2.1 MARKETING MANAGEMENT:

Management is the processes of planning, organizing directing motivating and coordinating and controlling of various activities of a firm. Marketing is the process of satisfying the needs and wants of the consumers. Management of marketing activities is Marketing Management. Management Guru Philip Kotler defines marketing as "Marketing Management is the analysis, planning, implementation and control of programmes designed to bring about the desired exchanges with target audiences for the purpose of personal and mutual gain. It relies heavily on adoption and coordination of the product, price, promotion and place for achieving response": In other words, a business discipline, which is focused on the practical application of marketing techniques and the management of a firm’s marketing resources and activities, is Marketing Management. Marketing Management focuses upon the psychological and physical factors of Marketing. The Marketing managers are responsible for influencing the level, timing, and composition of customer demand. While the psychological factors focus upon discovering the needs and wants of the consumer and the changing patterns of buying behavior, habit etc. the physical factors focus upon fulfilling those needs and demands buy better product design, channel of distribution and other functions. In summary, Marketing in action is marketing Management. Marketing Management has the responsibility of performing many functions in the field of marketing such as planning, organizing, directing, motivating, coordinating and controlling. All these function aim to achieve the marketing goals.\(^1\)

Following is a brief summary of functions of Marketing:

- **Marketing Objectives**: marketing management determines the marketing objectives. The marketing objectives may be short term or long term and need a clear approach. They have to be in coherence with the aims and objectives of the organization.\(^2\)
• **Planning:** After objectively determining the marketing Objectives, the important function of the marketing Management is to plan how to achieve those objectives. This includes sales forecast, marketing programmes formulation, marketing strategies.

• **Organization:** A plan once formulated needs implementation. Organizing functions of marketing management involves the collection and coordination of required means to implement a plan and to achieve pre determined objectives. The organization involves structure of marketing organization, duties, responsibilities and powers of various members of the marketing organization.

• **Coordination:** Coordination refers to harmonious adjustment of the activities of the marketing organization. It involves coordination among various activities such as sales forecasting, product planning, product development, transportation, warehousing etc.

• **Direction:** Direction in marketing management refers to development of new markets, leadership of employees, motivation, inspiration, guiding and supervision of the employees.

• **Control:** Control refers to the effectiveness with which a marketing plan is implemented. It involves the determination of standards, evaluation of actual performance, adoption of corrective measures. **Staffing:** Employment of right and able employees is very crucial to the success of a market plan. The market manager coordinates with the Human Resource Manager of an organization to be able to hire the staff with desired capability.

• **Analysis and Evaluation:** The marketing management involves the analysis and evaluation of the productivity and performance of individual employees.[3]

• **Need** is something that is necessary for organisms to live a healthy life. Needs are distinguished from wants because a deficiency would cause a clear negative outcome, such as dysfunction or death. Needs can be objective and physical, such as food, or they can be subjective and psychological, such as the need for self-esteem. On a social level, needs are
sometimes controversial. Understanding needs and wants is an issue in the fields of politics, social science, and philosophy.

To most psychologists, need is a psychological feature that arouses an organism to action toward a goal, giving purpose and direction to behavior. [4]

Desire is a sense of longing for a person or object or hoping for an outcome. The same sense is expressed by emotions such as "craving" or "hankering". When a person desires something or someone, their sense of longing is excited by the enjoyment or the thought of the item or person, and they want to take actions to obtain their goal. The motivational aspect of desire has long been noted by philosophers; Hobbes (1588–1679) asserted that human desire is the fundamental motivation of all human action.

In Hinduism, the Rig Veda's creation myth Nasadiya Sukta states regarding the one (ekam) spirit that "In the beginning there was Desire (kama) that was first seed of mind. Poets found the bond of being in non-being in their heart's thought".

In Buddhism, for an individual to affect his or her liberation, the flow of sense-desire must be cut completely; however, while training, he or she must work with motivational processes based on skillfully applied desire. The Buddha stated, according to the early Buddhist scriptures, that monks should "generate desire" for the sake of fostering skillful qualities and abandoning unskillful ones.

While desires are often classified as emotions by laypersons, psychologists often describe desires as different from emotions; psychologists tend to argue that desires arise from bodily structures, such as the stomach's need for food, whereas emotions arise from a person's mental state. Marketing and advertising companies have used psychological research on how desire is stimulated to find more effective ways to induce consumers to buy a given product or service. While some advertising attempts to give buyers a sense of lack or wanting, other types of advertising create desire associating the product with desirable attributes, either by showing a celebrity or model with the product. [3]
Want can be examined from many perspectives. In secular societies want might be considered similar to the emotion desire, which can be studied scientifically through the disciplines of psychology or sociology. Want might also be examined in economics as a necessary ingredient in sustaining and perpetuating capitalist societies that are organized around principles like consumerism. Alternatively want can be studied in a non-secular, spiritual, moralistic or religious way, particularly by Buddhism but also Christianity, Islam and Judaism.

In economics, a want is something that is desired. It is said that every person has unlimited wants, but limited resources (Economics is based on the assumption that only limited resources are available to us from the infinite Universe). Thus, people cannot have everything they want and must look for the most affordable alternatives.

Wants are often distinguished from needs. A need is something that is necessary for survival (such as food and shelter), whereas a want is simply something that a person would like to have. Some economists have rejected this distinction and maintain that all of these are simply wants, with varying levels of importance. By this viewpoint, wants and needs can be understood as examples of the overall concept of demand.\[6\]

Demand, in economics, is a buyer's willingness and ability to pay a price for a specific quantity of a good or service. Demand refers to how much (quantity) of a product or service is desired by buyers. The quantity demanded is the amount of a product people are willing to buy at a certain price; the relationship between price and quantity demanded is known as the demand relationship.\[7\]

**Meaning and Types of Demand:**
Demand for goods and services constitute one side of the product market; supply of goods and services forms the other. It is needless to say that if there is no demand for a good, there is no need to produce that good. Also, if the demand for a good exceeds its supply, there may be a need to expand its production. Further, production generally takes time, and so for one to know
the likely demand for a relevant product, at future date, to plan its production properly. Thus, a clear understanding of the relevant demand is imperative for any producer worth his name.

Demand analysis seeks to identify and analyze the factors influence the demand. As we shall see later, a firm is not a passive taker of the demand for its product. It has the capacity to create demand as well. Thus, a study of demand is necessary for a decision maker, for it has bearings on its production schedule, and influence on its profit, among other critical variables, is also subject to manipulation by the decision maker and it is crucial for attaining the firm's objectives. Before we pursue this matter further, it is necessary to explain certain concepts.[8]

Demand in economies means effective demand that is one which meets with all its three crucial characteristics; desire to have a good, willingness to pay for that good, and ability to pay for that good. In the absence of any of these three characteristics, there is no demand.

Demand for a good depends on several factors and varies as any one or more of these factors change. However, it is pertinent to recall here the two important determinants of demand own price and time. Demand is usually defined as a schedule which shows various quantities of a product which one or more consumers are willing and able to purchase at each specific price in a set of possible process during a specific period of time.[9]

**Types of Demand:**

There are a large number of goods and services available in every economy. Their classification is important in order to carry out a meaningful demand analysis from managerial decisions. Also an understanding of demand at various levels of aggregation is inevitable for policy decisions. The significant classification can be as follows:

- Demand for customers goods and producers goods
- Demand for perishable and durable goods
• Autonomous (direct) and derived (indirect) demand.
• Individual buyers demand and all buyers (aggregate / market) demand.
• Firm and industry demand
• Demand by market segments and by total market.

Consumers Goods and Producers Goods:
Goods and services used for final consumption are called consumer goods. These include those consumed by human beings (e.g. food items, clothes, Kitchen utensils, residential houses, medicines, and services of teachers, doctors, lawyers, washer-men and shoe makers), animals (e.g. dog food and fish food), birds (e.g. grains )etc. In contrast producers ™ goods refer to the ones used for production of other goods. Thus, producers ™ goods consist of plant and machines, factory buildings services of business employees, raw material etc. [10]

Perishable and Durable Goods:
In economics, the meaning of these terms is different. Here perishable goods refer to those goods which can be consumed only once. In other words, these goods are themselves consumed while in the case of durable goods, their services alone are consumed. Thus, perishable goods include all services (e.g. services of teachers and doctors), food items, raw materials, coal, and electricity, while durable goods include plant and machinery, buildings, furniture, automobiles, refrigerators and fans.

The distinction is significant, for durable products pose more complicated problems for demand analysis than do non durables. Sales of non-durables are made largely to meet current demand which depends on current conditions. In contrast, sales of durable goods go partly to satisfy new demand and partly to replace old items.

Autonomous and Derived Demand:
The goods whose demand is not tied with demand for some other goods are said to have autonomous demand, while the rest have derived demand. Thus,
the demands for all producers' goods are derived demands, for they are needed in order to obtain consumers or producers goods. So is the demand for money which is needed not for its own sake but for its purchasing power, which can buy goods and services.

Thus, the distinction between autonomous and derived demand is more of a degree than of a kind. Sometimes a distinction is also drawn between direct and indirect demand, and that distinction is close to the difference between autonomous and derived demand respectively. Goods that are demanded for their own sake have direct demand while goods that are needed in order to obtain some other goods possess indirect demand. In this sense, all consumer goods have direct demands while producers' goods, including money, have indirect demand.\[^{11}\]

2.2 ADVERTISEMENT:

2.2.1. CONSUMER PRODUCTS' ADVERTISEMENT ON SOCIAL NETWORKING SITES:

- **The Perceptual Process:** The perceptual process consists of many sub process. The dynamic of perception can be understood by taking a note of the input throughput output approach. This approach is based on the fact that there is an input, which when processed gives output. This is the perceptual inputs will comprise of stimuli in the environment – various subjects, events of people.

- **Perceptual Inputs:** the first process in the perceptual process the presence of stimuli like people, objects, events, information etc., through the presence of stimulus is necessary for perception, it is not the actual process of perception. Nevertheless the perception process cannot start in the absence of stimuli.

- **Perceptual Mechanism:** the actual perception process starts with the receipt of information or data from various sources like internet, mail, magazines, friends etc. about company and products and their services. The receipt of the stimuli is a psychological aspect of the perception process.
• **Perceptual Selection:** The selection of the stimuli will be dependent on two major factors apart from the nature of stimulus itself. The individual's (customer's) previous experience as it affects their expectations and their motives as that time. Either of those factors can raise the probability of the stimulus to be perceived.

• **Nature of Stimulus:** basically most of the products use the principle of 'contrast' to draw attention to the compelling attributes of a stimulus that is their life insurance products and services. Ultimately the aim of every advertiser is to adopt unique methods with varying differentiation so as to penetrate the consumer's perpetual screen.

• **Expectations:** expectations affect what a person perceives. Expectations are related with the state of anticipation a consumers has from a particular service.

• **Motives:** People have a tendency to perceive things they need or want. There is more awareness of the stimuli which are relevant to the consumer's needs and interest at that time person will not be aware of or not be motivated by these stimuli which are relevant to their needs.

• **Perceptual Blocking:** Another aspect of perceptual selectivity is perceptual blocking. When consumers are bombarded with lots of information, there is general tendency to 'block out' some stimuli from their conscious awareness. The same will be noticed that when consumers are exposed to many advertisements.

• **Perceptual Organization:** People do not experience the numerous stimuli they select from the environment as separate and discrete sensations. People tend to organize stimuli into groups and perceive them as unified wholes.[12]
Figure and Ground:

Stimuli that contrast with their environment are more likely to be noticed. The simplest example is the contrast between a figure and the ground on which it is placed. The figure is usually perceived clearly. The ground is usually perceived as indefinite, hazy and continuous. The figure is more clearly perceived because it appears to be dominant the ground appears to be subordinate and less important. Advertisers have to plan their advertisements carefully to make sure that the stimulus they want noted is seen as figure and not as ground. Marketers sometimes run advertisements that confuse the consumer because there is no clear indication of which is figure and which is ground.\textsuperscript{[13]}

Grouping:

Individuals tend to group stimuli in "chunks" rather than as discrete bits of information. Grouping can be used advantageously by marketers to imply certain desired meanings in connection with their products.

Closure:

Individual have a need for closure.

As a result, people organize a perception so they see a complete picture. If the pattern of stimuli to which they are exposed is incomplete, they tend to perceive it as complete they fill in the missing pieces. The very act of completion serves involves the consumer more deeply in the message.\textsuperscript{[14]}

Perceptual Interpretation:

The interpretation of stimuli is uniquely individual because it is based on what individuals expect to see in light of their previous experience. Stimuli are often highly ambiguous. When stimuli are highly ambiguous, individuals usually interpret them in such a way that they serve to fulfill personal needs, wishes, and interests. How close a person's interpretations are to reality
depends on the clarity of the stimulus, the past experiences of the perceiver, and his or her motives and interests at the time of perception.

**Perceptual Distortion:**

With respect to perceptual distortion, individuals are subject to a number of influences that tend to distort their perceptions. It is the Physical Appearance people tend to attribute the qualities they associate with certain people to other who may resemble them.

- **First Impressions:** these tend to be lasting but formed while the perceiver does not know which stimuli are relevant, important, or predictive.

- **Jumping to Conclusions:** many people tend to jump to conclusions before examining all the relevant evidence like hearing the beginning of an ad and drawing the incorrect conclusion.

- **Halo Effect:** describes situations where the evaluation of a single object or person on a multitude of dimensions is based on the evaluation of just one or a few dimensions.

Consumers often evaluate an entire product line on the basis of the one product within the product line.

Licensing also is based on the halo effect associating products with a well known celebrity or designer name.

In consumer Imagery, consumers attempt to preserve or enhance their self images by buying products they believe agree with that self image and avoiding products that do not agree. This is called consumer imagery. Consumers tend to company's reputations, which have images that agree with their own self images.\(^{[15]}\)

**Perceptual Mapping:**

Perceptual mapping allows marketers to determine how their products appear to consumers in relation to competitive brands on one or more relevant
characteristics. Perceptual mapping enables the marketer to see gaps in the positioning of all brands in the product class and to identify areas in which consumer needs are not being adequately met.\[16\]

**Marketing Application of Perception:**

- **Positioning of Services:** Compared with manufacturing firms, service marketers face several unique problems in positioning and promoting their offerings. Services are intangible; image becomes a key factor in differentiating a service from its competition.

- **Perceived Price:** How a consumer perceives a price (perceived price) as high, as low, as fair has a strong influence on both purchase intentions and purchase satisfaction.

- **Reference Prices:** A reference price is any price that a consumer uses as a basis for comparison in judging another price. Reference prices can be external or internal.

- **Perceived Quality of Services:** It is more difficult for consumers to evaluate the quality of services than the quality of products. Service characteristics include: intangibility, variability, perishability, inseparability, simultaneously produced, and consumed. Consumers are unable to compare services side-by-side as they do products, so consumers rely on surrogate or extrinsic cues when purchasing services. Marketers try to standardize their services in order to provide consistency of quality. Service is consumed as it is being produced. As a result, defective services are difficult to correct. Researchers have concluded that the service quality that a consumer perceives is a function of the magnitude and direction of the gap between expected service and the consumer's assessment of the service actually delivered.

- **Price/Quality Relationship:** Perceived product value has been described as a trade-off between the products perceived benefits (or quality of services) and perceived sacrifice required for acquiring it. A number of research studies
support and view that consumers rely on price as an indicator of service quality. Other studies suggest consumers are actually relying on a well known brand name as a quality indicator. Because price is so often considered to be an indicator of quality, some products deliberately emphasize a high price to underscore their claims of quality. Marketers have used the price / quality relationship to position their products as the top-quality offering in their life insurance product category. \[17\]

There is positive price / quality relationship.

Consumer use price as a surrogate indicator of quality if they have little information or little confidence in their ability to make a choice. \[18\]

**The Role of Perception in the Decision Making Process:**

In psychology, perception is the process of acquiring interpreting, selecting, and organizing sensory information. Many psychologists state that, as customers live in this world, they make a model of how the world works. They sense the objective worlds, but their sensations map to these perception which are provisional. As we come across new information, our perception changes. A number of factors shape and sometimes distort perception. These can arise in the perceiver, in the object being perceived, or in the context of the situation. When a person looks at an object and tries to determine what they see, that perception is influenced by the personal characteristics of the perceiver. Personal characteristics affecting perception are attitudes, personality, motives, interests, past experiences, and expectations. Characteristics of the object being perceived can affect what is seen. \[19\]

Perception also differs from objects such as policy, company, or brands because of the actions of people. Nonliving objects are subject to the laws of nature, but they have no benefits, motives, or intentions, people do and as a result when marketers observe people, and found develop reasons why they behave in certain ways. Perceptions and judgment will be influenced by assumptions made about that person's internal state.
Consumer Learning: Learning refers to a relatively permanent change in behavior that is caused by experience. A more detailed definition of learning is when it is viewed "as a process in which behavioral capabilities are changed as result of experience provided the change can be accounted for by native response, tendencies, maturation or any temporary states of the organism due to other temporary factors."

Vicarious Learning: The consumer does not always need to go through the learning process themselves, sometimes it is possible to learn from observing the consequences of others.

Motivation: Motivation is based on needs and goals. The degree of relevance, or involvement, with the goal, is critical to how motivated the consumer is to search for information about a product.

Response: How individuals react to a cue; how they behave constitutes their response. A response is not tied to a need in a one to one fashion. A need or motive may evoke a whole variety of responses. The response a consumer makes depends heavily on previous learning.

Reinforcement: Reinforcement increases the likelihood that a specific response will occur in the future as a result of particular cause of stimuli.

Consumer Attitudes: An attitude describes a person's relatively consistent evaluations, feelings, and tendencies towards an object or an idea. Attitudes put people into a frame of mind for liking or disliking things and moving toward or away from them. Companies can benefit by researching attitudes toward their products. Understanding attitudes and beliefs is the first step toward changing or reinforcing them. Attitudes are very difficult to change. A person's attitudes fit into a pattern, and changing one attitude may require making many difficult adjustments. It is easier for a company to create products that are compatible with existing attitudes than to change the attitudes towards their products. There are exceptions, of course, where the high cost of trying to change attitudes may pay off.
An attitude is an enduring organization of motivational, emotional, perpetual and cognitive processes with respect to some aspect of our environment.

Attitude change is determined by the individual and the situation as well as the activities of the firm or social agency. These are individual difference in how easily individuals will shift attitudes. Some people are or stubborn or closed minded or less subject to social influence than are other. Consumer attitudes are composite of a consumer's (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some object within the context of marketing, usually a brand. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object.

In simple terms attitude refers to what a person feels or believes about something. Additionally, attitude may be reflected in how an individual acts based on his or her beliefs. Once formed, attitudes can be very difficult to change. Thus, if a consumer has a negative attitude toward a particular issue it will take considerable effort to change what they believe to be true.

Marketers facing consumers who have a negative attitude toward their product must work to identify the key issues shaping a consumer's attitude then adjust marketing decisions (e.g. advertising) in an effort to change the attitude. For companies competing against strong rivals to whom loyal consumers exhibit a positive attitude, an important strategy is to work to see why consumers feel positive toward the competitor and then try to meet or beat the competitor on these issues. Alternatively, a company can try to locate customers who feel negatively toward the competitor and then increase awareness among this group.

Brand is defined as a "name, terms, sign, symbol or design, or a combination of them intended to identify the products and services of one seller or group of sellers and to differentiate them from those of the competition. Today introduced various types of brands, such as pure online or pure offline brand, or a combination of online and offline brands. Brands are often extend to other retail formats, for example, some brands have been established as catalogue
business, then extend those to either or both online and / or offline brands. The brand knowledge consists of brand awareness and brand familiarity.

Brand awareness consists of brand recognition and brand recall performance. The role of brand recognition has been frequently addressed in previous studies. Brands help buyers recognize certain products that they like and dislike and also facilitate the purchase of items that satisfy their needs and reduce the time required purchasing the product. Brand familiarity is defined as perceptions about a brand as reflected by the brand associations held in consumer memory. The brand awareness and familiarity play a crucial role on consumer decision making for many reasons. The life insurance extremely memorable brand names often regard the names as their most valuable asset because these labels provide immediate recognition, and often, acceptance of new life insurance plans that may be introduced under the brand name. The well communicated images should help establish a brand's position, insulate the brand from competition, and enhance the brand's market performance. The brand familiarity can be classified into categories, such as association from product and non product related attributes, perceived benefits, and attitudes.

Beliefs: The first component is belief: A consumer may hold both positive beliefs toward an object as well as negative beliefs. In addition, some beliefs may be neutral and some may differ in valance depending on the person or the situation.

Affect: Consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs but there may also be feelings which are relatively independent of beliefs.

Behavioral Intention: The behavioral intention is what the consumer plans to do with respect to the object. As with affect, this is sometimes a logical consequence of beliefs but may sometimes reflect other circumstances.

Attitude Change Strategies: Changing attitudes is generally very difficult, particularly when consumers suspect that the marketer has a self serving agenda in bringing about this change.
**Changing Affect:** One approach is to try to change affect, which may or may not involve getting consumers to change their beliefs. One strategy uses the approach of classical conditioning to 'pair' the product with a liked stimulus.

**Changing Behavior:** People like to believe that their behavior is rational, thus, once they use the products, chances are that they will continue unless someone is able to get them to switch.

**Changing Beliefs:** Although attempting to change beliefs is the obvious way to attempt attitude change, particularly when consumers hold unfavorable or inaccurate ones, this is often difficult to achieve because consumers tend to resist.

Change currently held beliefs. It is generally very difficult to attempt to change belief that people hold, particularly those that are strongly held, even if they are inaccurate.

Change the importance of beliefs. Although the sugar manufacturers would undoubtedly like to decrease the importance of healthy teeth, it is usually not feasible to make beliefs less important – consumers are likely to reason, why then, would you bother bringing them up in the first place? However, it may be possible to strengthen beliefs that favour.

**Add beliefs:** Consumers are less likely to resist the addition of beliefs so long as they do not conflict with existing beliefs.

**Change Ideal:** It is usually difficult, and very risky to attempt to change ideals, and only few firms succeed.⁴²⁰

**Motivation:**

This refers to driving forces within an individual produced by a state of tension caused by unfulfilled needs, wants, and desires. The level of motivation also affects the buying behavior of customers. Every person has
different needs such as physiology needs, biological needs, social needs etc.
The nature of the needs is that, some of them are most pressing while others
are least pressing. Therefore a need becomes a motive when it is more
pressing to direct the person to seek satisfaction.

Motivation relates to our desire to achieve a certain outcome. Many internal
factors have already discussed can affect a customer's desire to achieve a
certain outcome but there are others.

**Motivational Influence in Consumer Decision Making:**

Consumers' interest in the region, as reflected by their sense of belonging,
stimulates consumers to search for regional information as a means to stay
informed about what goes on in the region.

Additionally, consumers' interest in the region increases the motivation to
process encountered regional product information, which enhances the
accessibility of that information as well.

**Advertisement Influencing in Decision Making**

Advertising is a powerful and pervasive channel of information and its
influence on consumer behavior is hotly debated.

Advertising plays large, but not exclusive role, in providing facts on specific
products and as a key provider of the information needed to reduce difficulties
involved in consumer choice (Nelson, 1974). To the degree that advertising
affects consumer perception of price, quality, service and differentiation, it has
traditionally been particularly successful because consumers tend to make
decisions on the least-effort principle, especially if the purchase involves a low
risk level.

The internet has opened a whole new channel for advertising and product
marketing information. It is also rapidly changing the traditional relationship
between business and consumers. The electronic marketplace is highly
competitive: growth in internet advertising will grow faster than any
traditional sector in the future.
It is broadly argued that advertising is a major driving force behind unsustainable consumption patterns. However, there is no consensus among media managers, policy makers, legislators or even the private sector on the kind of influence that advertising has on consumer decision making. Certainly, advertising alone is not responsible for environmentally damaging consumption, but nor does it play a neutral role in consumer purchasing decision.

Advertiser's primary mission is to reach prospective consumers and influence their awareness, attitudes and buying behavior. Company send a lot of money to keep individual interested in their services. To succeed, they need to understand what makes potential consumers behave the way they do. The advertisers goals is to get enough relevant market data to develop accurate profiles of buyers-to-find the common group (and symbols) for communication this involves the study of consumers behavior the mental and emotional process and the physical activities of people who purchase and get services to satisfy particular needs and wants. The principal aim of consumer behavior analysis is to explain why consumers act in particular ways under certain circumstances. It tries to determine the factors that influence consumer behavior, especially the economic, social and psychological aspects which can indicate the most favored marketing mix that management should select. \[21\]

**The Purchase Decision: An Optimization Process**

A purchase decision can be considered as an optimization process through which buyers seek the product or the brand that will yield the greatest satisfaction. In order to find which brand will produce the highest utility, buyers compare these brands along attributes they consider as important. The choice process can be considered as the search for the most satisfying trade-off among brands that possess desirable attributes at different levels.

**The Purchase Decision: A Decision under Uncertainty**

When the buyer waits until more information is gathered before making a decision, costs associated with a delay decision are incurred. This time, two
types of cost are involved. First, there are psychological opportunity costs experienced by consumers who are deprived of the policy they need and are consequently in a state of psychological tension. As time elapses, this psychological tension becomes more acute and eventually develops into a state of frustration. Second, buyers experiences costs associated with the information gathering effort. They must invest time and energy to visit several retailers, seek out and read advertisements, or inquire for other opinions about the best product to buy. These delayed decision costs considerably increase as time elapses. The buyer must seek information until it is felt (at least intuitively) that a search for additional information will bring about more costs than benefits.

**Advertising Implications of the Purchase Decision Process:**

This view of the role of additional information in consumer purchase decision has implications for advertising. An advertisement reaching a potential buyer while the buyer is seeking information will have a greater impact, since the buyer is spread the time and effort needed to seek out this information himself and is less likely to turn to competing brand advertisements to obtain the additional information. In other words, buyers are generally more responsive to different brand advertisements become choice target for the advertiser, provided the advertiser can identify and locate them. The strategy that consists of asking consumers to return a coupon at the bottom of a print advertisement is often devised along these principles.

**The Mass Media:**

The mass media television, screen, radio, print and increasingly the internet are major conduits of images, advertisements, news and information into the average household. It is not possible here to provide a comprehensive review of media influence on culture, society and individual behavior, but it is important to identify a few key issues concerning media content and how the general public uses the media in the context of environmentally sustainable decision making.\[22\]
The Internet is Influencing Consumer Behavior:

The Net has virtually become a household name in India. This can be attributed to the growth of the private ISP (Internet Service Provider) market in the country, offering the cyber voyage at more and more competitive prices. Internet in India is now one of the most vital mediums for information, entertainment and communication and the sole means for electronic commerce. [23]

Service Quality:

Quality came to the service literature at the beginning at the 1980's. This is quite in contrast to the service sector where in quality management has a long and rich history.

The term 'service Quality' has been defined in different ways that are; Service quality as perceived by customers' can be defined as the extent of discrepancy between consumers' expectation or desires and their perceptions' service quality is the delivery of excellent or superior service relative to consumer expectation.

2.2.2. AIDA MODEL:

AIDA is an acronym used in marketing and advertising that describes a common list of events that may occur when a consumer engages with an advertisement.

- A – attention (Awareness): attract the attention of the customer.
- I – interest: raise customer interest by focusing on and demonstrating advantages and benefits (instead of focusing on features, as in traditional advertising).
- D – desire: convince customers that they want and desire the product or service and that it will satisfy their needs.
- A – action: lead customers towards taking action and/or purchasing. [24]

Using a system like this gives one a general understanding of how to target a market effectively. Moving from step to step, one loses some percent of prospects.
AIDA is a historical model, rather than representing current thinking in the methods of advertising effectiveness. [25]

The AIDA Model

2.3 BUYING BEHAVIOUR

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

The process by which individuals search for, select, purchase, use, and dispose of goods and services, in satisfaction of their needs and wants.

Kotler and Keller (2011) state that consumer buying behaviour is the study of the ways of buying and disposing of goods, services, ideas or experiences by the individuals, groups and organizations in order to satisfy their needs and wants.

2.3.1 Influence of advertisements on buying behavior:

Every organization, or rather, Brand, invests a lot of capital on marketing, a major chunk of which is spent on making ads. Getting an iconic celeb to speak about a product or services, it seems like a piece of cake nowadays.

It will be interesting to study the following questions pertaining to social networking advertisements and online buying behavior;

1) To how much extent do ads appearing on the social networking sites actually affect the online buyers?
2) Do online buyers actually buy a product just because the products are being endorsed by celebrity?

3) Is it possible that a product can change its image on the online buyers overnight, just because of the flashy ad marketers just released?

There are lot many factors that influence a customer to make a purchase, and advertising is just one small part of a parameter called Psychology. Some of the more influential factors are like:

- Need of the Product
- Affordability
- Brand Image and Loyalty
- Peer group

Buying process through advertisements on social networking sites:

1. Problem/Need recognition (recognizing the information availability about the needed product through advertisement on social networking site)
2. Information search (clicking on various options available for searching the information available about the product through advertisement on social networking site)
3. Evaluation of alternatives (evaluation of various alternatives of product and evaluating the features, price-range, payment options and variety of the product through advertisement on social networking site)
4. Purchase decision (making the decision about purchase or not to purchase the product through advertisement on social networking site)
5. Post-purchase behavior (looking for the after sales services and offers available after purchase of the product through advertisement on social networking site)

These five stages are a good framework to evaluate customers' buying decision process through advertisements on social networking sites. However, it is not necessary that all the customers get through every stage, nor is it necessary that they proceed in any particular order.
Problem/need-recognition:

Problem/Need-recognition is the first and most important step in the buying decision through advertisement on social networking site. Without the recognition of the need, a purchase cannot take place.

Information search:

The information search about the needed product is the next step after the recognition of need for the product in order to find out the best solution through advertisement on social networking site. Buyers put their efforts to click on various alternatives available and search about the different product features, popularity of the product, availability of the product, cost of the product, cost of delivery of the product, discount offers and sale and other various information related to the decision making about the transaction.

Evaluation of Alternatives:

At this stage, the consumers evaluate the products through advertisement on social networking site. They evaluate them based on various product attributes and the benefits delivered by the product while seeking it through advertisement on social networking site

Purchase Decision:

This is the fourth stage, where the purchase takes place through advertisement on social networking site. According to Philip Kotler, Keller, Koshy and Jha (2009), the final purchase decision can be disrupted by two factors: negative feedback from other customers and the level of motivation to comply or accept the feedback.

Post-purchase behavior:

This is the stage where the customers are giving their feedback about the product they purchased through advertisement on social networking site and they share whether they are satisfied or dissatisfied about the same product. In this stage, they also look out for various after sales services and the offers
available to the customers on the next purchase through advertisement on social networking site Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.

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

Customer behaviour study is based on consumer buying behaviour, with the customer playing the three distinct roles of user, payer and buyer. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. Relationship marketing is an influential asset for customer behaviour analysis as it has a keen interest in the re-discovery of the true meaning of marketing through the re-affirmation of the importance of the customer or buyer. A greater importance is also placed on consumer retention, customer relationship management, personalisation, customisation and one-to-one marketing. Social functions can be categorized in to social choice and welfare functions.

A consumer is anyone who engages himself in physical activities, of evaluating, acquiring, using or disposing of goods and services.

A customer is one who actually purchases a product or service from a particular organisation or a shop. A customer is always defined in terms of a specific product or company.

Consumer behaviour is a complex, dynamic, multidimensional process, and all marketing decisions are based on assumptions about consumer behaviour.
Consumer behaviour can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services. This definition clearly brings out that it is not just the buying of goods/services that receives attention in consumer behaviour but, the process starts much before the goods have been acquired or bought. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post purchase behaviour which is also very important, because it gives a clue to the marketers whether his product has been a success or not.

To understand the likes and dislikes of the consumer, extensive consumer research studies are being conducted. These researches try to find out:

- What the consumer thinks of the company’s products and those of its competitors?
- How can the product be improved in their opinion?
- How the customers use the product?
- What is the customer’s attitude towards the product and its advertising?
- What is the role of the customer in his family?

2.3.2. Influence of consumer products’ advertising on social networking sites on buying behaviour

There are e-marketers who competes to satisfy the needs and wants of the customers by providing them with the best product or services they can give in the defined amount. To be at the top of all in the consumer’s mind, the e-marketers are finding for the products or services which make them feel not only satisfied but delighted by exceeding their expectations. But as it is a human psychology that once a need is satisfied another need arises, the expectations of the customers are harder to make delightful when the competition is at a pick level.
Selecting the target market or target audience is the most important task for e-marketers. If their objective is to provide a product better than the competitor's product, they have to be better than the competitors. As the people don't wish to be associated with the cheapened brands, they should get the value for money.

Customer perceived value for money and time while purchasing the products relying on the consumer products' advertisements on SNS = perceived value for product or services comes in the mind of customers by viewing the consumer products' advertisement on the social networking sites – perceived value of sacrifices by dropping the purchase of other products.

E-marketers need to manage the profitable customer relationships but they also have to promote their brands to the potential customers by promising superior value for their money. It is very important to examine that how the potential customers as well as the current customers are responding to the efforts made by the company by promoting/ advertising their consumer products through the social networking sites.

2.4 CONSUMER PRODUCTS:

In marketing, a product is anything that can be offered to a market that might satisfy a want or need. In retailing, products are called merchandise. In manufacturing, products are bought as raw materials and sold as finished goods. Commodities are usually raw materials such as metals and agricultural products, but a commodity can also be anything widely available in the open market. In project, products are the formal definition of the project deliverables that make up or contribute to delivering the objectives of the project. In insurance, the policies are considered products offered for sale by the insurance company that created the contract.

In economics and commerce, products belong to a broader category of goods. The economic meaning of product was first used by political economist Adam Smith.
In economics, any tangible commodity which is produced and subsequently consumed by the consumer, to satisfy its current wants or needs, is a consumer good or final good. Consumer goods are goods that are ultimately consumed rather than used in the production of another good. For example, a microwave oven or a mixer grinder which is sold to a consumer is a final good or consumer good, whereas the components which are sold to be used in to final good those goods are called intermediate goods. For example, tires for automobile industry or copper which can be used to make some further goods.

Manufactured goods are goods that have been processed in any way. As such, they are the opposite of raw materials, but include intermediate goods as well as final goods.

Here are legal definitions. For example, The United States Consumer Product Safety Act has an extensive definition of consumer product, which begins:

**CONSUMER PRODUCT:** The term "consumer product" means any article, or component part thereof, produced or distributed (i) for sale to a consumer for use in or around a permanent or temporary household or residence, a school, in recreation, or otherwise, or (ii) for the personal use, consumption or enjoyment of a consumer in or around a permanent or temporary household or residence, a school, in recreation, or otherwise; but such term does not include— (A) any article which is not customarily produced or distributed for sale to, or use or consumption by, or enjoyment of, a consumer. It then goes on to list eight additional specific exclusions and further details. By Durability

**Final goods can be classified into the following categories:**

1. Durable goods
2. Nondurable goods
3. Services

Consumer durable goods usually have a significant life span which tends to be a minimum of 1 year based on guarantee or warranty period and maximum life depends upon the durability of the product or good. Whereas for capital goods which are tangible in nature, such as machinery or building or any other equipment which can be used in manufacturing of final product, these are
durable goods with limited life span determined by its manufacturer before selling. The longevity and the often higher cost of durable goods usually cause consumers to postpone expenditures on them, which makes durables the most volatile (or cost-dependent) component of consumption.

Consumer nondurable goods are purchased either for the immediate use or to keep it for very short span of time. Generally the life span of nondurable goods may vary from a few minutes to up to three years. Few examples of such goods are food, beverages, clothing, shoes, and gasoline.

**Consumer services are the intangible in nature:** they cannot be seen, felt or tasted by the consumer but still they give satisfaction to the consumer. They are also inseparable and variable in nature which means they are produced and consumed simultaneously. Examples of consumer services include haircuts, auto repairs, landscaping, etc.

By consumer's buying habits

Final goods can be classified into the following categories, which are determined by the consumer's buying habits:

1. Convenience goods
2. Shopping goods
3. Specialty goods
4. Unsought goods

**Convenience goods**

Convenience goods are goods which are easily available to consumer, without any extra effort are convenience goods. Generally convenience goods come in the category of nondurable goods such as fast foods, cigarettes and tobacco with low value. Convenience goods are mostly sold by wholesalers or retailers, so as to make them available to the consumers in good or large volume. Convenience goods can further be categorized into:

- Staple convenience consumer goods
- Impulse convenience consumer Goods
Staple convenience consumer goods are those kinds of goods which come under the basic necessities of the consumer. These goods are easily available and in large quantity. Examples include milk, bread, sugar, etc.

Impulse convenience consumer goods are the goods which do not belong to the priority list of the consumer. These goods are purchased without any prior planning just on the basis of the impulse are called impulse convenience goods. Examples include potato wafers, candies, ice creams, cold drinks, etc.

**Shopping Consumer Goods:**

Shopping consumer goods are the goods which take lot of time and proper planning before making purchase decision; in this case consumer does a lot of selection and comparison based on various parameters such as cost, brand, style, comfort etc., before buying an item. Shopping goods are costlier than convenience goods and are durable in nature. Consumer goods companies usually try to set up their shops and show rooms in active shopping area to attract customer attention and their main focus is to do lots of advertising and promotion so that to attract more customer.

Example includes clothing items, televisions, radio, footwear, home furnishing, etc.

**Specialty Consumer Goods:**

Specialty goods are unique in nature; these are unusual and luxurious items available in the market. Specialty goods are mostly purchased by the upper class of the society as they are expensive in nature and difficult to be afforded by middle or lower class people. Companies advertise their goods targeting the upper class. These goods do not fall under the category of necessity; rather they are purchased on the basis personal preference or desire. Brand name, uniqueness, and special features of an item are major attributes which attract customers and make them buy such products.

Examples include antiques, jewelry, wedding dresses, cars, etc.
Unsought Consumer Goods:

Unsought goods neither belong to the necessity group of consumer goods list nor to specialty goods. They are always available in the market but are purchased by very few consumers, either based on their interest or their need for some specific reasons. The general public does not purchase such goods often.

Examples include snowshoes, fire extinguishers, flood insurance, etc.

Industrial production is a measure of output of the industrial sector of the economy. The industrial sector includes manufacturing, mining, and utilities.\[^{26}\]

2.5. INFLUENCES OF ADVERTISEMENT:

FACTOR INFLUENCING CONSUMER DECISION MAKING:

Table 2.1 Various Factors Influencing Consumer Behavior:

<table>
<thead>
<tr>
<th>Social Factors</th>
<th>Psychological Factors</th>
<th>Personal Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and Subculture</td>
<td>Motivation, Perception, Perception, Learning, Attitudes, Personality</td>
<td>Demographic Factors, Life Style, Situational Factors, Involvement Level</td>
</tr>
<tr>
<td>Roles and Family, Social Class, Reference Groups</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Consumer Decision Making Process

- Problem Recognition
- Information Search
- Alternatives Evaluation
- Purchase Action
- Post-purchase Action

Social Factors Influencing Consumer Behavior

Everybody in this world is a consumer. In day to day life customers are buying and consuming an incredible variety of products and services. However, we all have different tests, likes and dislikes and adopt different behavior patterns while making purchase decisions. Many factors affect how we, as individuals and as societies, live, buy, and consume. Social external influences such as culture, ethnicity and social class influence how individual consumer purchase.
Social factors refer to forces that other people exert and which affect consumers' purchase behavior. Consumers do not make their decisions in a vacuum. Their purchases are highly influenced by culture social, personal, and psychological factors. For the most part, they are 'non controllable' by the marketer but must be taken into account.

Table 2.2 Social Factors Influencing Consumer Behavior:

<table>
<thead>
<tr>
<th>Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture, Sub-culture</td>
</tr>
<tr>
<td>Reference group</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family (Most important)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Husband, wife, kids,</td>
</tr>
<tr>
<td>Influencer, over user</td>
</tr>
</tbody>
</table>

| Social Factors |

| Roles and Status |

CULTURAL FACTORS:

Culture is a powerful force in regulating human behavior. Howard and Sheth have defined culture as "A selective manmade way of responding experience, a set of behavioral pattern". Thus culture consist of traditional ideas and in particular the values, which are attached to these ideas. It includes knowledge, belief, morale, law, customs and all other habits acquired by man as a member of society. An accepted concept about culture is that includes a set of learned beliefs, values, attitudes, habits and forms of behavior that are shared by a society and are transmitted from generation to generation within that society.

Culture represents the behavior, belief and, in many cases, the way investors act learned by interacting or observing other members of society. Culture is the most fundamental of a person's wants and behavior.
CULTURE INFLUENCES:

Culture is that complex whole which includes knowledge, belief, law, morals, customs and any other capabilities and habits acquired by humans as members of society. Culture influences the pattern of living, of consumption, of decision making by individuals. Culture is acquired. It been around us while customers were growing up and learning the ways of the world. Culture forms a boundary within which an individual thinks and acts. When one thinks and acts beyond these boundaries, he is adopting a cross cultural behavior and there are cross cultural influences as well.

The nature of cultural influences is such that consumers are seldom the same culture. One feels, behaves and thinks like the other members of the same culture. It is all pervasive and is present everywhere.

Most individuals obey norms because it is natural to obey them. Culture outlines many business norms, family norms, behavior norms etc.

SUBCULTURE:

Culture can be divided into subcultures. A subculture is identifiable distinct, culture group, which while following the dominant cultural values of the overall society also has its own belief, values and customers that set them apart from other members of the same society.

Social Class and Social Influence:

Each person possesses different roles and status in the society depending upon the groups, clubs, family, organization etc. to which he belongs.

Social class defines the ranking of people in a society into a hierarchy of distinct status classes; upper, middle and lower, so that the members of each class have relatively the same status based on their power and prestige. Virtually all human societies exhibit social stratification. Stratification sometimes takes the form of caste system where the members of different caste are reared for certain roles and cannot change their caste membership.
• **Upper-Uppers Class**: Upper – Uppers Class are the social elite who live on inherited wealth and have well known families.

• **Lower Uppers Class**: Lower Uppers Class are persons who have earned high income or wealth through exceptional ability in their profession or business. They usually come from the middle-class.

• **Upper Middles Class**: Upper Middles Class possess neither family status nor unusual wealth. The primary concerned with "career".

• **Middle Class**: The Middle Class is average paid white and blue collar workers who try to do the proper things.

• **Working Class**: Working class consists of average pay blue collar worker and those who lead a 'working class life style', whatever income, school or job they have.

• **Upper Lower Class**: Upper Lower Class are working, though their living standard is just above the poverty line. They perform unskilled work and are properly paid. Often they are educationally deficient.

• **Lower Lowers Class**: Lower Lower Class are visibly poverty – stricken and usually out of work. Some are not interested in finding permanent jobs and most are dependent in charity for income.

**Social Influence:**

Social influence pertains to the extent to which customers are aware of the people and groups while making decisions, and the extent to which they influence the decision that make. There are two types of social influence.

1. **Normative Social Influence**: This involves the influence of social factors in the decision that consumers make. The pressure of normative social influence can be strong; it may frequently lead to consumer conformity.
2. **Informal Influence:** Consumers often obtain information from other people and groups.

**Factor Affecting Groups:** A group may be defined as two or more people who interact to accomplish some goals.

**Consumer Relevant Groups:** To more fully comprehend the kind of impact that specific groups have on individuals, which will examine six basic consumer relevant groups?

(a) **The Family:** An individual's family is the most important group to influence his or her consumer decisions. The family's importance in this regard is due to frequency of contact that the individual has with other family members and that the family has a greater extent of influence on the establishment of wide range of values, attitudes, and behavior.

(b) **Friendship Groups:** Friendship groups are informal groups because they are, usually unstructured and lack specific authority levels. Consumers are more likely to seek information from those friends they feel have values or outlooks similar to their own.

(c) **Formal Social Groups:** In contrast to the relative intimacy of friendship groups, formal social groups are more remote and serve a different function for the individual. Membership in a formal social group may influence a consumer's behavior in several ways. Some members may copy the consumption behavior of other members whom they admire.

(d) **Purchasing Groups:** Such groups are often offshoots of family or friendship groups. People like to shop with others who they feel have more experience with or knowledge about a desire product or service. Shopping with others also provides an element of social fun to an often boring but necessary task. Relatively few marketing or consumer behavior studies have examined the nature of shopping groups.
(e) **Consumer Action Groups:** A particular kind of consumer group – a consumer action group has emerged in response to the consumerist movement. This type of consumer group has become increasingly visible since the 1960s and has been able to influence product design and marketing practices of both manufacturers and retailers.

(f) **Work Groups:** The sheer amount of time that people spend at their jobs, frequently more than thirty-five hours per week, provides ample opportunity for work groups to serve as major influence on the consumption behavior of members. Both the formal work group and the informal friendship formal work group have potential for influencing consumer behavior.

**Reference Groups:**

Reference groups are groups that serve as a frame of reference for individuals in their purchase decisions.

**Meaning of Reference Group:**

A reference group is any person or group that serves as point of companion (or reference) for an individual in the formation of either general or specific values, attitudes, or behavior. The usefulness of this concept is enhanced by the fact that it places no restriction on group size of membership, nor does it require that consumers identify with a tangible group.

**Factors that Affect Reference Group Influence:**

The degree of influence that a reference group expert on an individual's behavior usually depends on the nature of the individual and the online buying products and on specific social factors. This selection discusses how and why some of these factors operate to influence consumer behavior.

**Information and Experience:**

An individual who has firsthand experience with online buying product or service, or can easily obtain full information about it, is less likely to be influence by the advice or example of others.
Credibility, Attractiveness ad Power of the Reference Group.

A reference group that is perceived as credible, attractive, or powerful can induce consumer's attitude and behavior change.

Different reference groups may influence the beliefs, attitudes and behavior of an individual at different points in time or under different circumstances.

**Reference Group and Consumer Conformity:**

Marketers are particularly interested in the ability of reference groups to change consumer attitudes and behavior.

Provide the individual with the opportunity to compare his or her own thinking with the attitudes and behavior of the group.

Influence the individual to adopt attitudes and behavior that are consistent with the norms of the group.

A person's behavior is strongly influenced by many groups. A person's reference group is those groups that have a direct (face to face) or indirect influence on the person's attitudes or behavior. Group having a direct influence on a person are called membership group. These are group to which the person belongs and interacts. Some are primary groups. With which there is fairly continuous interaction. Such as family, friends, neighbors and co-workers. Primary group tend to be informal. The person also belong to secondary group, which tend to be more formal and where there is less continuous interaction: they include religious organizations, professional associations, and trade unions. Hence, people in a collectivist culture have a greater need to conform to the opinions and expectations of the members of their group. A greater group identity or a more cohesive group allows for a greater influence by group members on an individual's product choices and buying decisions.

**Information Sharing:** Information sharing is a consumer behavior that differs across cultures, depending on the propensity to share such information.
**Self Concept:** The other construct is the interdependent self concept. This is commonly found in non-western cultures. This idea of self concept involves inferences that are based on group characteristics such as family background, and national historical achievements. The concept of interdependent self is shaped mainly by the fact that people are part of a cohesive whole, family, clan or nation. It was found that the interdependent self concept is characterized by greater emphasis on group goals, fitting in with others, and understanding others. Such people tend to be obedient, socio-centric, and relation oriented.

**Family Orientation:** As a sense of belonging and maintenance of good relationships with other commands an important role in a collectivist society, it can be seen that family orientation is a critical aspect of collectivism. In an individualistic culture, people have a self identity rather than identity that is developed from the social system. Correspondingly, they will rank lower when it comes to family orientation. This meant that the products and company were selected for their family's needs, rather than their own personal wants. It was suggested that the discriminating variable of individualism versus collectivism was the factor that accounted for this difference.

**Opinion Leadership:** This refers the tendency of individuals to influence the attitudes and purchasing choices of others.

**Ethnocentrism:** The concept of ethnocentrism represents the universal propensity for people to view their own group as the center of the universe, to elucidate other social units from the perspective of their own group and to reject people who are culturally dissimilar while blindly accepting those who are culturally like themselves.

**Perceived Risk:** The concept of perceived risk has been defined as consumers' perceptions of the uncertainty and the adverse consequences of buying a product or service.

**Brand Loyalty:** Brand loyalty refers to the consistent preference and purchase of the same brand in a specific product or service category. It was found that
diverse consumer groups associated brand loyalty with risk and this association is a positive relation.

**Innovativeness:** Innovativeness means the willingness of consumers to adopt new life insurance products in various consumption domains. This is related to the ability to tolerate risk and uncertainty.

**Information Search:** An individual who has less tolerance for ambiguity and fewer propensities for risk taking will also have a need to engage in a through information search before he purchases any new product.

**Other Group Member:**
In addition to cultural influences, consumers belong to many other groups with which they share certain characteristics and which may influence purchase decisions.

**Social Class** — represents the social standing one has within a society based on such factors as income level, education, occupation.

**Family** — One's family situation can have a strong effect on how purchase decisions are made.

**Reference Groups** — most consumers simultaneously belong to many other groups with which they associate or, in some cases, feel need to disassociate.

**The Family:**
Members of the buyer's family can exercise a strong influence on the buyer's behavior. It can distinguish between two families in the buyer's life. The family orientation consists of one's parents. From parents a person acquires an orientation towards religious, politics, and economics and a sense of personal ambitions, self-worth, and love. Even in the buyer if the buyer no longer interacts very much with his or her parents, the parents influence on the unconscious behavior of the buyer can be significant. In countries where parents continue to live with their children, their influence can be substantial.
Meaning and Definitions of the Family:

A clear definition helps focus on or isolate key questions and issues. Some examples of family definitions are provided and critiqued. Officially, the U. S. Census Bureau defines a family as a "group of two persons or more related by blood, marriage, or adoption and residing together. This definition describes membership of the family structurally rather than functionally, quite useful for census purposes but lacking insight for research purposes.

Structural Variable Affecting Families and Households

Structural variables include the age of the head of household or family, marital status, presence of children, and employment status.

Sociological Variables Affecting Families and Households

Marketers can understand family and household decisions better by examining the sociological dimensions of how families make consumer decisions. Three sociological variables that help explain how family's function includes cohesion, adaptability and communication.

Cohesion: is the emotional bonding between family members. It measures how close to each other family members feel on an emotional level. Cohesion reflects a sense of connectedness to or separateness from other family members.

Adaptability: measures the ability of a family to change its power structure, role relationship, and relationship rules in response to situational and development stress. The degree of adaptability shows how well a family can meet the challenges presented by changing situations.

Communication: is a facilitating dimension, critical to movement on the other two dimensions. Positive communication skills (such as empathy, reflective listening, and supportive comments) enable family members to share their changing needs as they relate to cohesion and adaptability. Negative communication skills (such as double message, double binds, and criticism) minimize the ability to share feelings, there by restricting movement in the
dimensions of cohesion and adaptability. Understanding whether family members are satisfied with family purchase requires communication within the family.

To determine how the family makes its purchase decisions and how the family affects the future purchase behavior of its members, it is useful to understand the functions provided and the roles played by family members to fulfill their consumption needs.

**Family Decision Making:** A family decision making particularly of interest in the context of the cultural dimension of masculinity – femininity because family member's role attitudes and perceptions are ascribed through cultural norms and these attitudes influence the household decision role structure and responsibility and influence by either the husband or wife in a family decision is contingent upon the level of traditional marital values present in the family. Like this, decision situations were believed to conform to either masculine or feminine roles across widely differing cultures.

**Personal Factors Influencing Consumer Behavior**

Personal Factors include those aspects that are unique to a person and influence purchase behavior. These include demographic factors, lifestyle, and situational factors. Personal factors can also affect the consumer behavior. Some of the important personal factors that influence the buying behavior are: lifestyle, economic situation, occupation, age, personality and self concept.

**Family Life Cycles**

Families pass through a series of stages that change them over time. This process historically has been called the family life cycle (FLC). The concept may need to be changed to household life cycle (HLC) or consumer life cycle (CLC) in the future to reflect changes in society. However, we will use the term FLC to show how the life cycle affects consumer behavior.
Family Life Cycle Characteristics:

The traditional FLC describes family patterns as consumers marry, have children, leave home, lose a spouse, and retire.

Table 2.3 Consumer Activities Occurring in Various Life Cycles

<table>
<thead>
<tr>
<th>Stages in Family Life Cycle</th>
<th>Economic Circumstances</th>
<th>Likely Buying Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelorhood (Young, single staying alone)</td>
<td>Earning reasonable good salary, no financial burdens</td>
<td>Buy, basic kitchen equipment basic furniture, two wheeler, vacation with friends</td>
</tr>
<tr>
<td>Parenthood (young married just attained parenthood)</td>
<td>Better off financially, though home purchase at peak, less liquid assets, not able to save more.</td>
<td>Buys baby food, toys, diapers, chest and cough medicines.</td>
</tr>
<tr>
<td>Post Parenthood (growing children or grown up children)</td>
<td>Financial position improved with wife working, probability of home ownership on the higher side</td>
<td>Concentrates on home improvements. Buy more tasteful furniture, car, home appliances, and magazines. Interested in vacation packages.</td>
</tr>
<tr>
<td>Dissolution (retired &amp; lone surviving spouse)</td>
<td>Income though good, not interested in spending. At times drastic cut in income is likely.</td>
<td>Buy more medicinal products other products like the retired people. Seek more of attention, affection and security conscious.</td>
</tr>
</tbody>
</table>

Family Decision Making: Families use products even though individuals usually buy them. Determining what products should be bought, which retail outlet to use, how and when products are used, and who should buy them is a complicated process involving a variety of roles and actors.
Role Behavior

Families and other groups exhibit what sociologist Talcott Persons called instrumental and expressive role behaviors.

Instrumental Roles, also known as functional or economic roles, involve financial, performance, and other functions performed by group members.

Expressive Roles involves supporting other family members in the decision-making process and expressing the family's aesthetic or emotional needs, including upholding family norms.

Influences on the Decision Process:

By understanding where on this "map" the decisions to buy particular products fall, marketers can being to determine which aspects of specific product to advertise to different household members and which media will reach the influential family members.

Influence of Employment: In the past, marketers were able to refer to the traditional role structure categories to determine which family member was most likely to purchase a specific product.

Influence of Gender: As the gender gap narrows, husband and wife decisions are increasingly made jointly.

Situational Factors: Marketers can take advantage of decision made in uncontrollable situations in at least two ways. First, the marketers can use promotional methods to reinforce a specific selection of products when the consumer is confronted with a particular situation. Second, marketers can use marketing methods that attempt to convince consumers that a situation is less likely to occur if the company's product is used.

Demographic Factors: Demographic factors include individual customers' age, gender, education, occupation, income, marital status, family size, etc. These characteristics affect the purchase and consumption behavior persons.
Age, Gender, and Household Influences on Consumer Behavior:

Among the four major age groups, teens, who need to establish an identity, are the consumers of tomorrow and have an increasing influence on family decisions. The somewhat disillusioned Generation X consists of smart and cynical consumer who can easily see through obvious marketing attempts.

Psychographics: Values, Personality, and Lifestyles

The roles of psychographic in affecting consumer behavior are detailed below. Values are enduring beliefs about things that are important. They are learned through the processes socialization and acculturation. That value exists in an organized value system, with some values being viewed as more important than others. Some are regarded as terminal values and reflects desired and states that guide behavior across many different situations. Instrumental values are those needed to achieve these desired end states.

Lifestyle of customers in another important factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in his / her surroundings. It is determined by customer interests, opinions, activities etc and shapes his whole pattern of acting and interacting in the world.

Personality: The word 'personality' derives from the Latin word 'persona' which means 'mask'. The study of personality can be understood as the study of 'mask' that people wear.

Personality and Consumer Diversity: Marketers are interested in understanding how personality influences consumption behavior because such knowledge enables them to better understand consumers and to segment and target those consumers who are likely to respond positively to their product or service communications.
Consumer Innovativeness and Related Personality Traits:

Marketing practitioners must learn all they can about consumer innovators those who are likely to try new products. Those innovators are often crucial to the success of new products. Personality traits have proved useful in differentiating between consumer innovators and non innovators.

Consumer Innovativeness:

Recent consumer research indicates a positive relationship between innovative use of the Internet and buying online.

Dogmatism:

Dogmatism is a personality trait that measures the degree o rigidity an individual displays toward the unfamiliar and toward information that is contrary to their established beliefs. Consumers low in dogmatism is more likely to prefer innovative products to established ones. Consumers high in dogmatism are more accepting of authority based ads for new products.

Social Character:

Social character is a personality trait that ranges on a continuum from inner directed to other – directed. Inner directed consumers tend to rely on their own 'inner' values or standards in evaluating new products and are innovators.

Need for Uniqueness:

These people avoid conformity are the ones who seek to be unique.

Optimum Stimulation Level

Some people prefer a simple, uncluttered, and calm existence, although, others seem to prefer an environment crammed with novel, complex, and unusual experiences.

Variety – Novelty Seeking:

There appear to be many different types of variety seeking : exploratory purchase behavior (e.g. switching brands to experience new and possibly
better alternatives), vicarious exploration (e.g. where the consumer secures information about a new or different alternative and then contemplates or even daydreams about the option) and use innovativeness.

**Cognitive Personality Factors:**

Market researchers want to understand how cognitive personality influences consumer behavior. Two cognitive personality traits have been useful in understanding selected aspects of consumer behavior. They are:

**Need for Cognition:**

This is the measurement of a person's craving for or enjoyment of thinking. Consumers who are high in NC (need for cognition) are more likely to be responsive to the part of an advertisement that is rich in product related information of description. They are also more responsive to cool colors. Consumers who are relatively low in NC are more likely to be attract to background or peripheral aspects of an ad. They spend more time on print content and have much stronger brand recall. Need for cognition seems to play a role in an individual's use of the internet.

**Visualizer's v/s Verbalizers:**

Visualizers are consumers who prefer visual information and products that stress and visual. Verbalizers are consumers who prefer written or verbal information and products that stress the verbal. This distinction helps marketers know whether to stress visual or written elements in their ads.

**Consumer Materialism:**

Materialism is a trait of people who feel their possessions are essential to their identity.

**Fixated Consumption Behavior:**

Somewhere between being materialistic and being compulsive is being fixed with regard to consuming or processing. Fixed consumer characteristics: which include?
1) A deep (possibly "passionate") interest in a particular object or product category.

2) A willingness to go to considerable lengths to secure additional examples of the object or product category of interest.

3) The dedication of a considerable amount of discretionary time and money to searching out the object or product. This profile of the fixated consumer describes many collectors or hobbyists.

**Compulsive Consumer Behavior:**

Consumers who are compulsive have an addiction; in some respects, they are out of control, and their actions may have loss consequence to them and those around them.

**Brand Personality:**

It appears that consumers tend to ascribe various descriptive 'personality like' traits or characteristics the ingredients of brand personalities to different brands in wide variety of product categories.

**Brand Personification:**

A brand personification recasts consumers' perception of the attributes of a product or service into the form of a "humanlike character". It seems that consumer can express their inner feelings about products or brands in terms of association with a known personality.

**Self and Self – Image:**

Self images or perceptions of self are very closely associated with personality in that individuals tend to buy products and services and patronize retailers with images or 'personalities' that closely correspond to their own self images.

**Psychological Factors Influencing Consumer Behavior:**

There are four important psychological factors affecting the consumer buying behavior. These are: perception, motivation, learning, beliefs and attitudes.
Perception:

The information of knowledge is influenced by several factors. One such factor is the predispositions of the individuals, notably the degree of self-exposure and selective perception. The existence of communication channels from which the individual can receive information is another factor that influences the formation of knowledge. Communication channels can be divided into two main groups: mass media channels and interpersonal channels. Awareness - knowledge is usually gained through mass media channels.

An individual behavior is often connected to customer's perceptions and may not be based on the 'actual' or reality. Perception is a mental process of selecting, organizing and interpreting or attaching meaning to events happening in environment (L. M. Prasad). The features of perception are: Perception is mental process, where by an individual selects data or information from the environmental, organizes it and cognitive or thinking process and an individual's activities, emotions feeling etc. are based on customer's perceptions of their surrounding or environment. And, being an intellectual and cognitive process will be subjective in process, differently based on which aspects of the situation is absorbed by them, how they organize this information and on how they interpret is so as to obtain a meaningful understanding of the situation. From it can see that subjectively 'perceived reality' will vary from person to person in a situation.

People are frequently influenced by situational conditions when making judgments about time. Indeed, recent research has demonstrated that certain momentary conditions, like mood, play a critical role in the process of time use and allocation. Little attention has been paid, however, to the way in which a consumer's affective states alters his or her evaluation of time and temporal orientation (the relative dominance of the past, present of future in a person's thoughts).
The influence of different mood states on the way people estimate the duration of recent events as well as on their stated temporal orientation. He suggests that positive and negative emotions result in underestimation and overestimation of duration, respectively. He further suggests that people in a positive mood tend to be future oriented, while people in a negative mood have more of a present orientation. Two experiments using two different mood-including manipulations support his suggestions revealing strong mood effects on subjects' time perception and orientation.^[27]

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