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Mobile no.	_	9415992431
Email	_	ms9602859@gmail.com
College name	_	Jagatpur P.G college
E-content creator	_	Dr. Manoj Kumar Srivastava



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Dr. Manoj Kumar Srivastava

(Assistant Professor)

Consumer behaviour

Introduction

The modern concept of Marketing considers the customer as the king or supreme as satisfaction and delight of customer is the mission of a business. It is the customer who shapes the production and marketing policies of the firm. A business firm (Marketer) well known in advance that, when he must have sufficient knowledge about customer's behaviour than he is to be successful in his mission. So, this is most important to understand the customer's behaviour.

Meaning of consumer behaviour

The term consumer behaviour may be defined as the behaviour shown by the consumers at the time of searching, purchasing,

using, evaluating and disposing of products and services which are expected to satisfy their needs and wants. The study of consumer behaviour is the study of individuals. How individuals take the decisions in order to spend their available resources (money, timeeffort) on consumption related items? It includes the study of what they buy? Why they buy it? How they buy it? When they buy it? Where they buy it? How often they buy it? Again answers of these questions provide important input to the marketer for scheduling of product, modification of product and change in promotional strategy, if any.

Definition of consumer behaviour

"Consumer Behaviour is the study of how individuals, groups and organisations select, buy, use and dispose of goods, services, ideas or experiences to satisfy their needs and wants."

-Philip Kotler

. L.G. Schiff man andL.L. Karuk"Consumerbehaviour is the discipline that provides marketing managers with an understanding of what is behind the decisions to spend time and effort on consumption related items. It proves not only what is exchanged, but also why, where and when, and how often."

Walter C.G. and G.W. Paul "The process whereby the individuals decide whether, what, when, where, how and from whom to purchase goods and services."

Thus, Consumer Behaviour can be defined as the study of how individuals, groups and organisations select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

Characteristics of consumer behaviour

Consumer behaviour relates to an individual person. The definitions given above show the characteristics of consumer behaviour.

The main characteristics are:

1. Consumer behaviour is primarily social in nature. Therefore, social environment plays a crucial role in shaping the behaviour of consumer.
2. It involves both psychological and social process.
3. It involves procurement and consumption of goods and services.

4. Consumer behaviour is also reflected from post purchase behaviour indicating satisfaction or disappointment from purchases of products.

5. It includes communication, purchasing and consumption behaviour.

Importance of consumer behaviour

Importance of Study of Consumer Behaviour Modern marketing is customer oriented. Therefore, the study of consumer behaviour is important in framing production policies, price policies, decisions regarding channels of distribution and above all decisions regarding promotional activities,

(i) Production Policies: The consumer behaviour reaches out an insight into the various factors which prompt him to purchase a particular product. If it is known that it is the packing or taste or habit or fashion which attract the buyer then the producer will pay special attention to these attributes in his products thus consumer behaviour helps a great deal in formulating production policies.

(ii) Price Policies: The buyers behaviour is equally important in having price policies. The buyers of some products purchase only because particular articles are cheaper than the competitive articles available in the market. In such a case the

price of such products cannot be raised. On the other hand, some other articles are purchased because it enhances the prestige and social status of persons. The price of such things can easily be raised or fixed higher. Some articles are purchased under particular attitudes and emotions such as Khadi garments are purchased who think themselves the followers of Mahatma Gandhiji. Prices of articles purchased under emotional motives can also be raised.

(iii) Decision regarding channels of distribution: The goods which are sold and purchased solely on the basis of low price must have cheap and economical distribution channels. In case of those articles which require after sale services such as T.V. sets, refrigerators, washing machines, computers etc. must have different channels of distribution. Thus, decision regarding channels of distribution are taken on the basis of consumer behaviour.

(iv) Decision regarding Promotional Activities: A study of consumer behaviour is also important in making decisions regarding Promotional activities. It enables the producers to know what motive prompts consumer to make purchase and the same are utilised in advertising media to awaken desire to purchase. The marketer who takes decision regarding brand, packaging, discount, gifts etc. on the basis of consumer behaviour for promoting sale of the product Thus, study of

consumer behaviour plays an important role in decision.
Marketing elements of marketing mix.

FACTORS INFLUENCING CONSUMER BUYING BEHAVIOUR

Several factors determine the consumer buying behaviour.
These factors may be classified as below:

(A) Economic Determinants : The Economic determinants are directly related with income sources of consumer. The basic economic determinants are :

1. **Personal Income** : Consumer behaviour changes according to continuous rise in income. Any change in income will have change in consumer buying decision. Decline in income reduces the consumer spending; however, when income rises, consumer spending not only rises but makes them to go in for more of luxuries.

2. **Family Income**: In joint family, the buyer behaviour is influenced by the family income. The relationship between the family, size of family, requirements, and aggregate income of family determines the buying behaviour of the family members.

3. Income expectations in Future : Future income expectations of consumer determines consumer behaviour. It is the optimism or the pessimism about consumer income that determines the level of current spending. If there are bleak prospects of future expected income, he spends less now and saves more and vice-versa.

4. Consumer Credit : A consumer behaviour depends upon the availability of credit. Consumer credit takes number of shapes like instalment purchasing, deferred payment, hire-purchase arrangements and the like. Easy availability of consumer credit makes the consumer to spend more freely.

5. Standard of Living : Standard of living has impact on consumer behaviour. Higher income groups focus on quality of product but lower income groups or middle income groups who represent below standard of living, focus on durability of goods. In this way, it influences consumer buying behaviour.

(B) Psychological Determinants

The major psychological determinants are as follows:

- 1. Motivation** refers to the drives, urges, wishes or desire which initiates the sequence of events known as behaviour. A set of motives affect a buyer's behaviour. Marketer uses depth interviews, projections and other methods to know and understand the motive of buyer.

2. **Perception** : Perception is the process by which the mind receives, organises and interprets information. Different people perceive the same thing at the same time in different ways. The personal factors of perception are his self-concept, need, span of apprehension, mental set and past experiences. These factors affect consumer behaviour.

3. **Learning**: Learning is the process of acquiring knowledge. behaviour is a process of learning because, it is modified according to Consumerthe consumer's past experience. Consumer learns through advertisements, sales persons information and using products also. So, learning has deep impact on consumer buying process.

4. **Attitudes**: Attitudes refer to a pro-disposition to behave in a particularway when presented with a given stimulus and the attitudes towards people, place, products and things can be positive or negative. Attitudesplay a significant role in determining consumer behaviour. For example,
Personality: Personality consists of a person's popularity, friendlinessa consumer having strong negative attitudes towards a firm's products not only avoids to use it but also urges friends and society to do so.

5. **Personality** consists of a person popularity, friendliness or charismatic style. An individual's personality is the outcome of heredity and personal experiences. Personality determines behaviour in selection of the brand and products purchased.

(C) **Sociological Determinants**

Sociological determinants are:

1 **Family**: The decisions made by family are affected by the desires, attitudes and values of other family members. In nuclear families, house wife makes family purchases, Le., related to food, clothing, cosmetics, interior decoration and jewelleries. On the other hand, in joint family head of family takes buying decision.

2. **Reference Groups**: Each person in the society is not only the member of his family but the member of some group or groups outside the family circle. These groups can be called as reference groups Reference groups is a social and professional group that influences the individual's opinions, beliefs, and aspiration.

3. **Opinion Leader**: Opinion leaders or influential play a vital role in influencing the buying behaviour of their followers. The beliefs, preferences, attitudes, actions, and behaviour of the group leader set attend and a pattern for

others to follow. The group of followers respect him and looks unto him. Marketer very often try to catch hold of opinion leaders through aids and other means of communication.

4. Social Class and Caste : Social class and caste often influences consumer behaviour. Social class has an impact on spending capacity, habits, quality and quantity of products. Each class and caste develops its own standards of style, living and behaviour patterns. For example, a particular caste selects a particular brand of product, like in ancient time only Kshatriya' uses 'Dhanush and Van'. The major social classes are six. According to Philip Kotler these are: (i) Upper uppers, (ii) Lower uppers, (iii) Upper Middles, (iv) Lower Middles, (v) Upper Lower and(vi) Lower.

Questions

Short

1. What is consumers behaviour?
2. Explain the characteristics of consumerbehaviour.

Long

1. Define consumer behaviour? also discuss the importance of consumer behaviour in the area of marketing.
2. Discuss various factors which affects the consumers behaviours.

Keywords

Vital

Prestige

Channel of distribution

Promotional activities

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Thanks