

CONSUMER BEHAVIOUR&IT's MODEL

Renu Yadav

Student, Commerce Department, Hisar, Haryana (India)

ABSTRACT

Consumer is the king of the market and marketing decision. Ignoring the fact that the consumer has become master of the market and ignoring the study of his needs, behavior and motives will often lead to wrong decision which might lead to organizations collapse. Modern Marketing considers the consumer as the beginning and end of all marketing activities. Every organizations has to plan organizes direct and control its resources and activities in order to satisfy the targeted consumer needs and wants.

Keywords: Consumer Behavior, Purchase Decision, Consumer, Purchase Process.

I. INTRODUCTION

Every person in this world is a consumer. Every person purchase goods and services in real life. At that time of purchase of goods and services the behavior performs by consumer is known as Consumer Behavior. The process of decision making to purchase the product/service may take place individually and collectively. Thus the key to consumption is the purchase decision, the Consumer is the decision maker and consumption process is the result of making the purchase decision.

It's obvious that consumer behavior is the pattern that followed by the consumer in the process of searching for purchasing, using or evaluating goods, services and ideas that he expect to satisfy his needs and wants.

II. DEFINITIONS

According to Philip Kotler, "Consumer is so simple that they do not did not require to study nor so complex is that there study not possible".

According to Schiffnan and Kanuk, "Consumer behavior is study of what they buy, why they buy, when they buy, where they buy, how often they buy it and how often they use it".

According to Walter and Paul, "Consumer behavior is the process where but individual decide whether, what, when where, how and from whom to purchase goods and services".

From the above definitions it is clear that consumer behavior is based on these different aspects:-

- Who will Buy
- How will he Buy
- Why will be Buy
- When will be Buy
- Where will be Buy

Who will Buy refers to the actual purchaser and its role during the purchase process.

How will he Buy refers to the method of purchasing. It will be in cash or on credit and individually or collectively.

Why will he Buy indicates the motives and reasons, need behind the buying decisions.

When will he Buy indicate the purchase time of products, weekdays or weekends, morning, afternoon or evening.

Where will he Buy it includes two different questions

- Where consumer decides his/her purchase.
- Where consumer does actually buys.

Generally it has been seen that sometimes customer/consumer pre planned to buy the product but actual buys of the product according to his planning. On the other hand need of the product arise suddenly does the consumer buy the product without any planning. On the both conditions the sales outlet he will buy from and commercial center a customer prefers as well as geographical area.

From the above questions the study of consumer behavior is also based on the buying pattern of the consumer.

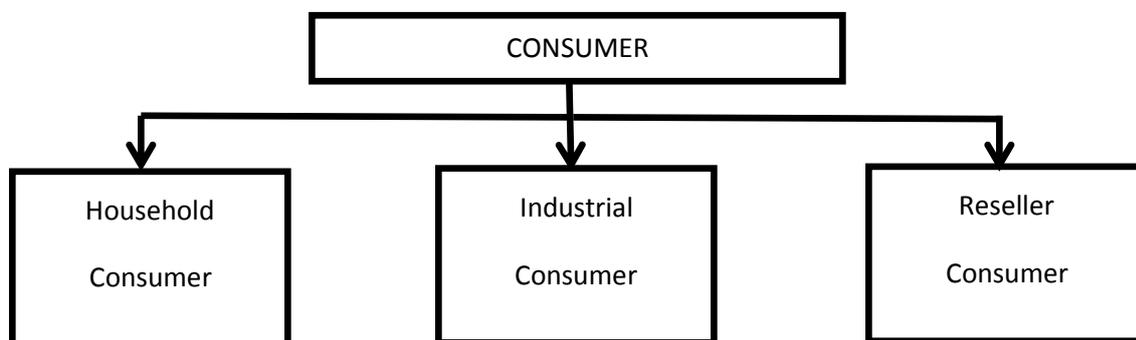
So the marketer also has to find out the answer of these questions:-

- Who influence the buying decisions?
- Who makes the buying decisions?
- Who makes the actual purchase?
- Who ultimately use the product?

The answer of above mentioned questions are crucial and complex for the evaluation of the efficiency of the marketing strategy and marketing program elements.

III. TYPES OF CONSUMER

There are so many types of consumers and there are lots of differences in the behavior of the consumers. To study the actual behavior of the consumer first we have to know about types of consumers. Consumer word has a very wide sense in which all types of buyers are included. So the classification of the consumers is as follows



3.3 Household Consumer

These consumer are also known as final consumer. Final consumer is the individual that purchases goods or services either for his personal use example clothes and medical treatments or for his family use example foods, shelter, household items.

3.4 Industrial Consumer

They are known as Organizational consumer. The Organizational consumer does not buy the product for their personal use or consumption but for the purpose of Organizational consumption. Industrial consumer includes commercial, agricultural firms, government agencies and nonprofit institutions. These organizations need the product goods and services example machines , furniture , stationery , raw material, parts etc. to perform their various functions and achieve the Organizational objectives . With the help of all these goods the organization will make final product for the use of final consumer.

3.5 Reseller Consumer

They are the Institutional. These are the buyers who purchase the product for the purpose of reselling. The purpose of these sellers is also commercial.

IV. KEYS TO UNDERSTAND CONSUMER BEHAVIOR

To understand the behavior of the consumer we first understand the keys related to the consumer behavior:-

4.1 Consumer Behavior Is Based on Incentives And Motives

Consumer behavior is based on incentives and motives. Motives are internal factors whereas incentives are external factors. Motives urge the consumer to behave well while incentives representing the customer that every customer needs rewards from the purchase of the product.

4.2 Consumer Behavior Includes Several Activities

Consumer behavior includes several activities in the buying process. These activities are-

1. Need of the product or service
2. Examining the product through advertisement and other ways
3. Discussing about the product with his family and friends
4. Evaluating the product in the stores
5. Comparing the product in the stores
6. Finalize the product
7. Buying the product.

4.3 Consumer Behavior Goes Through Different Successive Steps

Consumer behavior consists three different steps. These steps are

1. Pre-purchase decision
2. Purchase decision
3. Post purchase decision

These three steps include the whole buying process. These steps include thinking, examining, evaluating and buying etc.

4.4 Consumer Behavior Differs From Time To Time

In every purchase time taken by the consumer is different. A time factor is affected by number of factors and also differs from time to time.

4.5 Consumer Behavior Includes Different Roles

Consumer behavior includes different roles like place, time, role of consumers etc. it also includes like pre-purchase decision, purchase decision and post purchase means using of product.

4.6 Consumer Behavior Also Influenced By External Factors

Every consumer exists in the environment he natural interacts with it. So the factors of the environment also affect the behavior of the consumer. It includes culture, social class, reference group, family, friends, marketing methods and situational factors etc.

V. MODELS OF CONSUMER BEHAVIOR

Every Consumer is different and behavior performed by him is also different. We do not expect that every person will respond in the same way at a one particular situation. The study of Consumer Behavior is very important in the current era and it is very complex in nature. It is difficult to understand the human behavior completely. Every consumer has different needs, life styles want etc. So need want and life style of consumer is necessary for the success in marketing strategy and policy. To know the consumer first is necessary to understand behavior that affects his needs and wants. Changes in the behavior may also change needs and want of person. Behavior of a person may change from time to time.

Economist, psychologist and socialist were trying to understand the Consumer Behavior and later they were followed by administrative and marketing science.

Image of Consumer Behavior Model



Model to explain Consumer Behavior was classified into two categories

1. Traditional or Micro Approaches
2. Compressive and Macro Approaches

Explanations of these approaches are as follows

5.1 Traditional or Micro Approaches

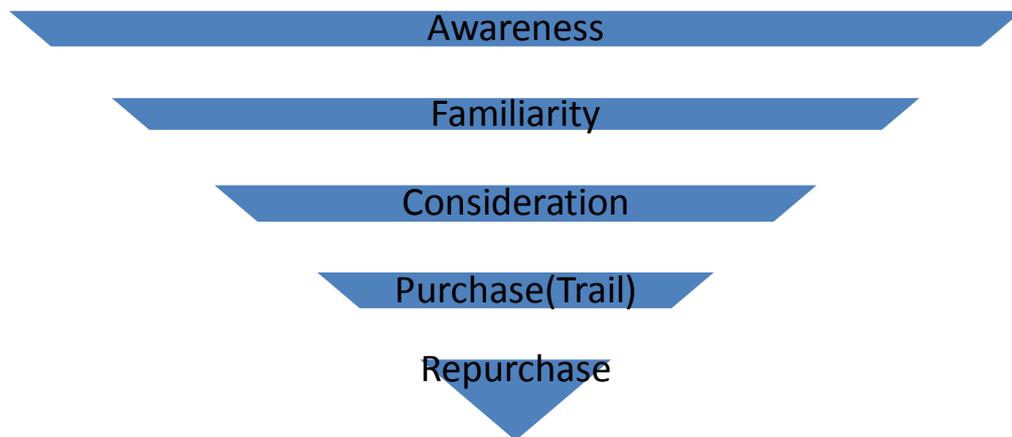
There are four micro approaches in Consumer Behavior. These Are

5.1.1 The Economic Model

Economist were the first who trying to explain the Consumer Behavior. Adam Smith's The Wealth of Nation and Gerny Benthamen's the Consumer/Producer/Product were Firstly explained Consumer Behavior. Adam Smith's introduce the principal to explain the individual behavior or collective behavior. The Individual may be

a consumer or producer. Every individual wants to maximize his self-utility or minimize his sacrifices means buy at the least price and selling at the best price. This is called 'Marginal Utility'. Adam Smith's did not explain marginal utility directly but concentrated on total utility. At the end of 19th century Alfered Marshal and William Hyrvonss introduce the concept of marginal utility separately but also same and the economic model or marshal model came into existence. According to this model consumer is wise and rational person. The decision to buy a product based on belief that the product he chooses is best in each manner. From the practical point of view a few consumer will follow this model. Even it is also difficult to follow this model by industrial consumer.

Traditional or Economic model of Consumer Behavior



5.1.2 The Pavlov Model

Due to lack of adequate explanation in the economic model marketers sought psychological model explanation. In this model purchase decision is related to what going on in the consumers' minds. Psychological model of Consumer Behavior experiments conducted on dogs by Russian psychologist Ivan Pavlov he experiments the man behavior and his nervous system. This model has main four elements

1. Need or want:- which has two types
 - 1.1 Primary need –
Primary need related to the basic need such as food, shelter and clothes which must be satisfied.
 - 1.2 Secondary need-
Secondary need are related to the external environment such as family, friends etc.
2. Research about the product he wants to buy.
3. Response of the consumer when actual purchase takes place.
4. When a consumer satisfied with a product he buys it again then it is called positive reinforcement.

5.1.3 The Freud Model

The Freud Model explains the human behavior from a psychological point of view. Every person purchase decision throughout his different life stages are related to their psychosexuality from childhood. The success of many products in the market place will be explained through this model. In this model the explanation of consumer behavior psychologists have focused on finding the actual reason appearing in the consumer mind and that results the purchase decision. Psychologists concluded that some psychological factor may influence the

consumer behavior and these factors must be studied to know the effects on decision making. The factors that influence the human behavior are mainly motives, perception and learning. In their explanation of consumer behavior person psychosexuality may also influence the purchase process of the product. Psychologists concentrate on real reasons operating in the consumer mind.

5.1.4 The Fiblin Model

Fiblin Model is a social-psychological model. He sees the consumer as a social person and affected from different sources. Man is an individual but his behavior cannot be explained individually. A man's behavior may be affected by his surroundings, his family, friends, social life, culture, sub culture, communication group etc. To explain this aspects of consumer behavior. Fiblin gave an example of certain social class behaviour and tried to compare it with other social class. The behavior of the person will be motivated by internal factor such as fame, love, pride and ego etc. He explained that these factors may affects the consumer's purchase decision when he wants to buy some products that reflects his feelings such as house, cars, jewelry and famous brand clothes.

5.2 Comprehensive or Macro Approaches

Comprehensive models are the good example of consumer behavior because they are based on more than one variable. Some of the following are as follows: -

5.2.1 The Engel – Kollat – Black Well Model

It is a learning model and it is the model to solve the problem related to the consumer behavior. The main part of this model is the internal auditing unit that directs the information searching, processing and storage. Decision making part of this model is mostly compared to the input of Howard Sheth Model. In this model information related to the product may impact the decision related to the product purchase. This model has the following elements:-

1. Identification of the product
2. Evaluation of the available alternative solutions
3. Selection of the best alternative
4. Evaluation of results

The decision making process starts from the identification of the product and ends up to selection of the best alternative. Environmental factors may also affect the purchase decision internally and externally. Internal factors related to consumer basic need and external factors are concerned with acquired need example self-esteem. According to this model two possible modes of behavior are as follows: -

Satisfaction: - if a consumer is satisfied with the product, he will again buy that product in future also.

Frustration: - if the consumer dissatisfied with the product, it creates frustration. This dissatisfaction affects the consumer purchase decision of the product and will not buy that product again. The frustration of the consumer can be removed by developing promotional program related to reinforcement of consumer's attitude towards the organization product and brands.

5.2.2 The Howard Sheth Model

This model is one of the most comprehensive models of consumer behavior. This model describes the various modes of the behavior and the phase of the product purchase decision. This model consists three main parts:-

1. Motivating Inputs

Motivating inputs are related to brand significance. These motivating inputs are largely influenced by social and environmental factors. These things learned from family, friends and reference group.

2. External factors

There are lots of external factors which affects the purchase decision of the consumer. These factors include personal factors, family, life style, education, social status, knowledge, timing, and financial position. These factors might be positive or negative motives. Positives may encourage the consumer to buy product again while negative motive may restrain the purchase process.

3. Consequential factors

These factors are the results internal and external variables. This factor has two major elements: perception and learning.

3.1 Perception

Perception is the process in which information is coming through five senses (sight, hearing, smell, taste and touch) and interpretate it to give it a meaning. It is also the mental representation of the information received from senses.

3.2 Learning

Learning is the process in which behavior of the consumer may change semi-permanently. Behavior may change by acquiring experiences, qualification, skills and information that help to improve the individual performance. The aim of learning is to modify the behavior positively. Through his whole life a consumer learn very different aspect about his life from his family, friends, his surroundings, society and his life style. The behavior of the consumer mat be affected positively or negatively from all these factors and this affects the product purchase decision of the consumer.

VI. BEHAVIOR OF INDIAN CONSUMERS

Economic background of Indian is rural. Most of the population of India lived in villages and small towns.

Because of poverty the purchasing power of Indian people is less. After independence Indian economy became developing from under developed. Number of cities increased. Education system will also develop. In India there are many religion, different eating life styles etc. But when we studied the behavior of the Indian consumer we get some importance of Indian consumers. Indian consumer believed in bargaining. They want to buy the product at low price. On the other hand sellers do not follow the same pricing policy because they think that it creates their sales low. Role of woman also plays a very important role in the consumer behavior. Because of woman empowerment role of the Indian woman increases in the society. Due to getting job the purchasing power of the woman may also increases. In India number of cities in India increases and the connectivity between villages and cities also increases and that creates increases in sales in Indian market. Indian consumers are fewer brands conscious. They do not have much knowledge about brands. Due to improve in education system and increase in communication system consumers get knowledge about the brand and the increase in sales of the branded products.

VII. CONCLUSION

The study of the consumer behavior is very complex in nature. Every consumer is different from others and behaves differently in a particular situation. The buying behavior of the consumer is influenced by the mental status and policy of the buyers. Consumers can select the product according to their needs and understanding about the product. The research reveals that marketing needs to understand the need, lifestyle and brand attachment of the consumer. Consumer decision making process has an emotional attachment to brand, effectiveness and outcomes. More than one variable affects the consumer behavior at a one time and it is not easy to understand that which variable affects the most of consumer behavior. The study of consumer behavior is related to the actual consumption not to the buying behavior of the consumer.

REFERENCE

- [1] Consumer Behavior an Analytical Study of The Saudi Family's Purchase Decision by Dr. Khaled Ibn Abdul-Rahman Al-Jeraisy
- [2] Principles of Marketing by Ashok Jain
- [3] University Essay from Warangkhan Pakdeejirakul, Micheal Agosi(2013)
- [4] www.bms.co.in
- [5] www.wikipedia.org/wiki/Consumer_behaviour
- [6] J. Scott Armstrong (1991). "Prediction of Consumer Behavior by Experts and Novices" Journal of Consumer Research (Journal of Consumer Research Inc.
- [7] Foxall, G. (2005.) Understanding Consumer Choice. Basingstoke. Palgrave Macmillan