



CONSUMER BEHAVIOR – AN OVERVIEW

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ABSTRACT

Consumer Behavior is defined as process by which consumer purchase, use, evaluate and dispose products and services to satisfy their needs. Every consumer is different in his own ways. Change in consumer behavior is considered to be big challenge for business. If the marketer knows about consumer behavior only he can provide a product which satisfies the need of the customers. Marketer has to formulate the strategy according to change in consumer needs. Cognition, affect and behavior are considered to be three components of consumer behavior which is dynamic. Study of consumer behavior is necessary because customers are considered to be kings. In previous years Marketer focuses on customer satisfaction but now marketers focus on customer delight. Targeting the right customer at the right time for the right product determines the success of the business. The study focuses on overview of consumer behavior, shift in consumer behavior, recent consumer trends and online consumer behavior.

KEYWORDS

Consumer Behavior, Consumer trends, online consumer behavior.

Introduction

Consumer behavior is the study of consumer and their exchange process of products and services that satisfies their needs. Consumer behavior explains exchange process between seller and buyer which mutually benefits both of them. The study of consumer behavior helps in understanding the decision making process. Nowadays people live in information age and consumers have high expectation towards product due to access to large amount of information. Marketers should understand customers and stay close to customers to satisfy customer needs and to make their product profitable. Marketers also maintain ongoing relationship with customers to satisfy their needs and to provide customer delight.

Factors influencing Consumer Behavior

Various factors which influence consumer behavior are psychological, personal, social, environmental and cultural factors. Various psychological factors which affect consumer behavior are motivation, perception, learning, beliefs, attitude, personality and self concept. Personal factors include occupation, education, economic situation, age and life cycle. Cultural and social factors include culture, sub-culture, social class, household type, reference groups, role and status. Environmental influences include economic, technological and political factors.

Shift in Consumer Behavior

Consumer behavior has drastically changed over the past 25 years. Consumers today are no longer less informative. They are well informed due to improvement in technology and they are multitaskers. Purchasing power of Indian consumers has increased drastically due to increase in number of working wives in Indian family and raise in income levels. Due to globalization people are exposed to more products and more products are available for them at cheap prices. In India middle class people comprises of young and ambitious people who earn hard and spend more on branded products and gadgets. Consumers are time conscious and marketers place the products at easily locatable area. Business needs to constantly work hard to keep in pace with consumer expectations. In past consumers are more spiritual. This scenario has changed. Nowadays consumers are more materialistic. In past consumers save more money for education of their children but nowadays their spending on travel and entertainment has

gone up. In past, people of India settle at the age of 35 and above but now due to large amount of disposable income people get settled at very young age. Youngsters are more interested in electronic gadgets and cars which has become the status symbol. In past car is a status symbol for adults but now Car has become an essential need among youngsters.

Modern Lifestyle

Nowadays most of the Indian women are working wives so spending power of the Indian family is increased. Since both the spouses are working, in order to overcome the stress they purchase certain comforts and enjoy the luxuries. In previous years people tend to use the products for a very longer period. Now durability is not a matter of concern. People are not interested in lifelong possession. They change according to the trends. In previous years people use a TV for over 20 years but now people change it for six to seven years. Youngsters use mobile for a period of a year and change it according to current trends so mobile marketers introduce many new models in the market at regular intervals. The shopping behaviors of the people are change to large extent. No longer people is interested in collecting different things at different place. Due to emergence of malls and hypermarket, everything is available for customers under one roof. It provides one stop shopping experience to the customers. In FMCG category, the previous purchase influences consumer buying behavior because consumer doesn't want to waste time every time when he purchases analyzing the suitable brand.

Young people becomes the prime target

Most of the marketers target on young people because young people are affected by over consumption. Older people think before spending but due to more exposure young people spend more. Young customers give more importance to visual appeal so retailers pay more attention to aesthetics and entertainment factor inside the store to highlight their product and to increase the sales. Young people also review the products before coming to the stores. Many coffee shops and restaurants have come in tier 2 cities in recent years. Youngsters have become the regular visitors of many restaurants and entertainment zones. Spending power of young people has increased due to raise in income level of youth.

Consumer Trends

Consumer trends have changed to a greater extent due to change in lifestyle and change in income level of the customers. More number of youth populations also contributes towards consumerism. Purchasing power of the customers has drastically gone up. Affordability of the customers has increased in recent years. In olden days customer spend more amount of time in purchasing a product but nowadays customers have time pressure. With limited period of time, they have to purchase more so retailers are bringing innovative techniques like visual merchandising to save customers time and effort. New age customers give more importance to quality. They purchase good quality products for high prices. They don't mind even if some extra penny is spent for getting quality products. Another trend among new age youngsters is on-line consumer buying behavior.

Online Consumer Behavior

Online shopping behavior is the recent trend, where many people gets attracted by visual displays and select more. E-Marketing is very cost effective for marketers because they don't want to spend more amount of time on marketing efforts. E-Marketing offers large amount of products in less amount of time. Time conscious youngsters prefer online marketing because they can purchase a product by few clicks which save their time and energy to go to physical outlet and select products in the crowd. Marketers target social media to sell their products. Due to digitalization people spend more time on social media and purchase products online. Virtualization has become the key factor in success of any business today. People get educated from social media like facebook, whatsapp, twitter and YouTube before purchasing a product. Customers have become well informed due to technological development.

Conclusion

Indian consumers believe more in make in India products. Indians have realized their age old tradition and started believing in Indian products which is not in the case in 1990's. Indians nowadays give more importance to health and wellness. In past consumer behavior is different. If a product is launched in previous years it takes more amount of time to reach the consumer. Present is technology updated world. Due to social media and smart phones consumers purchase a product by few clicks and product is delivered to them within 2 -7 business days. Yesterdays esteem needs have become today's adequate needs in a family. In future consumer behavior will change with more updated technology.

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