

## THE ROLE OF SELF-ESTEEM IN THE BUYING DECISION PROCESS. A THEORETICAL APPROACH

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**Brîndușa Mariana BEJAN<sup>1</sup>**

**ABSTRACT.** Within the consumer behaviour literature, there are few studies in the consumer behaviour literature dealing with the relationship between consumer self-esteem and its role in the buying decision process. This paper explores the influence of self-esteem throughout the five stages of the consumer buying decision process. The first aspect for consideration is getting a clear picture of the definition and dimensions of self-esteem. The second element of the study concerns the five stages of the decision-making process, with special focus on how the process takes place depending on the level of self-esteem.

The results show that impulse purchasers have more often than not a low level of self-esteem and do not go through the stages of the decision-making process in the usual way. With respect to managerial implications, the study indicates that organizations have to pay more attention to customer self-esteem when making customer segmentation, as, at the moment, the focus is only on demographic differences (age, gender, background, education) which do not always provide sufficient information. The evidence shows that self-esteem plays an increasing role in explaining consumer behaviour and sheds light on how individuals make decisions which mould their existence.

**Key words:** self-esteem, consumer behaviour, extended self, buying process

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<sup>1</sup> Marketing Department, Faculty of Economics and Business Administration, Babeş-Bolyai University, Cluj-Napoca, Romania; e-mail: brandusa.bejan@econ.ubbcluj.ro

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## **Introduction and Review of Literature**

Today's society undergoes ongoing development. Needs, as presented by Abraham Maslow, continue to mould people's life. More and more people today seek to satisfy the needs in the upper levels of the pyramid (ego needs and self-actualization) (Schiffman & Wisenblit, 2015). The infinite variety of ways to satisfy these needs has become a growing feature of the present economy. Companies change their vision and strategies to match people's desires. People's progress continues to challenge organizations to identify new ways of satisfying consumers' needs and desires.

Economically, marketing has always had as goal the consumer satisfaction (Kotler & Armstrong, 2018). Thus, people were divided into samples according to criteria allowing a precise segmentation: age, income, pursued or completed education, gender, etc. (Kotler & Keller, 2012; Kotler & Armstrong, 2018). Marketing research has shown that these are not the only segmentation criteria. In reality, there is very little information obtained through the use of the above-mentioned criteria.

Differences between individuals are currently explained using more profound criteria related to people's personalities, the attitude they adopt according to the marketing stimuli to which they are exposed and how they react to these aspects. Therefore, the concept of self-esteem has increasingly come into sharp focus in the last years. Maslow included self-esteem on the fourth level of the pyramid of needs, together with prestige and status, in the category of ego needs as early as 1943 (Maslow, 1943; Schiffman & Wisenblit, 2015). However, self-esteem has crossed the borders of psychology, where it was initially used (James, 1893), and is also referred to in economics, particularly in the field of marketing. To satisfy people's needs and desires, marketers have to know the behaviour of

existing customers and that of prospective consumers. Consequently, the concept of self-esteem is being found more and more frequently in the study of consumer behaviour (Solomon, 2018). The concept of self can account for the differences between individuals (Plăiaș, 2011) (people's needs, character, knowledge) and the result thereof is seen in the buying process.

The analysis of the buying process considers the five stages that a consumer goes through: need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behaviour (Schiffman & Wisenblit, 2015). Self-esteem exerts influence on each stage and determines the individual's level of involvement.

The purpose of the study is to identify the influence of self-esteem in each stage that an individual goes through during the buying process, as well as to point out the differences stemming from different levels of people's self-esteem. The author also seeks to contrast the regular with the impulsive buying behaviour, and analyses the factors leading to the latter, as well as the changes in self-esteem.

### ***Defining self-esteem***

„Are We What We Buy?” is the question which has made the object of many studies conducted by marketing professionals over the years. How customers choose a product, the choosing criteria and the significance of the purchased articles differ across individuals, and marketing research has not been able to provide a unique answer concerning the reasons behind people's choices. By analysing the members of a society and drawing homogenous samples according to the most used segmentation variables (age, income, education, background, etc.), marketing professionals have noticed that there is something more profound in the differences between individuals as these are correlated with the individual's personality and his or her self-regard. Recent studies (Solomon, 2018) have shown that the “value” of an individual does not depend on the quality or the price of the purchased products and is not reflected in the individual's possessions. Therefore, differences between individuals are explained by each person's self-esteem and by the level of such self-esteem.

Self-esteem includes “all beliefs a person holds about his own attributes and how he evaluates the self on these qualities” (Solomon, 2018, p. 201). The complexity of the concept led to specialists having

difficulty in their attempt to define the term and to determine its scope and influence. Over time, some researchers have associated self-esteem with the concept of “identity”, a label according to which people are categorized and assessed by how they think, look, feel or behave, these being defining attributes (the image of a housewife, a student, etc.) (Reed et al., 2012).

Given the significance and the complexity of the concept as well as its effect on consumer behaviour, self-esteem has been the research theme of many marketing studies. Schiffman and Wisenblit (2015) have identified four components of self-esteem:

- ✓ *Actual self*: the image consumers have of themselves;
- ✓ *Ideal self*: the image people wish to have of themselves;
- ✓ *Social self*: how individuals are perceived by other people;
- ✓ *Ideal social self*: how individuals wish to be perceived by the other members of society” (Schiffman & Wisenblit, 2015, p. 110).

Depending on the level of self-esteem, each person has a prevailing component. In some situations, depending on motivational factors, the position in an individual’s hierarchy can change (Schiffman & Wisenblit, 2015). In the case of purchases, for example, if their value is high, the emphasis is placed on the social or the ideal self. And conversely, in the case of regular purchases, such as basic necessities, greater emphasis is placed on the immediate satisfaction of needs and, implicitly, on the actual self.

Individuals can be identified according to the level of self-esteem they achieve, which enables making succinct observations about the differences between persons with a high level and persons with a low level of self-esteem. For example, persons with a low level of self-esteem usually avoid taking risks as they try to sidestep challenging situations (Solomon, 2018). These individuals lack confidence in themselves and in the knowledge they have acquired. They are perplexed by situations with a high level of uncertainty and avoid making decisions which may have a major effect on their everyday life. Differences in the level of self-esteem are also reflected in people’s buying behaviour. Usually, people with a high level of self-esteem are willing to allocate larger amounts of money to purchases because they believe they deserve those products (Rucker et al., 2011). They analyse the pros and cons of each purchase and, if the

purchase carries a big risk, people with a high level of self-esteem are willing to take it.

Knowing the level of self-esteem of people belonging to a sample is the first step that enables marketing professionals to target these people and design products that can satisfy consumers' needs and desires. Based on the differences in the level of self-esteem between individuals, specialists have identified a process of social comparison. Marketers usually use advertisements to bring their products to consumers' attention. The purpose of social comparison is to draw consumers who believe that their own image projected in society is similar to the characteristics exhibited by the people featured in the ads (Häfner, 2004). Individuals want to belong to a group and pursue social acceptance. Under such circumstances, it is important for them to adopt the characteristics that define the community to which they wish to belong.

### ***The role of self-esteem in the buying process***

Consumers make purchases daily. Naturally, such purchases differ in terms of complexity and the amounts of money allocated. Specialists attempt to identify the stages consumers go through when they make a purchase. Theoretically, the buying process (the decision-making process) consists of five stages: need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behaviour (Kotler & Armstrong, 2018) (Figure 1). Thus, it can be seen that the decision-making process starts before the actual purchase and continues for a longer period after the purchase is made.

The attention of marketing professionals must be equally devoted to all five stages of the process so that they may identify the factors influencing consumers during each decision they make. Naturally, product purchasing is a daily process which sometimes becomes fairly repetitive due to a greater number of products being bought. Many studies have been conducted over time to identify the influence of self-esteem on the stages of the decision-making process. The studies have been premised on self-image congruence, a model according to which people choose products with characteristics that they identify at the time when they analyse their own behaviour (Aaker, 1999; Onkvisit & Shaw, 1987; Kotler & Armstrong, 2018; Aaker, 1997). Thus, a correlation exists between

the product image, the individual's characteristics and, implicitly, his or her image. Choosing a product promoting positive attributes and helping improve the individual's image generates a feeling of satisfaction and increases self-confidence (Townsend & Sood, 2013). An individual's possessions reflect his or her identity—"we are what we consume" (Kotler & Armstrong, 2018, p. 169). Understanding the relationship between purchases and self-esteem is the key to understanding consumer behaviour and the decision-making process.

*Need recognition:* The buying process starts with the individual's identification of a problem or a need. Recognition may be triggered by internal stimuli—the appearance of the sensation of hunger or thirst—and by external stimuli—opinions of members of the reference group, and exposure to the ads of companies (Kotler & Armstrong, 2018).

*Information search:* This is a stage that consumers sometimes bypass. Brand loyalty, loyalty to a company or the routine buying process are some of the reasons why consumers avoid going through this stage. If the consumer is familiar with a particular product, at the moment of a new purchase, he or she will not seek further information to back up his/her decision. Consumers appeal to many sources in their search for information, such as acquaintances (family, friends, and neighbours), commercial sources (advertising, sellers), public sources (the mass media) and even experimental sources which allow the in-store testing of products (Plăiaş, 2011).

*Evaluation of alternatives:* Once consumers have enough information about the products they may buy, they weigh the advantages and the disadvantages of each product and distinguish a set of alternatives containing two or three brands from which the product will finally be selected for purchase. Individual characteristics and logical thinking are criteria which consumers take into account when selecting a product.

*Purchase decision:* During this stage, the consumer buys the product which was evaluated positively in the previous stage because he perceives the product as having the greatest benefits following the analysis of the available alternatives. It is at this stage that specialists (Kotler & Armstrong, 2018) make a distinction between purchase intention and purchase decision.

*Post-purchase behaviour:* The decision-making process does not end once the product is purchased, but when the consumer assesses whether his expectations are met by what the product promises. Satisfaction or dissatisfaction with a product after it was purchased and used is, in the opinion of marketing professionals, what determines whether the consumer returns to the store and purchases again the same product in the future.

Specialists have also discovered that the buying decision process takes place differently according to the type of purchase, the buying behaviour and the shopping circumstances (Kotler & Armstrong, 2018). For instance, in the case of basic necessities, consumer involvement is low as he does not analyse the available alternatives every time, but is loyal to a single product brand which occupies the position “top of mind”. If the previous purchases were satisfactory, the customer will choose the same product every time, building up “immunity” to ads and retailers’ sales promotion campaigns. Consumer involvement gets higher in the case of averagely-needed purchases. As they want to satisfy more than a physiological need, individuals are more careful in the choice of the desired products, being aware of the advantages and disadvantages of each brand. Both the specialists and the consumers take into account the five-stage decision-making process when a new, complex purchase takes place. Consequently, purchases deemed riskier and calling for greater amounts of money will have consumers make a more thorough search for information, analysing both the potential benefits and the losses they might suffer by purchasing a superficially chosen product.

Going through the decision-making process also depends on consumers’ financial standing. For example, having an extra amount of money may lead to new purchases which were not planned in the daily schedule. This entails searching for more information, which will help the individual choose the best product alternative. On the other hand, a reduction in income or the appearance of unforeseen expenses may determine a re-evaluation of the products to be purchased. This holds true even with basic necessities.

## **Materials and Methods**

*Research Question:* The term “self-esteem” has been analysed in depth in both psychology and marketing. However, many unknowns continue to exist concerning the precise definition of the concept and its

scope and components that should enable its categorization in one of the aforementioned fields (Bejan, 2019). The literature has repeatedly shown how complex this term is, standing at the crossroads between marketing, psychology and sociology and carrying increasingly visible implications in people's everyday life. Self-esteem has generated a significant impact on people's needs and on how they perceive such needs as well as on their motivation, personality and behaviour (Campbell & Lavalley, 1993).

This paper is the result of documentary research conducted in databases such as JSTOR, Springer, EBSCO, Emerald, Web of Science, accessed by the author through the university library's subscription. The search for key words ("self-esteem", "self-esteem in consumer behaviour") in the databases allowed the identification of many articles in the field of marketing and psychology. The complexity of the term and the great number of retrieved results are strong arguments showing researchers' interest in and a general concern for this issue. Drawing on the said aspects, the paper revolves around the following question: "How does self-esteem influence the stages of the buying process?"

*Research gap:* The analysis of the literature has shown that there are many definitions of self-esteem which, in time, have undergone changes and expanded their scope. Their commonality is researchers' view of self-esteem as the image individuals have of their own self. Thus, many studies reflect the influence of self-esteem on people's attitudes, personalities or lifestyles—elements which help explain consumer behaviour.

The analysis of the literature has revealed issues insufficiently dealt with and issues which have not been dealt with at all so far. Although the literature explains the influence of self-esteem on the major factors that define consumer behaviour, no paper was found to approach theoretically or practically the influence of self-esteem on the decision-making process.

*Research novelty:* This paper refers to the buying process as analysed by researchers over the years, which includes five stages: need recognition, information search, evaluation of alternatives, purchase decision and post-purchase behaviour. The novelty of this paper lies in expounding the influence of self-esteem in each of the aforementioned stages. The author attempts to draw a contrast between people with low self-esteem and people with high self-esteem and set forth their behaviour in each stage of the buying process.



## Results and Discussions

The analysis of each stage of the decision-making process allows the identification of the influence exerted by individuals' self-esteem and how it contributes to creating differences between people.

*Need recognition:* Triggered by internal and external stimuli, need recognition may take place as a result of changes in the individual's current or ideal state of affairs (Solomon, 2018). In the current state, individuals pursue the immediate purchase of products to satisfy their physiological needs. Thus, they seek the products that project in society the actual self-image and the representation of their currently possessed attributes. In the ideal state, the appeal is made to the ideal self. The ideal state an individual wants to attain is a desire, with a lot more ways to satisfy it (Phau & Chang-Chin, 2004). An individual's ideal state is usually shaped by the image he wants to project in society while he pursues the attributes he wants to possess. Studies have shown that individuals with low self-esteem tend to be easier influenced by other people due to the lack of confidence in their own skills and the desire to be accepted by other members of society (Campbell & Lavallee, 1993).

*Information search:* People with an average level of self-esteem pay more attention to the opinion of intimates. They believe that ties of kindred or the long period during which they have interacted with persons in the reference group have fortified the feeling of confidence so that the experiences of people in the reference group are decisive in the information search process (Mittal, 2014). As individuals place great trust in intimates, marketing specialists find it difficult to contradict their opinions as any attempt to change their perception of some products is more often than not doomed to fail. According to the opinion of these consumers, the intimates' having bought and tested the product reduces the risk and avoids uncertainty.

On the other hand, people with high self-esteem want to be thoroughly informed about the available alternatives before purchasing a product (Solomon, 2018). Thus, consumers are willing to look for more information and consult various sources to get relevant data, especially in the case of averagely needed and luxury products which follow a much more complex buying process. Consumers have developed critical thinking which allows them to analyse the advantages and disadvantages

of each alternative so that the risk associated with the purchase of a potential product may be as low as possible.

*Evaluation of alternatives:* Many specialists have, in process of time, adopted the idea that brands and products have personality, and customers should choose the products whose promoted attributes suit the traits they want to highlight (Solomon, 2018). In like manner, products reflect an individual's status, an aspect taken into account when establishing the evoked set (Plăiaș, 2011). For brands reaching this stage of the buying process, the consumer usually sets a minimum expected level of product performance. Failure to meet this minimum expected level leads to the removal of the brand from the evoked set and, implicitly, to its being rejected by the consumer (it is no longer purchased). The expected minimum level of product performance depends on the level of self-esteem of the individual making the comparison. For example, people with low self-esteem have significantly lower expectations of the products they purchase. There are cases when such criteria have not even been established. Lacking confidence in their own self and in their thinking ability, these consumers view the disappointment at a product which fell short of the promises in the promotion campaign as a normal thing. This is further evidence of the lack of personal abilities, which underlies the feeling of frustration.

On the other hand, people with high self-esteem have a sense of appreciation which allows them to better appraise the quality of a product. In light of the effort made during the information search stage, their expectations are correlated with the collected data and with the companies' promises concerning product performance. Thus, the accepted minimum level of product performance is higher as individuals with high self-esteem do not accept compromise. A possible small evoked set at the end of this stage will not frighten consumers, but, quite the opposite, will act as encouragement as to the correctness of the decision made.

*Purchase decision:* Some factors influenced by an individual's level of self-esteem make the distinction between purchase intention and the actual purchase of a product. One of the major factors is the attitude of third persons. If people deemed important by the consumer do not accept the consumer's selected product, the chances for the product to be purchased will decrease significantly (Kotler & Armstrong, 2018). This is where the level of self-esteem becomes essential. If

consumers give primacy to the desire for social acceptance and group integration, they will purchase the product preferred by the reference group. Consumers' desire to be in tune with the group's consumption habits and opinions becomes significantly stronger, channelling the purchase in the direction proposed by the people from whom acceptance is expected. People with high self-esteem will make the purchase decision based heavily on the objective information collected in the previous stages because they have confidence in their analysis capacity and place less importance on the opinion of others. In other words, it is not the ideal self the factor triggering the purchase of the product but the actual self, seeking the satisfaction of an immediate need. The second element making a distinction between the two aspects of the purchase is unexpected situations or unforeseen factors. For example, a consumer plans a purchase but shortly thereafter he experiences a drop in income, which prevents the purchase of the previously selected product.

*Post-purchase behaviour:* For many consumers, the use of a product acts as a symbol and a way by which they convey something about themselves to other people. Product visibility (its public consumption) may help the individual attain the ideal self (Sirgy, 1982). In the first place, it tells something about the image a person wants to convey in society. In the second place, the purchase of a product is the go-ahead for the consumer who wishes to replace the current reference group with an aspirational group. Projecting an image similar to that of the community to which he belongs facilitates the consumer's integration and acceptance by the persons he appreciates.

The positive end result of the post-purchase behaviour is the satisfaction felt by the consumer. This is the key to customers' returning to the store where they have purchased the product and to their selecting the same product during future purchases (Evans et al., 2009). The satisfaction felt by people with high self-esteem with the use of a product confirms the correctness of the decision made and fosters confidence in their own self and in their abilities. The course taken during the buying process is viewed as an experience during future purchases. Conversely, people with low self-esteem are more indifferent to the satisfaction they feel as they believe the effort made is not worth rewarding. Although the decision taken in this case proves to be correct, people's indifference continues, which is reflected in their maintaining the same level of self-esteem.

Similarly, going through the five stages of the decision-making process takes a different course in the case of impulsive buying behaviour. Thus, consumers do not feel a need that must be satisfied as shortly as possible, which translates into peoples' not getting involved in an information search process. Therefore, consumers choose products on account of marketers' marketing efforts. For instance, in-store promotions or ads may lead to the purchase of a product which does not satisfy an immediate need. Price drops may prompt consumers to buy products that satisfy a need occurring in a near future.

## Conclusions

Some authors (Solomon, 2018) believe people develop miscellaneous self-esteem, which varies depending on people's situation or condition. People's behaviour towards family differs from the behaviour in the workplace or that exhibited during the interaction with a group of friends. In light of these aspects, it has been noticed that self-esteem is a factor increasingly present in an individual's buying process, much more present than factors such as demographic characteristics.

The importance attached to and the emphasis placed on self-esteem over the years proves that it is a significant element in explaining the consumer behaviour and individuals' distinct mode of action. Consequently, this paper may give an impetus to organizations to change the segmentation strategies and the criteria used throughout this process.

The role of self-esteem in the stages of the buying process shows that it is an important criterion, spanning psychology and marketing, according to which the marketing mix and the promotion strategies in particular, should be adjusted. Thus, by shaping consumer's attitudes and personality, self-esteem influences need recognition by exposing individuals to external factors. It also affects information search through the sources consulted, the criteria considered in the evaluation of alternatives, the motivations behind the buying decision and, in the end, the interpretation of the satisfaction felt in assessing the post-purchase behaviour.

The author's study shows the steps taken by a consumer who makes an averagely-to-highly complex purchase calling for consumer involvement. Based on these considerations, the author notices differences

in the case of impulsive purchases in the sense that the buying process does not follow the same steps and does not go through all mentioned stages. One cannot state with certainty what are all the elements determining the appearance of impulsive behaviour or if this is the regular habit of some individuals. Likewise, no studies are showing that the adoption of impulsive behaviour in some situations rules out the consumer's going through all the stages of the decision-making process when making a riskier purchase.

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