

CONSUMER BEHAVIOUR

INTRODUCTION TO THE STUDY OF THE CONSUMER BEHAVIOUR

- **MEANING:** CB is the study of how individuals make decisions to spend their available resources(time, money, effort).There is a multi-disciplinary approach to study of CB w.r.t bodies of knowledge concerned with human behavior and behavioral sciences like economics, psychology, sociology, socio-psychology and cultural anthropology.

- **DEFINITION:**

“All psychological, social and physical behavior of all potential consumers as they become aware of, evaluate, purchase, consume and tell others about products and services”

Types of consumers:

- 1. Personal consumer: buys goods and services for his or her own use.
- Ex: shaving creams, shampoo, book.
- 2. Organizational consumers: In this the organization will buy products, equipments, and services in order to run their organization.
- Ex : hospitals, educational institutions.

Difference between the customer and the consumer:

- **Customer** is a person who will buy the products for the further sales i.e., with the intention of reselling the product.
- Ex: Retailer
- **Consumer** is the ultimate user of the product.
- Customers will be always less in number compared to Consumers.

1)Marketing Concept

2)Segmentation,
Targeting & Positioning

1) Marketing Concept

It explains that for company to be successful, it must determine the needs & wants of specific target markets & deliver desired satisfactory products and services which is better than the competition.

A satisfactory profit is obtained as an appropriate reward for satisfying consumers need not as a right of simply being in business.

Eg : Ray Kroc – Mc Donald's

(Market Targeting)

Societal Marketing Concept

- Consumer may on occasion respond to their immediate needs or wants but over a while they will be looking for the best interests of their family or neighbor, the best interests of their country or region.
- Societal Better Upliftment.

2) Segmentation , Targeting & Positioning

We all have same kinds of biological needs, no matter where we are born. Hence our biological needs are like food, water, air, nourishment, shelter from the elements etc.

We also acquire needs after we are born and they are called acquired needs.

These acquired needs are usually shaped by environment and the culture in which we live.

The interesting thing about these acquired needs is that there are many people who develop same acquired needs.

Segmentation :

It's a process of dividing a market into subsets of consumers with common or same acquired needs or characteristics.

Here the dividing of market is because most companies have limited resources and few companies can pursue all market segments identified.

Eg : A part of market is segmented as youth's segment who are more prone to Cell Phones, Mp3 players etc.

Targeting :

It is the selection of one or more identified segments for the company to pursue.

Eg : Coca Cola positions its new “LOW CALORIE” energy drink for female audience who are concerned about loosing their weights.

Positioning :

It refers to the development of a distinct image of the product or service in the mind of consumer. This distinct image should differentiate from that of its competing products.

Hence the successful positioning of product should communicate its benefits to the consumer rather than its features.

NATURE & CHARACTERISTICS OF INDIAN CONSUMERS

India has the youngest population profile among the numerically significant countries - there are a lot of young people, in different income segments and locations, who are influencing their parents spending, or spending their own money.

The Indian consumer is now spending more on consumer durables, apparel, entertainment, vacations and lifestyle and other related activities like:

1. Entertainment
2. Clothing
3. Restaurant dining are categories that have been witnessing a maximum rise in consumer spending since 2002

The rate of growth of spending on discretionary items (unlike basic necessities like food) has been growing at an average of 9 per cent per year over the past five years. A nation of savers, India, has now altered into a nation of spenders.

Indian market is blessed with a young demography. With 60% of the population below the 30 years of age, Indian market offers exciting opportunities of the marketers. The young consumers demand a new set of products and services.

In the view of consumers, India has moved to the developed sophisticated domain and hence demands the same standard of living as the developed world.

Aspirational products need not be expensive products. Consumers now look for better designed products at a price that offers excellent value. That is why firms now increasingly understand the importance of design in marketing of products.

Even though there is an increased propensity for spending, Indian consumers has not let go of the value conscious nature.

The global trend of networked consumer is mirrored in the Indian market also. Indian consumers are more connected with each other than ever before.

Indian consumers are also becoming more and more socially conscious. There is an increased awareness about good practices, trust, honesty, transparency and ethics .

The ever increasing competitors have spoiled Indian consumers with choices. Be it automobiles, mobiles or toothpastes, Indian consumers have got plenty of brands to chose from.

Like the global counterparts, Indian consumers have started thinking beyond product categories. Categories are largely becoming irrelevant. The boundaries between various categories have blurred. Take the example of mobile phones which are now acting as a camera, music player, organizer, e-mail gadget and gaming device.

One of the modes of supply of traded services, this one entails the buyer moving (temporarily) to the foreign location of the seller, as in the case of tourism.

Consumer movement in the present form came into being only in the 1930's in the West and only in the 60's in India. The basic objectives of consumer movement world Wide are as follows:

1. To provide opportunity to the consumers to buy intelligently
2. Recognition of reasonable consumer requests
3. Protection against fraud, misrepresentation, unsanitary and unjust products
4. Participation of consumer representatives in management of aspects affecting consumers
5. Promoting consumers interests

1. Increasing consumer awareness
2. Declining quality of goods and services
3. Increasing consumer ,expectations because of consumer education
4. Influence of the pioneers and leaders of the consumer movement
5. Organised effort through consumer societies

Three elements of consumer movement are:

1. Identity
2. Opposition
3. Totality

Identity is the self and collective identity of the members of the social movement.

Opposition is the identification and description of the adversary.

Totality is the indication that objectives will be achieved through struggle

We wondered how much urban(city) consumers depend on the market for fulfilment of even their basic needs. This over-dependence on the market and the inherent profit motive in mass production and sales has given manufacturers and dealers a good reason to exploit consumers. As a consumer, you would know how market products are constantly under-weight, of inferior quality and do not prescribe to quality standards specified by quality-control agencies. Consumers not only do not get value for their money but also often have to suffer losses and inconvenience due to market manipulations.

In order to safeguard consumer interest, 6 consumer rights were initially envisioned by consumer rights activists of the West, namely:

1. Right to Safety
2. Right to Information
3. Right to Choice
4. Right to be Heard
5. The Right to Redress
6. The right to consumer education

RESPONSIBILITIES OF CONSUMER IN INDIA

- **Responsibility to know about our rights and use it in right place**
- **Consumers must be organised and powerful**
- **Responsibility of the consumer to check the norms of the product**
- **Consumers must be aware of the product to avoid false advertising**
- **Consumers must avoid the malpractice of the businessmen.**

BENEFITS OF CONSUMERISM

- **Consumer Education:** the best weapon in the hands of the consumers will be to have more information and knowledge about the product, company, etc. This is possible only if the consumers are educated in the real sense. Even the marketing firms could help by providing the necessary education material to consumers
- **Liaison with government and the producer:** Government efforts can go a long way in meeting consumer needs. Thus they can play the key role by maintaining liaison with the government on one hand, and the manufacturers on the other.
- **Product research and inform the consumers :** product research is a part of the broader term consumer research, which is a part of the marketing research. Product research will help in the generation of more product knowledge, in terms of its various attributes, information related to prices, ingredients, competing brands, utility value and so on.

WHY SERVICE MARKETING IS NEEDED?

- Service marketing should be a part of the corporate product marketing organization. This allows for better synergy with product strategies, more resources, etc. While I understand the merits of the argument, I can think of no company where service marketing has sustained success when it was anywhere but within the services organization. Sooner or later, when the pressure to move product is irresistible, services will be shunted aside. Usually this results in services marketing being returned to the services organization within a few years. Worse yet is for it to stay within corporate marketing and be starved for resources and attention. Based upon countless observations of these sad stories, my recommendation is firm, keep services marketing with services operations.