



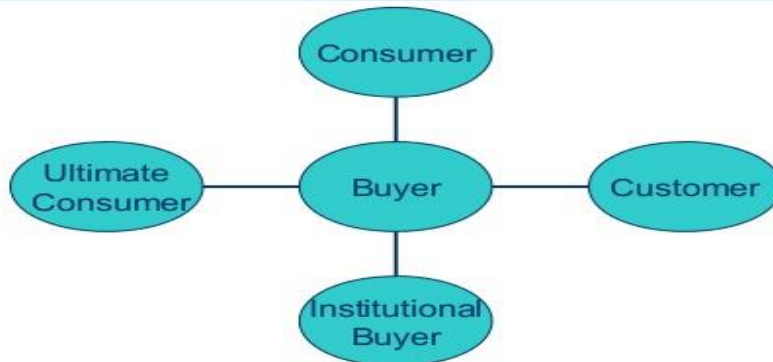
CONSUMER BEHAVIOUR



Consumer Behaviour

- Consumer Behavior is the study of when, why, how and where people do or do not buy a product. It basically depends on the psychology of the consumer. It attempts to understand the buyer decision making process both individually & in groups. It studies the individual consumers such as demographics & behavioural aspects to understand the people's wants.
- In the study of Consumer Behaviour main focus is the **customer satisfaction** because customer is the only person with whose presence businesses actually exists

Types of consumer



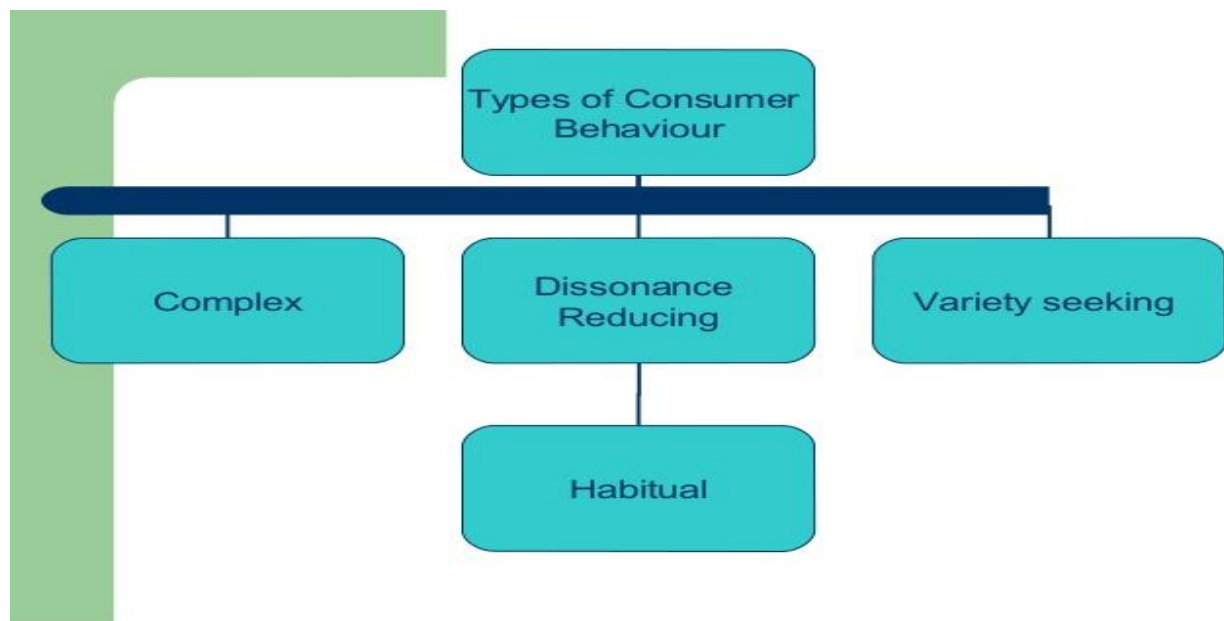
- **Consumer:** According to International Dictionary of Management “Consumer is a purchaser of goods and services for immediate use or consumption”.
- **Buyer:** He is the person who purchase goods either for resale or for use in production or for use of somebody else.
- **Customer:** He is the one who purchases goods for his own use or for the use of others or else he is regular customer of a particular product and he is a regular customer of particular shop.
- **Institutional buyer:** These are either govt. institutions or private organizations.

Characteristics of consumer behaviour

- It is a process where consumer decide what to buy, when to buy, how to buy, where to buy & how much to buy.
- It comprises of both mental and physical activities of consumer.
- Consumer behaviour is very complex and dynamic which keeps on changing constantly.
- Individual buying behaviour is affected by various internal factors like his needs, wants, attitudes & motives and also by external factors like social groups, culture , status, environmental factors etc.
- Consumer behaviour starts before buying and even after buying.

Importance/Need of study of consumer behaviour

- To make better strategies for increasing profits.
- To take into consideration customer's health, hygiene & fitness.
- To know the buying decisions and how consumer make consumption.
- Consistent change in Consumer's tastes or preferences.
- Consumer behavior study is necessary to make pricing policies.
- To avoid future market failures.



Buying Motives

According to D.J.Ducan, “Buying Motives are those influences or considerations which provide the impulse to buy, induce action or determine choice in the purchase of goods and services”.

Types of Buying Motives

A. Product & Patronage Motives

1. Product Motives

- Primary
- Secondary

2. Patronage Motives

- Price
- Quality
- Location
- Services
- Variety
- Personality of the owner

B. Emotional & Rational Motives

1. Emotional Motives

- Love of others
- Socially acceptable
- Vanity Motive
- Recreational motive
- Emulate motive
- Comfort & convenience motive

2. Rational Motives

- Monetary gain
- Efficiency in operation
- Dependability

C. Inherent & Learned motives

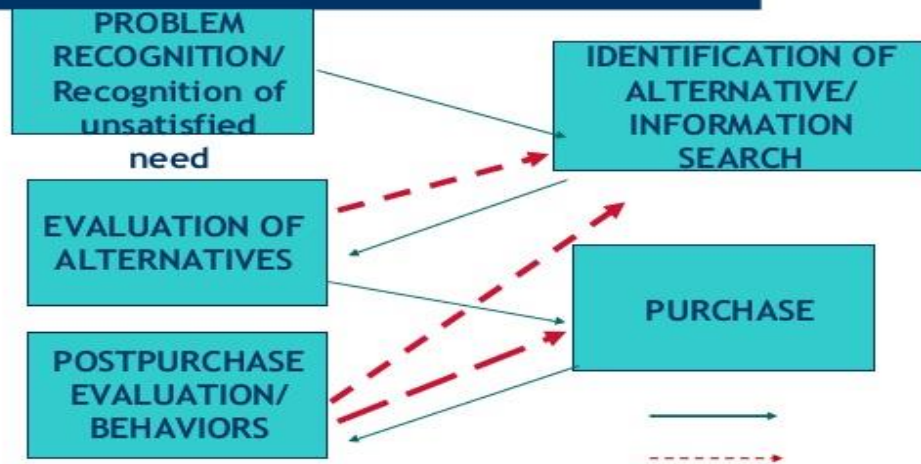
1. Inherent motives are those which come from physiological & basic needs such as hunger, thirst, sleep etc. If these motives are not satisfied then consumer feels dissatisfied and feels mental tension.
2. Learned motives are those which are learned or acquired by a person from environment and education like social status, acceptance, fear, security etc.

D. Physiological & Social buying Motives

1. Physiological motives are those which are driven by learning, perception or attitude.
2. Social buying motives are those which are influenced by the society in which the consumers live.

CONSUMER DECISIONS:

Theory and Reality in Consumer Buying



Factors influencing consumer behaviour

- ***Psychological factors***

1. Consumer needs & motivation (Maslow's need hierarchy theory)
2. Perception
3. Learning
4. Beliefs & attitudes

- ***Cultural factors***

1. Culture
2. Sub culture
3. Social class

- ***Social Factors***

1. Reference group
2. Role and status
3. Family

- ***Personal factors***

1. Age
2. Stages in life cycle
3. Occupation in economic status
4. Life style
5. Personality

- ***Economic factors***

1. Personal income
2. Family income
3. Income expectations
4. Savings
5. Liquidity position
6. Consumer credit

- ***Environmental Factors***

1. Political situation
2. Legal forces
3. Technological advancement
4. Ethical considerations

