



*Journal of Advances and  
Scholarly Researches in  
Allied Education*

*Vol. V, Issue No. X, April-  
2013, ISSN 2230-7540*

## CONSUMER BEHAVIOUR

AN  
INTERNATIONALLY  
INDEXED PEER  
REVIEWED &  
REFEREED JOURNAL

# Consumer Behaviour

Monika Rani

M.com, NET

**Abstract – Companies make investment in understanding consumer behaviour and implementing strategies, which will help them retain customers.**

**Consumers can be categorized as an individual consumer and organizational/industrial consumers. Understanding their behaviour and buying pattern is important in ultimate survival of companies in the market place.**

**Consumer behaviour consists of activities/process followed in making any buying decision of goods as well as a service. In recent time service (holiday, travel, etc.), decisions are forming large part of consumer behaviour.**

**One thing needs to be highlighted here is that consumer behaviour does not end with purchase of goods or service, but also post purchase activities are included in consumer behaviour.**

**Consumer behaviour and consumption behaviour are two different concepts developed and cannot be used as a substitute. Consumer behaviour deals with the process of an individual or organization in coming to the purchase decision, whereas consumption behaviour is a study focus on consuming unit or service.**

**Understanding of the consumer behaviour begins with study of the consumer buying process. Consumer buying process is five step activities. The starting with need recognition, which leads to information search, once information is obtained from different sources next step, is the evaluation and intent where in consumer evaluates various parameters of the product or service. The next step in five-step activity is the purchase decision where in intent is converted into an actual purchase of the good or the service. The final step is post-purchase reaction where in customer if she is satisfied with goods or services recommends to other prospective customers or repeat the purchase. If the customer is not happy with purchase, a bad word of strategies, which will help them retain customers.**

-----X-----

## **MEANING OF CONSUMERS BEHAVIOURS**

Consumer behavior is the study of individual, group or organization and the process they use to select, secure and dispose of product, services experience or ideas to satisfy needs and the impact that these process have on the consumer and society. It blends elements from psychology, sociology, socialanthropology. It studies characteristics of individual. Consumer such as demographics and behavioural variable in an attempt to understand people's want's . It also tries to asses influences on the consumer from group such as family, friends, reference group and society in general.

## **PROCESS OF CONSUMER BEHAVIOR**

There are following steps to search the consumer behavior

Information search

Once the consumer has recognised a problem, they search for information on products and services that can solve that problem. Belch and Belch (2007) explain that consumers undertake both an internal (memory) and an external search. Sources of information include personal sources and experience, and commercial and public sources.

The relevant internal psychological process associated with information search is perception, which can be defined as "the process by which an individual receives, selects, organises, and interprets information to create a meaningful picture of the world". Consumers' tendency to search for information on goods and services makes it possible for researchers to forecast the purchasing plans of consumers using brief descriptions of the products of interest.

## **EVALUATION OF ALTERNATIVES**

At this time the consumer compares the brands and products that are in their evoked set. The evoked set refers to the number of alternatives that are considered by consumers during the problem-solving process. Sometimes also known as consideration, this set tends to be small relative to the total number of options available. How can the marketing organisation increase the likelihood that their brand is part of the consumer's evoked set? Consumers evaluate alternatives in terms of the functional and psychological benefits that they offer. The marketing organisation needs to understand what benefits consumers are seeking and therefore which attributes are most important in terms of making a decision. It also needs to check other brands of the customer's consideration set to prepare the right plan for its own brand.

## PURCHASE DECISION

Once the alternatives have been evaluated, the consumer is ready to make a purchase decision. Sometimes purchase intention does not result in an actual purchase. The marketing organisation must facilitate the consumer to act on their purchase intention. The organisation can use a variety of techniques to achieve this. The provision of credit or payment terms may encourage purchase, or a sales promotion such as the opportunity to receive a premium or enter a competition may provide an incentive to buy now.

There are 5 stages of a consumer buying process they are: The problem recognition stage, meaning the identification of something a consumer needs. The search for information, which means you search your knowledge bases or external knowledge sources for information on the product. The possibility of alternative options, meaning whether there is another better or cheaper product available. The choice to purchase the product and then finally the actual purchase of the product. This shows the complete process that a consumer will most likely, whether recognisably or not, go through when they go to buy a product.

## POSTPURCHASE EVALUATION

The EKB (Engel, Kollat, Blackwell) model was further developed by Rice (1993) which suggested there should be a feedback loop, Foxall (2005) further suggests the importance of the post purchase evaluation and that it is key because of its influences on future purchase patterns.

## OTHER INFLUENCES

Consumer behaviour is influenced by internal conditions such as demographics, psychographics, personality, motivation, knowledge, attitudes, beliefs, and feelings. Psychological factors include an individual's motivation, perception, attitude and belief,

while personal factors include income level, personality, age, occupation and lifestyle.

Behaviour can also be affected by external influences, such as culture, sub-culture, locality, royalty, ethnicity, family, social class, past experience reference groups, lifestyle, market mix factors. For example: In India, most online consumers shop during their lunch hours, and when they are at work. This could be because of inadequate Internet Connectivity at homes.

## HELPS TO CONSUMER BEHAVIOURS FOR BUSINESS

Consumer is the most important person. The business revolves around the consumer...

So, while operating as a firm, it is essential for the firm to gain the good understanding of its target market. The more the Consumer Behaviour is learnt the more the needs and wants of the Customers are fulfilled. The Study of consumer behaviour helps us;

- To design the optimal product or service for customers.
- To determine where the product or Service should be available that would be easy for the customers to buy.
- To determine what price will the customers give up purchasing product or service?
- To determine which method of Promotion would be most effective for getting the customers to buy a product.
- It helps in changing the behavior of the consumers.
- To improve performance of the organization.
- To achieve the organizational objectives

## Factors affecting of consumer behaviours

Various factors affect the consumer behaviour like personal factor, social factor, cultural etc. some are explained.

### Perception:

What an individual thinks about a particular product or service is his/her perception towards the same. For someone a Dell Laptop might be the best laptop while for others it could be just one of the best brands available.

Individuals with the same needs might not purchase similar products due to difference in perception.

Catherine and Roselyn had a hectic day at work and thus wanted to have something while returning from work. Catherine ordered a large chicken pizza with French fries and coke while Roselyn preferred a baked vegetable sandwich. Though both Catherine and

Roselyn had the same motivation (hunger), but the products they purchased were entirely different as Roselyn perceived pizza to be a calorie laden food. Individuals think differently and their perceptions do not match.

Individuals perceive similar situation differently due to difference in the way they interpret information.

### **There are three different processes which lead to difference in perception:**

**Selective Attention** - Selective attention refers to the process where individuals pay attention to information that is of use to them or their immediate family members. An individual in a single day is exposed to numerous advertisements, billboards, hoardings etc but he is interested in only those which would benefit him in any way. He would not be interested in information which is not relevant at the moment.

**Selective Distortion** - Consumers tend to perceive information in a way which would be in line to their existing thoughts and beliefs.

**Selective Retention** - Consumers remember information which would be useful to them, rest all they forget in due course of time. Michael wanted to purchase a watch for his wife and thus he remembered the RADO advertisement which he had seen several days ago.

### **LEARNING**

Learning comes only through experience. An individual comes to know about a product and service only after he/she uses the same. An individual who is satisfied with a particular product/service will show a strong inclination towards buying the same product again.

### **BELIEFS AND ATTITUDE**

Beliefs and attitude play an essential role in influencing the buying decision of consumers. Individuals create a certain image of every product or service available in the market. Every brand has an image attached to it, also called its brand image.

Consumers purchase products/services based on their opinions which they form towards a particular product or service. A product might be really good but if the consumer feels it is useless, he would never buy it.

### **PERSONAL FACTOR:**

#### **Occupation**

The occupation of an individual plays a significant role in influencing his/her buying decision. An individual's

nature of job has a direct influence on the products and brands he picks for himself/herself.

That is the importance of one's designation. As a CEO of an organization, it was really essential for Tim to wear something really elegant and unique for others to look up to him. A CEO or for that matter a senior professional can never afford to wear cheap labels and local brands to work. . An individual's designation and his nature of work influence his buying decisions. You would never find a low level worker purchasing business suits, ties for himself. An individual working on the shop floor can't afford to wear premium brands every day to work.

College goers and students would prefer casuals as compared to professionals who would be more interested in buying formal shirts and trousers.

#### **Age**

Age and human lifecycle also influence the buying behaviour of consumers. Teenagers would be more interested in buying bright and loud colours as compared to a middle aged or elderly individual who would prefer decent and subtle designs.

A bachelor would prefer spending lavishly on items like beer, bikes, music, clothes, parties, clubs and so on. A young single would hardly be interested in buying a house, property, insurance policies, gold etc. An individual who has a family, on the other hand would be more interested in buying something which would benefit his family and make their future secure.

#### **Economic Condition**

The buying tendency of an individual is directly proportional to his income/earnings per month. How much an individual brings home decides how much he spends and on which products?

Individuals with high income would buy expensive and premium products as compared to individuals from middle and lower income group who would spend mostly on necessary items. You would hardly find an individual from a low income group spending money on designer clothes and watches. He would be more interested in buying grocery items or products necessary for his survival.

#### **Lifestyle**

Lifestyle, a term proposed by Austrian psychologist Alfred Adler in 1929, refers to the way an individual stays in the society. It is really important for some people to wear branded clothes whereas some individuals are really not brand conscious. An individual staying in a posh locality needs to maintain his status and image. An individual's lifestyle is

something to do with his style, attitude, perception, his social relations and immediate surroundings.

## **SOCIAL FACTORS**

Human beings are social animals. We need people around to talk to and discuss various issues to reach to better solutions and ideas. We all live in a society and it is really important for individuals to adhere to the laws and regulations of society.

Social Factors influencing consumer buying decision can be classified as under:

### **REFERENCE GROUPS**

Immediate Family Members

Relatives

Role in the Society

Reference Groups

Every individual has some people around who influence him/her in any way. Reference groups comprise of people that individuals compare themselves with. Every individual knows some people in the society who become their idols in due course of time.

Co-workers, family members, relatives, neighbours, friends, seniors at workplace often form reference groups.

Reference groups are generally of two types:

**Primary Group** - consists of individuals one interacts with on a regular basis.

Primary groups include:

Friends

Family Members

Relatives

Co-workers

All the above influence the buying decisions of consumers due to following reasons: of the product. Tim wanted to purchase a laptop for himself. He went to the nearby store and purchased a Dell Laptop. The reason why he purchased a Dell Laptop was because all his friends were using the same model and were quite satisfied with the product. We tend to pick up products our friends recommend

**Secondary Groups** - Secondary groups share indirect relationship with the consumer. These groups are more formal and individuals do not interact with them

on a regular basis, Example - Religious Associations, Political Parties, Clubs etc.

Role in the Society

Each individual plays a dual role in the society depending on the group he belongs to. An individual working as Chief Executive Officer with a reputed firm is also someone's husband and father at home. The buying tendency of individuals depends on the role he plays in the society.

### **Social Status**

An individual from an upper middle class would spend on luxurious items whereas an individual from middle to lower income group would buy items required for his/her survival.

## **APPLICATION OF CONSUMER BEHAVIOUR**

There are four main applications of consumer behavior

**The most obvious is for marketing strategy**—i.e., for making better marketing campaigns. For example, by understanding that consumers are more receptive to food advertising when they are hungry, we learn to schedule snack advertisements late in the afternoon. By understanding that new products are usually initially adopted by a few consumers and only spread later, and then only gradually, to the rest of the population, we learn that (1) companies that introduce new products must be well financed so that they can stay afloat until their products become a commercial success and (2) it is important to please initial customers, since they will in turn influence many subsequent customers' brand choices.

**A second application is public policy**.- In the 1980s, Accutane, a near miracle cure for acne, was introduced. Unfortunately, Accutane resulted in severe birth defects if taken by pregnant women. Although physicians were instructed to warn their female patients of this, a number still became pregnant while taking the drug. To get consumers' attention, the Federal Drug Administration (FDA) took the step of requiring that very graphic pictures of deformed babies be shown on the medicine container

**Social marketing**- involves getting ideas across to consumers rather than selling something. Marty Fishbein, a marketing professor, went on sabbatical to work for the Centers for Disease Control trying to reduce the incidence of transmission of diseases through illegal drug use. The best solution, obviously, would be if we could get illegal drug users to stop. This, however, was deemed to be infeasible. It was also determined that the practice of sharing needles was too ingrained in the drug culture to be stopped. As a result, using knowledge of consumer attitudes, Dr. Fishbein created a campaign that encouraged the cleaning of needles in bleach before sharing them, a goal that was believed to be more realistic.

**As a final benefit, studying consumer behavior should make us better consumers.-**

Common sense suggests, for example, that if you buy a 64 liquid ounce bottle of laundry detergent, you should pay less per ounce than if you bought two 32 ounce bottles. In practice, however, you often pay a size *premium* by buying the larger quantity. In other words, in this case, knowing this fact will sensitize you to the need to check the unit cost labels to determine if you are *really* getting

**CONCLUSION-**

The focus, with the marketing concept to reach the target customer, set the ball rolling for analyzing each of the conditions of the target market. The first being find out interest of such person as would become prospective customers. Then come the willingness of such interested person to buy the offered product. But since customer needs come first and then the organization offers the product as imperative of the marketing concept, customer's willingness to buy cannot be studied in isolation of the interest of such prospects to satisfy a basic needs from different satisfiers. customers needs recognition their involvement level, the available alternative the decision to buy and post-purchase behavior, all are parts of overall consumer behavior. Every consumer is unique and this uniqueness is manifest in search, purchasing, consuming, reaching, etc. Thus, consumer behavior must be properly understood by marketers

**REFERENCE**

[en.wikipedia.org/wiki/Consumer\\_behaviour](http://en.wikipedia.org/wiki/Consumer_behaviour)

[managementstudyguide.com/consumer-behaviour.html](http://managementstudyguide.com/consumer-behaviour.html).

[managementstudyguide.com/...-consumer-behaviour-in...](http://managementstudyguide.com/...-consumer-behaviour-in...)

Dr. T.N Chhabra

Dr. S.K. Grover, Lar Pener, Ph.D