

Consumer Behaviour

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Meaning

- The term consumer behaviour is defined as the behaviour that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs.
- Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items that includes what they buy, why they buy, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose of it.

Consumer Buying Process

- **Problem Recognition-** Before a purchase can ever take place, the customer must have a reason to believe that what they want, where they want to be or how they perceive themselves or a situation is different from where they actually are. The desire is different from the reality – this presents a problem for the customer.
- **Information Search-** Once a problem is recognized, the customer search process begins. They know there is an issue and they're looking for a solution. If it's a new makeup foundation, they look for foundation; if it's a new refrigerator with all the newest technology thrown in, they start looking at refrigerators – it's fairly straight forward.

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- **Evaluation of Alternatives-** At this stage, consumers evaluate different products/brands on the basis of varying product attributes, and whether these can deliver the benefits that the customers are seeking. This stage is heavily influenced by one's attitude, as "attitude puts one in a frame of mind: liking or disliking an object, moving towards or away from it". Another factor that influences the evaluation process is the degree of involvement. For example, if the customer involvement is high, then he/she will evaluate a number of brands; whereas if it is low, only one brand will be evaluated.
- **Purchase Decision-** This is the fourth stage, where the purchase takes place. the final purchase decision can be disrupted by two factors: negative feedback from other customers and the level of motivation to comply or accept the feedback. If a customer walks away from the purchase, this is the time to bring them back.

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- **Purchase-** A need has been created, research has been completed and the customer has decided to make a purchase. All the stages that lead to a conversion have been finished. However, this doesn't mean it's a sure thing. A consumer could still be lost. Marketing is just as important during this stage as during the previous.
- **Adoption and Post Purchase Behavior-** If the experience of service consumed is satisfactory, the consumer will repurchase the service. It is possible that a consumer will have misgivings about the purchase as it did not meet expectations because alternatives to such as a service appear more attractive in comparison.

Factors affecting Consumer Behaviour

- **Social factors:-** Social factors are among the factors influencing consumer behavior significantly. They fall into three categories: reference groups, family and social roles and status.
 - **Family:** The family is maybe the most influencing factor for an individual. It forms an environment of socialization in which an individual will evolve, shape his personality, acquire values. But also develop attitudes and opinions on various subjects such as politics, society, social relations or himself and his desires.
 - **Social roles and status:** The position of an individual within his family, his work, his country club, his group of friends, etc.. – All this can be defined in terms of role and social status. A social role is a set of attitudes and activities that an individual is supposed to have and do according to his profession and his position at work, his position in the family, his gender, etc.. – and expectations of the people around him. Social status meanwhile reflects the rank and the importance of this role in society or in social groups. Some are more valued than others. Reference groups and membership groups :The membership groups of an individual are social groups to which he belongs and which will influence him. The membership groups are usually related to its social origin, age, place of residence, work, hobbies, leisure, etc..

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- **Cultural factors :**
 - **Culture environment:** Culture is crucial when it comes to understanding the needs and behaviors of an individual. Throughout his existence, an individual will be influenced by his family, his friends, his cultural environment or society that will “teach” him values, preferences as well as common behaviors to their own culture. For a brand, it is important to understand and take into account the cultural factors inherent to each market or to each situation in order to adapt its product and its marketing strategy. As these will play a role in the perception, habits, behavior or expectations of consumers.
 - **Sub-cultures :** A society is composed of several sub-cultures in which people can identify. Subcultures are groups of people who share the same values based on a common experience or a similar lifestyle in general. Subcultures are the nationalities, religions, ethnic groups, age groups, gender of the individual, etc.. For example in recent years, the segment of “ethnic” cosmetics has greatly expanded. These are products more suited to non-Caucasian populations and to types of skin pigmentation for african, arab or indian populations for example.
 - **Social classes:** Social classes are defined as groups more or less homogenous and ranked against each other according to a form of social hierarchy. Even if it’s very large groups, we usually find similar values , lifestyles, interests and behaviors in individuals belonging to the same social class.

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- **Personal factors:**

- **Age and way of life:** A consumer does not buy the same products or services at 20 or 70 years. His lifestyle, values, environment, activities, hobbies and consumer habits evolve throughout his life. For example, during his life, a consumer could change his diet from unhealthy products (fast food, ready meals, etc..) to a healthier diet, during mid-life with family before needing to follow a little later a low cholesterol diet to avoid health problems.
- **Purchasing power and revenue:** The purchasing power of an individual will have, of course, a decisive influence on his behavior and purchasing decisions based on his income and his capital. **Lifestyle:** The lifestyle of an individual includes all of its activities, interests, values and opinions. The lifestyle of a consumer will influence on his behavior and purchasing decisions. For example, a consumer with a healthy and balanced lifestyle will prefer to eat organic products and go to specific grocery stores, will do some jogging regularly (and therefore will buy shoes, clothes and specific products), etc..

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- **Psychological factors Learning:**

- Learning is through action. When we act, we learn. It implies a change in the behavior resulting from the experience. The learning changes the behavior of an individual as he acquires information and experience. For example, if you are sick after drinking milk, you had a negative experience, you associate the milk with this state of discomfort and you “learn” that you should not drink milk. Therefore, you don’t buy milk anymore.
- **Beliefs and attitudes:** A belief is a conviction that an individual has on something. Through the experience he acquires, his learning and his external influences (family, friends, etc..), he will develop beliefs that will influence his buying behavior. While an attitude can be defined as a feeling, an assessment of an object or idea and the predisposition to act in a certain way toward that object. Attitudes allow the individual to develop a coherent behavior against a class of similar objects or ideas.

Types of Buying Behaviour

- **Complex buying behavior** – Consumers go through complex buying behaviour when they are highly involved in a purchase and aware of significant differences existing among brands. Consumers are highly motivated in a purchase when it is expensive ,risky and highly self-expressive.
- **Dissonance buying behavior:-** here consumer is highly involved in the purchase but there are few differences between brands. Like consumer while buying a floor tiles buy them quickly as there are few differences between brands.

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- **Habitual buying behavior:-** in this case there is low involvement of the consumer and there are few differences between brands. The consumer buys the product quickly. For eg. Toothpaste.
- **Variety seeking behavior:-** in this case consumer involvement is low while buying the product but there are significant differences between brands. Consumers generally buy different products not due to dissatisfaction from the earlier product but due to seek variety. Like every time they buy different washing detergent just for variety. So it is the duty of the marketer to encourage the consumer to buy the product by offering them discounts, free samples and by advertising the product a lot.

Service Encounters

- A CUSTOMER COMES INTO CONTACT WITH THE SERVICE ORGANIZATION WHEN HER BODY, MIND, ASSETS OR INFORMATION IS PROCESSED. THIS IS GENERALLY KNOWN AS A SERVICE ENCOUNTER.
- A SERVICE ENCOUNTER INVOLVES NOT ONLY THE CUSTOMER AND SERVICE EMPLOYEES, BUT ALSO OTHER CUSTOMER, THE SERVICE DELIVERY SYSTEM AND THE PHYSICAL EVIDENCE.

Types of Encounters

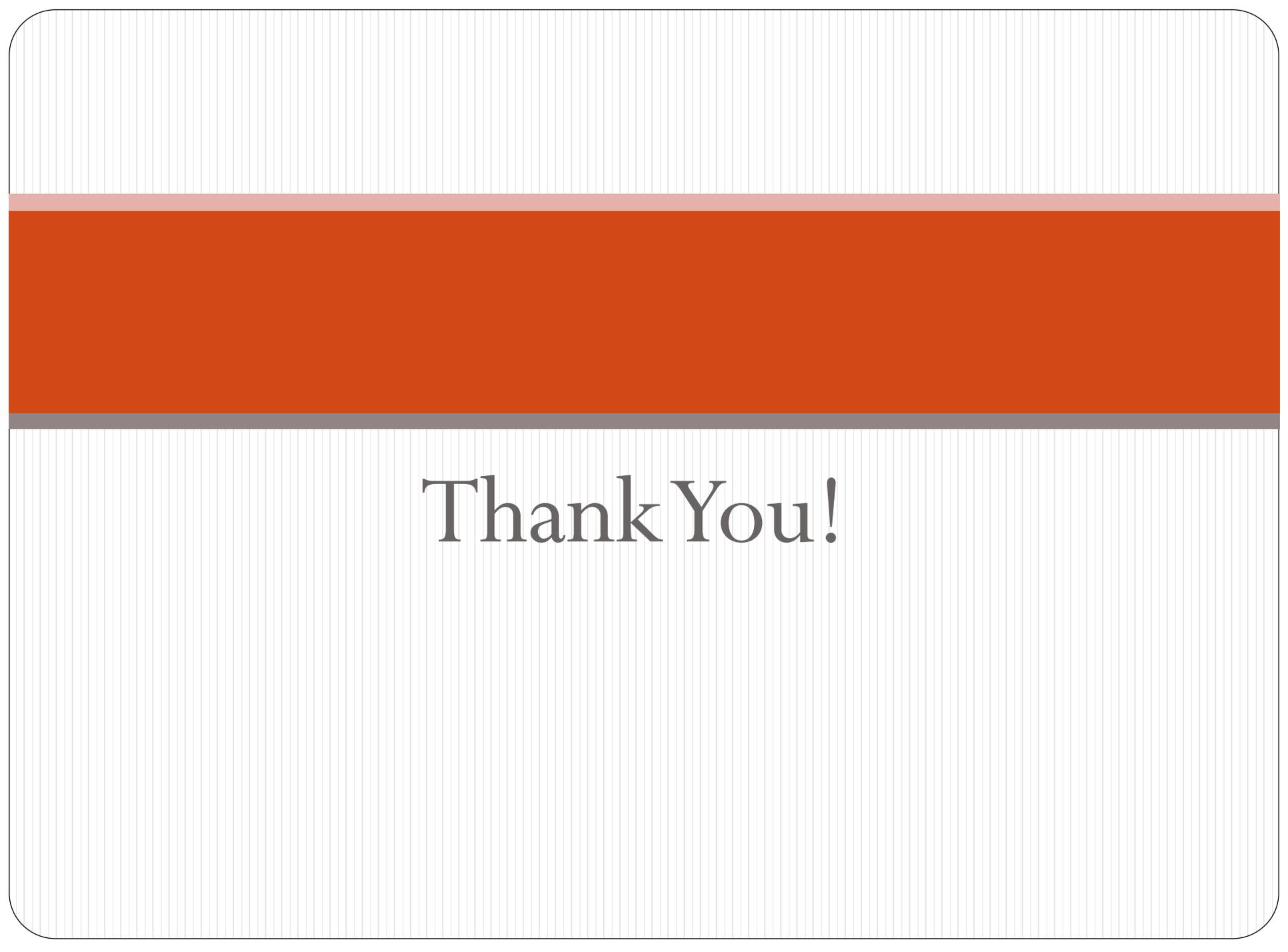
- **The remote encounter** - where customers interact with a service, or part of it, through the mail e.g. financial service, mail order. The remote encounter may also occur via a machine, e.g. the ATM. They can occur without any direct human contact such as when a customer interacts with a bank through the ATM system.
- **The indirect personal encounter** – where customers interact with a service by telephone. The service quality can be judged on the basis of how long they had to wait for the phone to be attended, tone of voice, employee knowledge and effectiveness/efficiency in handling customer issues.
- **The direct personal encounter** – where customers interact face-to-face with the service provider. Customers now have the opportunity of visualising the providers of the service. In face to face encounters the customer also play a role in creating quality service for herself through her own behaviour during the interaction.

Elements of service encounter

- **The Customer:-** The customer is the most important element of a service encounter. The ultimate objective of an encounter must be the satisfaction of the customer. Therefore, the service and its delivery system must be designed to meet the customer's needs in the most effective and efficient manner.
- **The service provider:-** The service provider or employee is the other human element in service encounter. As a human being, he expects courtesy from customers and fellow employees and would like to be appreciated by customers and management. He has to have the requisite knowledge and proper training to perform his task. However, this is usually not sufficient for successful encounter.

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- **The delivery system:-** A delivery system consist of equipment , supplies, processes, programs and procedures as well as the rules , regulation and organizational culture.
- **Physical evidence:-** physical evidence includes all the tangible aspects of a service or service organization , a customer experiences. Backstage facilities or facilities below the line of visibility are not considered part of physical evidence because they are not directly experienced by the customer.



Thank You!