CHAPTER - IV

CONSUMER BEHAVIOUR
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**CONSUMER BEHAVIOUR**

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4.1 INTRODUCTION

According to Chadha, R\textsuperscript{54} Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It is a subcategory of marketing that blends elements from psychology, sociology, sociopsychology, anthropology and economics. It attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioural variables in an attempt to understand people's wants. Consumers have so many choices to make compared to ten or even twenty years ago. Today as always, business growth depends heavily on loyal customers who return because they are satisfied with the product and/or service they have received. But first companies have to bring consumers into the stores. The companies bring consumers into the store by marketing their product. The average consumer would probably define marketing as a combination of advertising and selling. Modern marketing is most simply defined as directing the flow of goods from producers to customers.

In order to answer this question fully we must define consumer goods, which means goods that are used or bought for use, primarily for personal, family, or household purposes. Promotion, which works hand in hand with marketing a product, allows the product to be relayed to the right consumer through campaigns. Market research must be completed to find a target audience, which is used for promotional and advertising reasons. The last part of the scheme is the actual advertising of the good, which pulls the consumer into the store. Marketing has had an influential impact on fast moving consumer goods through a broad range of activities including, Promotion, Market research, and Advertising. Promotion is used to communicate information about goods and services to target market audiences thereby facilitating the exchange process. Promotion plays an important role in informing, educating, persuading and reminding customers. According to B. S. Rathore promotion may be defined as “the co-ordination of all seller-initiated efforts to set up channels of information and persuasion to facilitate the sale of a good or service.”

The promotional mix is adjusted according to the organizations promotional objectives and its marketing situation. Generally, in consumer’s services, marketing and advertising will be by far the main component and the most expensive. Target audiences need to receive information about goods and services before they can begin to consider making a purchase. Currently, consumers “expectations need to be exceeded for commercial success so that customers are delighted with the

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Companies take pride in developing advertising that breaks through the media clutter and creates lasting impressions on potential buyer’s minds. It is essential to be seen on TV, magazines, and other media in order to show potential buyers that your product is worth investing in. Today, media is so integrated into the society that it dominates the culture. Therefore, media presence is crucial in influencing consumers. Consumer Buying Behavior refers to the buying behavior of the ultimate consumer. A firm needs to analyze buying behavior for:

- Buyer’s reactions to a firm’s marketing strategy has a great impact on the firm’s success.
- The marketing concept stresses that a firm should create a Marketing Mix (MM) that satisfies (gives utility to) customers, therefore need to analyze that what, where, when and how consumers buy.
- Marketers can better predict how consumers will respond to marketing strategies.

4.2 DEFINITION OF CONSUMER BEHAVIOR:

Engel, Blackwell and Kollat\(^5\) (1978) define consumer behavior as, “Those acts of individuals directly involved in obtaining and using economic goods and services, including the decision process that precede and determine these acts.” Hence consumer behavior is the process by which the individuals decide whether, what, when, where, how and from whom to purchase goods and services.

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According to the American Marketing Association\textsuperscript{58}, Consumer Behavior is defined as "the dynamic interaction of affect and cognition, behavior, and environmental events by which human beings conduct the exchange aspects of their lives." More generally, Consumer Behavior is the psychology behind Marketing and the behavior of consumers in the Marketing environment. For the analysis of marketing of products and to understand as to what, when and how much consumer will, demand it is essential to understand the consumer's behavior.

One official definition of consumer behavior is "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts these processes have on the consumer and society."\textsuperscript{59} Although it is not necessary to memorize this definition, it brings up some useful points:

Behavior occurs either for the individual or a group or an organization. Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased consumption. Since many environmental problems result from product disposal (e.g., motor oil being sent into sewage systems to save the recycling fee, or garbage piling up at landfills) this is also an area of interest.

\textsuperscript{58}American Marketing Association, Consumer Behavior Special Interest Group. http://www.business.uiuc.edu/~madhuv/cbsig.html
• The impact of consumer behavior on society is also of relevance. For example, aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious repercussions for the national health and economy.

• Behavior occurs either for the individual, or in the context of a group (e.g., friend’s influence what kinds of clothes a person wears) or an organization (people on the job make decisions as to which products the firm should use).

• Consumer behavior involves services and ideas as well as tangible products.

   Every individual customer has a different psychology and personality of his own. His character, nature, status, taste, aptitude and inner forces are different. Consumer needs vary not only from person to person but also within a person, ranging from security needs to the need for self-actualization. Therefore, the consumer displays varied behaviors in the market. Sherlekar, Victor and Prasad (1994) has defined consumer behavior as, “All psychological, social and physical behavior of potential customers define consumer behavior as they become aware of, evaluate, purchase, consume and tell others about products and services.” Two major psychological disciplines come into play when observing and trying to explain Consumer Behavior. The first is Cognitive Psychology. Cognitive Psychology is the study of all knowledge related (mental) behaviors. The Attention, Perception,
Memory/comprehension, Decision Making are the various aspects of cognitive psychology that play an important role in Consumer Behavior.

The second psychological discipline that has theories to explain certain phenomenon of Consumer Behavior is Social Psychology. Consumer behavior involves the psychological processes that consumers go through in recognizing needs, finding ways to solve these needs, making purchase decisions, make plans, and implement these plans. Psychologists are constantly busy in finding out what are the things, which make the human being change their behavior from time to time. Buyer's psychology is very intricate ad only one aspect is not sufficient to motivate him and change his attitude.

According to Nicosia, F.M Social psychology is "the study of the manner in which the personality, attitudes, motivations, and behaviors of the individual influence and are influenced by social groups" The Affect and Social Influence and Reference Groups links are two important topics studied in social psychology that have an important impact on Consumer behavior. The consumer faces numerous sources of influence. Often, we take cultural influences for granted, but they are significant. Physical factors also influence our behavior.

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A person’s self-image will also tend to influence what he or she will buy—an upwardly mobile manager may buy a flashy car to project an image of success. Social factors also influence what the consumers buy. Often, consumers seek to imitate others whom they admire, and may buy the same brand. Family may influence the consumer’s choices a great deal. Research has shown, for example, that there is a tendency for adult children to use the same brands that their parents used over time. In many cases, these brand choices are made without much conscious thought.

4.3 THEORIES OF CONSUMER BEHAVIOR:

Human mind is very complicated and difficult to understand. In economic sense it is the desire, wants backed by purchasing powers make effective demand and the utility derived is the satisfaction of consumers wants.

4.3.1 Microeconomics theory

In Microeconomics theory the economist states that consumer motivation and behavior is based on the assumption that an individual has complete knowledge of his wants and all available means to satisfy them. The consumer’s decision is based on his careful allocation of resources to maximize utility. The constraints are his scarce and limited resources and his financial budget. The consumer evaluates each want and behaves rationally. Maximization is the only motive for consumer behavior.
4.3.2 **Marshallian Economic theory:**

According to economic theory, the buyers are assumed to be rational, prudent and economic in their decision making, they evaluate the alternatives available and they choose that alternative which would provide them with greatest satisfaction and lowest cost. Thus, purchase decision results from conscious economic calculations of costs and benefits.

4.3.3 **Freudian Psychoanalytic theory:**

According to this theory, the human mind is guided by childhood experiences, including fear, guilt, dreams, hopes etc. The individual’s behaviors, based on these deep-rooted factors, may not be entirely rational or may even be irrational. Marketers may therefore have to appeal to the consumer’s private world. Self-image of a consumer is a great motivator force inducing him/her to buy certain products and to express how he/she feels about himself/herself.

4.3.4 **Pavlovian Learning theory:**

Consumers are in a continuous learning situation in the market. Learning is very important in the study of human behavior. Learning is defined as all the changes in the behavior that result from previous experience and behavior in similar situations. It refers to a change in the behavior, which occurs because of practice. Therefore, repetitive and strong stimuli might be needed to influence the buyer and obtain the desired response.
4.3.5 Veblenian Socio-Psychological theory:

Man is primarily a social being. He has several circles of social influence, like family, reference group, social class, culture, sub-culture and the role an individual has to play in society. His decisions are conditioned by all these factors, a consumer makes a purchase, which will make him a part of the group he belongs to and suits the role he has to perform in the society.

4.3.6 Howard Sheth theory:

It is an integrated model. It emphasizes three key variables – perception, learning and attitude formation; which influence the buyer behavior before and during a purchase. Satisfaction from the product leads to brand loyalty and discontentment creates brand switching by consumers. Consumers learn by finding out the relevant information about the products and compare available products in order to choose the best to fit their needs desires.62

4.3.7 GESTALT AND FIELD THEORY:

Gestalt is a German word-meaning configuration, pattern or form-

These two theories are to be taken together to understand the behavioral pattern of the consumers, their response and learning process in a conscious and

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rational manner. It is in the light of his experience obtained by use of a product either by himself or by his associates and members of his family. He uses his consciousness and acts in a rational manner and it is his psychological "field" as he strives to buy the goods and services from a particular purchase point. It is essential that marketers must provide socially acceptable rationalization for his purchase. It is clear that in the modern times the consumers have moved far away and traditional pattern and practices of advertising would not motivate or change the consumer behavior.

Buyer’s psychology is very intricate and aspect is not sufficient to motivate him and change his attitude. It must be taken that the learning process, his individual need, his thinking, assessing and acceptance of the face that his mental set up and persuasive effective communication through advertising would make positive influence on consumer behavior.

4.4. STAGES OF THE CONSUMER BUYING PROCESS:

In order to work out the advertising strategy and actually to generate sales and achieve the marketing objectives the marketers should identify not only the buyers but their decision making process and using this skills and stimuli for getting the right prospective buyer at the right time.
Since the buyer has to decide of buying a product or a service with the environment around seldomly that the decision is made using his impulse. The roles of the buyer varies from an initiator to suggest an idea of buying, and the influencer whose views carry weight in decision making, decides whether to buy, what to buy, how to buy and where to buy. Buyer is one who makes the actual purchase and finally uses the product. The marketer needs to identify this role and while advertising or even marketing ensure that he is not contradicting or is on the same wavelength of the role of the buyer.

There are five stages to the Consumer Buying Decision Process:

1. **Need recognition:**

   This stage covers buyer's recognition of a problem or a need. Attitudes give direction to purchase behavior, with purchase intentions getting as an intervening variable between attitude and behavior. Problem recognition stage passes through the desired state resulting from motives, personalities, characteristics, attitude, values and evaluative criteria. Also the factors such as culture, social class, reference group and family influencing affect the desired state. External marketing efforts such as advertising, point of purchase displays and salesmen may affect the desired state. This is followed by the actual state involving shopping behavior characteristics; consumers past financial status, his past exposure to marketing influencing and average purchase per shopping trip affect the actual state. Problem recognition out come results in either holding the purchase due to lack of difference of sufficient magnitude between the actual and desired state or the difference is
perceived due to lack of financial resources, time and energy. If the buyer feels the need recognition, the second type of outcome involves going to the next stage to search, evaluate product or a service.

2. Information Search:

Once the need is recognized the consumer is inclined to search for more information about the product and services in the form of heightened attention in which the consumer gets attention to marketing efforts of the marketer or active information search where the consumer searches for reading material, tries to learn about the product from personal sources like family friends, neighbors, acquaintances, commercial sources like advertising dealers, and mass media. Through gathering information the consumer learns about competing brands, their features and form of awareness of products and services, which fulfills the search process wherein the consumer is able to gather the information from various sources. From the awareness state consideration state is evaluated meeting the consumers initial buying criteria. The consumer tries to gather more information at the consideration state of the product and services, which match the consumer's prospective, beliefs and attitudes form the choice state.

3. Evaluation of alternatives:

While evaluating of brand choices, the consumer tries to match the benefits generated from the product or service. His need is based on attitudes, beliefs, and reference group. A set of brand beliefs makes up the brand image. Consumers vary
considerably in the extent of search behaviors and the determinants such as social class, position, economic and demographic characteristics, personality characteristics, motives, family role; structure of the consumer is of varying degree of influences on the propensity to search.

4. Purchase Decision:

Purchase decision is based on the purchasing intention, which is influenced by attempts of others as favorable attitude of others reinforces consumer's motive to buy and vice-versa. Purchase decision involves a brand decision, vendor decision, and quantity decision, timing decision and payment method decision.

5. Post Purchase Behavior:

After purchasing the product consumers may feel satisfaction or dissatisfaction towards the product. If the consumer is satisfied which is defined as the buyers cognitive state of being adequately or inadequately rewarded in a buying situation for the sacrifice he has undergone. Dissatisfaction results in the dissonance by brandishing or returning the product or may try to reduce the dissonance by seeking information to confirm its higher value to make him feel better.
4.5 TYPES OF CONSUMER BUYING BEHAVIOR:

The four types of consumer buying behavior are:

- **Routine Response/Programmed Behavior**—buying low involvement frequently purchased low cost items; need very little search and decision effort; purchased almost automatically. Examples include soft drinks, snack foods, milk etc.

- **Limited Decision Making**—buying product occasionally. When you need to obtain information about unfamiliar brand in a familiar product category, perhaps. Requires a moderate amount of time for information gathering. Examples include Clothes—know product class but not the brand.

- **Extensive Decision Making/Complex**—high involvement, unfamiliar, expensive and/or infrequently bought products. High degree of economic/performance/psychological risk. Examples include cars, homes, computers, and education. Spend a lot of time seeking information and deciding.

  Information from the companies MM; friends and relatives, store personnel etc. Go through all six stages of the buying process.

- **Impulse buying**, no conscious planning.

Consumer buying behavior are determined by:

- **Level of Involvement in purchase decision.** Importance and intensity of interest in a product in a particular situation.
• Buyer’s level of involvement determines why he/she is motivated to seek information about a certain products and brands but virtually ignores others.

4.6 TYPES OF CONSUMER PURCHASE DECISIONS

Consumers are faced with purchase decisions nearly every day. But not all decisions are treated the same. Some decisions are more complex than others and thus require more effort by the consumer. Other decisions are fairly routine and require little effort. In general, consumers face four types of purchase decisions:

• **Minor New Purchases** – these purchases represent something new to a consumer but in the customer’s mind is not a very important purchase in terms of need, money or other reason (e.g., status within a group).

• **Minor Re-Purchases** – these are the most routine of all purchases and often the consumer returns to purchase the same product without giving much thought to other product options (i.e., consumer is brand loyalty).

• **Major New Purchases** – these purchases are the most difficult of all purchases because these are important to the consumer but the consumer has little or no previous experience making the purchase. This type of decision often (but not always) requires the consumer to engage in an extensive decision-making process.

• **Major Re-Purchase** - these purchase decisions are also important to the customer but the customer feels more confident in making the decision since they have experienced purchasing the product in the past.
For marketers it is important to understand how consumers treat the purchase decisions they face. If a company is targeting customers who feel a purchase decision is difficult (i.e., Major New Purchase), their marketing strategy may vary greatly from a company targeting customers who view the purchase decision as routine. In fact, the same company may face both situations at the same time; for some the product is new, while other customers see the purchase as routine. The implication of buying behavior for marketers is that different buying situations require different marketing efforts.

4.7 CATEGORIES THAT INFLUENCE THE CONSUMER BUYING DECISION PROCESS:

The decision-making process for consumers is anything but straightforward. There are many factors that can affect this process as a person works through the purchase decision. The number of potential influences on consumer behavior is limitless. However, marketers are well served to understand the KEY influences. By doing so they may be in a position to tailor their marketing efforts to take advantages of these influences in a way that will satisfy the consumer and the marketer.

The following factors need to be examined:

1) Social:

In the purchase of consumer goods, it is observed that most of the buyer’s behavior is based on a reference group interacting in such a manner that
individuals' attitude or behavior has its influence. They talk freely, discuss the product quality, service etc. and decide on the purchase. Their self-conception is influenced. Many such groups exist at the place of work, neighborhood, family friends, social gatherings etc. Even professional, religious and trade unions members' values, behavior and opinions make good references as consumers change their life style, attitude that leads to the choice of a particular brand of product which is used, purchased and repurchased by the members belonging to the society. Such influencing groups, persons and associates sell the idea or product to the perception of the consumer and convert him as prospective buyer.

2) Cultural:

Culture is part of the external influences that impact the consumer. That is, culture represents influences that are imposed on the consumer by other individuals. The definition of culture is "That complex whole which includes knowledge, belief, art, morals, custom, and any other capabilities and habits acquired by man person as a member of society." From this definition, we make the following observations:

- Culture, as a "complex whole," is a system of interdependent components.
- Knowledge and beliefs are important parts.
- Other issues are relevant.
- Culture has several important characteristics:
(1) Culture is comprehensive. This means that all parts must fit together in some logical fashion. For example, bowing and a strong desire to avoid the loss of face are unified in their manifestation of the importance of respect.

(2) Culture is learned rather than being something we are born with. We will consider the mechanics of learning later in the course.

(3) Culture is manifested within boundaries of acceptable behavior.

(4) Conscious awareness of cultural standards is limited.

(5) Cultures fall somewhere on a continuum between static and dynamic depending on how quickly they accept change.

A person's wants, his desires, his consumption pattern is understood in general based on that person's culture. It is the culture, which is the basic determinant of consumer's wants and behavior. Human beings belong from the learned behavior.

Culture has been defined as "the complex of values, ideas, attitudes and other meaningful symbols created by man to shape human behavior and the artifacts of the behavior as they are transmitted from one generation to the next." Culture includes abstract elements such as values, attitudes, ideas, personality and religion. The consumer sometimes has to absorb the cultural aspects of the society in

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which he is raised is called as socialization or enculturation. Also due to some factors, when he settles in some other place due to job, transfers business reasons, he has to learn a new culture called as acculturation.

The visible impact of culture in respect of consumer behavior is seen in-group habits as these are a sort of social requirement and affinity to the society to which he belongs as a member. There are small groups and specific identification is seen of general common habits and behavioral pattern. It is called Sub- cultures. In India religion, castes, sub-caastes still play important roles. Such groups are divided on the basis of class, caste and creed. Social contacts and visits to each other’s houses did change the consumer’s behavior and the producers of good quality goods got their market without incurring conventional advertising. Demonstration by sales staff at the door also influences consumer’s behavior.

3] Personal:

Individual person’s likes and dislikes change over in every stages of his personal life. Married persons, with 2/3 kids and their wives influence their buying habits. Goods and services they buy are not identical and the influence of children or the wife in some cases does make difference in the buying habits. Ladies group have been found very vocal and they do the real advertising work by mouth i.e. publicity of goods which they have purchased and used for some period which they recommend to their associates/members. They in turn tell the male members the opinion and make decision in the buying process
In the context of advertisements of identical end use consumer durables, it is this channel of communication; attitude of consumer’s behavior is visible in the choice of particular brand, which has popularity within the social groups of similar income levels sharing Common culture. Family members, neighbors, colleagues and friends exercise a very positive strong influence on the buyer’s behavior. It is observed that for consumer goods, the role of family members such as husband, wife, children where there is joint decision making play important role for items used in the house, the role of wife is very dominant. When a person moves higher up in social status or acquires a position of repute, celebration and promotion he switches to better quality of goods for which he pays more as possession of such goods is a status symbol for him. Innovation and constant improvement in quality is the pursuit of such type of consumers. They change their behavior and discard or dispose of their old models and try to become proud possessors of such new product, which come with a bang in the market.

4) Political and Legal:

In controlled economics like China, Russia and many East European countries, the consumer’s behavior played a less important role as what was produced; available and marketed by the state distributing channels was acceptable to the consumers until recent time. Now consumer’s awareness, his choice and freedom of action are visible by the beginning of free market economy.
In socialist democracies of the world, consumer is treated with due respect and goods are produced to cater his needs and his behavior is to the mutual advantage i.e. of the producers and consumers on par. Consumer has now better legal aid in case of spurious or poor quality goods and they can secure compensation and bring a legal action. The state legislatures, registration of trademark, quality mark such as ISI, samples testing and penal actions taken by state, forces the producers to adhere to quality specification and protect the interest of the consumer.

Marketing companies have been put under control by number of legislations such as MRTP, unfair business practices, curbing of monopolies, price control, etc. Which are definitely controlling marketing company's activities and unhealthy competitions in the consumer's goods production and distribution? Political pressures have protected consumer's interest and curbed anti-social elements in marketing activities all over the country. Consumers do not allow injurious products for consumption as Govt. agencies control their consumption. Cigarettes, liquors sale with warning printed are such examples. Consumers all over the world are aware of tobacco consumption leading to cancer spreading. Consumption of saturated fats leading to Blood pressure and cholesterol increase are the examples of consumer's awareness of the use of fatty acid and edible oils, which are injurious to their health.
5] Psychological:

Buying choices are influenced in general on the basis of major psychological factors. It is a state of mind, which arouses a need satisfaction, and one spends for things i.e. he sacrifices one to get the other in return and if he gets the worth for it by the utility of the goods and services available he is a happy person. The major psychological factors are motivation, perception, learning, beliefs and attitudes.

[a] **Motivation**-

This is general term covering the various wants, desires, needs, wishes which are different for every individual and their intensity changes according to the personality and his position, social, economic status, age, sex, love attachments and curiosity as well his inquisitiveness, ideas and his outlook toward the things which come to his knowledge. Hence consumer must be motivated by marketer to satisfy his ego and satisfy multiplicity of motives so that the consumer will become brand loyal and continue patronage to the goods.

[b] **Perception** -

It is a process by which an individual selects, organizes and interprets information to understand the world. Perception refers to the process by which a stimulus and a response are related. Individual is exposed to variety of things. He/She is curious to see, look and possess the thing and not to miss the same. He/She receives messages, communications and he/she is made to believe to acquire the thing. This perception forms an integral part of the psychological make up of
human being and hence cannot be ignored by marketers. This is the reason why marketers resort to advertisement publicity and prefer a dialogue through the media with consumer so that these advertisements shape the consumers behavior towards the market and his decision to buy the product at the earliest.

Different consumer may have different perception of the same object due to three perceptual processes.

i) Selective Attention –

People are exposed to number of stimuli and they cannot attend to all of them. Therefore, the marketer will have to analyze which stimuli the consumers will notice. It was found that people are more likely to notice stimuli that relate to current need. They are likely to notice stimuli that they anticipate like fruits in a fruit market, electronic consumer durables in showrooms, etc. They are most likely to notice stimuli whose deviation are large in relation to the normal size of the stimuli like advisements emphasizing festival discounts, big sales, 25% reduction, buy one get one free, etc.

ii) Selective Distortion –

The consumer does not receive each stimulus in a predicted way. The consumer attempts to fit stimuli as per his mindset. Selective distortion refers to tendency of consumers to twist the stimuli into personal meaning.
iii) **Selective retention**

Selective retention refers to retention of a stimuli by a consumer based on their beliefs and attitudes.

[c] **Learning**

Learning is directed to change the mind, change from ignorance to knowledge and knowledge to wisdom. The various media literature, printed matter, posters all aim in doing the learning process of consumers. The marketers build demand so that they supply, present the goods as one to attract the consumers. It is an appeal to induce the consumer to make him switch over to the brand and create brand loyalty. This is done when new product is introduced for which, many incentives in the form of price reduction, discount etc. are offered. Prompt services are rendered after sale so that the consumer will multiply in number.

[d] **Belief and Attitude**

People believe out of experience or made to believe by persons who are in position, authority or senior in age and have acquired the same by there possessing profound knowledge. A Belief is a descriptive thought that the person holds about something. The beliefs about product and services make up product and brand image. The marketer is interested to know about the beliefs, a consumer has about his brand and if some beliefs are wrong and inhibit purchase, an advertising campaign is launched to rectify it.
Attitude is defined by G.W. Allport (1937) as "a mental and neural state of readiness to respond which is organized through experience and exerts as directive and/or dynamic influence on behavior". Attitude is defined by Krech as "a person's enduring favorable or unfavorable cognitive evaluations, emotional feelings, and action tendencies toward some object or idea". In marketing sense, attitude of a consumer is his assessment of the alternative products or services to satisfy his purchasing and consumption requirements as expressed in evaluation criteria.

Attitude has a present basic orientation for or against various alternatives for purchasing and consumption. The word attitude comes from the Latin term aptus that means fitness or adaptedness. During the 18th century, the term Attitude was used to refer to bodily posture and today it means as physical orientation with respect to something else. Charles, Darwin used the word in geological sense for physical expression of an emotion. Thirstone viewed attitudes as amount of affect or feeling for or against a stimulant. Allport (1937) considered attitude as a mental and neutral state of readiness to respond which is organized through expression and exerts a direction and or dynamic influence on behavior.

Research conducted by Andrew A. Mitchell and Gerry C. Alson (1981), James Engel, David Collart (1968) and Richard Lutz, Scott Mackenzie and Gerog Belch (1983) suggested that consumer's attitude towards advertisements result

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from the factors such as advertisement contents, consumer's mood, and consumer's feeling towards advertisement. It also results from the positive responses of the peers to reinforce or punish the individual's evaluation. The social reinforcement of attitudes is a major factor influencing their formation.

Attitudes have traditionally served four functions:

1. **Adjustment** –
   
   It is a means to reach a desired goal or even to find an undesired one. A shopkeeper's friendly service forms a positive attitude towards the shop enabling the consumer to patronize the shop or even a brand.

2. **Ego Defensive** –
   
   Some attitudes are formed to protect and enhance the ego as having bright possession of a particular brand by way of strong brand loyalty. This brand loyalty is result of the company image or/and the product image.

3. **Value Expressive**–
   
   Attitudes are formed to give concrete expression to basic values. Krech defines attitude as “a person’s enduring favorable or unfavorable cognitive evaluations, emotional feelings, and action tendencies toward some object or idea” When the value compatibility exists, a strong loyalty exists. Value towards environment and building a strong nation as given in the advertisement of Western Paque stating “Aao Bharat Banaye” resulting in teaching the patriotic values of the

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Indian investors has resulted in generating vast funds for the company and its projects.

4. Knowledge –

Attitudes provide problem of referring for understanding and adapting to the world. References can be instrumental in formation of routines for thought and analysis. There is positive evidence that attitudes and behaviors are related as change of attitude results in behavioral change. It is said that where the consumer involvement is very high in the purchase process and decision the attitudes are likely to predict behavior.

4.8 CONSUMER BEHAVIOR AND MARKETING

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

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
• How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and

• How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Understanding these issues helps us adapt our strategies by taking the consumer into consideration. For example, by understanding that a number of different messages compete for our potential customers' attention, we learn that to be effective, advertisements must usually be repeated extensively. We also learn that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals. By understanding the consumer, we will be able to make a more informed decision as to which strategy to employ.

There are four main applications of consumer behavior:

• The most obvious is for marketing strategy—i.e., for making better marketing campaigns. For example, by understanding that consumers are more receptive to food advertising when they are hungry, we learn to schedule snack advertisements late in the afternoon. By understanding that new products are usually initially adopted by a few consumers and only spread later, and then only gradually, to the rest of the population, we learn that (1) companies that introduce new products must be well financed so that they can stay afloat until their products become a commercial success and (2)
it is important to please initial customers, since they will in turn influence many subsequent customers' brand choices.

- A second application is public policy.
- Social marketing involves getting ideas across to consumers rather than selling something.
- As a final benefit, studying consumer behavior should make us better consumers. Common sense suggests, for example, that if you buy a 64 liquid ounce bottle of laundry detergent, you should pay less per ounce than if you bought two 32 ounce bottles. In practice, however, you often pay a size premium by buying the larger quantity. In other words, in this case, knowing this fact will sensitize you to the need to check the unit cost labels to determine if you are really getting a bargain.

Observation may help us determine how much time consumers spend comparing prices, or whether nutritional labels are being consulted. Physiological measures are occasionally used to examine consumer response. For example, advertisers may want to measure a consumer's level of arousal during various parts of an advertisement. Segmentation is important in consumer analysis because understanding the consumer will allow us segment the market more meaningfully. Segmentation basically involves dividing consumers into groups such that members of a group (1) are as similar as possible to members of that same group but (2) differ as much as possible from members other segments. This enables us then to "treat" each segment differently—e.g., by:
• Providing different products (e.g., some consumers like cola taste, while others prefer lime)
• Offering different prices (some consumers will take the cheapest product available, while others will pay for desired features)
• Distributing the products where they are likely to be bought by the targeted segment.

4.9 CONSUMER DECISION MAKING

Consumer decision-making comes about as an attempt to solve consumer problems. A problem refers to a discrepancy between a desired state and an ideal state, which is sufficient to arouse and activate a decision process. Thus, problems can be major (e.g., a consumer has been fired and is without a job) or minor (e.g., the consumer lacks an eraser necessary to take an exam the next day), and the broader and more ambiguous a problem is, the more potential solutions are generally available.

4.10 CONSUMERS PROBLEM RECOGNITION.

Consumers often note problems by comparing their current, or actual, situation, explicitly or implicitly, to some desired situation. In terms of the "big picture," what is compared may be the totality of one's lifestyle. Once a discrepancy is found, a determination is found as to whether this is large enough to warrant action, in which case a search for solutions is initiated.
Problems come in several different types. A problem may be an active one (e.g., you have a headache and would like as quick a solution as possible) or inactive--you are not aware that your situation is a problem (e.g., a consumer is not aware that he or she could have more energy with a new vitamin). Problems may be acknowledged (e.g., a consumer is aware that his or her car does not accelerate well enough or unacknowledged (e.g., a consumer will not acknowledge that he or she consumes too much alcohol). Finally, needs may be relatively specific (generic), as in the need for enjoyment (which can be satisfied in many different ways), or specific, as in the need for professional attire to wear at a new job.

Creating problems for consumers is a way to increase sales, albeit a questionably ethical one. One way to create new problems, and resultant needs, is to create a new ideal state. This is often done quite arbitrarily in the fashion industry, as skirt lengths and the appropriate number of buttons on a suit often change arbitrarily up and down. It may also be possible to create dissatisfaction with current states--e.g. A firm may publicize current crime statistics to increase the sales of handguns and alarms.