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Indian Consumers and its Behavior
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3.1 Introduction: -The term Consumer Behavior refers to the behavior that consumers display in searching for purchasing, using, evaluating and disposing of products and services which they expect will satisfy their needs. The study of consumer behavior is the study of how individuals make decisions to spend their available resources on consumption related items. It includes the study of what they buy, why they buy, from where they buy, how often they buy, when they buy, and how often they use it.

How and why consumers make decisions to buy goods and services, consumer behavior research goes far beyond these facets of consumer behavior and considers the uses, consumers’ make of the goods they buy and subsequent evaluations. In addition to studying consumers’ uses and post purchases evaluations of the products they buy, consumer researchers also are interested in how individuals dispose of their once new purchases. It is important to society as a whole because solid waste disposal has become a major environmental problem that marketers must address in their development of new products and packaging.

Personal Consumers versus Organizational Consumer:- The term consumer is often used to describe two different kinds of consuming entities the personal consumer and the organizational consumer. The personal consumer buys goods and services for his or her own use, for the use of the household or as a gift for a friend. In each of these contexts, the
goods are bought for final use by individuals, who are referred to as “end users” or “ultimate consumers”.

The second category of consumer, organizational consumer, encompasses profit and non-profit business organizations, government agencies and institutions which buy products, equipments, and services in order to run their organizations. Manufacturing companies buy the raw materials and other components needed to manufacture and sell their own products; service companies buy the equipments necessary to render the services, government agencies buy the office products needed to operate their agencies.

3.2 **Reasons for studying Consumer Behavior:** - As a consumer, we will be benefited if we would have greater insight into consumer behavior. The field of consumer behavior holds great interest for us as consumers, as marketers, and as scholars of human behavior. The study of consumer behavior enables us to become a wiser consumer. As a marketer and future marketer, it is important for us to recognize why and how individuals make their consumption decisions so that we can have a better strategic marketing decisions. As a scholar of human behavior, we are concerned with understanding consumer behavior, with gaining insights into why individuals act in a certain consumption related ways and with learning what internal and external factors influences them to act as they do. Indeed, the desire for understanding consumption related human behavior has led to a diversity of theoretical approaches to its study.

Consumer behavior was a relatively new field of study in the mid to late 1960s. With no history or body of research of its own, the new discipline
borrowed heavily from concepts developed in other disciplines, such as psychology, sociology, social psychology (the study of how an individual operates in a group), anthropology (the influence of society on the individual and economics). Many early theories concerning consumer behavior were based on economic theory on the notion of that individual act rationally to maximize his/her satisfaction through the consumption of goods and services.

The initial thrust on consumer behavior research was from a managerial perspective; marketing managers wanted to know the specific causes of consumers’ behavior. They also wanted to know how people receive; store and use consumption related information, so that they could design marketing strategies to influence consumption decisions. They regarded the consumer behavior discipline as an applied marketing science; if they could predict consumer behavior, they could influence it. This approach has come to be known as positivism, and consumer researchers primarily concerned with predicting consumer behavior are known as ‘positivists’.

3.3 Development of Consumer Behavior:- There are number of reasons why the study of consumer behavior developed as a separate discipline. Marketers had long noted that consumers did not always react as marketing theory would suggest. The size of market in this country is vast and constantly expanding. Billions of dollars were being spent on goods and services by millions of people. Consumer preferences were changing and becoming highly diversified. Even in industrial countries, where consumption of goods and services were always more than in newly industrialized or semi industrialized countries, buyers were exhibiting diversified preferences and less predictable purchase behavior.
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As marketing researchers began to study the buying behavior of consumers, they soon realized that despite a sometimes, “me too” approach to fads and fashions, many consumers rebelled on using the identical products every one else used. Instead they preferred differentiated products that they left reflected their own special needs, personalities and lifestyles.

To better meet the needs of specific growth of consumers, most marketers adopted a policy of market segmentation, which called for the division of their total potential markets into smaller, homogeneous segments for which they could design specific products and promotional campaigns.

They also used promotional techniques to vary the image of their products so that they would be perceived as better fulfilling the specific needs of certain target segments—a process now known as ‘positioning’. Other reasons for the developing interest in consumer behavior included the rate of new product development, growth of the consumer movement, public policy concerns, environmental concerns and the growth of both non-profit marketing and international marketing. Research into consumer behavior provided them with the necessary insights to develop new products and services and to design persuasive promotional strategies.

The growth of the consumer movement created an urgent need to understand how consumers make consumption decisions. Increased public concern regarding the environment made both marketers and public policy makers aware of the potentially negative impact of such products as aerosol sprays and plastic bottles. Consumer research revealed a large segment of socially concerned consumers who favour products that have
been modified to meet environmental concerns and many marketers have responded with what has come, to be known as ‘green marketing’.

Organizations in the public and private non-profit sectors began to recognize the need to use marketing strategies to bring their services to attention of their relevant publics. To develop persuasive promotional programmes, they realized it was essential to understand their various publics.

Most large companies have long recognized the need to market globally to achieve major economies of scale. In an effort to correct the balance of trade deficit, the federal government encourages small and mid-sized companies to sell their products abroad. A major stumbling black too many international marketing efforts has been the general lack of familiarity with the needs, preferences and consumption habits of consumers in foreign markets. Marketers now use cross cultural consumer research studies as the basis for product development and promotional strategies to meet the needs of targeted foreign consumers.

The factors that influence consumer behavior can be classified into internal factors or (individual determinants) and external environmental factors. External factors do not affect the decision process directly, but percolate or filter through the individual determinants, to influence the decision process.

3.4 Individual Determinants:-

Motivation and Involvement:-In a society, different consumers exhibit different consumer behavior because they are unique and have unique sets
of needs. Motivation is that internal force that activates some needs provides direction of behavior towards fulfillments of these needs. While talking of motivation, we cannot afford to the Maslow’s Hierarchy of needs which tells us about the primary and secondary needs.

First the biological needs of hunger, thirst, shelter are satisfied then the safety needs then the psychological desires of being accepted in society, seeking status, esteem, etc. are satisfied. People adopt different methods to fulfill their needs. The need of transport can be met by car, rail, bus or aero plane. People choose different modes of transport because of their level of involvement in different activities.

Involvement refers to the personal relevance or importance of a product or a service that a consumer perceives in a given situation. Depending on the value and personal interest, a consumer can have a high or low involvement. For a professional tennis player, the choice of a tennis racket is made with great care. He sees the weight, size, grip and tension of the strings, etc. The racket is his most important professional tool. Similarly, a professional photographer has to buy a camera with the right specifications and attributes. For another person, a tennis racket may only be a means of entertainment or in the case of a camera, the recording of family and other events by a camera which is convenient and handy.

**Attitudes**: These are our learned predispositions towards people, objects and events. Attitudes are responsible for our responses and are not inborn but are learnt from people around us. Our attitudes influence our purchase decisions and consumer behavior. A person having a carefree attitude will buy an object without much involvement. People, who want to safe and avoid risk taking, will go for a safe investment. People, who want
convenience and are short of domestic help, will have a positive attitude towards canned and frozen foods.

**Personality and Self Concept:** It is the sum of mental, physical and moral qualities and characteristics that are present in us and that make us what we are. Consumers try to buy the products that match their personality. People wanting to look mainly will buy products with a macho appeal, which would enhance their image and personality. People, who give emphasis on comfort and care, will purchase comfort products and so on. If one wants to emulate a film star his choice will be different from others.

**Learning and Memory:** Every day we are exposed to a wide range of information, but retain only a small portion of it. We tend to remember this information that we are interested in or, that is important to us. In a family, different members are interested in different types of information which they individually retain. Mothers retain information regarding household items. Father retains information regarding his interest in cars, motor cycles and other objects. Children are interested in objects of their interest like amusement parks, joy rides; Barbie dolls, etc.

Our motives, attitudes, personality filters the information. Keeping only relevant information in our minds and keeping the others out, this is known as selective retention. We retain in our memory only selective information that is of our interest.

**Information Processing:** All consumers analyze and process the information they receive. These are activities that a consumer engages in, while gathering, assimilating and evaluating information. Consumers
assimilated and evaluate selective information and this reflects on their motives, attitudes, personality and self concept. Same information can be evaluated in a different manner by different individuals. The most common example is a glass half filled with a liquid. It can be interpreted as “half empty” or “half full”. The first is a pessimistic view and the other is an optimistic view of processing the information.

3.5 External Environmental Factors Affecting Consumer Behavior:-

Cultural Influence: - It is defined as a complex sum of knowledge, belief, traditions, customs, art, moral law or any other habit acquired by people as member of a society. Different emphasis is given by different cultures for the buying, using, and disposing of products. People in South India have a certain style of consumption of food, clothing, savings, etc. This differs from the people in the North of India. Different cultures and habits are predominant in different parts of the world. Japanese have a different culture from USA, England or Arabian countries. Therefore, in consumer behavior culture plays a very important part.

Sub-Cultural Influences: - Within a culture, there are many groups or segments of people with distinct customs, traditions and behavior. In the Indian culture itself, we have many subcultures, the culture of the South, the North, the East and the West. Hindu culture, Muslim culture, and Hindu of the South differ in culture from the Hindus of the North and so on. Products are designed to suit a target group of customers which have similar cultural backgrounds and are homogeneous in many respects.

Social Class: - By social class we refer to the group of people who share equal position in a society. Social class is defined by parameters like
income, education and 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 holiday, entertainment, leisure all seem to be alike. The knowledge of social class and their consumer behavior is of great value to a marketer.

**Social Group Influences:** - A group is a collection of individuals who share some relationship, attitudes 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 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, work group and study groups, service organizations like the Lions club, Rotary club etc. The behavior of a group is influenced by other member 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 behavior. An individual can be an executive in a company; can be a member of a political party. He may be a member of a service organization and of entertainment clubs and circles. These exert different influences on his consumption.

**Family Influence:** - As it has already been said, the family is the most important determinant of the primary group and is the strongest source of influence on consumer behavior. The family tradition and customs are learnt by children, and they imbibe many behavioral patterns from their family members, both consciously and unconsciously. These behavior patterns become a part of children’s lives. In a joint family, many
decisions 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 are going in more for nuclear family which consists of parent, and dependent children. The other type of family is the joint family where mother, father, grandparents and relatives are also living together.

**Personal Influences:** Each individual processes the information received in different ways and evaluates the products in his own personal way. This is irrespective of the influence of the family, social class, cultural heritage, etc. His own personality ultimately influences his decision. He can have his personal reasons for likes, dislikes, price, conveniences or status. Some individuals may lay greater emphasis on price, others on quality, still others on status, symbol, convenience of the product, etc. Personal influences go a long way in the purchase of a product.

**Other Influences:** Consumers are also get influenced by national or regional events which could be like the Asian, the Olympics, and cricket test matches, World Cup, the war or a calamity. These leave permanent or temporary impressions on the mind of the consumer and affect his behavior. 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. Situation variables such as product display, price reduction, free gifts and attractive offers also influence consumer behavior.

External factors cannot affect the decision process directly but, these are also instrumental and exert an influence on consumer behavior.
3.6 Models of Consumer Behavior:

**Economic Model:** - In this model, consumers follow the principle of maximum utility based on the law of diminishing marginal utility. A consumer wants to spend the minimum amount for maximizing his gains. Economic man model is based on:

**Price effect:** Lesser the price of the product more will be the quantity purchased.

**Substitution effect:** Lesser the price of the substitute product, lesser will be the utility of the original product bought.

**Income effect:** When more income is earned, or more money is available, more will be the quantity purchased.

This model, according to behavioral scientists, is not complete as it assumes the homogeneity of the market, similarity of buyer behavior and concentrates only on the product or price. It ignores all the other aspects such as perception, motivation, learning, attitudes, personality and socio-cultural factors. It is important to have a multi-disciplinary approach, as human beings are complex entities and are influenced by external and internal factors. Thus, price is not the only factor influencing decision-making and the economic models according to scientists have shortcomings.

**Psychological Model:** - Psychologists have been investigating the causes which lead to purchases and decision-making. This has been answered by A. H. Maslow in his hierarchy of needs. The behavior of an individual at a particular time is determined by his strongest need at that time. This also
shows that needs have a priority. First they satisfy the basic needs and then go on for secondary needs.

The purchasing process and behavior is governed by motivational forces. Motivation stimulates people into action. Motivation starts with the need. It is a driving force and also a mental phenomenon. Need arises when one is deprived of something. A tension is created in the mind of the individual which leads him to a goal directed behavior which satisfies the need. Once a need is satisfied, a new need arises and the process is continuous.

**Pavlovian Learning Model:** - This model is named after the Russian Physiologist Ivan Pavlov. He experimented on a dog and observed how it responded on the call of a bell and presenting it with a piece of meat. The responses were measured by the amount of saliva secreted by the dog. Learning is defined as the changes in behavior which occur by practice and, based on previous experience. This is important to marketers as well. The learning process consists of the following factors:

**Drive:** - This is a strong internal stimuli which action. Because of the drive, a person is stimulated to action to fulfill his desires.

**Drives:** - Drives can be innate (inborn) which stem from physiological needs, such as hunger, thirst, pain, cold, sex, etc. and Learned drive, such as striving for status or social approval.

**Reinforcement:** - Thus when a person has a need to buy, say clothing, and passes by a showroom and is attracted by the display of clothing, their colour and style, which acts as a stimulus, and he makes a purchase. He uses it, and if he likes it, enforcement takes place and he is happy and
satisfied with the purchase. He recommends it to his friends as well, and visits the same shop again. Learning part thus is an important part of buyer behavior and the marketer tries to create a good image of the product in the mind of the consumer for repeat purchases through learning.

**Sociological Model:** - This is concerned with the society. A consumer is a part of the society and he may be a member of many groups in a society. His buying behavior is influenced by these groups. Primary groups of family friends and close associates exert a lot of influence on his buying. A consumer may be a member of a political party where his dress norms are different. As a member of a elite organization, his dress requirements may be different, thus he has to buy things that conform to his lifestyles in different groups.

**3.7 Purchase Behavior (Situational Factors):** -

Purchase is very important as it generates revenue, and dislikes of the consumer. Post purchase behavior also establishes a link between the marketers as the product was planned, produced, priced, promoted and distributed after a lot of effort. If purchase does not take place, the marketer has failed in his marketing effort. He then needs to change the marketing mix. He has to change the entire strategy, as the ultimate aim of the marketer is to float a product which will generate revenue and bring satisfaction to the customer. Purchase is important to the marketer for his success, for achieving his objectives, and far formulating competitive strategies against the competitors. Similarly, the customer pays money and expects certain benefits and satisfaction from the product. It marks the end of his search, end of his efforts and chooses the brand of his choice for expected benefits.
For purchasing, the customer has to consider the (a) selection of outlets, i.e., where to buy from. A product may be available in a number of stores of different types and different sizes. Where to buy from is an important decision that has to be taken by the customer. He further has to think about the quantity of product that he has to buy. Should he buy in small quantities or in bulk? Should he take advantage of the discount facilities which are offered only for a short period of time, or should he ignore them, and buy his usual requirement for a month or for a week? This also depends on the amount of discretionary income that is available to him. There is another choice with the customer, (b) how he should make the payment. Should he buy in case or in credit, or hire-purchase or any alternative offered by the dealer?

While taking a decision on these issues, a number of factors are to be considered, and these factors influence the decision-making process or the purchase process. The two sets of factors necessary for purchase are the buying intentions and the situational factors. Both these factors exert a joint influence on the purchase process. One without the other may not be sufficient to affect a purchase. The buying intention is a must for the purchase to come through. No number how congenial the situational factors, the purchase may not take place without the customer having intentions to buy. He has to be motivated to buy product by exposing him to the product and instilling into his mind that the product is needed by him and will satisfy his long felt need.
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Situational factors can be very many in number, but for all purpose, five basic situational factors are considered. These are:

1. Physical surroundings.
2. Social surroundings.
3. Task definitions
4. Temporal decisions
5. Antecedent conditions.

**Physical surroundings:** - As soon as a consumer enters a shop with intention of purchase, the most important things that he observes is the décor, style, cleanliness, etc. of the shop.

These physical aspects are eye catching and the most visible part of the purchase situation. The surroundings act as a stimulus for the consumer, and influence him through his five senses of sight, hearing, smell, touch and taste. The presence of these elements is not enough. They have to be present in the right mix to create an atmosphere which is congenial to all consumers. This is the concept of atmospherics, where not only the physical surroundings but, the music and the handling of the crowd in the store also emphasized. Since the consumer is exposed to a proper blend of these stimuli, he responds in a particular manner. He sometimes responds emotionally, and shows his pleasure or displeasure and may go in for a purchase. These physical surrounds also control the time he spends in the store. How he responds to purchase. The customer also tries to affiliate with other customers and also with the people in the store.

**Social surroundings:** - Purchase is affected by the presence of other members of the society and their opinion about the purchase and use of products. A consumer is a human being. He lives in society, and is
affected by the opinion of society member. If a customer is ambitious to spend time with high society member, his purchases is influenced, and he goes in to buy premium and branded items. Shopping is a social experience, and consumers are influenced by society members and sometimes blindly purchase things approved by trusted members of the society. When a consumer is shopping with friends, he tends to visit many more stores and makes many unplanned purchases. This is because he thinks that his wise companions are giving him sound advice which he getting for free, and that the opinion of a handful is better than his own judgment. While with friends, he likes to spend more time with them, and feels more confident of going from store to store and visiting the shops with new displays, new products, new variety and new items.

Salesmen have also observed that it is easier to sell to individuals rather than customers in groups. Unaided buyers can be convinced much easily than those with friends. Individual buyers sometimes give into the persistence of the salesman. It has also been observed that buyers who are with friends, comply with the request of the group of friends, even though they know that the product is not to their liking or, that would rather buy some other brand.

**Task definition:** - By task definition is meant, the buying intention or motive. Why is the purchase being made? Is it for self consumption or is it for a gift, or is it for a special occasion like a marriage gift and so on. Purchase task is decided by the various factors and what will be the reaction of the person to whom the gift is being given.
Buying flowers or a piece of jewellery on wedding anniversary, this situation also defines the task. Titan watches are advertised for giving as a present. A bigger present as a Godrej Store well may be given for a marriage to a friend. Sweets or chocolates are to be given to children visiting your house. Marketers use these techniques of selling products, and use the occasion based marketing opportunities to push their products. The task or the purpose and intentions must be known to the marketer to make his job easy.

**Temporal factors:** - By temporal factors we are referring to time. It may be the allotted for shopping. It may be the time of the day, shopping in the morning, evening or afternoon, time of the season, time of the year, time of festival, etc. Some ladies shop in the afternoon as they can be given more attention by the sales person. They can see a variety of products. The time which the sales man has is also ample, and he can pay more attention to customer's needs. Some buy or do shopping during festival seasons only, and their main shopping takes place during the festivals or when there is a function in their families. Some are regular buyers and are in the habit of buying regularly. These are the people with high discretionary income.

The time of buying also varies from product to product. An item of high value will require much more time than buying cosmetics. A high value item may take several days. A much higher value item like a flat or a house may take days and months together.

It also depends on the availability of time with the consumer. A busy executive may have very little time compared to a house-wife. The time available with them is different; hence the degree of involvement, the
information search also varies from product to product, from situation to situation. If a buyer is buying regularly, he spends lesser time in purchasing, than a buyer who buys at greater intervals of time.

**Antecedent conditions**: - There are other factors that also play an important part on purchases. These are the availability of resources (money) for buying the product of your choice. Other factors like the mood, the attitude, or the bent of mind for purchasing a product. If the purchases are made for a future period of time, they can wait or can be made at any convenient time. If the purchases are urgent, and you have used up your product and need to replenish the same soon, then the purchases are finalized quicker. The availability of the product is another factor for purchase. If one visits a few stores and does not find the product or the brand of his choice, he may develop a negative attitude towards the store or even towards the products.

When the buyer is in the mood he is more likely to purchase goods than otherwise. Therefore, marketers try to create a positive mood, by advertising appeals to get a positive response from the buyer.

A proper marketing strategy is to design to get a positive response from the customers. All the five situational factors described above should be kept in mind and a process be followed. This can be done by identifying the situational factors and research techniques. The market has to be segmented in proper manner, and the product positioned according to the need of the target segment.

**Non-Store Buying**: - This type of marketing is gaining importance in advanced countries where a shopper does not want to go to a store, and
avoids the difficulty of finding parking space. Wants to avoid long queues for payment or payment or does not have the time to drive down to a store several miles away. Has a higher discretionary income, pays greater importance to consumer life style. Non-store buying or direct marketing is one in which products and services are offered to a prospective customer by telephone, mail or other accesses.

In the purchase process, non-store buying also plays an important part. The non-store buying is prevalent where there is general economic development, availability technology where the marketer should desire to reach untapped markets.

Many companies have a list of prospective buyers, and send them catalogues, brochures, discount offers almost every week. They get a lot of business and give various facilities, and offer products at competitive rates. This also increases the knowledge of the consumer, and he also feels important and regularly places orders with these companies. There are many routes to non-store buying and the buyer can buy in a number of ways. Known buyer is one who places the order from the home by telephone, catalogue, brochure or mail. The consumer can avoid an extra trip to the market. This type of order on telephone is becoming very popular for items like rations for the whole month. A consumer gives the order over the telephone to his supplier, who notes down the order, and supplies it by reaching the goods to the desired destination.

**Tale marketing:** This is similar to the above, and prepaid telephones are provided or toll free telephones are provided, so that the orders can be placed without any charge to the customer. This is used mainly by ladies, and is of western origin.
**Video-tax or interaction video:** - In this the buyer seller interaction can occur through TV sets and computer terminals. He can type his requirements on the computer, and through video-tax facility can interact, even see a portion of the store where his product is kept and all the variety of products that are available in that category. These methods are gradually gaining importance and with the increase in population, and congestion of the cities these methods are becoming popular in advanced countries.

We have therefore seen that the purchase is an important part of the consumer behavior, and purchases are the backbone of marketing activities. If the purchases are good, and the goods are moving fast, a company can rest assured of revenue, otherwise the marketer has to keep thinking of ways and means to find out the reasons for the shortfall in purchases.

**Significance of Non Store Buying:** - The non store buying is becoming popular because working women and others have less time to shopping. They can see more items on T.V. than a single store can display. By this method speciality products are easy to get. Non store innovations are becoming popular e.g. Mail order catalogues, pay by phone etc.

Some customers prefer the older methods of store buying and oppose the new techniques because they like to see the products and feel them. They like to go out to shop and get tempted to buy the products they do not need. They feel that being hooked on a computer may invade their privacy. However more innovations are expected in the future and that the customers will get the feeling of shopping in store by just sitting at home and can do everything sitting at home that they can do in a shop.
3.8 Post Purchase Behavior: -

It is important for the marketer to know whether his product is liked by the consumer or not. He wants the feedback about his product so that corrective action, if necessary, can be taken, and the marketing mix be modified accordingly. Post purchase behavior is the reaction of the consumer; it gives an idea of his likes and dislikes, preferences and attitudes and satisfaction towards the product. It indicates whether or not the purchase motives have been achieved. Purchase is the means and post purchase is the end. Post purchase behavior indicates whether or not repeat purchases will be made. Whether the costumer will recommend the product to others or not, it indicates whether long term profits can or cannot be expected. All this can be found out by the post purchase behavior of the customers. Post purchase is the last phase in the decision-making process.

After purchasing a product, a customer is either satisfied or dissatisfied and his satisfaction or dissatisfaction depends on his expectation and the difference between the performances. Expectation gives the degree of customer’s satisfaction/dissatisfaction with the product.

However, there can be a match between the two, i.e. performance is in line with expectation. In another position is the product which surpasses the expectancy level, and performs much better than expected. This is a source of satisfaction and delight to the customer. Satisfaction or dissatisfaction cannot be generalized, i.e. there is no accepted definition of satisfaction or dissatisfaction.
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It is the effort of every firm to produce satisfied customers. This is essential to fight increasing competition. Some unsatisfied customers however remain repeat purchasers, as they do not find a suitable alternative or, find that brand readily available and buy it due to force of habit or, because of low price. These purchasers may not be brand loyal. A brand loyal or a committed customer is attached to the brand emotionally. He believes in the firm and trusts the brand. Brand loyalty increases if the performance of the brand is more than the expected performance. In case of committed customers, they believe and have faith in line extension and brand extension of the firm. Committed customers also promote the product by positive words of mouth.

Role of a Marketer: - The marketer has to watch that the customer is not dissatisfied. Through dissatisfaction, a lot of customers or clientele is lost and the marketer suffers losses. To avoid this, a marketer has to be on the look out for causes of dissatisfaction and maintain and build consumer satisfaction. This can be done by regularly monitoring consumer reaction. It can be done by interviewing the customer or serving questionnaires and analyzing and interpreting them carefully. Besides this, a strict vigils is to be kept on the quality of the product. The quality should be the joint responsibility of marketing and production. If necessary, other departments should also be involved, and an integrated marketing procedure be followed.

In case of complaints, they must be given proper attention and redressed be made as soon as possible. All complaints must also be acknowledged to satisfy and assure the customer that appropriate action will be taken as soon as possible. While registering complaints, due courtesy should be
shown to visiting customers and their complaints be entertained in a proper manner. To avoid dissatisfaction of the consumer, only realistic claims are made i.e. advertisement of a scooter giving 55km. per liter may be unrealistic when it can give a maximum of 40km. This unrealistic claim made by the manufacturer may lead to dissatisfaction of the consumer. The marketer must also help train the consumer for the proper use of the product. If the product is not used in the way it is meant to be used, it gets spoilt, and does not perform up to expectation leading to a discrepancy between the actual and desired which leads to dissatisfaction of the consumer. A marketer must also assure after sales service and keep in touch with the consumer even after purchase, to give him the promised after sales facility, as well as, importance to the consumer. A marketer must also sell solutions instead of the product. He should emphasise upon of the felt need and fulfill it, rather than emphasise the product. He should take care of the marketing concept. If this is not taken care of, it becomes injurious in the long run.

In case of dissatisfaction post purchase dissonance occurs which creates anxiety and the consumer feels psychologically uncomfortable. If the disparity between performance and expectation is not great an assimilation effect occurs and consumers ignore the product’s defects and their evaluation is positive. If the disparity is great a contrast effect takes place and repeat purchase does not take place.

**Product versus Service Consumption:** - Products are tangible while services are intangible and the consumption experience is more variable while traveling one trip can be pleasant, other trips may be unpleasant. Once the service can be courteous then it can be discourteous. It is
therefore difficult for consumers to assess service rather those products. Therefore marketers must reduce service variability and build a long term customer relationship.

3.9 Changing Consumer Behavior: The consumption pattern and the behavior of the consumer have been changing gradually. Since the last two decades we have seen many changes occurring in the attitude, perception, motivation, spending habits, purchase, and post purchase behavior of the consumer.

The consumer of the 80's was austere and bought those things that were needed by him and the household. He was not very adventurous in spending habits. He had the restraint put on him by low income, the non availability of products and traditional methods of buying. Most of these were for all the classes of consumers the upper or lower income groups. Even if they had money and the willingness to buy, they could not purchase because of the limited choice of the product, even after having booked the same a few year earlier. Many products were not available in the Indian market due to import restrictions, and the consumer had to depend on the product smuggled in, from foreign countries and paying heavy duty on them. Under these conditions the entire definition of consumer behavior was put to limitations. "Consumer behavior is a decision making process and physical activity engaged in while evaluating, acquiring using and disposing of goods and services."

In 1990's, When the products available in the market were few there was hardly any physical activity to be performed. By physical activity we mean the effort made to analyze the products and do their comparative
study, according to the desired attributes. This led to the evaluation of the product with every few and limited attributes that one could visualize. Even if the mindset for the purchase was positive, it was difficult to purchase as the products were in short supply and there was hardly any competitors. The process of evaluation purchase was reduced or had little to develop. Even after the purchase, the factor of satisfaction and dissatisfaction had little meaning as you had to be satisfied the best that was available, and the customer could not inspire for more than what was offered. One could dispose off the product after use with little difficulty.

In the new millennium however, the consumer behavior has changed much. The consumer of the 80’s had less discretionary income and with liberalization in 1985 to globalization taking place since 1991 a whole lot of goods flooded the Indian market. Like refrigerators, washing machines, black and white TV, colors TV, VCR’s, Cars, Scooters, Motorcycles, cosmetics, gas cylinders, cellular phones, microwave ovens, internet, ATM cards etc, Marketing through TV and internet became possible. Moreover, fast food centers with home delivery of snacks food and drinks gave the consumer options. A lot of avenues were opened for travel and communications, PCO, STD, FAX; photocopy machines were available almost at every crossing.

New innovative marketing techniques, branding the product, suited the Indian style. The Indian consumer is very price conscious, and to suit the consumer changes in the product. Changes have been taken place in the Indian consumer due to innovation in the product, in liberalization and the marketing mix.
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The behavior of today’s customers is changed due to the economic liberalization and economic crises. He does not have to buy sub quality and shoddy products. He can dictate his terms, and as somebody has rightly stated. “The customer is not only the king but also the queen, the prince and the princess.” He can choose from a plethora of brands, return the product if not approved. Can take a free trial, negotiate and bargain. He can reject and accommodate. He can use credit cards, buy houses, cars, flats on easy installments and can even get rebate from taxes, by taking a loan for a home etc.

He can access abundant information through the internet. The marketer is happy to provide service to him free of cost. It is the service that plays an important role in promoting products and brands. Marketers are all out to differentiate their products with plans of service, price, packaging, branding, promotion etc. Celebrities are being used to promote products Coca cola, Pepsi, “Yeh Dil Mange more”, Maharaja of Air India and other brands have been globalize.

The marketers have adopted a new strategy. They have modified the old strategies, broadened their visions and are aware how they have to provide services. Adjust themselves to the customer and not the customer to them. The marketers are not satisfied with just satisfaction. They are going beyond the expectation of the customer and are delighting the customer and even to make them ecstatic with the product and services offered.

This is the age of modern marketing and the age of taking risks. This is the age to establish your identity through the use of marketing mix, proving services, giving that little extra to the customer that created the required differentiation between one product and the other. This is the age of
positioning and the age of providing service. This is age of relationship marketing and the age of studying the further expected changes in the behavior of the consumer. Communicating with the customer is the core of good customer service. “Coming together is the beginning, keeping together is progress and working together is success.”

In the age of information technology the consumer who can not be seen or meet are the Cyber consumer. The computers are being put to wide use. They are being used for business and domestic purposes, for government work, for buying and selling, for recording and retrieving information, for electronic communication with the greatest of ease, and they are used all over the world. Companies have been working towards computerization, and the first commercial computer was given to the world in 1924 by I.B.M. Computer education started in 1928, and today it has changed the entire concept of business and mankind. Right from railway booking which entailed long queues at the reservation counters, to accessing the latest information, things have become much easier and methodical. In the beginning, emphasis was given to programming in various languages, Pascal, COBOL, FORTRAN etc., and then we had the transition to three generation languages, and now the E-Business, Which can be described as the method of doing business electronically, which has now become an integrated discipline.

In 1990 online services were started which provided a new form of social interaction, such as Inter relay chat (IRC) and knowledge sharing, such as new groups and file transfer programmes. Social interaction led to the concept of “global village”. By using the global internet, people can exchange information and can communicate with each other at a much
lower cost. In 1990, the WWW (World Wide Web) provided an easy to use technology solution, to the problem of information publishing and dissemination. It enabled more diverse activities in Business.

E-Business Marketing is the direct marketing online, and through this media advertisements can easily reach the consumer’s door step. It provides information through Internet and online services for buying and selling products and exchange of information. It cuts service cost for the marketing and improves the quality of goods and services, and increases the speed of delivery. “E-Business enables business to be transacted at the rate of thought.” Business challenges can be overcome, competition can be met, and strategies can be evolved to meet the competition. E-business enables to be transacted globally with out any significant barrier. Voluminous and repetitive documentation can be eliminated. It enables differentiation for competitive advantage.

It provides effective Management information and helps in decision making. It helps to manage the customer chain and integrates it with the supplier chain. There is better management of marketing. It leads to reduction in the cost of doing business. There are no geographical boundaries and targeting individual clients is less costly. There are fewer middlemen, there is quick order execution, faster realization of money, client has much wider choice and he can choose from products offered globally. It also helps in booking airline and train tickets you from your home and office. You can have access to Bank transaction and to billing online.

**Advantage to the consumer:-** E-Business or Electronic Business has brought a revolution in many fields. It has also changed the entire concept
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of selling and buying. It has changed the thinking of the consumer. It has changed the decision making of the consumer and physical activities associated with the decision making process have been reduced tremendously. Consumer using the Internet can improve the expectation of their business. They can generate and exploit business opportunities with greater efficiency and speed. They can 'generate business value'. It gives the consumer advantage of getting better quality products by using interconnected networks, greater consumer satisfaction, delight and greater economy is guaranteed. It saves time and gives greater speed of transactions and delivery. These change not only the thinking of the consumer, but can bring vast changes in the consumer behavior.

After all, it has been earlier pointed out that consumer behavior is the decision making process and physical activity engaged in, while evaluating, acquiring, using and disposing off goods and services. Information based transactions are therefore creating new business opportunities and new ways of doing business. The need for E-Business arose for better computing, better interaction between sellers and buyers, and both inside and outside the business organization.

The use of it in banks in the transfer of money within minutes all over the globe, not only saves time, but also saves interest on the money which takes days to get transferred from one bank to the other across the globe. Traditional business methods of using paper and post are becoming obsolete and the same transactions now take a matter of minutes. This is hold good for purchase, sales, sending of documents and money to any part of the world. This is known as EDI or Electronic Data Interchange. The Electronically managed system provides a look into the store. The
products are divided into various categories. One can see the product, and order electronically and the payment is also made electronically. It provides a look into the store's display and the arrangement of the shelves. A variety of brands with varying prices, sizes and information about the ingredients of the products can be seen as well.

Concerning with business to customer transactions, the customer is always looking for the ease of purchase, convenience, low prices, good quality and proper service. Electronic Business provides the consumer with convenient shopping from online catalogue, to electronic banking which eliminates costs. It eliminates many intermediary steps. It provides video conferencing for better interaction and information. Consumer cannot be seen nor met. The consumer can conveniently transact the business according to his needs.

Web, as we all know, is a net made by the spider. In Computer terminology, it is a standard for navigating, publishing information and executing transactions. Companies use the web for communication with customers and suppliers, by publishing contents on their web server for widespread distribution. Many companies are selling their products on the web. A number of functions are performed including advertising, sales, customer service and marketing. Information transfers from bank to bank, bank to customers, business to customer, and even entertainment functions can be undertaken. The web can perform a number of tasks. These include attracting new customers via marketing and advertising.

Servicing existing customers via customer service and support functions, developing new markets and new distribution channels for existing
products, developing new information based products. It also includes brand name management, exhibiting product catalogues and sales information and new product announcements.

It is useful in handling customer queries that would otherwise be handled by a service representative. It can handle many customer oriented tasks. Software can be delivered from one computer to another, within no time. Customers can check their personal bank accounts. They can know their balances and recent transactions which help to make better and quick decisions.

They can trace their parcels or packages as to where they are kept, or to what point of destination they have reached and when. The interaction with the government agencies has also become more accessible and useful. Tax information, employment opportunities, and changes in rules or tax structure are also accessible with the press of a button.

**Application to Customer Behavior:** Consumers keep making decisions to buy the products of their choice. As we know that the decision making is influenced by the internal determinants which include learning, memory, personality, self concepts, attitude, motivation and involvement. The external determinants consist of cultural and sub-cultural influences, social group influences, family influences, social influences and other influences. External and internal influences thus, together influences the decision making process and most customers follow these steps in a logical manner. E-Business enhances this process, and saves time of the consumer by providing all relevant information on the internet that is required.
A problem is recognized when there is a gap between the existing and the desired position in the use of a product by the consumer. This gap may be caused by a number of factors, and it has to be reduced for the satisfaction of the consumer. E-Business provides the customer with more information regarding products and services. The customer, therefore, has a better understanding of the solving of these problems and starts demanding products which were earlier not available locally. He has higher aspirations and fulfills his needs in a better way.

Once the problem is recognized, the customer can find the alternatives to solve the problem on the customer. It gives enough and sufficient information to a consumer to choose. It provides many alternatives which can also be evaluated by mathematical models in the case of extensive problem solving, where more money and time is at stake. The evaluation of alternatives can be done speedily, and the advantages and disadvantages of various brands and products can be recognized. This also depends on the weightages given to different desired attributes in a product and making assumptions on a comparative scale. Internet can give comparative charts for making evaluation easier and rational. Information process becomes easier and the area of information is enlarged greatly.

E-Consumer is fully informed consumer and is aware of various products offering by all competitors. His purchase decision can not be influenced easily. He takes rational decision usually decides to go for a product that offers good value for money. He also knows the advantages and disadvantages of when to buy, how to buy, from where to buy, what to buy, and from whom to buy.
After using the product and service consumers can electronically interact with the manufacture or marketer giving valuable feedback. The critical feedback should be given to the company regarding improving the product. If the consumer is dissatisfied, he may communicate his anger against the company to lakhs of people worldwide instantly. This may affect the reputation and goodwill of the company and tarnish its image. A satisfied customer acts as a best advertising and promotional means of worldwide publicity at no cost.

The theoretical study of consumer behavior cannot be overlooked and remains an important aspect, in spite of the development of E-Business. The theoretical framework of consumer behavior has to understood and applied in the application of E-Business for proper marketing results. E-Business does not replace, but supplements the theoretical foundation of consumer behavior.

3.10 Public Policy and Consumer Protection:- In the earlier decades the consumer was unorganized and was generally taken for a ride. Today, the consumer is aware of his rights and is highly educated and experienced. He was earlier being exploited in many ways. These were the adulteration practices of the manufacturers and middlemen. Variations are in the contents of the pack, misleading and deceptive advertising which led even the educated consumer to buy unwanted and unnecessary goods to a large extent. Consumers also complained and criticized the factors like price, quality, advertising, packing, distribution, after sales service etc. There were many unfair trade practices prevalent in India, some example are given below:
Advertising of scooters and cars claim a much exaggerated average per litre than the actual. The sale of magic rings is for the cure of diseases like blood pressure and diabetes. The sale of medicines claims to increase the height of children, and other unbelievable claims. Adulterating the food with cheaper stuff to increase the weight of the product, like adding papaya seeds to black pepper to increase the bulk and weight. The examples show that the attitude of business towards consumers has been very indifferent. This mostly happens in a sellers market, but where there is competitive selling or sellers are many, the needs of the consumer are the first priority, and the marketing concept is being practiced.

The exploitation of the consumer has led to the creation of the consumer movement also known a consumerism. Consumerism is the range of activities of the government, business, and independent organization that are designed to protect the consumer from the unlawful practices of that infringe upon there rights as consumer. There has been an awakening in the consumer and the government has passed many laws and statutory obligations that must be adhered to, by companies.

The consumer protection Act, 1986 has provided a legal umbrella to safeguard the interests of consumers and to give them cheap and speedy justice. In order to know the significance of the consumer protection Act, 1986, a bird’s eye view of the provisions may be made, and then it can be assessed whether the enactment has really given relief to the consumer.

**Aims and objective of the Act:** - In the statement of objects and reasons it is said that since the Act seeks to provide speedy and simple redressal to consumer disputes, a quasi-judicial machinery is sought to be set up at the District, State and Central levels. These quasi-judicial bodies will observe
the principles of natural justice, and have been empowered to give relief of a specific nature and wherever appropriate, compensation to consumers. Penalties for non-compliance of orders given by the quasi-judicial bodies have also been provided. It shall be the duty of consumer's councils to promote and protect the rights of the consumers. In Section 6 of the Act, a provision for consumer's councils has been made. It provides a list of the rights of consumers they are:

(1) Protection against hazardous goods.
(2) Right to information.
(3) Right to access.
(4) Right of proper hearing.
(5) Right to seek redressal.
(6) Right to consumer education.
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