antecedents and features of effortful, directed, and motivated human behavior. Early functionalist philosophers and psychologists adopted the term motivation usually in reference to voluntary action behaviors that show direction (Durmaz & Diyarbakırlioğlu, 2011, p. 37). Actually, the term motivation can be used in different ways, but in essence it refers to any sort of general drive or inclination to do something (Baumeister & Vohs, 2007, p. 116).

According to McNeal, motivation refers to the processes that cause people to behave as they do. From a psychological perspective motivation occurs when a need is aroused that the consumer wishes to satisfy. (Durmaz & Diyarbakırlioğlu, 2011, p. 38).Karsaklian states that the motivation process begins with the detection of a need. (Oliveira, 2016). A need is an internal state of tension caused by disequilibrium from an ideal or desired state (Hoyer & MacInnis, 2008, p. 50). In consumer behavior motivation is linked with the needs that can be satisfied as a result of a purchase (Georgi, Lichev & Tsenov, 2017, p. 9). In other words, motivation acts as a driving force that impels an individual to take action to satisfy his needs. So it becomes one of the internal factors influencing consumer behavior (Ramya & Mohamed Ali, 2016, p. 77).

Guay et al., stated that motivation refers to “the reasons underlying behavior” (Lai, 2011, p.4). Consumers can be motivated to engage in behaviors, make decisions, or process information, and this motivation can be seen in the context of acquiring, using or disposing of an offering (Hoyer & MacInnis, 2008, p. 45).

In the words of William J Stanton, “A motive can be defined as a drive or an urge for which an individual seeks satisfaction. It

becomes a buying motive when the individual seeks satisfaction through the purchase of something” (Ramya& Mohamed Ali, 2016, p. 77).

Motivation can stem from two places, and it is generally categorized as: Intrinsic and Extrinsic motivation:

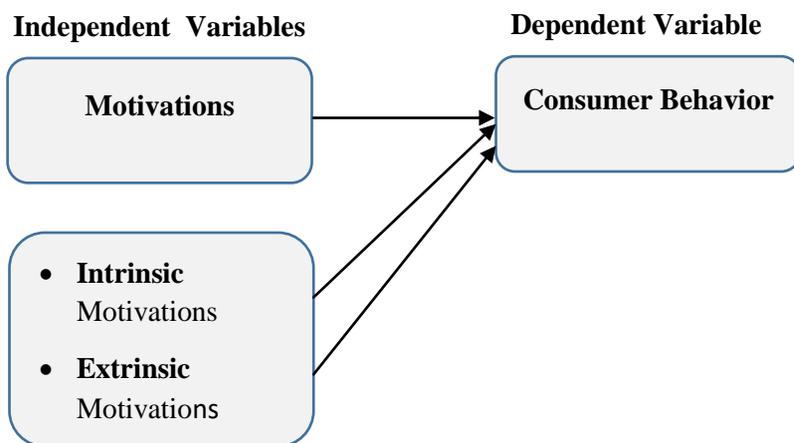
- ❖ **Intrinsic Motivation:** Intrinsic motivation is motivation that is animated by personal enjoyment, interest, or pleasure (Lai, 2011, p.4), and it refers to motivation that comes from inside an individual rather than from any external or outside rewards, such as money or grades (Durmaz & Diyarbakırlıođlu, 2011, p. 38).
- ❖ **Extrinsic Motivation:** Extrinsic motivation comes from outside of the individual. Common extrinsic motivations are rewards like money and grades, coercion and threat of punishment (Durmaz & Diyarbakırlıođlu, 2011, p. 38).

2. Research Methodology :

2.1. Research model :

To examine the effects of motivation on consumer behavior, the following model will be investigated:

Figure N°02: Study Model



Source: Prepared by researchers

2.2. Research Hypotheses :

According to the conceptual model of the research, the following hypotheses are developed and tested:

H1: There is a statistically significant positive effect of the intrinsic motivation on consumer behavior.

H2: There is a statistically significant positive effect positive effect of the Extrinsic motivation on consumer behavior

2.3. Sample and Data Collection :

Data were collected through a survey conducted among final consumers in shopping mall in Algiers during September 2019. 217 questionnaires were distributed to a group of consumers in the selected mall, 205 were returned, among them 200 fully answered questionnaires from the respondents were finally found eligible for the data analysis.

2.4. Collection Instrument :

The questionnaire was divided in four main sections as follows:

- The first section consists of demographic characteristics, which include Age, Gender, Education level, marital status and employment status.
- The second part consists of questions measuring the intrinsic motivations influencing the consumer purchasing process,
- The third section: included questions concerning questions measuring the extrinsic motivations influencing the consumer purchasing process,
- The fourth section consists of questions related to knowing consumer purchasing behavior.

2.5. Measures :

All the questions were measured using a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). To facilitate data analysis the means were interpreted as follows:

Table N°01: Levels of measurement of Likert scale variables

Ranking	Strongly Agree	Agree	Neutral	disagree	Strongly disagree
Score	5	4	3	2	1
Interval	4.21-5	3.41-4.2	2.61-3.4	1.81-2.6	1-1.8
Evaluation	Very high level	High level	Medim level	Low level	Very low level

Source: Prepared by researchers

To test the questionnaires reliability we used Cronbach's alpha. Cronbach's alpha coefficient reached 0.808, (as shown in Table N°02), which exceeds the (60%) recommended acceptable reliability limit, indicating that the factors within each multi-item variable are, in fact, inter-related.

Table N°02: Stability Factor Cronbach's alpha

Variables	Cronbach's alpha
rates	0.808

Source: Prepared by researchers based on SPSS output

2.6. Statistical data analysis

The data analysis was done using SPSS 22 (Statistical Package for Social Sciences) software. Frequency distribution was done for the demographic information collected from the study sample.

In order to measure the impact of motivation on consumer behavior, a set of statistical tools and tests were used, including: the mean and the standard deviation; Kolmogorov–Smirnov (KS) test that assess whether data are normally distributed, and multiple regression analysis to determine the relationship between variables, and to predict value of the dependent variable (Y) which represents consumer behavior, based on value of independent variables (X). which represents motivation.

3. Results :

3.1. The respondents' demographic profile

Frequency distribution profile of respondents (as seen in Table N°03) showed that 57 % of the respondents were female while 43% of the remaining respondents were male.

In terms of the age group 22% of respondents belonged to below 30 years age category, 45 % to between 30 to 39 years category, and 66% to above 40 years age category.

Concerning the family status, 77% of the respondents are married, 23% are single.

With regard to the professional status, the majority of respondents (85%) are employed while the rest (25%) are unemployed.

Table N°03: Demographic Profile of Respondents (n=200)

Variable Name	Description	Frequency	%
Gender	Male	86	43
	Female	114	57
Age	Less than 30	44	22
	From 30-39	90	45
	Over - 40	66	33
Level of Education	Secondary Level	34	17
	University level	166	83
Familystatus	Single	46	23
	married	154	77
Professional status	Unemployed	30	15
	Employed	170	85

Source: Prepared by researchers based on SPSS output

3.2. Normality test:

The Kolmogrov Smirnov test results for Normality are presented in (Table N°04).

Table N°04: Kolmogorov-Smirnov Test

<i>Test Kolmogorov-Smirnov for a sample</i>		
		<i>consumer behavior</i>
<i>N</i>		<i>200</i>
<i>Normal Parameters^{a,b}</i>	<i>rate</i>	<i>4,2100</i>
	<i>type</i>	<i>,42011</i>
<i>Differences</i>	<i>Absolute</i>	<i>,168</i>
	<i>Positive</i>	<i>,108</i>
	<i>Négative</i>	<i>-,168</i>
<i>Test Statistics</i>		<i>,168</i>
<i>Sig. asymptotic (bilateral)</i>		<i>,053</i>
<i>a. The distribution of the test is normal.</i>		
<i>b. Calculated from data</i>		
<i>c. Correction of Lilliefors' signification.</i>		

Source: SPSS output

As $p > 0,05$, (the typical alpha level), the data follows a normal distribution.

3.3. Descriptive Analysis:

The following tables show the Mean scores and Standard Deviation of each statement of customers' motivations toward purchasing from the shopping mall.

3.3.1. Descriptive Statistics for: Intrinsic Motivation

Table N°05: Means and Standard Deviations of Intrinsic Motivation Items

Items	Average rate	Standard Deviation	Level of Agreement
You purchase products for personal use	4.15	0.75	Agree
You purchase products for family members use	4.01	0.79	Agree
You purchase products because you want to imitate people	3.20	0.99	Neutral
You purchase products to show off	3.62	0.87	Neutral
You purchase products to express your personality and to be different from others	3.47	0.83	Agree
You purchase products for pleasure	3.09	0.92	Neutral
Total	3.55	0.43	Agree

Source: Prepared by researchers based on SPSS output

From (Table N°05), we notice that the total arithmetic mean of the intrinsic motivation items was 3.66 and it belongs to the category [3.40 - 4.19] which means that the members of the study sample agree that the intrinsic motivations mainly control their purchasing behavior, particularly meeting their personal and the family members' needs are considered among the important motivations with the highest mean scores: 4.15 and 4.01 respectively. However, they moderately give importance to imitate people, show off or for pleasure when purchasing products.

3.3.2. Descriptive Statistics for: Extrinsic Motivation

**Table N°06: Means and Standard Deviations of
Extrinsic Motivation Items**

Items	Average rate	Standard Deviation	Level of Agreement
You purchase because you are influenced by the products features, price, packaging, availability	4.12	0.78	Agree
You purchase because you are influenced by marketing communication, such as adverts, design, salesman's handling	3.32	1.00	Neutral
You purchase because you are influenced by other people's opinions	3.66	0.85	Agree
Total	3.70	0.55	Agree

Source: Prepared by researchers based on SPSS output

From (Table N°06), we notice that the total arithmetic mean of the Extrinsic motivation reached 3.70 and it belongs to the category [3.40 - 4.19] which means that the members of the study sample agree that the extrinsic motivations contribute to defining and orienting their purchasing behavior.

Products features, price, packaging and availability are considered among the most important extrinsic motivations with the highest mean score: 4.12, while respondents moderately give importance to marketing communication when purchasing products.

3.3.3. Descriptive Statistics for: Consumer Behavior

**Table N°07: Means and Standard Deviations of
Consumer Behavior Items**

Items	Average rate	Standard Deviation	Level of Agreement
Making a purchasing decision depends on the Intrinsic motivations	4.15	0.68	Agree
Making a purchasing decision depends on the Extrinsic motivations	4.04	0.75	Agree
Making a purchasing decision depends on Intrinsic and Extrinsic motivations	4.39	0.69	Strongly Agree
You tend to make a thoughtful purchase and consider a number of attributes in making the purchasing decision.	4.27	0.72	Strongly Agree
Total	4.21	0.42	Strongly Agree

Source: Prepared by researchers based on SPSS output

From (Table N°07) we notice that the total arithmetic mean of the Consumer Behavior was 4.21 and it belongs to the category [4.21-5], which means that the members of the study sample strongly agree that their purchasing behavior is unfluenced by motivation further to a number of product attributes.

Considering both intrinsic and extrinsic motivations has the highest mean score (4.39), followed by making a thoughtful purchase and considering a number of attributes in making the purchasing decision (4.27).

3.4. Hypotheses Testing:

In order to measure the impact of motivation on consumer behavior, the following hypotheses were developed;

First Hypothesis:

H₀₁: There is no a statistically significant positive effect at the level of significance ($\alpha \leq 0.05$) of the intrinsic motivation on consumer behavior

H₁₁: There is a statistically significant positive effect at the level of significance ($\alpha \leq 0.05$) of the intrinsic motivation on consumer behavior

Second Hypothesis:

H₂₀: There is no a statistically significant positive effect positive effect at the level of significance ($\alpha \leq 0.05$) of the extrinsic motivation on consumer behavior.

H₂₁: There is a statistically significant positive effect positive effect at the level of significance ($\alpha \leq 0.05$) of the extrinsic motivation on consumer behavior.

The test results are shown in (Table N°08).

Table N°08: Results of Multiple Regression Analysis

Coefficients a						
1	Model	Non standardized Coefficients		Standardized Coefficients		
		B	Standard Gap	Beta	t	Sig.
	C(constant)	2.433	,307		7,935	000,
	Intrinsic Motivations	,274	,125	,282	2,188	,031
	Extrinsic Motivations	,215	,099	,279	2,170	,032

Source: Prepared by researchers based on SPSS output

- The result of the multiple regression analysis for hypothesis1 reveals a significant effect of intrinsic motivations on consumer behavior: p-value = 0.031, ($p < 0.05$). As a result, the first hypothesis (H1) is supported.

The correlation between Intrinsic Motivations and consumer behavior was 0.282, and their corresponding p values are less than 0.05 ($p = 0.031$). Therefore, these statements are positively correlated, where a 1 unit increase in X_1 (intrinsic motivations) results in 0.247 units increases in the dependent variable Y (consumer buying behavior)

- The result of the multiple regression analysis for hypothesis2 reveals a significant effect of extrinsic motivations on consumer behavior p-value = 0.032, ($p < 0.05$). As a result, the second hypothesis (H2) is supported.

The correlation between extrinsic motivations and consumer behavior was 0.279, and their corresponding p values are less than 0.05 ($p=0.032$). Therefore, these statements are positively correlated, where a 1 unit increase in X_2 (extrinsic motivations) results in 0.215 units increases in the dependent variable Y (consumer buying behavior)

In general, from our examination of the first and second hypothesis, we can say motivations, in both their internal and external dimensions, affect consumer's behavior.

Therefore, the multiple regression equation for the study variables can be formulated as follows:

$$Y=2.433+0.247X_1+0.215X_2 + e$$

Where e represents residuals or random overlooked variables.

Conclusion:

Motivation is one of the psychological variables that researchers and marketers seek to understand and master in order to direct them toward the promotion of their products and therefore improving their profits.

Motivation is generally categorized as intrinsic motivation which comes from inside an individual; and extrinsic motivation which comes from outside of the individual.

This study was conducted to investigate the influence of intrinsic and extrinsic motivations on consumer buying behavior in a shopping mall. The results showed that both intrinsic and extrinsic motivations are important factors that affect consumer behavior and directing his purchasing decision.

Based on the previous results; it appears that there is a need for increased understanding of customer behavior in shopping malls; as well as the main factors influencing that behavior and affecting consumer's purchase decision.

And regarding the demographic profile of respondents, which consists mainly of employed and married people, the mall manager should focus on promoting products that might interest this segment, while stimulating other segments to visit and purchase from the mall

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