



Consumer's Behavior: Strategy Formulation

Dr. Anita Pandey

(HOD Shri Shankaracharya Mahavidyalaya, Junwani Bhilai)

&

Ms. Akansha Pandey

(CA student, pune)

Abstract:

Consumer is the person who purchases goods and services for personal use. The term stands for anyone engaging in any of these activities like: evaluating, acquiring, using or disposing of goods and services. Behavior occurs either for the individuals or for group. The behavior of individuals, groups or organizations are studied and processed to ascertain the impact that consumers have on the society. Consumers' behavior mainly focuses on how individuals take decision to spend their available resource to satisfy their needs. It is based on some questions like what to buy? When to buy? How to buy? Where to buy? How much to buy? etc. Its thorough study helps firms and organization to improve their marketing strategies by understanding some issues like the psychology of consumers' thinking feelings and how they are influenced by environment and society.¹

Thus the study of consumer behavior helps to verify the internal and external motives that influence human habits. It helps a marketer to determine needs, expectations, problems and preferences of a consumer which help in estimation of demand of products or services in today's digitized and highly competitive world.

Introduction:

In today's world, marketing is consumer/customer oriented. A customer is the King of Market. Marketing calls upon every one is the organization to "think customer" and to do all they can to help create and deliver superior values and satisfaction. Customer means a person who buys goods or services from a shop or factory. He is a specific kind of person who purchases things for business purpose or for sale to earn profit. But the consumer is the person who purchases goods and services for his personal use or to consume. A consumer is someone who can make the decision pertaining to what to buy, how to buy and where to buy to fulfill his needs.

¹ https://en.wikipedia.org/wiki/Consumer_behaviour



Consumer behavior is a study in which individuals or groups select purchase, use or dispose of products, services, ideas or experiences for satisfaction. Marketing is one of the most important business functions that identify consumers/customer needs and wants.² The study of consumers' behavior is vital in framing of production policies, price policies decisions regarding channels of distribution and above all decisions regarding sales promotions.³

Consumers make many buying decisions every day. Their purchases are influenced strongly by cultural, social, personal and psychological characteristics. Understanding their behavior is difficult. Some social issues like awareness about safety, health, education, population, eco-friendly practices, adult education etc. also affect their preferences for products. In this type of cases no financial transaction is taking place but there is an adoption of new behaviors or practices or a change in attitude that can be determine and affect consumption.

Consumption happens not only when money changes hands, but also when people change their old values, practices, attitudes and beliefs for social good. The process of consumption starts with the generation of a need that gets converted into a want, then a demand. A need evolves into a want when it is associated with a particular product. If the consumer has the financial capacity to purchase the product then want is converted in to demand.

Consumer Behavior Differences Across Borders:

Consumers in different countries have widely varied cultural background, needs and wants, spending power, product preference and shopping pattern.⁴ These differences are difficult to change which is why marketers adapt their products, prices, channels and promotions to fit consumers' desires in each country all over the world. The marketers try to satisfy the needs of consumers according to their customs and values for achieving which, they change the name, quality or design of their product. For example Gillette sells over 800 products in more than 200 countries. It often uses different brand names and formulation for same products in different countries. Gillette's Silcience shampoo is called *Soyance* in France, *Sientel* in Italy and *Silience* in Germany.⁵

² Philip Kotler & Gary Armstrong 1st edition Principle of Marketing. Nov.1998 P. 160-161.

³ Dr. A.K. Mittal & Dr. S.B. Agarwal Principles of Marketingl. pp. 120-134.

⁴ https://en.wikipedia.org/wiki/Consumer_behaviour

⁵ Philip Kotler 11th edition, 2003, principles of marketing Chapter- Building Customer's Satisfaction, Value & Relation. Page No. 6.4.



In another example - Mattel Toys had sold its Barbie doll successfully in dozens of countries without modification. But in Japan it did not sell well. Takara, Mattel's Japanese licensee, surveyed eighth-grade Japanese girls and their parents and found that they thought the dolls' breasts were too big and legs were also too long. Despite his findings, Mattel was, however, reluctant to modify the dolls according to the requirement of Japanese. So, he made a special Japanese Barbie. Within two years Takara has sold over 2 million of modified dolls.⁶

Consumer Satisfaction:

If the consumer is satisfied after making purchase, it means that the product fulfills his expectations. Disappointment or satisfaction of a consumer is ascertained from the comparison of perceived performance and actual performance. If a product falls short of expectations, the consumer is disappointed and vice-versa.

Marketers and companies today are, therefore, more conscious and concerned with the customer's satisfaction. The easy availability of both, positive and negative reviews of a product are proving to be major game changers, altering the competitive scenario of today's business world. The increasing digitization has ensured that the consumer is aptly titled the 'King of the Market'.

Conclusion:

Centrality of consumer understanding in marketing feedback impacts on consumer psyche and group culture, consumer psyche-motives, consumer understanding perception, attitude personality and learning's, social-cultural environment, social groups family, class culture, producing offering and branding consumption experience, product design, its price and distribution. During the strategy formulation marketers decide about the product and brand, its price and place where it will be made, available and how the whole offering is going to be communicated to the consumers. The corporate world today, needs to be more conscious and careful regarding the quality and satisfaction derived from their products or services due to the revolutionary changes that the Information Technology has heralded.

⁶ Philip Kotler & Gary Armstrong 1st edition Principle of Marketing. Nov.1998 P. 160-161.