

# CONSUMER BEHAVIOR (UNIT II)

# MEANING AND DEFINITION OF CONSUMER BEHAVIOUR

- Consumer Behavior is the study of individual or groups and the processes that are used to select and dispose of product or services in order to satisfy the needs and wants.





# AUTHOR'S DEFINITION

- According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.
- According to Louden and Bitta, 'consumer behaviour is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services'.





# IMPORTANCE OF CONSUMER BEHAVIOUR`

Marketers can understand the expectation of the consumers

Kind of products liked by the consumers

In order to find success for the existing as well as launching of new products

Application of Marketing efforts according to the taste and preferences of the consumers.

To create and retain the existing customers



# FACTORS THAT INFLUENCES CONSUMER BEHAVIOUR

- MARKETING MIX FACTORS
- PERSONAL FACTORS
- PSYCHOLOGICAL FACTORS
- SOCIAL FACTORS
- CULTURAL FACTORS



# MARKETING MIX FACTORS

Each and every element of the marketing mix such as Product, Pricing, Place and Promotion has a direct or indirect impact on the buying process of the consumers





# (A) PRODUCT THAT INFLUENCES ON THE CONSUMER BEHAVIOUR

SPECIAL FEATURES/  
CHARACTERISTICS  
OF THE PRODUCT

COLOR

DESIGN OR  
PHYSICAL  
APPEARANCE

SIZE

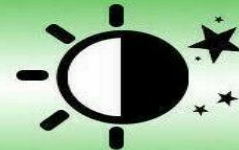
**SUPER  
HD**



Camera Features



Resolution



True Day & Night



Weather-Resistant



Night Vision



## (B) PRICING THAT INFLUENCES THE CONSUMER BEHAVIOUR

The price of the product fixed by the marketer has a great impact on the buying behaviour of the consumers . Marketers should consider the price sensitivity of target consumers.





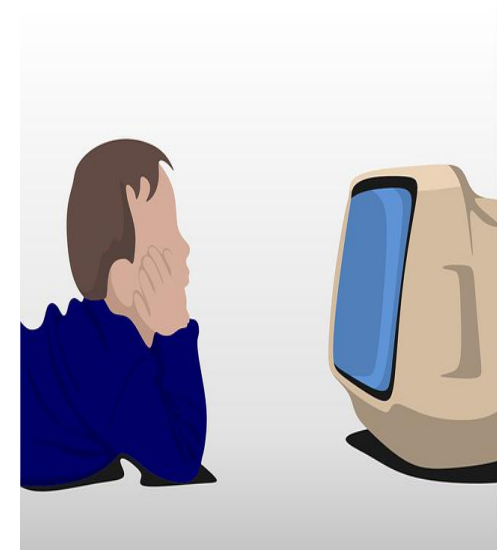
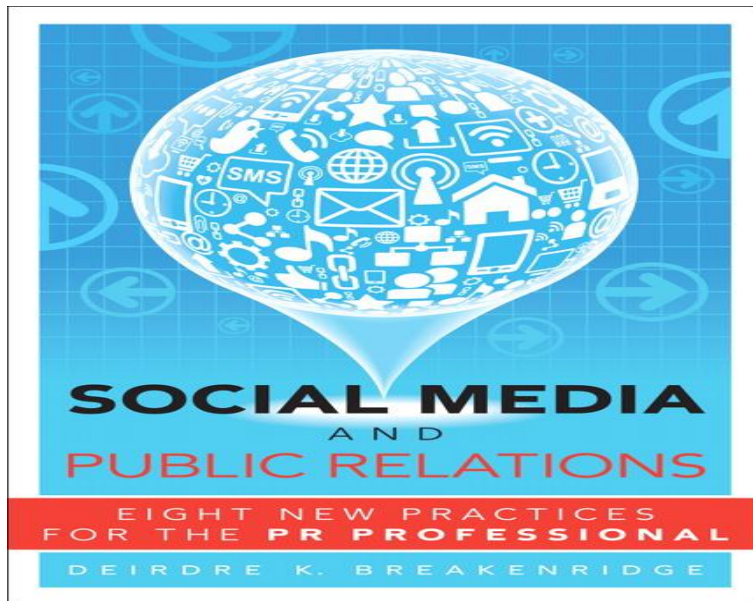
# 🔊 (C) PLACE THAT INFLUENCE THE CONSUMER BEHAVIOUR

The channel of distribution or Place affect the buying behaviour of the consumers . Hence the marketing firms should distribute the product at the right place where maximum number of consumer buy the product.



# 🔊 (D) PROMOTION THAT INFLUENCE THE CONSUMER BEHAVIOUR

- Promotion Mix such as advertisement, personal selling, publicity and public relations have a great impact on the buying behaviour of the consumers. Marketing companies should select the appropriate promotion mix according to the nature of the target customers.





# PERSONAL FACTORS

Personal factors such as age, gender, occupation, education & life style affect the buying behavior of the consumers.

## **AGE:**

Young consumers prefer to buy trendy products.

## **GENDER:**

Male consumers usually select Blue, Black Brown colors

## **EDUCATION:**

People with high education spends money on Books, Personal Care Products whereas people with less or no education spend less money on books and more on Personal Grooming Products.

## **LIFE STYLE/STATUS IN THE SOCIETY**

People with high income used to buy luxury car, watch and premium clothes etc.



# PSYCHOLOGICAL FACTORS

Psychological factors such as **LEARNING, ATTITUDE, MOTIVE, CONFIDENCE & BELIEF** have impact on the buying behaviour of the consumers.

**LEARNING:** There may be change in the behaviour of the consumers by getting experience and information. When a consumer buys a new product or brand and get satisfied with the product, he or she may buy the same product in the next time.

**ATTITUDE:** Consumers may have positive or negative or neutral attitude towards certain products, which influences the buying behaviour of the consumers.

# PSYCHOLOGICAL FACTORS

**MOTIVE** : Sometime, consumers may not have any needs and wants, but the inner drive that motivates a person to act or behave in a certain manner. A marketer must identify the buying motives of the target customers and influence them to act positively towards the marketed products.



**CONFIDENCE**: It is an important factor which determines the willingness of consumers to buy. A high level of confidence causes more demand for the product . Therefore it is the duty of the marketers to build confidence among the consumers.



**BELIEFS**: Belief is a thought that a person holds about something. It may be based on knowledge, trust and faith. Consumers may have a certain belief about certain products/brands which leads to brand image.





# SOCIAL FACTORS

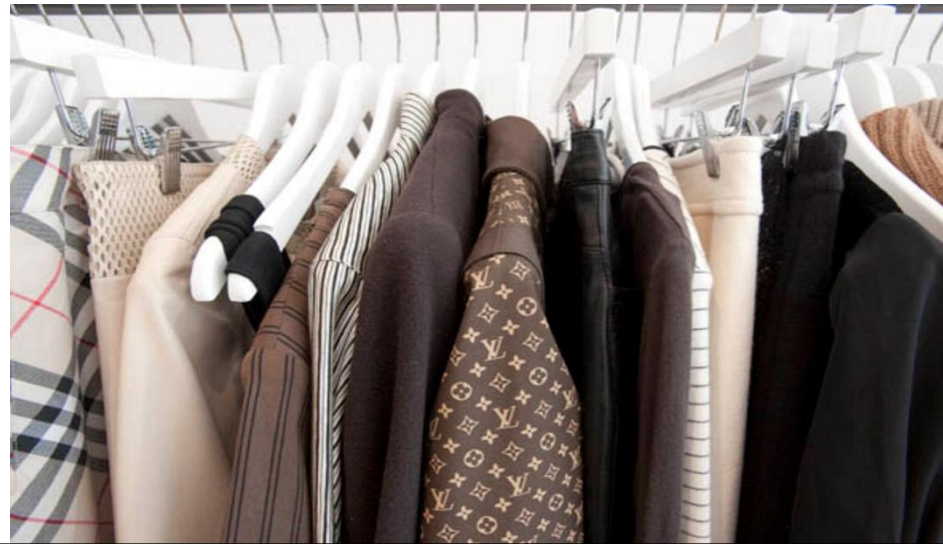
The social factors such as reference groups, family & friends and social status affects the buying behaviour.

Reference groups: It is a small group of people such as colleagues at workplace, friends circle , neighbours, family members and so on.

Family The family is the main reference group that may influence the consumer behaviour.

## 🔊 Roles and status

Roles and status: A person performs certain roles in a particular group such as organization or club. One may perform the role of a vice president in a firm and another one may perform the role of marketing manager. The vice president may enjoy higher status in the organization as compared to the marketing manager. People may purchase the products according to their roles and status.





# CULTURAL FACTORS

There is a major influence of cultural factors on consumer decision process. Consumers live in a complex social and cultural environment. The types of products and services they buy can be influenced by the overall cultural context in which they grow up to become individuals. Cultural factors includes religion, tradition, cast and moral values.



Dhamal Dance, Haryana



# TYPES OF BUYING BEHAVIOUR

Buying decision behaviour differs from person to person , place to place and from product to product. Buying Decision Behaviour has been classified into four categories. They are as follows.

- Complex Buying Behaviour
- Dissonance Reducing Buying Behaviour
- Habitual Buying Behaviour
- Variety Seeking Buying Behaviour



## TWO IMPORTANT PARAMETERS

INVOLVEMENT

HIGH

LOW

BRAND DIFFERENCE

HIGH

LOW





# Complex Buying Behaviour

In Complex buying behaviour, consumer shows a high involvement in the purchase and also there are huge differences in brands.

When the product is high priced, infrequently purchased (one time purchase) and risky and self expressive. Consumers willing to pay premium price .

Buyer passes through a learning process, develops beliefs and attitude

Example: Laptop, car etc.



# Dissonance Reducing Buying Behaviour

Consumers are highly involved in the purchase and they have little differences among the brands.

When the product is high priced, infrequently purchased (one time purchase) and risky and self expressive.

Good Price and Convenience purchase is preferred. Buyer undergoes learning process and buys product relatively quickly

Example: Floor tiles, carpets etc.



# Habitual Buying Behaviour

Consumers have low involvement in the purchase and also little differences among the brands.

Consumers used to buy the product regularly (frequently) without having any brand loyalty. These are low cost.

It supports passive learning process.

Price and sales promotion are the tools



# Variety Seeking Buying Behaviour

Consumers have high involvement in the purchase and major differences among the brands.

Brand switching is observed but not due to dissatisfaction but to avoid boredom and for the sake of variety.

It also support passive learning

Example: Biscuits, Rusks etc. Each brand gives a different variety.

# STAGES OF THE BUYING DECISION PROCESS

NEED/PROBLEM  
RECOGNITION

INFORMATION SEARCH

EVALUATION OF  
ALTERNATIVES

PURCHASE DECISION

POST PURCHASE  
BEHAVIOR



# 🔊 Stage 1 Need or Problem Recognition

- It is the first stage in the buying decision process
- Buyer recognizes a need or a problem
- Need can be from Internal Stimuli Or External Stimuli
- Marketers should try to identify and trigger the stimuli and to create an interest into their products or services which can be converted into purchase



Internal Stimuli



External Stimuli



# Stage 2 Information Search

Once the need or problem is recognized, consumer has to search for more information regarding the product. Information can be obtained from **family and friends**, through mass media like **magazines**, **Newspapers**, TV or by browsing technology websites.

Advanced	What you can do with it	Google this
site:	search only within a specific site	site:www.stanford.edu
filetype:	find a type of file: PDF, DOC, TXT ...	filetype:PDF
define:	find definitions for a word	define:audacity
intitle:	find words in the title of the webpage	intitle:inspirational
..	get ranges of numbers, dates, or prices	presidents 1800..1900
word * word	find other combinations of words between words	creative * writing
-word	search for homer, but NOT simpson	homer -simpson
"word"	find exact words—no synonyms or plurals	"peace" "freedom"
"set of words"	search for exact set of words, quotes or phrases	"I have a dream"



# 🔊 Stage 3: Evaluation of Alternatives

- In the case of buying a product frequently, the consumer may not think twice about the brand
- But in the case of high involvement purchase like a laptop or smartphone, consumer tries to evaluate all the brands on the basis of various benefit of attributes

## Customer reviews

★★★★★ 165  
4.5 out of 5 stars



**Magnifeko 1875W Professional Hair Dryer with Ion**  
by Magnifeko

Price: \$37.95 + Free shipping with Amazon Prime

Write a review

### Top positive review

[See all 148 positive reviews >](#)

One person found this helpful

★★★★★ **Amazing product! Super fast and efficient**

By missy on August 10, 2017

So impressed with this blowdryer! Never have used one so fast and it works amazing. Made my hair super soft straight and volumous. I've purchased very expensive blowdryers and this is my new favorite I will be sticking with. Very happy!!

### Top critical review

[See all 17 critical reviews >](#)

★★★☆☆ **Three Stars**

By Kaye on October 1, 2017

Like the performance of dryer but Very loud



## Stage 4 : Purchase Decision

- Once a consumer has made up his mind about buying a certain product or service, he needs to decide the brand, the retailer, the quantity, purchase mode and the timing of the purchase.
- If buying an expensive product, besides the brand and the retailer, the consumer is more interested in knowing about the mode of payment as to whether it can be made through credit card or debit card or through consumer finance.

### EXAMPLE :



## Stage 5 : Post Purchase Behaviour

Post purchase behavior has long been an important issue for every marketer. After purchasing the product, the consumer use and evaluate the product. If the customers are happy with the product quality and features, the company can get a long term committed customer otherwise the consumers can switch the brand and can discontinue the usage of this product.

Besides the post purchase use of the product, the disposal of the product is also important for the socially responsible companies.





THANK YOU