Research Paper

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Recent Trends in Indian Consumer Behaviour

Management

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ABSTRACT

The present study is based on the perceptions, buying behaviour and satisfaction of the consumers in Indian market. The Indian consumers are noted for the high degree of value orientation. India is a lucrative market even though the per capita income in India is low and it remains a huge market, even for costly products. Consumer behaviour is complex and very often not considered rational. The recent trends which are found in the Indian market are celebrity influence, online shopping, freebies and popularity of eco-friendly products.

INTRODUCTION

With the ever-increasing penetration of internet and social media, the purchasing behaviour of Indian consumers has changed dramatically. According to a 2007 report by McKinsey & Co., India is set to grow into the fifth largest consumer market in the world by 2025. In this scenario, creating consumer loyalty is now a whole new challenge. These demographic shifts have also created the need for leaders who can keep pace with change and identify with and predict future demand. The Indian consumer story is one that has caught the attention of the rest of the world. What has emerged in this consumer story is the fact that there is much more homogeneity in the market than ever before; for the first time some patterns have begun to emerge in consumer behaviour. The Indian consumer is also maturing fast and is upgrading within product segments at a pace that consumer companies are struggling to keep up with. The mobile phone category is a classic example, where individuals across segments are constantly moving to the next price level as soon as they master the technology of their current phone. There is a growing realization today that it is easier to compete in the smaller towns because many of the big brands and their marketing managers and sales teams don't make the effort to travel there. Another shift has been the changing dynamics of rural migration to urban centres.

OBJECTIVES

1. To recognize the different consumer types & communicate accordingly
2. To know the factors that affects their buying behaviour
3. Understand buying behaviour & consumer decision making process
4. To know what strategies the marketer can adopt to influence the consumer purchasing behaviour

METHODOLOGY

The present study is based on the perceptions, buying behaviour and satisfaction of the consumers in Indian market. The present study involves the use of "Survey Method".For quantitative data collection. The questionnaire was structured. These questions measured general consumers' knowledge about different brands, awareness of eco-friendly products, trust in performance of products they purchase and their willingness to pay more for such products. The second part of the questionnaire consisted of a 5-point scale, used to explore and assess factors influencing buying behaviour and buying decision process. The survey scale consisted of 11 items. Scores on the scale items varied from a low of 1 (strongly disagree) to a high of 5 (strongly agree), with disagree, neutral, and agree as interval points. The questionnaire also included general demographic questions such as age, gender education. Sample size was 80, questionnaires were distributed to a conveniently generated sample and 69 total questionnaires were returned with a response rate of 87.25 per cent. The nationality of Sample was Indians, mainly residents of Patna, Bihar. The age group of sample from 15 years to 60 years.

RECENT TRENDS IN MARKETING STRATEGIES APPLICABLE AMONG INDIAN CONSUMER

ONLINE SHOPPING:

Currently, the most suitable marketing strategies applicable is internet marketing because it has been seen that the Indian consumers are buying products through online for example ; clothes, CDs/VCDs/DVDs, cassettes, books, magazines, medicine and educational material. The popular online shops in India include:www.ebay.in,www.shopping.rediff.com,www.reliablegreetings.com, www.shopping.expomarkets.com

CELEBRITY INFLUENCE:

With the visual media becoming more popular the use of celebrities in the TV media has increased. It is not surprising therefore that using celebrities in advertisements has become common practice. Consumers like advertisements more if they are admirers of the celebrities in the advertisements. Celebrities may also help reposition products.

QUALITY ORINTED OUTLET:

Indian consumers looking for quality choose expensive brands as they feel that price is an indicator of quality. However, in the absence of well known brands in selected product range, consumers are likely to take cues from well established retail outlets hoping that these outlets carry quality products.

FREEBIES:

Indian consumer buying behaviour is influenced by freebies. Freebies are consumer products given free as gifts for purchasing selected products above a certain value. TVs, washing machines, refrigerators, and readymade clothes are some of the product categories in which freebies are given to Indian consumers.

ECOFRIENDLY PRODUCTS:

The environmental awareness in India has started affecting marketing of products based upon their eco-friendliness. In general, Indian consumers are likely to buy environmentally responsible products and packs. Consumers in India are taking lead in prompting manufacturers to adopt technologies to produce eco-friendly products.

TRENDY LIFE STYLE

The Indian consumer has become much more open-minded and experimental in his/her perspective. There is now an exponential growth of western trend reaching the Indian consumer by way of the media and Indians working abroad. Foreign brands have gained wide consumer acceptance in India, they include items such as; Beverages, Packed food, Ready to eat food , Precooked food, Canned food, Personal care products , Audio/video products, Garment and apparel, Footwear , Sportswear, Toys and Gift items .

BUYER MARKET IN THE MAKING

The seller's market is slowly moving towards becoming the buyers' market. Since, India's economic liberalization policies were initiated in 1991, many new product offerings have entered the Indian market and product variety has also increased manifold.

Import licensing restrictions are being eliminated and tariffs significantly reduced and this has led to large range of consumer goods made available in India. Indian consumers have always preferred foreign goods and with the liberalization, they now have a choice of foreign products .

CONSUMER SPENDING BEHAVIOUR

The way Indian consumers are spending their money on various items has changed in recent years. For urban India, per capita 30 days' consumer expenditure was split up into food, and for non-food. Food expenditure includes cereals and cereal substitutes, milk, milk products, vegetables, edible oil and others. Non-food expenditure included fuel and light, and rest on clothing, footwear and on other non-food expenditure. In India, the higher income group spends more amount of their income on luxury goods and trendy products than fact moving consumer products. The middle income group spends more on consumer expendables than the rich.

FINDINGS

Consumers undertake complex buying behavior when they are highly involved in a purchase and perceive significant differences among brands. Consumers are highly involved when the product is expensive, risky, purchased infrequently, and highly self expressive .Thus buyer will have to pass through a process of learning, first developing beliefs about the product, then attitudes, and then making a thoughtful purchase choice. They need to help buyers learn about product-class attributes and their relative importance, and about what the company's brand offers on the important attributes. They must motivate store salespeople and the buyer's acquaintances to influence the final brand choice. After the purchase, consumers might experience post purchase dissonance when they notice certain disadvantages of the purchased carpet brand or hear favorable things about brands not purchased. To counter such dissonance, the marketer's after-sale communications should provide evidence and support to help consumers feel good about their brand choices. Television is usually more effective than print media because it is a low-involvement medium suitable for passive learning. Marketers can try to convert low-involvement products into higher involvement ones by linking them to some involving issue.

CONCLUSION

From the market perspective, people of India comprise different segments of consumers, based on class, status, and income. An important and recent development in India's consumerism is the emergence of the rural market and market for ecofriendly products for several consumer goods. India is a lucrative market even though the per capita income in India is low and it remains a huge market, even for costly products. The retailers should spend on online marketing during recession. They should also indulge in cost cutting, reach their customers, target markets, build long term relationships, available at all hours, low cost for inventory, and increase sales promotion schemes. Lastly, creating value along with delivering delight to the customer is what is most important. We live in a digital age and thus need to keep up with new trends in the social media. The Internet has become the first medium in history to allow for complex interaction between networks of people via Facebook and YouTube, amongst many more. In a constantly changing society where citizens are more proactive and have better access to information, and where new norms are created over time, many challenges evolve that we need to keep up with for understanding our citizens.

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