

Consumer Behavior

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Abstract: Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, making purchase decisions (e.g., whether or not to purchase a product and, if so, which brand and where), interpret information, make plans, and implement these plans. Consumers often buy products not because of their attributes per se but rather because of the ultimate benefits that these attributes provide, in turn leading to the satisfaction of ultimate values. The important thing in a means-end chain is to start with an attribute, a concrete characteristic of the product, and then logically progress to a series of consequences (which tend to become progressively more abstract) that end with a value being satisfied. A market comes into existence because it fulfills the needs of the consumer. Consumer behavior is a complex, dynamic, multidimensional process, and all marketing decisions are based on assumptions about consumer behavior. Models of consumer behavior play a key role in modern empirical Industrial Organization.

I. INTRODUCTION

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine—which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

The study of consumer behaviour assumes that the consumers are actors in the marketplace. The perspective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

II. NATURE OF CONSUMER BEHAVIOUR:

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

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

III. WHO IS CONSUMER

A "consumer" is anyone who typically engages in any one or all of the activities described in our definition. Traditionally consumers have been defined very strictly in terms of economic goods and services, i.e. goods and services wherein a monetary transaction is involved. However, over time this concept has been widened to include goods and services where a monetary exchange is not involved. Thus, the services of voluntary organizations have also been included in this definition, and users of the services of these organizations are also viewed as consumers. The logic behind this approach is that consumers of free service also engage in the same kind of decision process and physical activity as consumers of economic goods and services. A "customer" is one who actually purchases a product or service from a particular organization or shop. A customer is always defined in terms of a specific product or company.

a. What is the decision process?

We have defined consumer behaviour as the "decision process" and "physical activity" engaged in by individuals. The physical activity which we focus upon in the course of consumer behaviour is that of making the purchase, as explained in the previous section. But there are a number of influences affecting the purchase and a number of individuals maybe involved in exerting these influences. So the purchase action that is visible to us maybe the result of a

interplay of a number of complex and hidden variables which may have influenced the ultimate purchase activity. The final purchase is just one activity in the entire series of physical and mental activities that may have occurred in this whole process. Some of these activities may precede the purchase while others may take place later. But because all these activities exert influence on the purchase they are considered a part of consumer behaviour, more specifically a part of the decision process.

b. Scope of consumer behaviour

The scope of a subject refers to everything that is studied as part of that subject. When we set out to explain the scope of consumer behaviour we need to refer to all that which forms part of consumer behaviour.

The scope of consumer behaviour has been briefly touched upon in the previous section wherein it was explained that how consumer behaviour includes not only the actual buyer and his act of buying but also the various roles played by different individuals and the influence they exert on the final purchase decision. In this section we shall define and explain the scope of study of consumer behaviour.

c. Consumer Decision Making Process

The consumer's decision to purchase or not to purchase plays an important role for marketers. It can identify whether a marketing strategy can be effective or not. Thus marketers are particularly interested in the consumer's decision making process. For a consumer to make a decision, more than one alternative should be available, and then only they can select the best alternative. An overview of consumer decision making model ties together the psychological, social, and cultural concepts. This decision model has three set of variables, which are given as follows:

1. Input variable: These variables include external influences like, firm's marketing effort and socio-cultural environment. The firm's marketing activities are directed to reach, inform and persuade consumers to buy their product. To promote these products marketers offer different promotional strategy like, sales promotion, personal selling, advertising etc. (These are discussed in more details in Unit 10 and 11)

2. Process: The process factor is concerned with how consumers make decision. To understand this process, we should consider the psychological concept of human being. The consumer decision making process consists of three stages:

3. Need Recognition: When consumer faces any requirement then this stage arise. For example, cakes and candles for birth day party are the need which arises during a particular time.

4. Pre-purchase Search: It begins when a consumer perceives a need that might be satisfied by the purchase and consumption of a product. Consumer search for this information from different sources like, their past experiences, peer groups reference, internet, and other commercial and non commercial information Evaluation of Alternatives: Consumer selects the most suitable alternatives from the set of available alternatives.

5. Output Variable: Output variables are purchase and post purchase behaviour of the consumer. In trial purchasing, customer tests the product for the first time. If they are satisfied with the trial purchase, then they will go for repeat purchasing.

PREFACE

- 1) https://en.wikipedia.org/wiki/Consumer_behaviour
- 2) <http://marketingteacher.com/what-is-consumer-behavior/>
- 3) <http://managementstudyguide.com/what-is-consumer-behaviour.htm>