



CONSUMER BEHAVIOUR

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ABSTRACT

Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy their needs and wants.

The study of consumer behavior is concerned with all aspects of purchasing behavior - from pre - purchase activities through to post-purchase consumption and evaluation activities. It is also concerned with all persons involved, either directly or indirectly, in purchasing decisions and consumption activities including brand-influencers and opinion leaders. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. However, new research methods such as ethnography and consumer neuroscience are shedding new light on how consumers make decisions.

INTRODUCTION

1. According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.

2. According to Loudon and Bitta, 'consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services.

Nature of Consumer Behaviour:

1. Influenced by various factors:

The various factors that influence the consumer behaviour are as follows:

a. Marketing factors such as product design, price, promotion, packaging, positioning and distribution.

b. Personal factors such as age, gender, education and income level.

c. Psychological factors such as buying motives, perception of the product and attitudes towards the product.

d. Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.

e. Cultural factors, such as religion, social class—caste and sub-castes.

f. Social factors such as social status, reference groups and family.

2. Undergoes a constant change:

Consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colourful and fancy footwear, but as they grow up as

teenagers and young adults, they prefer trendy footwear, and as middle-aged and senior citizens they prefer more sober footwear. The change in buying behaviour may take place due to several other factors such as increase in income level, education level and marketing factors.

3. Varies from consumer to consumer:

All consumers do not behave in the same manner. Different consumers behave differently. The differences in consumer behaviour are due to individual factors such as the nature of the consumers, lifestyle and culture. For example, some consumers are technoholics. They go on a shopping and spend beyond their means.

4. Varies from region to region and country to county:

The consumer behaviour varies across states, regions and countries. For example, the behaviour of the urban consumers is different from that of the rural consumers. A good number of rural consumers are conservative in their buying behaviours.

The rich rural consumers may think twice to spend on luxuries despite having sufficient funds, whereas the urban consumers may even take bank loans to buy luxury items such as cars and household appliances. The consumer behaviour may also varies across the states, regions and countries. It may differ depending on the upbringing, lifestyles and level of development.

5. Information on consumer behaviour is important to the marketers:

Marketers need to have a good knowledge of the consumer behaviour. They need to study the various A positive consumer behaviour leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behaviour to increase their purchases.

6. Leads to purchase decision:

A positive consumer behaviour leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behaviour to increase their purchases.

7. Varies from product to product:

Consumer behaviour is different for different products. There are some consumers who may buy more quantity of certain items and very low or no quantity of other items. For example, teenagers may spend heavily on products such as cell phones and branded wears for snob appeal, but may not spend on general and academic reading. A middle- aged person may spend less on clothing, but may invest money in savings, insurance schemes, pension schemes, and so on.

8. Improves standard of living:

The buying behaviour of the consumers may lead to higher standard of living. The more a person buys the goods and services, the higher is the standard of living. But if a person spends less on goods and services, despite having a good income, they deprives themselves of higher standard of living.

9. Reflects status:

The consumer behaviour is not only influenced by the status of a consumer, but it also reflects it. The consumers who own luxury cars, watches and other items are considered belonging to a higher status. The luxury items also give a sense of pride to the owners.

FACTOR AFFECTING CONSUMER BEHAVIOUR

To fully understand how consumer behavior affects marketing, it's vital to understand the three factors that affect consumer behavior: psychological, personal, and social.

Psychological Factors

In daily life, consumers are being affected by many issues that are unique to their thought process. Psychological factors can include perception of a need or situation, the person's ability to learn or understand information, and an individual's attitude. Each person will respond to a marketing message based on their perceptions and attitudes. Therefore, marketers must take these psychological factors into account when creating campaigns, ensuring that their campaign will appeal to their target audience.

Personal Factors

Personal factors are characteristics that are specific to a person and may not relate to other people within the same group. These characteristics may include how a person makes decisions, their unique habits and interests, and opinions. When considering personal factors, decisions are also influenced by age, gender, background, culture, and other personal issues.

For example, an older person will likely exhibit different consumer behaviors than a younger person, meaning they will choose products differently and spent their money on items that may not interest a younger generation.

Social Factors

The third factor that has a significant impact on consumer behavior is social characteristics. Social influencers are quite diverse and can include a person's family, social interaction, work or school communities, or any group of people a person affiliates with. It can also include a person's social class, which involves income, living conditions, and education level. The social factors are very diverse and can be difficult to analyze when developing marketing plans.

However, it is critical to consider the social factors in consumer behavior, as they greatly influence how people respond to marketing messages and make purchasing decisions. For example, how using a famous spokesperson can influence buyers.

Importance of Consumer Behaviour to business managers

- To decide where the service or product would be made available for easy access of consumers.
- To decide the price at which the consumers would be ready to buy that product or service.
- To To design the best possible product or service that fully satisfies consumer's needs and demands.
- find out the best method of promotion that will prove to be effective to attract customers to buy a product.
- To understand why, when, how, what and other factors that influence buying decision of the consumers.

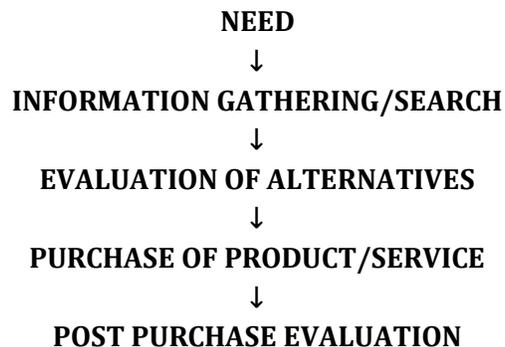
Importance of Consumer Behaviour to Marketers

- To understand Buying Behaviour of consumers
- To create and retain customers though online stores
- To **Understand** the factors influencing Consumer's buying Behaviour

- To understand the consumer's decision to dispose a product or services
- To increase the knowledge of sales person influence consumer to buy product
- To help marketers to sale of product and create focused marketing strategies

Stages in Consumer Decision Making Process

A consumer goes through several stages before purchasing a product or service.



1. **Step 1** - Need is the most important factor which leads to buying of products and services. Need infact is the catalyst which triggers the buying decision of individuals. An individual who buys cold drink or a bottle of mineral water identifies his/her need as thirst. However in such cases steps such as information search and evaluation of alternatives are generally missing. These two steps are important when an individual purchases expensive products/services such as laptop, cars, mobile phones and so on.
2. **Step 2** - When an individual recognizes his need for a particular product/service he tries to gather as much information as he can. An individual can acquire information through any of the following sources:
 - Personal Sources - He might discuss his need with his friends, family members, co workers and other acquaintances.
 - Commercial sources - Advertisements, sales people (in Tim's case it was the store manager), Packaging of a particular product in many cases prompt individuals to buy the same, Displays (Props, Mannequins etc)
 - Public sources - Newspaper, Radio, Magazine
 - Experiential sources - Individual's own experience, prior handling of a particular product (Tim would definitely purchase a Dell laptop again if he had already used one)
3. **Step 3** - The next step is to evaluate the various alternatives available in the market. An individual after gathering relevant information tries to choose the best option available as per his need, taste and pocket.
4. **Step 4** - After going through all the above stages, customer finally purchases the product.
5. **Step 5** - The purchase of the product is followed by post purchase evaluation. Post purchase evaluation refers to a customer's analysis whether the product was useful to him or not, whether the product fulfilled his need or not?

Conclusion

In a nutshell, consumer behaviour theories and concepts are of most importance to the sales people or the marketers. As products are made to cater consumer's needs and demands, therefore, the products should be carefully marketed for the successful achievements of organizational goals. The study of consumer behaviour helps them in analysing different factors that has influence on the buying decision of the consumers. If the marketers failed to understand these factors, they would not meet their targets.

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