CHAPTER 2

CONCEPTUAL VISION OF CONSUMER MARKET AND CONSUMER BUYING BEHAVIOUR AND ITS IMPLICATIONS TO BUSINESS ORGANIZATIONS

2.1. Consumer Market
2.2. Market segmentation
2.3. Consumer behaviour
2.4. Buying Roles
2.5. Types of buying behaviour
2.6. Consumer's decision making process
2.7. Four views of consumer decision making
2.8. Approaches to studying consumer behaviour
2.9. Current trend in consumer behaviour
2.10. Consumer oriented view of marketing strategy
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CONCEPTUAL VISION OF CONSUMER MARKET AND CONSUMER BUYING BEHAVIOUR AND ITS IMPLICATIONS TO BUSINESS ORGANISATIONS

Business organisations endeavour to serve the buyers/end users of the product better than their competitors. It is because of the patronage of the end users that the organisation survives and grows. And the end user of the product which is generally referred to as the consumer is regarded as the king in today's competitive market. The success or failure of the business organisation depends upon how well it serves the consumers. Thus analyzing consumer market and its behaviour and chalking out appropriate marketing strategies that satisfy the needs and wants of consumers is primary important to the business organisation.

This chapter explores the theoretical aspects of consumer market and consumer buying behaviour and its implications to the business organisations.
Important aspects covered in this chapter are:

i) Consumer market
ii) Market segmentation
iii) Consumer behaviour
iv) Buying roles
v) Types of buying behaviour
vi) Consumer's decision making process
vii) Four views of consumer decision making
viii) Approaches in studying consumer behaviour
ix) Current trend in consumer behaviour
x) Consumer oriented view of marketing strategy

2.1 CONSUMER MARKET

Consumer market is a combination of two terms consumer and market.
CONSUMER

"The term Consumer is often used to describe two different kinds of consuming entities; the personal consumer and the organisational consumer".  

The term personal consumer is used to refer to the consumer who buys goods and services for own personal consumption. For example, toothpaste, toilet soap, etc. are purchased for personal consumption and TV, washing machine, etc are purchased for household uses. In each of the cases products are bought for final use by individuals who are referred to as end users or ultimate consumers.

The other type of consumer i.e., organisational consumers – purchase products in order to run their organization. Manufacturing companies must buy the raw material and other components needed to manufacture and sell their own product/service.

Despite the importance of both the types of consumers i.e., personal and organisational, this research is focused on individual consumer who purchases for personal use or for his household use.

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MARKET

The term market has acquired many meaning over the years. Traditionally, a market was a physical place where buyers and sellers gathered to exchange goods and services.

Medieval town had market squares where sellers brought their goods and buyers shopped for goods.

According to Sidgwick\textsuperscript{10}, a market is a body of persons in such commercial relations that each can easily acquaint himself with the rates at which certain kinds of exchanges of goods or services are, from time to time, made by the other.

In the words of Jevons\textsuperscript{11} the word Market has been generalized so as to mean any body or persons who are in intimate business and carry on extensive transactions in any commodity.

According to Benham,\textsuperscript{12} Market is any area over which buyers and sellers are in closed touch with one another, either directly or through dealers, that the price attainable in one part of the market affects the prices paid in the other market.

\textsuperscript{10} Mehta, P.L., \textit{Managerial Economics}, 6\textsuperscript{th} edition, Sultan Chand \& Sons Publication, 1993, page 271

\textsuperscript{11} Mehta, P.L., \textit{Managerial Economics}, 6\textsuperscript{th} edition, Sultan Chand \& Sons Publication, 1993, page 271

\textsuperscript{12} Mehta, P.L., \textit{Managerial Economics}, 6\textsuperscript{th} edition, Sultan Chand \& Sons Publication, 1993, page 271
To an economist, a market describes all the buyers and sellers who transact over some goods or services.

To a marketer “A market is a set of actual and potential buyers of a product”¹³. A market is a set of buyers. Despite the different meanings attached to the term market, for the purpose of the study it refers to the set of actual and potential buyers of a product.

By combining the two terms consumer and market, consumer market can be defined as the set of all actual and potential buyers who purchase products/services for personal consumption or for household uses.

2.2 Market Segmentation

Consumers of a market are many and they are widely scattered. They belong to different age groups, income groups, educational level groups and have different needs/wants and buying pattern. But “a market segment consists of a large identifiable group within a market with similar wants, purchasing powers, geographical location, buying attitude or buying habits. For example, an auto company may identify four broad segments. Car buyers

who are primarily seeking basic transportation or high performance or luxury or safety.\textsuperscript{14}

Depending upon the availability of man, material, financial and other resources, companies have different ability to serve different segments of the market. Instead of trying to compete in an entire market, each company must identify the part of the market that it can serve best.

Since the buyers of a particular segment have similar wants, purchasing power and geographical location, buying attitude and buying habits, it becomes easier for the marketers to develop their marketing plan for entering the segment. Here lies the importance of segmenting the market.

**BASES FOR SEGMENTING CONSUMER MARKET.**

Researchers have used two different approaches in segmenting the consumer market. Some researcher segment the market on the basis of geographic, demographic and psychographic variables and examine whether the different segments exhibit different need or product response. For example, researcher might examine the differing attitude of different occupational groups towards a particular brand of TV.

Other researchers segment the market on the basis of consumers response to benefits sought, use occasions, or brands and examine whether the consumers who purchased Onida TV differ in their geographic, demographic and psychographic variations from those who purchased Sony TV.

The major segmentation variables; geographic, demographic, psychographic and behavioural segmentation, as listed by Philip Kotler are given below:

i). Geographic segmentation : Region, city, density and climate

ii). Demographic basis of segmentation : Age, family life cycle, family size, gender, income, occupation, education, religion, race, social class and nationality

iii). Psychological basis of segmentation : Life style and personality.

iv). Bahavioural basis of segmentation – Occasion, benefits, user status, user rate, loyalty status and attitude towards product.

Response or behaviour of different segments to the marketing stimuli and the external environment are different, but the response of the same segment are similar. This knowledge will enable the marketers to chalk out appropriate marketing strategies for the segment they plan to enter.
2.3 CONSUMER BEHAVIOUR

Consumer behaviour in essence means buying behaviour. According to Philip Kotler and Garry Armstrong "Consumer buying behaviour refers to the buying behavior of final consumers – individuals and household who buy goods and services for personal consumption. All of these final consumers combined make up the consumer market".\(^{15}\)

Leon G. Schiffman and Leslie Lazar Kanuk refers the study of consumer behaviour as "The study of how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. It includes the study of what they buy, why they buy it, when they buy it, where they buy it, how often they buy it and how often they use it"\(^{16}\)

In a particular consumer market, "Consumer behaviour results from individual and environmental influences. Consumers often purchase goods and services which they want others to accept. Behaviour is, therefore, determined by the individual’s psychological make up and the influence of the

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others. The dual influence has been summarized in the following simplified equation of behaviour.

\[ B = f(P,E) \]

Consumer behaviour (B) is, therefore, the result of the interaction of the consumer's personal influences (P) and the pressures exerted upon them by outside environment (E). Understanding consumers behaviour requires that we understand the nature of these influences. The four basic determinants of consumer behaviour are the individual's needs, motives, perceptions, and attitudes. The interaction of these factors with the influences of the environment cause the consumer to act"17

For the purpose of the study, consumer behaviour refers to the response of the consumer as a result of the interaction of the personal influences and external influences, in terms of product choice, brand choice, dealer choice, purchase amount and purchase timing. A diagrammatic representation of the factors influencing the consumer behaviour is given in Figure 1 (Chapter 1).

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Moreover, Philip Kotler has given a stimulus response model of Buyer behaviour as shown in the following figure 3.

Figure 3. Model of Buyer Behaviour

"Marketing and environment stimuli enter the buyer’s consciousness. The buyer’s characteristics and decision process lead to certain purchase decisions. The marketer’s task is to understand what happens in the buyer’s consciousness between the arrival of outside stimuli and the buyers purchase decisions".19

FACTORS INFLUENCING THE CONSUMER BEHAVIOUR

At a particular point of time, consumer has many needs. It may be biogenic such as hunger, thirst, etc. or/and psychogenic, such as need for

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recognition, esteem or belongingness. consumer looks for products/services that can satisfy his needs.

A need becomes motives when it is sufficiently pressing to drive the consumer to purchase product/service. A motivated consumer is ready to act. How a motivated consumer purchase product/service is influenced by his perception about the buying situation.

A buying situation consists of marketing stimuli such as product, price, place and promotion offered by the marketers, surrounding environments consisting of Micro and macro environments and the individual consumer’s personality or self concept.

Consumer’s perception about a particular product/service as good enough to satisfy his need depends not only on the marketing stimuli but also on the stimuli’s relation to surrounding and on the personality and self concept of the individual consumer.

When he acts or purchases the product, he learns about the product. This leads to the consumer’s belief about the product and consequently forms favourable or unfavourable attitudes towards the product.
As a result consumer will behave consistently towards the similar product.

Next time when he feels the same need he will buy the product towards which he has favourable attitude.

So understanding of the consumer behaviour requires the internalization of the basic determinants that influence the consumer behaviour.

The major factors that influence the consumer behaviour are

a) The macro and the micro environmental factors, the external factors which indirectly influence the consumer behaviour.

b) Individual factors which directly influence the consumer.

**MACRO ENVIRONMENTAL FACTORS**

The general socio-economic conditions of the country which are being referred to as macro environment indirectly influences the consumers.

For example, in 1991, Indian economy integrated with the economies of the world. Now there is no restriction (like quotas, licenses, high
tariff, administrative barrier) on the amount of product or factors that are exported or imported.

The proportion of import and export both in GNP for the year 1999-2001 is over 22%. Whereas prior to liberalization it was 16% only in the year 1990-91.

As a result of liberalisation, Indian economy has benefited in manifold. It has improved the efficiency of the industry by resorting to the principle of “competitive advantage”. It has increased the supplies of finance needed for growth and industrialization of a country. It has also enabled the domestic industries to reach to the international market.

To the general public, it has benefited in terms of availability of job opportunities and increase in salary. Thus, the disposable income of the people also has been increased.

Consumers have benefited in terms of availability of the different brands including foreign brand of a product which they want to purchase. Now, they have a better option for the money they want to spend on the product.
MICRO ENVIRONMENT ENVIRONMENTAL FACTORS

Some of the factors which come under this category are:

a) Culture
b) Sub-culture
c) Social class
d) Social group
e) Family
f) Personal
g) Others

Culture

Culture has been defined as "the sum total of learned beliefs, values, and customs that serves to direct the consumer behaviour of members of a particular society".  

The consumer behaviour that is the thing they buy is influenced by the consumers background or culture. Different emphasis is given by different cultures for buying, use, and disposing of products. People in the

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southern India have a certain style of consumption of food, clothing, saving etc. They differ from the people in the Northern India. A child growing up in the United States of America is exposed to the following culture and values; achievement and success, activity, efficiency, and productivity, progress, material comfort, individualism, freedom, external comfort, humanitarian and youth fullness. Consumers belonging to different culture behave differently. Therefore, in consumer behaviour culture plays a very important part.

Sub-culture

Leon G. Schiffman and Leslie Lazar Kanuk\(^{21}\) have defined sub-culture as a distinct cultural group that exists as an identifiable segment within a lager, more complex society. Within a culture there are many groups or segments of people with distinct customs, traditions and behaviour. In the Indian culture itself, there are many sub cultures, the culture of the south, the north, east and the west, Hindu culture, Muslim culture. Hindus of the south differ in culture from the Hindus of the north. Products are designed to suit a target group of customers which have similar cultural backgrounds and are homogenous in many respects.

Social class

Social class is defined as the division of members of a society into a hierarchy of distinct status classes in such a manner that members of each class have relatively the same status and members of all other classes have either more or less status. Social class is defined by parameters like income, education, occupation, etc. Within a social class, people share the same values and beliefs and tend to purchase similar kinds of products.

Their choice of residence, type of laundry, entertainment, leisure all seems to be alike. The knowledge of social class and their customer behaviour is of great value to a marketer.

Social group

A group is a collection of individuals who share some consumer relationship, attitude, and have the same interest. Such groups are prevalent in societies. These groups could be primary where interaction takes place frequently and consists of family groups. These groups have a lot of interaction amongst them and are well knit.

Secondary groups are a collection of individuals where relationship is more formal and less personal in nature. These could be
political groups, walk groups, and study groups, service organisation like the
Lions, Rotary etc. The behaviour of a group is influenced by other members of
the group. An individual can be a member of various groups and can have
varied influences by different members of groups in his consumption
behaviour. An individual can be an executive in a company, can be a member
of a political party. He may be a member of service organisation and of
entertainment clubs and study circles. These exert different influences on his
consumption.

**Family influence**

The family is the most important of primary group and is the
strongest source of influence on consumer behaviour. The family tradition and
customs are learnt by children and they imbibe many behavioural patterns
from their family members, both consciously and unconsciously. These
behaviour patterns become a part of children's lives. In a joint family many
decision are jointly made which also leave an impression on the members of
the family. These days the structure of the family is changing and people also
going in more for nucleus families which consists of parent and dependent
children. The other type of family is the joint family where mother, father,
grand parents, and relatives are also living together.
Personal influence

A buyer's decision is also influenced by personal characteristics. This includes the buyer's age and stage in the life cycle, occupation, economic circumstances.

Age and stage in the life cycle.

People buy different goods and service over a life time. They eat baby food in the early years. Most foods in the growing and mature years and special diets in the later years. Taste in clothes, furniture and recreations is also age related consumption and is shaped by the family life cycle. Nine stages of the family life cycle as listed by Philip Kotler are given below;

1. Bachelor stage: Young, single and not living at home.
3. Full nest I: youngest child under six
4. Full nest II: youngest child six or over.
5. Full nest III: older married couple with dependent children
6. Empty nest I: older married couple, no children living with them, heads of the household in labour force.
7. Empty nest II: older married, no children living at home, head of household retired.

8. Solitary survivor in labour force

9. Solitary survivor, retired

Marketers often choose life cycle groups in their target market.

*Occupation and the economic circumstances.*

Occupation also influence a person's consumption pattern. A blue-collar worker will buy work clothes, work shoes and lunch boxes. A company president will buy expensive suits, air travel, country club membership and large sailboat.

Marketers try to identify the occupational groups that have above average interest in their products and services.

A company can even specialize its product for certain occupational groups.

Product choice is greatly affected by economic circumstances; spendable income savings and assets, debts, borrowing power, and attitude towards spending versus saving.
Marketers of income sensitive goods pay constant attention to trends in personal income, saving and interest rates. If economic indicators point to a recession, marketers can take step to redesign, reposition and reprice their product. So they continue to offer value to target customers.

Other influences

Martin Khan reasons that consumers are also influenced by national or regional events which would be like the Asiad, the Olympics, Cricket test matches, World cup, the war or the calamity. These have permanent or temporary impression on the mind of the consumer and effect his behaviour.

In these events, products are advertised and sometimes the use of a product like drugs etc is discouraged. People are urged to adopt family planning methods. Situations variables such as product display, price reduction, free gifts, and attractive offers also influence consumer behaviour.
Individual factors:

A person buying choice is influenced by five major psychological factors—motivation, perception, learning, belief and attitude and personal and self concept.

Motivation:

A person has many needs at any given time. Some needs are biogenic; they arise from physiological states of tension such as hunger, thirst, discomfort. Other needs are psychogenic; they arise from psychological states of tension such as the need of recognition, esteem and belonging. And need becomes a motive when it is arose to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act.

Psychologists have developed theories of human motivation, three of the best known—the theories of Sigmund Freud, Abraham Maslow, and Frederick Herzberg—carry quite different implications for consumer analysis and strategy.
Perception:

A motivated person is ready to act. How the motivated person actually acts is influenced by his or her perception of the situation.

"Perception is the process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world."23

Perception depends not only on the physical stimuli but also on the stimuli’s relation to the surrounding field and on conditions within the individuals.

The key word in the definition of perception is individual one person might perceive a fast talking salesperson as aggressive and insincere; another as intelligent and hopeful. People can emerge with different perceptions of the same object because of three perceptual process; selective attention, selective distortion and selective retention.

Learning:

When people act, they learn. Learning involves changes in an individual’s behaviour arising from experience.

Most human behaviour is learned. Learning theorist believe that learning is produced through interplay of desires, stimuli, cues, responses, and reinforcement.

Belief and attitude:

Through doing and learning people acquire belief and attitude. These in turn influence buying behaviour.

"A belief is a descriptive thought that a person holds about something".24

Belief may be based on knowledge, opinion or faith. They may or may not carry an emotional charge. Of course, manufactures are very interested in the beliefs people carry in their heads about their products and services. These beliefs make up product or brand images and people act on their images. If some beliefs are wrong and inhabit purchase, the manufacture will want to launch a campaign to correct these beliefs.

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An attitude is a person's enduring favourable or unfavourable evaluation, emotional feelings, and action tendencies towards some object or idea.23

People have attitudes towards almost everything religion, politics, clothes, music, food, etc.

Attitudes put them into a frame of mind of liking or disliking an object, moving towards or away from it. Attitude lead people to behave a fairly consistent way towards similar objects.

People do not have to interpret and react to every object in a fresh way. Because attitude economise on energy and thought, they are very difficult to change. A person’s attitudes settle into consistent pattern. To change a simple attitude may require major adjustments in other attitudes.

Thus a company would be well advised to fit its product into existing attitudes rather than to try to change people’s attitudes. Of course, there is exception where the cost of trying to change attitude might pay off.

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**Personality of self concept:**

Each person has a distinct personality that influence buying behaviour.

By personality we mean distinguishing psychological characteristics that lead to relatively consistent and enduring responses to environment.

Keren Horney\(^{26}\) proposed that individual can be classified into three personality groups; Compliant, Aggressive and Detached.

1. Compliant individuals are those who move towards other. They desire to be loved, wanted and appreciated.
2. Aggressive individuals are those who move against other. They desire to excel and win admiration.
3. Detached individuals are those who move away from others. They desire independence, self reliance, self sufficiency, and freedom from obligation.

Personality can be useful variable in analyzing consumer behaviour provided that personality type can be classified accurately and that

strong correlations exist between certain personality types and product or brand choices.

For example, a computer company might discover that many prospects show high self confidence, dominance, and autonomy. This suggests designing computer advertisements to appeal to these traits.

Related to personality is self concept or a self image. Marketers try to develop the brand images that matches the target markets self image. It is possible that a person’s actual self concept i.e. how she views herself differ from her ideal self concept i.e. how she would like to view herself and from her others self concept i.e. how she thinks other see her. Which self will she try to satisfy in making a purchase? Because it is very difficult to answer this question, self concept theory has had a mixed record of success in predicting consumer responses to brand image.

2.4 **Buying roles**

Gary Armstrong and Philip Kotler reasons that the marketer needs to know what people are involved in the buying decision and what role each person plays.
For many products it is fairly easy to identify the buyer. Men normally choose tobacco and woman chooses their panty hose. On the other hand, other product involve a decision making unit consisting of more than one person. Consider the selection of a family automobile. The suggestion to buy a new car might come from the oldest child. A friend might advise the family on the kind of car to buy. The husband might choose the make the wife might have definite desire regarding the cars appearance. The husband might take the final decision. The wife might end up using the car more than the husband does.

Thus five roles can be distinguished the people might play in a buying decision.

i. Initiator; the person who first suggests or thinks of the idea of buying a particular product or service.

ii. Influencers; a person whose views or advice influences the buying decision.

iii. Decider; the person who ultimately makes a buying decision or any part of it – whether to buy, what to buy, how to buy or where to buy.
iv. Buyer; the person who makes an actual purchase.

v. User; the person who consumes or uses a product or services.

A company needs to identify these roles because they have implications for designing the product, determining message, and allocating the promotional budget. If the husband, decided on the car make, then the auto company will direct advertising to reach husbands. The auto company might design certain car features to please the wife. Knowing the main participants and their roles helps the marketer to develop appropriate marketing programme.

2.5 Types of buying behaviour

Consumer decision making varies with the types of buying decision. There are great difference between buying tooth paste, a tennis racket, and a new car. Complex and expensive purchases are likely to involve more buyer deliberation and more participants. Assael distinguish four types of consumer buying behaviour based on the degree of buyer involvement and the degree of difference among brands.
These four types are :-

i) Complex buying behaviour – High involvement and significant difference among the brands.

ii) Dissonance reducing buying behaviour – high involvement and few difference between brands.

iii) Variety seeking buying behaviour – low involvement and significance difference between brands.

iv) Habitual buying behaviour – low involvement and few difference between brands.

2.6 Consumer's Decision Making Process

A consumer passes through 5 stages in buying a product as suggested by Philip Kotler. The stages are problem recognition, information search, Evaluation of alternatives, purchase decision and post purchase behaviour (Fig. 4)

![Figure 4 : A model of decision making process](image)
This particular model is more suitable to complex decision making i.e. buying expensive and high involvement products. But for buying low involvement products, consumer may skip some of these stages. For example, a person buying his regular brand of toilet soap goes directly from the need of toilet soap to the purchase decision.

Decision is made to solve the problem of any kind. The various stages in consumer decision making are discussed as under:

*Need/Problem recognition*:

A consumer may be having a need/problem. The decision process starts when the buyer recognizes the need. This need may be triggered by the external stimuli such as show room display and commercial advertisements.

The marketer needs to identify the circumstances that trigger a particular need. By gathering information from a number of consumers, the marketer can identify the most frequent stimuli that spark an interest in a product category. The marketer can then develop marketing strategies that trigger consumer market.
Information search:

On the second stage, information search is carried on by the consumer to find out how the need/problem can be solved.

Consumer information sources fall in 4 groups:

(i) Personal source: family, friends, neighbours and acquaintances

(ii) Commercial source: Advertising, salespersons, dealers, packaging and displays

(iii) Public source: Mass media and consumer rating organisation

(iv) Experiential sources: Handling, Examining and using the product.

The marketer should identify the consumer's information sources and evaluate their relative importance. The result will help company in the preparation of effective communication for the target market.
**Evaluation of alternatives:**

At this stage, consumers evaluate the various alternatives that can solve his problem or satisfied his needs. Cost-benefit analysis is made to decide which product and brand image will be suitable or can take care of the problem suitable and adequately.

The consumer often looks for certain benefits/attitudes from product solution. The marketer often segment the market according to the benefit sought by the consumers.

**Purchase decision:**

Consumer after evaluating various alternatives forms preference among the brands and he also forms purchase intention to buy the most preferred brands. At this stage, two factors can intervene between the purchase intention and the purchase decisions.

The first factor is the attitude of others. The extent to which another person’s attitude reduces one’s preferred alternative depends upon two things: the intensity of other person’s negative attitude towards the
consumer's preferred alternative and the consumer's motivation to comply with other person's wishes.

The more intense the other person's negativism and the closer the other person is to the consumer, the more the consumer will adjust his purchase intention. A buyer's preference for a brand will increase if some one he likes favour the same brand.

Purchase intention is also influenced by unanticipated situational factors. The consumer forms a purchase intention on the basis of such factors as expected family income, expected price, and expected product benefits. When the consumer is about to act, unanticipated situational factors may erupt to change the purchase intention.

A consumer who decides to execute a purchase intention will be making 5 purchase sub decisions:

(i) Brand decision

(ii) Quantity decision

(iii) Dealer decision

(iv) Timing decision and

(v) Payment method.
But the purchase of daily used products involves fewer decisions.

For example, in buying a toilet soap, a consumer give little thought to the dealer and payment methods.

*Post Purchase behaviour:*

Consumer after constant use of the product leads to the satisfaction or dissatisfaction of the consumer, which leads to repeat purchases, or to the rejection of the product.

Marketer can take steps to minimise the amount of consumer post purchase dissatisfaction. It is also important for the marketer to monitor how the buyer use and dispose of the product. If the consumer find a new use of the product this can be of very interesting to the marketer. If the consumer resale the product, this will reduce the new sales of the product. If they throw the product away, how it is disposed of is very important to the marketer because the product may deteriorate the environment.

Understanding consumer’s decision making process is very important to the marketer for developing effective marketing strategies to meet the needs of the consumer or to solve the problems of the consumer.
2.7. **FOUR VIEWS OF CONSUMER DECISION MAKING**:

Consumer's decision making can be examined in terms of the following four views as given by Leon G. Schiffman and Leslie, Lazar Kanuk.

*An economic view:*

This view has its root in "economic man" model. According to this view, consumer takes rational decision. Rational decision implies that consumers are aware of all the product alternatives, capable of correctly ranking each alternatives in terms of benefits and advantages and able to identify the best alternative one.

But this view has been criticized for the following reasons: people are limited by their existing skills and habits, people are limited by their existing values and goals and people are limited by the extent of their knowledge.

*A passive view:*

A passive view portrays consumer as an irrational and impulsive purchaser. Consumers are submissive to the promotional efforts of the
marketer. Consumers can be easily taken away by advertisement and skill full presentation of the salesmen. This view considers consumer as an object that can be manipulated.

This view has been criticized because it fails to recognise that consumer plays an equal role in many buying situations. Consumers do have motivation, selective perception, & communication which serve to support the propositions that consumers are rarely object of manipulation.

*A Cognitive view*

This view perceives consumers as a thinking problem solver. Consumer actually search for products or services that fulfil their needs and enrich their lives.

Consumer seeks and evaluates information about selected brands and retail outlets.

The cognitive view describes a consumer who falls somewhere between the extremes of the economic and the passive view, who do not have total knowledge about available product alternatives and therefore can not
make perfect decisions, but who nonetheless actively seeks information and attempts to make satisfactory decision.

An Emotional view:

According to this view, consumer’s purchases are associated with deep feelings or emotions such as joy, fear, love, hope, sexuality and fantasy.

Consumers are likely to have many purchases on impulse or on whim or because they are emotionally driven rather than carefully searching and evaluating the information before buying.

Hence, depending upon the type of consumer decision making that is involved in a particular buying situation, marketer can develop an appropriate marketing plan for targeting the consumer.

2.8. APPROACHES TO STUDYING CONSUMER BEHAVIOUR.

Assael 27 outlines two broad approaches to the study of consumer behaviour. They are managerial approach and holistic approach.

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The managerial approach views consumer behaviour as an applied social science and it is studied as a supplement to and a basis for developing marketing strategies. A holistic approaches views consumer behaviour as pure social science and it focuses on enquiry without necessarily being considered for application.

A managerial approach:

A managerial approach to consumer behaviour tends to be more micro and cognitive in nature. It is micro in the sense that it emphasises on the individual consumer; his attitude, perception lifestyle and demographic characteristics. Environmental effects such as reference groups, family, and culture are studied in the context of how they influence the individual consumer.

It is cognitive in the sense that it emphasises on the thought process of individual consumers and the factors that go into influencing their decisions.

Managers on the basis of the information regarding the consumer needs, thought process, and characteristics identify the segment that can be
targeted with the companies offerings to satisfy the needs of individual consumers in a socially responsible manner.

A holistic approach:

A holistic approach is macro in its orientation in the sense that it focuses more in the nature of consumption experience rather than on the purchasing process. It stresses on the culturally derived context on consumption.

For example: purchase of a product for giving gift to someone is culture-derived.

A holistic approach is more interested in understating the environmental context of the consumers action where as a managerial approach is more interested in predicting what the consumer might do in future.

This research focuses on both the approaches to unfold culture-related purchase decision and to develop appropriate marketing strategies to suit the consumer of Manipur.
2.9. CURRENT TREND IN CONSUMER BEHAVIOUR

As the environments where the consumer finds himself today is changing, his behaviour towards the product / service is also changing.

As per Henry Assael\textsuperscript{28} USA in the mid 1990s could witness important consumer behaviour trend. In particular, there are three significant trends that have influenced companies marketing strategies. There is a greater value orientation on the part of consumers, a desire for and access to more information and a desire for more customised products to fit in their needs.

Steep recession in the 1980s and 1990s have made consumers more price sensitive. Consumers are viewing price more in the context of values i.e., worth for the money they spend.

Consumers are becoming more sensitive to value for the money they spend and this has led companies to keep price down without sacrificing quality of the product. Moreover, companies have started giving more emphasis on total quality management programmes. National marketers make product lines with both premium priced and lower priced brands.

Consumers are becoming more aware and self assured buyers. One reason is the greater accessibility of information and the availability of various options.

The expansion of cable TV channels and home computers has expanded the availability of product information. With the increasing educational level of consumers, these additional information sources are likely to be used by the consumer in the decision making.

The greater sophistication, access to more information and emphasis on value have led consumers to desire products more closely fitted to their needs. Consumers today are looking for more options at lower price.

2.10. **CONSUMER ORIENTED VIEW OF MARKETING STRATEGY**:

The marketing concept which was formulated in 1950s philosophises that the marketing strategy that is to be developed for a market should be on the basis of the knowledge of the consumers.

The marketing concept states that “the key to achieving organisational goal consists in determining the needs and wants of target
markets and delivering the desired satisfactions more effectively and efficiently than competitors.29

Every organisation has financial objectives i.e., economic objectives. Organisation often looks for specific long run rate of return on investment and will know the profit that it would like to achieve in the current year.

These financial objectives are usually converted into marketing objectives. For example, if the company wants to earn Rs. 1,800,000 profit and its target profit market is 10% on sales, then it must set a goal of Rs. 18,000,000 in sales revenue. If the company sets an average price of Rs. 260, it must sell 69,230 units. For achieving this sales, the company will have to set certain goals for consumer awareness, distribution coverage and so on.

For achieving this marketing objectives, company should formulate the appropriate marketing strategy i.e., product strategy, pricing strategy, place strategy, and promotion strategy for the target consumers.

Product strategy calls for taking decision on product quality, design features, branding and packaging.

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Pricing strategy is related with the decision of wholesale and retail prices, discount, allowances and credit terms.

Place strategy is related with the decision of various activities the company undertake to make the product easily accessible and available to target consumer.

And promotion strategy is related with the decisions of various activities the company undertake to communicate the products merit and to persuade target customers to buy them.

The marketing concept seems so logical in today's marketing scenario that many wonder why marketers did not follow it prior to 1950s.

According to Henry Assael, there are basically two main reasons;

First, marketing institutions are not fully developed before 1950 to accept the marketing concept. The implementation of the marketing concept requires a diversity of facilities for promoting and distributing products that meet the needs of smaller and more diverse market segments. This diversity in

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marketing institutions did not exist before 1950. In those days, the emphasis was on economies of scale in production and marketing.

The second reason is that there was no economic necessity to follow marketing concept. There was little purchasing power to spur on interest in consumer behaviour. There was no competitive pressure to discover consumer’s motive or to adjust product offering to consumer needs. Manufacturers could sell whatever they made.

In the early 1950s, different marketers brought out similar lines of refrigerators, cars, etc. but then they found consumers reluctant to buy. Consumers had become more selective in their purchasing habits after two major wars and a depression and they had become reluctant buyers.

The economy experienced its first true buyers market. For the first time supply exceeds demands and inventories build up in the face of consumers purchasing power.

Some marketers reacted with more foresight by recognizing that the right combination of product benefits would influence reluctant consumer to purchase. These manufacturers research the market to identify consumer
needs and to develop products to fit those needs. This new approach resulted in an expanded set of product offerings.

Marketers began talking in behaviour terms. In this new approach, a product must be positioned to deliver a set of benefits to a defined segment of consumers.

Thus, a shift to a consumer-oriented approach to marketing by business organisation has changed the nature of marketing operation by

1. Providing a spur to consumer behaviour research.

2. Creating a more customer – oriented framework for marketing strategies.

3. Encouraging measurement of the factors that influence consumer to purchase.

4. Emphasising market segmentation

5. Emphasising product positioning to meet consumer needs.

6. Creating greater selectivity in advertising and personal selling.

7. Creating more selective media and distribution outlets.
In short, in accepting the marketing concept, organisation has recognised that the determinants of consumer behaviour have a direct bearing on the formulation of marketing strategies.