

# The effect of income changes on consumer choices

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**Abstract:** The purpose of the report will be to conduct an analysis of the change in the perception of the customers while change in the economic systems takes place. The income level of the customers are considered as one of the social statuses that are met mainly due to the ability to cope up with the changes that seem to have a differentiated impact in bringing about perfect coordination of the activities involved for success. Such is the case with which each customer centric approach that is undertaken by organisations are considered which can be evaluated to bring about proper justification of the choices that customers make while trying to bring about management of the income status owing to possible economic crisis. Thus, the purpose of the report will be to analyse one such factor that dictates the level of purchase and choices made by customers.

## Table of Contents

Introduction	1
Aim of the project	1
Purpose	1
Research objectives and questions	1
Literature review	2
Research methods	2
Ethical considerations	2
Expected findings	3
Timeline	3
Reference	3

## INTRODUCTION

The modern world has seen various changes in the ways with which economic fluctuations have taken place. Due to the pandemic, most economies have taken a hit and consequently various people have lost their jobs in trying to cope up with the changes made in the organisations. As such, in the words of El-Adly (2019) the income level of the people had to change bringing about a conscience mind with which sustainable application for spending is to be made. Thus, the income stability had allowed people to undertake major changes in life that had a direct impact from the economic wellbeing and income level status.

One such consideration that is made by customers is that of the purchase and decision to make choices that might hurt the lack of income. This aspect can be related to the purchase intention and the ability of the organisations to engage in finding ways with which a customer-centric approach be adopted that can allow the customers to have an effective movement in making purchases. According to Kurdi, Alshurideh and Alnaser (2020), such activities can be associated with the fluctuating income level and at the same time have an influential undertaking towards the choices made by the customers in its wake of making purchase.

Hence, the report will try to focus on the effects that income change have on the choices made by the customers. It is to be kept in mind that customer satisfaction relies on two very important characteristics that every business organisation needs to fulfil. These include quality and price. With the prices of the items selected being compromised due to budget cuts and income instability, the quality is the focus. For this reason, the research conducted will focus on the income level so that an associated activity of the factors that help customers make choices in the society be identified. In this way, the research will be directed towards the ways with which income status can bring about different perspectives for the customers.

The social status and pressure is the target that can be associated in bringing about proper customer centric approach. The qualitative application associated with the customers is considered in this way to have a proper identification of the lucrative approach that is undertaken by the customers. Thus, the research will try to bring to the attention the changes that can be brought about in the mind-set of the customers so that an improved application towards the income status can be identified. Hence, the opportunities that deem to be worthy of customer centric approach can also be coordinated to engage in the development of the income status.

## AIM OF THE PROJECT

The aim of the research will be to identify the effects that income changes have on the consumer choices. This is in relation to the fact that the consumer choices seem to fluctuate in bringing about effective coordination related to the economic prosperity. In such ways, the opportunities associated with the consumer application can be identified in the project.

## RESEARCH OBJECTIVES AND QUESTIONS

The objectives that will be associated with the research will include:

- To explore the factors that influence customer purchase
- To identify the level of effect that change in income has on customers
- To manage the customer centric approach that might be needed for bringing about profitability in organisations

- To recommend ways with which customers can manage income level and lead a proper lifestyle  
The associated research questions for the research project will include:
- What are the factors that influence customer purchase?
- What is the level of effect that change in income has on customers?
- What is the customer centric approach that might be needed for bringing about profitability in organisations?
- What ways can be recommended with which customers can manage income level and lead a proper lifestyle?

## LITERATURE REVIEW

### *Concept of customer choices*

The customer choice can be deemed as the ability of the customers to select from a wide variety of items that are deemed as worthy for their lifestyles. These choices can come in any form of ranging from domestic and essential products to that of luxurious and one-time use products. According to Dam and Dam (2021), the choices made by the customers usually dictate the status quo, which can well be implemented in bringing forward an adversity associated with the changes being made in the market. For this reason, the choices made are one of the most essential prospects that are required to be kept intact while identifying the choices that are initiated.

### *Factors determining customer choices*

The factors that can determine the customer choices also help in determining the satisfaction level of the customers. As understood by Rita, Oliveira and Farisa (2019) the prices and qualities are two of the most important characteristics that every customer need to undergo while trying to bring forward the suitable choice for success. It is mandatory that the customer centric approach undertaken by organisations focus on these aspects so that proper coordination with the customer requirement can take place. This can well be considered as one of the essential elements that help customers manage the choices that are to be made.

Along with this, the service quality and the brand image also play significant roles in determining the choices made by the customers. An important understanding in this case is the fact that different organisations have different policies in trying to bring about effective services. In the words of Shokouhyar, Shokoohyar and Safari (2020) the higher the brand value the quick and efficient services are provided. Thus, customers are tempted to bring about massive change in trying to formulate the required form of performance input necessary for making the choices. Hence, in this way, the opportunities for the customers in trying to bring about proper choices seem to rest on the level of brand that is targeted.

### *Effect of income on customer choices*

The effects of income on the choices made by the customers can be deemed to have a significant impact. As prices, quality, services and the brand image being the main targets of the customers it is necessary that income status remain effective. As stated by de Souza *et al.* (2020) any fluctuant in the income level can change the choices bringing about change in mentality of the customers. In this way, it can be stated that the opportunities stated with the customer centric approach can well be regarded to have a significant impact towards the organisations.

Thus, from this it can be stated that the change in income can activate the customer interest and bring about a sensible approach in trying to facilitate the wellbeing of an organisational development plan. In the words of Hamzah and Shamsudin (2020), the opportunities that can be considered in this case, can well be deemed as useful in trying to help bring about an approach in the quest to impose proper customer centric approach in the organisational wellbeing. Thus, the feasibility of the organisational set up can well be represented in the income level of the customers and the choices that are needed to be made for engaging in the society. This is regarded as important for every customer.

## RESEARCH METHODS

The research methods that will be imposed for the completion of the study will include:

**Research philosophy:** The research philosophy that will be undertaken for the research will include the interpretivism. The reason for this is that it will help the interpretivism philosophy the researcher can bring about an understanding of the common knowledge that might exist for the study and apply it to meet the organisational objectives so that the topic can be concluded.

**Research approach:** The use of the deductive approach will be made in which case the researcher will undergo general understanding of the concepts and align it with the specific investigation that is required. This will help focus and align the campaigns that are associated with the approach taken by the researcher to meet the set objectives.

**Research design:** The research design that will be adopted will include the descriptive design. The reason for this is that the research design will help in bringing about a significant impact towards the in-depth analysis that will be undertaken so that the researcher can bring about detailed interpretation of the existing theories and concepts.

**Data collection method:** The data collection method that will be selected for the research will include the secondary collection. In this way, the researcher will collect and interpret the data that will be published in books, journals and articles. Authentic information that already exist about the topic will be considered in this case so that an opportunity for bringing about authentic information can be gained.

**Data analysis method:** The data analysis method will be the use of qualitative analysis. In this way, quality information will be gained and aligned with the existing literature. In such ways, the effectiveness of the research methods and the objectives can be associated with the proper application towards the research method.

## ETHICAL CONSIDERATIONS

The research conducted will undergo certain area of ethical perception with which opportunity for developing the sources of proper research will be considered. It has already been mentioned that the research undertaken will be secondary and hence, there will be no requirement for bringing about filling of consent forms from target participants. However, authentic information will be

required to be provided so that the researcher does not get involved in any form of misconducted. The information collected need to be from valid sources and it is necessary that the researcher does not involve in manipulating the information that is gained. Keeping such concepts in mind, the sharing of information related to the research will be avoided and the researcher will be deleting any evidence of the research after completion. The researcher will also not be involved in gathering information from peers and bring about false source of referencing that are not aligned with the topic. These aspects can help the researcher to progress properly for concluding the topic in an efficient manner.

## EXPECTED FINDINGS

The research undertaken can be expected to help the researcher in searching for information that is related directly to the psychology of the customers. It is expected that the research will shed light on the fact that social status of the customers play an important role in bringing about relevant customer management approach and hence any fluctuation related to the income level can change the wellbeing of the customers. The ability to make purchases can well be deemed as an opportunity to set the customers up while bringing about an expected form of guidance related to the topic. Hence, the setting up of the research can well be deemed to have an influential impact while trying to bring together assessment of the economic fluctuation, social requirements and the pressure that customers engage in bringing about possibility of decisions while making purchases.

## TIMELINE

Main activities	1 <sup>st</sup> week	4 <sup>th</sup> week	10 <sup>th</sup> week	16 <sup>th</sup> week	20 <sup>th</sup> week	24 <sup>th</sup> week	28 <sup>th</sup> week
Selection of topic							
Review literature							
Identify research methods							
Collect secondary data							
Interpretation secondary data							
Analyse secondary data							
Provide conclusion							
Submission							

**Table: Timeline**

(Source: Created by author)

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