



Revisiting & Understanding the Consumer Behaviour from All the Existing Theories So Far

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Received 15 September, 2016; September 24 September, 2016 © The author(s) 2016. **Published** with open access at www.questjournals.org

ABSTRACT: Understanding consumer behavior is most essential and critical in many cases without which handling the product life cycle will be completely difficult. Other advantages of understanding consumer behavior include – Product Positioning, Strategic branding, Consumer segmentation, Market Segmentation, Brand Segmentation etc. Here, in this article, I am trying to revisit all existing theories in a nut shell.

Keywords: Consumer Behaviour; Understanding Consumer Mind; Science Behind the Choice; Behaviour Science; Consumer Behaviour Theories

I. INTRODUCTION

Management is the youngest of sciences and oldest of arts and consumer behaviour in management is a very young discipline. Various scholars and academicians concentrated on it at a much later stage. It was during the 1950s, that marketing concept developed, and thus the need to study the behaviour of consumers was recognised. Marketing starts with the needs of the customer and ends with his satisfaction. When everything revolves round the customer, then the study of consumer behaviour becomes a necessity. It starts with the buying of goods. Goods can be bought individually, or in groups. Goods can be bought under stress (to satisfy an immediate need), for comfort and luxury in small quantities or in bulk. For all this, exchange is required. This exchange is usually between the seller and the buyer. It can also be between consumers.

WHY PEOPLE BUY?

Marketers spend millions of dollars trying to understand why people buy products and services. Sometimes it seems that there is no reason for a purchase, but in reality there is always a reason. Many factors are involved in a customers' buying decision, any one of which can become the deciding factor, such as:

- Practical-Consumers purchase products because they need them to survive, such as shoes and medicine.
- Impractical-is the opposite of practical, purchasing products that are not necessary.
- Rational-Purchases are made with logical, thought out reasoning.
- Irrational-products are purchased for foolish or absurd reasons.
- Factual-Purchasing products based on researched reports.
- Emotional-purchasing products based on feelings
- Buy to satisfy a need (for a reason).
- Buy to satisfy a want (desire).

CONSUMERS ALSO BUY:

1. To Increase Sales, Profit, Satisfaction, Confidence, Convenience, Pleasure and Production.
2. To Protect Investment, Self, Employees, Property, Money and Family.
3. To Make Money, Satisfied customers and Good impressions
4. To Improve Customer relations, Employee relations, Image, Status, Earnings and Performance
5. To Reduce Risk, Investment, Expenses, Competition, Worry and Trouble
6. To Save Time, Money, Energy and Space.

7. Conspicuous consumption: Lavish spending for the purpose of displaying wealth or social status; preference for buying increases with price.
8. Snob effect: Desire to buy something nobody else has; preference for buying increases with rarity or scarcity.
9. Bandwagon effect: Desire to buy something everybody else is buying; preference for buying increases with perceived popularity.
10. Economic: To enhance their lifestyle or to fulfill two of Maslow's needs.
11. Psychological: This is the study of how people interact with their environment, products are consumed to enhance their well-being, for example air fresheners, furniture and convection ovens.
12. Sociological: The study of the thoughts, feelings, and behaviors of group interaction, especially in a social setting. People want to feel accepted and loved by their peers and they need to consume products that will appeal to their chosen groups.

II. DEFINITIONS OF CONSUMER BEHAVIOUR

Here are some of the definitions commonly used. Consumer Behavior may be defined as “the interplay of forces that takes place during a consumption process, within a consumer's self and his environment.

- ✓ This interaction takes place between three elements viz. knowledge, affect and behavior;
- ✓ It continues through pre-purchase activity to the post purchase experience;
- ✓ It includes the stages of evaluating, acquiring, using and disposing of goods and services”.

Consumer Behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

It blends elements from psychology, sociology, social anthropology, marketing and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups such as how emotions affect buying behaviour. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field.

The process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants. The American Marketing Association has defined consumer behaviour as, “The dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives.”

Peter D. Bennett¹ defined as –“Consumer behaviour refers to the actions and decision processes of people who purchase goods and services for personal consumption.”

James F. Engel², et.al. Defined as –Consumer behaviour refers to “the mental and emotional processes and the observable behaviour of consumers during searching for, purchasing and post consumption of a product or service.”

“All marketing decisions are based on assumptions and knowledge of consumer behavior,” (Hawkins and Mothersbaugh, 2007).

Buying Behavior is the decision processes and acts of people involved in buying and using products. Need to understand:

- Why consumers make the purchases that they make?
- What factors influence consumer purchases?
- The changing factors in our society.

III. IMPORTANCE OF CONSUMER BEHAVIOUR

The study of consumers and their buying behaviours helps firms and organizations improve their marketing strategies by understanding issues such as how

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;

¹Peter D. Bennett, ed. Dictionary of Marketing Terms, 2nd ed. 1995.

²James F. Engel, Roger D. Blackwell and Paul W. Miniard, “Consumer Behaviour” (1990).

- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
- How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

IV. CONSUMER BUYING BEHAVIOUR PROCESS

Engel, Blackwell and Kollat have developed in 1968 a model of consumer buying decision process in five steps: Problem/need recognition, information search, evaluation of alternatives to meet this need, purchase decision and post-purchase behavior.

I. Need recognition / Problem recognition:

The need recognition is the first and most important step in the buying process. If there is no need, there is no purchase. This recognition happens when there is a lag between the consumer's actual situation and the ideal and desired one.

However, not all the needs end up as a buying behavior. It requires that the lag between the two situations is quite important. But the "way" (product price, ease of acquisition, etc.) to obtain this ideal situation has to be perceived as "acceptable" by the consumer based on the level of importance he attributes to the need. In addition to a need resulting from a new element, the gap between the actual situation and the ideal situation may be due to three cases. The current situation has not changed, but the ideal situation has (a neighbor told you about the possibility – that you did not know – to clean the pool by a specialized company). Or, the ideal situation is still the same but it's the actual situation has changed (you're tired of cleaning your pool by yourself). Or finally, the two situations have changed.

The recognition of a need by a consumer can be caused in different ways. Different classifications are used:

- **Internal stimuli** (physiological need felt by the individual as hunger or thirst) which opposes the **external stimuli** such as exposure to an advertisement, the sight of a pretty dress in a shop window or the mouth-watering smell of a French "pain au chocolat" when passing by a bakery.
- Classification by type of needs:
 - **Functional need:** the need is related to a feature or specific functions of the product or happens to be the answer to a functional problem. Like a computer with a more powerful video card to be able to play the latest video games or a washing machine that responds to the need to have clean clothes while avoiding having to do it by hand or go to the Laundromat.
 - **Social need:** the need comes from a desire for integration and belongingness in the social environment or for social recognition. Like buying a new fashionable bag to look good at school or choose a luxury car to "show" that you are successful in life.
 - **Need for change:** the need has its origin in a desire from the consumer to change. This may result in the purchase of a new coat or new furniture to change the decoration of your apartment.
- The Maslow's hierarchy of needs: Developed by the eponymous psychologist, this is one the best known and widely used classifications and representations for hierarchy of needs. It specifies that an individual is "guided" by certain needs that he wants to achieve before seeking to focus on the following ones:
 1. Physiological needs
 2. Safety needs
 3. Need of love and belonging
 4. Need of esteem (for oneself and from the others)
 5. Need of self-actualization

II. Information search

Once the need is identified, it's time for the consumer to seek information about possible solutions to the problem. He will search more or less information depending on the complexity of the choices to be made but also his level of involvement. (Buying pasta requires little information and involves fewer consumers than buying a car.) Then the consumer will seek to make his opinion to guide his choice and his decision-making process with:

- **Internal information:** this information is already present in the consumer's memory. It comes from previous experiences he had with a product or brand and the opinion he may have of the brand.

Internal information is sufficient for the purchasing of everyday products that the consumer knows – including Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG). But when it comes to a major purchase with a level of uncertainty or stronger involvement and the consumer does not have enough information, he must turn to another source:

- **External information:** This is information on a product or brand received from and obtained by friends or family, by reviews from other consumers or from the press. Not to mention, of course, official business sources such as an advertising or a seller's speech.

During his decision-making process and his Consumer Buying Decision Process, the consumer will pay more attention to his internal information and the information from friends, family or other consumers. It will be judged more "objective" than these from an advertising, a seller's speech or a commercial brochure of the product.

III. Alternative evaluation

Once the information collected, the consumer will be able to evaluate the different alternatives that offer to him, evaluate the most suitable to his needs and choose the one he thinks best for him. In order to do so, he will evaluate their attributes on two aspects. The objective characteristics (such as the features and functionality of the product) but also subjective (perception and perceived value of the brand by the consumer or its reputation). Each consumer does not attribute the same importance to each attribute for his decision and his Consumer Buying Decision Process. And it varies from one shopper to another.

The consumer will then use the information previously collected and his perception or image of a brand to establish a set of evaluation criteria, desirable or wanted features, classify the different products available and evaluate which alternative has the most chance to satisfy him.

The process will then lead to what is called "evoked set". "The evoked set" (aka "consideration set") is the set of brands or products with a probability of being purchased by the consumer (because he has a good image of it or the information collected is positive). On the other hand, "inept set" is the set of brands or products that have no chance of being purchased by the shopper (because he has a negative perception or has had a negative buying experience with the product in the past). While "inert set" is the set of brands or products for which the consumer has no specific opinion. The higher the level of involvement of the consumer and the importance of the purchase are stronger, the higher the number of solutions the consumer will consider will be important. On the opposite, the number of considered solutions will be much smaller for an everyday product or a regular purchase.

IV. Purchase decision

Now that the consumer has evaluated the different solutions and products available for respond to his need, he will be able to choose the product or brand that seems most appropriate to his needs. Then proceed to the actual purchase itself. His decision will depend on the information and the selection made in the previous step based on the perceived value, product's features and capabilities that are important to him. But his Consumer Buying Decision Process and his decision process may also depend or be affected by such things as the quality of his shopping experience or of the store (or online shopping website), the availability of a promotion, a return policy or good terms and conditions for the sale.

V. Post-purchase behavior

Once the product is purchased and used, the consumer will evaluate the adequacy with his original needs (those who caused the buying behavior). And whether he has made the right choice in buying this product or not. He will feel either a sense of satisfaction for the product (and the choice). Or, on the contrary, a disappointment if the product has fallen far short of expectations. An opinion that will influence his future decisions and buying behavior. If the product has brought satisfaction to the consumer, he will then minimize stages of information search and alternative evaluation for his next purchases in order to buy the same brand. Which will produce customer loyalty.

On the other hand, if the experience with the product was average or disappointing, the consumer is going to repeat the 5 stages of the Consumer Buying Decision Process during his next purchase but by excluding the brand from his "evoked set". The post-purchase evaluation may have important consequences for a brand. A satisfied customer is very likely to become a loyal and regular customer. Especially for everyday purchases with low level of involvement – such as Fast-Moving Consumer Goods (FMCG) or Consumer Packaged Goods (CPG). A loyalty which is a major source of revenue for the brand when you combine all purchases made by customer throughout his entire life (called "lifetime customer value"). The "Holy Grail" that all brands in the industry are trying to achieve.

Positive or negative, consumers will also be able to share their opinion on the brand. Whether in their family or by word-of-mouth. Or on a much broader scale now with social networks or on consumer product review websites. A tendency not to be overlooked because now with the Internet, an unhappy customer can have a strong power to harm for a brand. That's why that's important for companies to have awareness of that matter. In addition to optimizing the customer experience, a guarantee (for example, for a washing machine), an efficient customer service and a specific call center are some of the assets that can be developed to improve post-purchase behavior if there is any trouble with the product.

V. TYPES OF CONSUMER BUYING BEHAVIOR

Wants are unlimited and the resources to satisfy these wants are limited. So the consumers think rationally before buying any product. Buying a toothpaste is totally different from buying a luxury car. The more expensive the good is the more information is required by the consumer. There are four types of consumer buying behavior on the basis of buyer involvement while purchasing any product.

- High involvement:- the term means when the consumer is highly involved while buying a product. Generally this situation happens in case of expensive or luxuries goods. Like while buying a diamond necklace a consumer is highly involved.
- Low involvement:- this term means when the consumer is not highly involved while buying a product. It happens in case of low price goods. Like while buying toothpaste a consumer is not highly involved.
- Significant differences between brands:- it means when there are significant differences between brands.
- Few differences between brands:- it means when there are very little differences between brands.

The four types of consumer buying behavior are:

1. **Complex buying behavior:** when the consumer is highly involved in the buying and there are significant differences between brands then it is called complex buying behavior. So in this case the consumer must collect proper information about the product features and the marketer must provide detailed information regarding the product attributes. For eg. Consumer while buying a motor cycle is highly involved in the purchase and has the knowledge about significant differences between brands.

2. **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.

3. **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.

4. **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. The purchase of the same product does not always elicit the same Buying Behavior. Product can shift from one category to the next. For example: Going out for dinner for one person may be extensive decision making (for someone that does not go out often at all), but limited decision making for someone else. The reason for the dinner, whether it is an anniversary celebration, or a meal with a couple of friends will also determine the extent of the decision making.

VI. FACTORS AFFECTING CONSUMER BEHAVIOUR

A consumer, making a purchase decision will be affected by the following three factors:

1. Personal
2. Psychological
3. Social

The marketer must be aware of these factors in order to develop an appropriate MM for its target market.

❖ **Personal**

Unique to a particular person. Demographic Factors. Sex, Race, Age etc. Who in the family is responsible for the decision making? Young people purchase things for different reasons than older people.

❖ **Psychological factors**

Psychological factors include:

Motives – A motive is an internal energizing force that orients a person's activities toward satisfying a need or achieving a goal. Actions are effected by a set of motives, not just one. If marketers can identify motives then they can better develop a marketing mix.

Perception – Perception is the process of selecting, organizing and interpreting information inputs to produce meaning. Information inputs are the sensations received through sight, taste, hearing, smell and touch. Interpreting information is based on what is already familiar, on knowledge that is stored in the memory.

Ability and Knowledge – Need to understand individual's capacity to learn. Learning, changes in a person's behavior caused by information and experience. Therefore to change consumers' behavior about your product, need to give them new information re: product...free sample etc.

Attitudes – Knowledge and positive and negative feelings about an object or activity-maybe tangible or intangible, living or non- living. Individual learns attitudes through experience and interaction with other

people. Consumer attitudes toward a firm and its products greatly influence the success or failure of the firm's marketing strategy. Attitudes and attitude change are influenced by consumer's personality and lifestyle. Consumers screen information that conflicts with their attitudes. Distort information to make it consistent and selectively retain information that reinforces our attitudes. There is a difference between attitude and intention to buy (ability to buy).

Personality – all the internal traits and behaviors that make a person unique, uniqueness arrives from a person's heredity and personal experience. Examples include:

- Workaholism
- Compulsiveness
- Self confidence
- Friendliness
- Adaptability
- Ambitiousness
- Dogmatism
- Authoritarianism
- Introversion
- Extroversion
- Aggressiveness
- Competitiveness.

Traits effect the way people behave. Marketers try to match the store image to the perceived image of their customers. There is a weak association between personality and Buying Behavior, this may be due to unreliable measures. Consumers buy products that are consistent with their self-concept.

Lifestyles – Recent trends in lifestyles are a shift towards personal independence and individualism and a preference for a healthy, natural lifestyle. Lifestyles are the consistent patterns people follow in their lives. Example, healthy foods for a healthy lifestyle.

❖ **Social Factors**

Consumer wants, learning, motives etc. are influenced by opinion leaders, person's family, reference groups, social class and culture.

Opinion leaders - Marketers try to attract opinion leaders they actually use (pay) spokespeople to market their products. Michael Jordan (Nike, McDonalds, Gatorade etc.)

Roles and Family Influences - People have many roles as Husband, father, employer/ee. Individuals role are continuing to change therefore marketers must continue to update information. Family is the most basic group a person belongs to. Marketers must understand:

- That many family decisions are made by the family unit
- Consumer behavior starts in the family unit
- Family roles and preferences are the model for children's future family (can reject/alter/etc.)
- Family buying decisions are a mixture of family interactions and individual decision making
- Family acts an interpreter of social and cultural values for the individual.

Reference Groups - Individual identifies with the group to the extent that he/she takes on many of the values, attitudes or behaviors of the group members. Families, friends, sororities, civic and professional organizations any group has a positive or negative influence on a persons attitude and behavior.

Social Class – it is an open group of individuals who have similar social rank such as Occupation, education, income, wealth, race, ethnic groups and possessions. Social class influences many aspects of our lives. Social class determines to some extent, the types, quality, and quantity of products that a person buys or uses. Family, reference groups and social classes are all social influences on consumer behavior. All operate within a larger culture.

Culture and Sub-culture - Culture refers to the set of values, ideas, and attitudes that are accepted by a homogenous group of people and transmitted to the next generation. Culture also determines what is acceptable with product advertising. Culture determines what people wear, eat, reside and travel. Cultural values are good health, education, individualism and freedom.

VII. ADVANTAGES OF STUDYING CONSUMER BEHAVIOUR

Consumer behaviour plays an important role in modern marketing practices. Most of marketing decisions are based on the study of consumer behaviour. It provides valuable information to design and marketing mix and to modify it over time. Marketing managers can actualize marketing goals only by studying

consumer behaviour and responding it by designing and designing marketing programme objectively. It is imperative to know how consumers react to marketing programme (4 P's) to serve them effectively. Role or importance of study of consumer behaviour can be explained with reference to the points stated as under. -

- 1) **Modern Philosophy** – It concerns with modern marketing philosophy, identify consumers' needs and satisfy them more effectively than competitors. It makes marketing consumer-oriented. It is the key to succeed. Thus, consumer behaviour helps in achieving marketing goals.
- 2) **Useful for Dealers and Salesmen** – The study of consumer behaviour is not useful for the company alone. Knowledge of consumer behaviour is equally useful for middlemen and salesmen to perform their tasks effectively in meeting consumers' needs and wants successfully. Consumer behaviour, thus, improves performance of the entire distribution system.
- 3) **More Relevant Marketing Programme** – Marketing programme consisting of product, price, promotion, and distribution decisions can ; be prepared more objectively. The programme can be more relevant if it is based on the study of consumer behaviour. Meaningful marketing programme is instrumental in realizing marketing goals.
- 4) **Adjusting Marketing Programme Over Time** – Consumer behaviour studies consumer response pattern on a continuous basis. So, marketer can easily come to know the changes taking place in the market. Based on current market trend, the marketer can make necessary changes in marketing programme to adjust with market.
- 5) **Predicting Market Trend** – Consumer behaviour can also aid in projecting the future trends. Marketer finds enough time to prepare for exploiting the emerging opportunities, and/or facing challenges and threats.
- 6) **Consumer Differentiation** – Each segment needs different products. For every segment, a separate marketing programme is needed. Knowledge of consumer differentiation is a key to fit marking offers with different groups of buyers. Consumer behaviour study supplies detail about consumer differentiations.
- 7) **Creation and Retention of Consumers** – Marketers who base their offering on recognition of consumer needs find a ready market for their products. Company finds it easy to sell its products. In the same way, the company, due to continuous study of consumer behaviour and attempts to meet changing expectations of the buyers, can retain its consumers for long period.
- 8) **Competition** – Consumer behaviour study assists in facing competition, too. Based on consumers' expectations, more competitive advantages can be offered. It is useful in improving competitive strengths of the company.
- 9) **Developing New Products** – New product is developed in respect of needs and wants of the target market. In order to develop the best-fit product, marketer must know adequately about the market. Thus, the study of consumer behaviour is the base for developing a new product successfully.
- 10) **Dynamic Nature of Market** – Consumer behaviour focuses on dynamic nature of the market. It helps the manager to be - dynamic, alert and, active in satisfying consumers better and sooner than competitors. Consumer behaviour is indispensable to watch movements of the markets.
- 11) **Effective Use of Productive Resources** – The study of consumer behaviour assists the manager to make the organizational efforts consumer-oriented. It ensures an exact use of resources for achieving maximum efficiency upon price, comfort and fuel efficiency.

VIII. CONCLUSION

The mind of the consumer needs to be understood in a meticulous way to achieve many marketing goals. Not only that but to perform other tasks like - Product Positioning, Strategic branding, Consumer segmentation, Market Segmentation, Brand Segmentation etc., Consumer Behaviour needs to be properly understood and intervened as and when required.

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