

CONSUMER BEHAVIOUR

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Introduction:

- Businesses stay in business by attracting and retaining customers.
- Organizations realise that their marketing effectiveness in satisfying consumer needs and wants at a profit depends on a deeper understanding of consumer behaviour.



**Attract Customers and Spread the
Word about Your Business**

Consumer

A person who purchases goods and services for personal use.

Behaviour

The way in which one acts or conducts oneself, especially towards others.



Consumer behaviour is a study of how individuals make decisions to spend their available resources (time, money and effort) on consumption related items

- What they buy?
- Why they buy?
- When they buy?
- Where they buy?
- How often they buy and use a product or service?

Definitions:

“Consumer Behaviour is the study of how, why and what people do when they buy products or avail of some services. It attempts to understand the buyer decision making process, both individually and in groups.”

“Consumer Behaviour refers to the actions and decision process of people who purchase goods and services for personal consumption.”

About Consumer Behaviour

- It is applied in our day –to- day activities.
- Marketers are interested in watching people shopping.
- Efforts of all marketers are to influence the behaviour of consumers in a desired manner.



Why Consumer Behaviour?

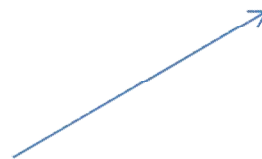
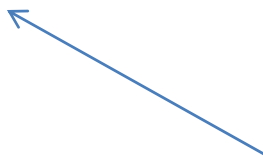
- The knowledge of Consumer Behaviour helps the marketer understand and predict the consumption patterns and consumption behaviours of people.
- Helps in solving marketing management problems.
- To understand how consumers make their consumption and buying decision.

- For effective market segmentation and target marketing.
- The study helps them understand the internal (individual determinants) and external (environmental factors) forces that impel people to act out different consumption patterns and behaviours.



Some Important issues that company face:

- What do consumers think about our products & those of our competitors?
- What do they think possible improvements in our products?
- What are their attitudes towards our products and our promotional efforts?



- The success or failure of a product or service is directly related to the buying behaviour of the customer.
- Hence, an understanding of the buying behaviour of customers helps marketers come up with innovative product mixes.



Need for Understanding Consumer Behaviour

Shorter product life cycles

- Consumers today are more aware of the options available, are more demanding, and look for change more often.
- This has resulted in shorter life cycles of products.



Evolving consumer preferences

- Change is the norm today, and consumer preferences offer no exception.
- Colgate Herbal toothpaste, for example, was launched as a superior value added offering that appeals to a newer consumer aspiration of health.



Environmental concerns

- As environmental awareness amongst consumers grow, firms are coming up with new products that are environment friendly.
- For example, Hindustan Unilever (HUL), maker of detergents like Surf, Surf Excel, etc., has launched washing powder variants that use less water to clean clothes.



Changing lifestyles

- Lifestyle reflects a person's view about the world.
- Marketers have to monitor these new trends in consumer life styles and incorporate these changes in their products.



Faster technology adoption

- The advent of the internet has led to an information boom.
- The internet allows users to compare and review products before they decide on a purchase.



Personal consumer

The individual who buys goods and services for his or her own use or for his family.



Organizational consumer

A business or industry or institution or government that buys goods, services and or equipment necessary for the organization to function.

Buyers and Users

- The person who buys a product may not necessarily be the user, or the only user for this product.
- Likewise, a person who purchases the product may not be the decision maker.

Example:

- The father buys a bicycle for his son (son is the user)
- He buys a pack of toothpaste(used by entire family)

