

## IMPLICATIONS OF CONSUMER BEHAVIOUR IN MARKETING

**Kanta**

Department of Commerce,  
P.I.G. Govt. College for Women, Jind (Haryana)

### **ABSTRACT**

*Due to fast movement of technology it is requisite to find the change in the lifestyle of consumers. In the present research it has been endeavored to illustrate lifestyle of the buyers changes due to some of the factors, such age, education, social class, income and some others factors. It has been seen that some the factors has major role in the changing of buyer behaviors. The following research help to know the factors responsible in changing the lifestyle of the consumers are price, place, attributes, advertisement, favorite programs attributes preferred by the consumers and significant changes have been observed.*

### **INTRODUCTION:**

Though similar, consumers are unique in themselves; they have needs and wants which are varied and diverse from one another; and they have different consumption patterns and consumption behavior. The marketer helps satisfy these needs and wants through product and service offerings. For a firm to survive, compete and grow, it is essential that the marketer identifies these needs and wants, and provides product offerings more effectively and efficiently than other competitors. A comprehensive yet meticulous knowledge of consumers and their consumption behavior is essential for a firm to succeed. Herein, lies the essence of Consumer Behavior, an interdisciplinary subject, that emerged as a separate field of study in the 1960s.

### **DEFINING CONSUMER BEHAVIOR:**

Consumer Behavior may be defined as “the interplay of forces that takes place during a consumption process, within a consumers’ self and his environment.

- This interaction takes place between three elements viz. knowledge, affect and behavior
- It continues through pre-purchase activity to the post purchase experience
- It includes the stages of evaluating, acquiring, using and disposing of goods and services.

The “consumer” includes both personal consumers and business/industrial/organizational consumers. Consumer behavior explains the reasons and logic that underlie purchasing decisions and consumption patterns; it explains the processes through which buyers make decisions. The study includes within its purview, the interplay between cognition, affect and behavior that goes on

within a consumer during the consumption process: selecting, using and disposing off goods and services.

### **Characteristics of Consumer Behavior:**

i.) The subject deals with issues related to cognition, affect and behavior in consumption behaviors, against the backdrop of individual and environmental determinants. The individual determinants pertain to an individual's internal self and include psychological components like personal motivation and involvement, perception, learning and memory, attitudes, self-concept and personality, and, decision making. The environmental determinants pertain to external influences surrounding an individual and include sociological, anthropological and economic components like the family, social groups, reference groups, social class, culture, sub-culture, cross-culture, and national and regional influences.

ii.) The subject can be studied at micro or macro levels depending upon whether it is analyzed at the individual level or at the group level.

iii.) The subject is interdisciplinary. It has borrowed heavily from psychology (the study of the individual: individual determinants in buying behavior), sociology (the study of groups: group dynamics in buying behavior), social psychology (the study of how an individual operates in group/groups and its effects on buying behavior), anthropology (the influence of society on the individual: cultural and cross-cultural issues in buying behavior), and economics (income and purchasing power).

iv.) Consumer behavior is dynamic and interacting in nature. The three components of cognition, affect and behavior of individuals alone or in groups keeps on changing; so does the environment. There is a continuous interplay or interaction between the three components themselves and with the environment. This impacts consumption pattern and behavior and it keeps on evolving and it is highly dynamic.

v.) Consumer behavior involves the process of exchange between the buyer and the seller, mutually beneficial for both.

Phases of Consumer Decision Process:

### **Problem Recognition**

**Information Search** The ecological attributes of a product plays important role in choosing the product. The consumer here will pass from the two situation "Firstly Sustainability Needs" it's required by a consumer likes or not and secondly "the environment" lower in importance but influence on the consumer change the customer behavior and it takes time to diffuse in the

marketing. For this type of degree on innovation, firms usually introduce a different manufacturing process, product or service that attains environmental sustainability the consumer decision process model starts with the problem recognition what are the needs and satisfaction process.

**(a) Purchasing Process**

This phase focuses on the two aspects :-

- 1.) Purchase patterns, it include where to buy (Location) quantity to buy, and when to buy (timing)
- 2.) Outcome, the final outcome of the action.

**(b) Avoiding Dissonance**

Fuller describes when the purchase is less than satisfactory for whatever reasons, it creates a state of tension called post purchase dissonance. Post purchase dissonance is basically an after purchase cognitive behavior. Kreidler, & Joseph, (2009) explained that people react in two different ways toward environment, "Approach and Avoidance behavior". In approach behavior people shows positive behaviors to stay, keep searching for the product, power to spend money and look into particular environment. On the other side Avoidance includes negative behavior is attached, exhibiting to leave from a particular situation.

**Research tools and techniques:**

In case of primary data, the major tools and techniques are surveys (questionnaires and interviews), focus groups, observation, behavioral measures and experiments. These methods would use questionnaires, which may be structured or unstructured.

**-Survey Research:**

Surveys are the most popular of all techniques for data collection as far as the field of marketing is concerned. They are conducted over a sample to learn about customers' awareness, liking and preferences for an offering or a brand. They may also be undertaken to measure customer satisfaction. The findings from such surveys are then generalized to the entire population (in our case, the market). Hence, the sample should be chosen with care; it should be adequate, appropriate and representative. The sample may be chosen randomly or purposively. The major instrument used for surveys is through administration of the questionnaire; interview technique may also be used. The questions framed may be structured and formatted or may even be unstructured. They may be open-ended, closed ended, dichotomous, multiple choice, rating scales, ranking scales etc. Questionnaires may be administered personally or by postal mail, electronic mail or even on telephone. Surveys are used in quantitative research.

Example: Conducting a survey to test customer awareness and reaction about a new advertisement

campaign.

**- Focus Group Research:**

As the name suggest, this kind of research is conducted over a group of people through a moderator. The moderator focuses on the group of people, numbering 6-10, who are carefully selected purposively based on demographic, psychographic and/or behavioral considerations. The group members are asked questions about a product and the 4 Ps and they are even involved in discussions related to the research problem/issue. Through discussions, the moderator is able to gain insight into the group members' emotions and feelings, attitudes, underlying motivations and interests etc. These sessions are recorded for further analysis. The technique is used commonly during pre-testing of product in the market before it is launched; provides insight into product acceptance in the market. Focus group research is used in qualitative research.

Example: Why do customers prefer a higher priced branded electronic good as compared to a lower priced local one?

**-Observational Research:**

As the name suggests, this research technique is based on observing people, and drawing conclusions. The technique helps gain an insight and an in-depth understanding as to how people behave in the marketplace by carefully watching them buying and use products and services. These customers could be current customers or potential customers; they are observed in the marketplace while they are involved in the buying activity. The consumption pattern is observed. The technique could also be applied to test customer verbal and non-verbal reactions to product offerings (features and benefits, quality, aesthetics etc), price (increase/decrease, discounts and allowances exchange, warranties and guarantees), distribution (stores, layout, ambience, attitude of staff etc) an, promotion (advertising, sales promotion etc). The observations may be overtly or coherently; in the case of overt observations, the participant is aware of the objectives of the study and knows that he is being observed; in the case of coher observations, the person is unaware that he is being observed and that his actions are being recorded by the researcher personally or through hidden cameras and recorders (mechanical and electronic devices: videos, closed circuit TVs; technological devices: credit cards, shopping cards, online shopping and automated phone systems).

**- Behavioral Measures:**

The customer reactions in terms of their behavior are interpreted through customer databases and the store scanning data. Customers' actual responses in terms of "purchase" are recorded and analyzed; the assumption is that there is a difference between customer's intention to buy and actual purchase. So actual behavior is recorded and analyzed. This is regarded as more

reliable than questionnaire surveys and is used in both quantitative and qualitative research. -  
Experimental Research: This type of research technique is the most time consuming, but most scientifically valid and reliable approach towards conducting research studies and solving problems. It studies the cause-and-effect relationships between independent (cause) and dependent (effect) variables; the researcher alters/manipulates one or more variables, and controls and measures any change in other variables. In controlled settings, where the sample is treated as a test group, the variables under study are altered/manipulated and the reactions of the sample are recorded; thereafter these findings are generalized. This is used in quantitative research. The technique is commonly used in test marketing for pre-testing of the product before launch.

### **CONSUMER COMMUNICATION:**

Communication is defined as the flow of information from a sender to a receiver with the latter having a proper understanding of it. Marketing communication or consumer communication may be defined as the flow of information about a product/service offering from a marketer to the consumer.

This could assume two forms:-

- i) **Personal:** Interpersonal communication between the marketer and the salesperson or dealer.
- ii) **Impersonal :** By using channel or a media (print, audio-visual etc.)

Initial Customer Communications Management concepts were focused upon the utilisation of company transactional documents. These documents such as bank-statement, statement of account, invoices and other customer transactional documents were viewed as ideal media to promote company products to customers.

But Customer Communications Management is not just about making offers to customers. It also provides companies with the opportunity to improve the clarity of their communications. Rather than producing line driven data in which it is difficult for a customer to extrapolate trends and a deepening of understanding in respect of his or her relationship with the supplying company, Customer Communications Management provides the opportunity for a company to deliver visual analysis through clear graphics and highlighted content.

Consumer communication should be used effectively to drive maximum benefits to the company. You must be thinking how. Let us look at few ways which will help you market effectively even in a downturn.

- 1.) When economy is changing, it is all the more important to get the customer feedback. It

is not a good idea to fill their inboxes and mobiles with promotional messages. More so, you can use online surveys to understand how they are thinking and what they want. You can then make changes in your strategies, processes and so on to deliver the product that your consumers are aiming for.

2.) It is just not important to feed information to your consumers. Having a dialogue with them from time to time is also important. You can use the email marketing newsletters to invite them for such conversations. Apart from understanding their concerns, showing your consumers that you care is also very important. This will have far-reaching consequence and will benefit your company's image.

3.) Try and co-host an event with another local business. This will highlight your product's image in a positive manner. This is a kind of customer relationship building activity where you interact face-to-face with the consumer and show him your expertise.

4.) Consumers are becoming more and more environmentally aware these days. Anything against the environment would put you in a bad light. So focus that your product or service is following all the environment friendly standards. You can also show your concern by teaming up with local charity and involving your consumers in the event too.

#### **CONSUMER ATTITUDE:**

An individual with a positive attitude towards a product/service offering is more likely to make a purchase; this makes the study of consumer attitudes highly important for a marketer. An attitude may be defined as a feeling of favorableness or unfavorableness that an individual has towards an object (be it a person, thing or situation). It is a learned predisposition to exhibit and act based on evaluation resulting in a feeling of like or dislike towards and object. In terms of consumer behavior, consumer attitudes may be defined as an inner feeling of favorableness or unfavorableness towards a product or service offering and the 4Ps. As Schiffman has defined, "Attitudes are an expression of inner feelings that reflect whether a person is favorably or unfavorably predisposed to some "object" (e.g., a brand, a service, or a retail establishment)," and "Attitude formation, in turn, is the process by which individuals form feelings or opinions toward other people, products, ideas, activities, and other objects in their environment".

#### **NATURE OF ATTITUDES:**

Consumer attitude can be better explained by understanding the nature and characteristics of attitude. Attitudes are composed of three components, viz, a knowledge or cognitive component, a feeling and affect component and a behavioral and conative component. In terms of consumer learning, the attitude would express a consumer's feeling of like or dislike about a product or service

offering and the marketing mix. The knowledge component is reflected in the learned knowledge that a consumer obtains from his interaction with others as well as his own experiences. The feeling component is reflected in his evaluation, and the resultant feeling of favorableness and unfavorableness. The behavioral component is reflected in the predisposition to act (purchase) based on the evaluation. Based on this explanation, the nature of attitudes can be elaborated as follows:

1. Attitudes are directed towards an object (product/service offering, price, store, dealer, promotion, advertisement etc.) about which a consumer has feelings and beliefs.

2. Attitudes have a direction; they could be positive or negative. A consumer could possess feelings of like/dislike, favorableness and unfavorableness towards a product or service as well as the mix. They vary in degrees and intensity, and can fall anywhere along a continuum from very favorable to very unfavorable.

3. Attitudes are consistent in nature, particularly with respect to the third component, i.e. behavior. Consumers are consistent with respect to their behavior. However, they are not entirely permanent and may change if the cognitive or the component is changed. This implies that if the consumer witnesses new experience or is exposed to new information about product/service offering and the mix (cognition), and) feelings are changed from dislike to like (affect), attitudes towards the offering and the mix can undergo change. In other words, while attitudes are stable and do not change frequently, they can be changed if something is done to change them.

4. Attitudes are a learned predisposition. Attitudes are learned; they are formed as a result of i) self experiences with the product/service offering and the mix; ii) interaction with other people, be it family, friends, peers and colleagues; iii) information obtained from the marketer through promotion particularly advertisements as well as dealers and salespeople. Attitude formation as a process is impacted by needs and motivation, perception as well as learning.

5. Attitudes cannot be observed directly. While attitudes are comprised of three components, behavior is just one of them. It is only this component that can be seen; the cognitive and affect components cannot be seen. Thus it is said that attitudes cannot be seen; they can only be inferred from the manner in which an individual behaves. Thus, we can infer that a person who buys Colgate Total toothpaste and disregards Pepsodent has a positive attitude towards Colgate.

6. While attitudes can be inferred from our behavior, it is not synonymous to behavior. It has two other components, and reflects a learned predisposition to act favorable or unfavorably towards a product and service offering and the mix.

7. Attitudes are situation specific; they occur within a situation. Sometimes depending upon the

situation, a consumer may exhibit a behavior that may be inconsistent with his/her attitude. He may prefer to buy Pepsodent over Colgate because the former is on a sales promotion and gets him a free toothbrush.

#### **8. ATTITUDES AND IMPLICATIONS FOR MARKETERS:**

Consumer attitude has implications for a marketer. An individual with a positive attitude towards a product/service offering is more likely to make a purchase; this makes the study of consumer attitudes highly important for a marketer. Marketer should understand the dynamics of attitude formation and change.

a) Consumer attitudes are reflective of consistent favorable or unfavorable feelings that a consumer or a prospect forms as a result of an evaluation about an object; the object being, a product/service offering, brand, price, store and dealer, salesperson, advertisement, promotion etc. They are directed towards an object (product/service offering, price, store, dealer, promotion, advertisement etc.) about which a consumer has feelings and beliefs.

b) They cannot be observed; they can only be inferred from what people say or what they do and how they behave.

c) Consumer attitudes are formed on the basis of experiences as well as information received from personal (WOM, family, friends, peers etc.) as well as impersonal (marketer's sources) sources of information that are retained in one's memory. Marketer should be careful while providing relevant information.

d) Attitude formation as a process is impacted by needs and motivation, perception as well as learning. They are formed as a result of learning that occurs because of

i) Self experiences with the product/service offering and the mix.

ii) Interaction with other people, be it family, friends, peers and colleagues.

iii) Information obtained from the marketer through promotion particularly advertisements as well as dealers and salespeople.

e) Consumers form positive attitudes towards product/service offerings because

i) They provide a utility.

ii) Help defend their ego, self-image and self-concept.

iii) Expresses a person's values and lifestyle, personality and self image.

iv) Reaffirm their knowledge base, to finally help them simplify purchase decision making.

f) A consumer may exhibit a behavior that may be inconsistent with their attitude. For example, a consumer may have a neutral feeling or may be indifferent with a brand, but he would go in for a



purchase as he gets a good bargain (a concession or a discount etc). Attitudes are situation specific.

g) Marketers should understand the formation of attitudes, as well as their change, so as to be able to predict acts of behavior, and influence them.

h) While attitudes are stable and do not change frequently, they can be changed if something is done to change them. Marketers should understand the dynamics of attitude formation and change, and make attempts to transform neutral or unfavorable attitudes into favorable ones.

i) Consumer's attitudes towards a product/service offering or a brand, is a function of the presence or absence of certain attributes, and the corresponding evaluation. Consumers would tend to have favorable attitudes toward such offerings and/or brands that they have sufficient amount of attributes that are deemed important and evaluated as positive.

j) A consumer may have positive feelings towards an attitude object, but he may have a negative attitude regarding his intention for buying such a product/service offering. Thus, a positive attitude towards the offering may not necessarily end up as an act of purchase.

k) The behavior of a consumer is based on his intention to act, which is moderated by the attitude towards behavior and other subjective norms. Intention precedes actual behavior; beliefs and attitudes as well as subjective norms precede intention.

l) Consumer's attempts at purchase and consumption, get impeded by personal and environmental impediments, thus preventing the action (act of purchase) from occurring.

m) Consumers form judgments and feelings as a result of exposure to an advertisement. Not only does a consumer form attitudes towards the advertisement, he or she also forms an opinion towards the brand. Thus marketers need to be careful while formulating ads especially for innovative products and services and for new brands.

n) Attitudes can be measured by observation, qualitative studies (focus group, depth interviews, psychological tests) and quantitative techniques (or rating scales).

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