1.1 Introduction

Successful business houses and concerns are very adept at keeping themselves abreast of the general business environment and the more specific and related business environment of which they are a part. It is this skill of being alert to market changes and the timely response to such changes that bring positive results for successful corporate. It is imperative that products and services need to be tailored to the ever changing and evolving needs of the market, and to rise up to such challenges is in the best interest of both the seller and the buyer.

While a business environment can be interpreted as the immediate surroundings of the business organisation, directly or indirectly influencing the organisation’s prospects, it is also influenced by the larger market in general regarding products directly or indirectly related to the business. It would make a lot of business since for an organisation to contribute towards a healthy and prosperous market which should in times to come open up newer vistas for business hitherto unexpected.

In essence, the researchers showed that most organizations were more susceptible to the impact of their external environment than to the actions of their own management. Their bottom-line profits were more dependent upon the vagaries of external events than upon how well their internal operations were managed. In recent years, indeed, this impact has become more unpredictable. Most organizations, however, seem (at least formally) to ignore this dimension of their business. If they are well managed, they devote immense efforts to optimizing the internal factors which are within their control but they barely notice what is happening outside, and make little attempt to formally manage that side of their activities, except for some
marketing responses. Yet a survey of 200 CEOs in Baltimore, showed that “the average CEO spent 27 percent of his or her time dealing with external matters”\(^1\)

With the plethora of opportunities for new products and services available in modern marketing environment, taking into account business acquisitions, joint ventures and also take over, it has become mandatory for businesses of all sizes and hues to be market compatible.

“The key to organizational survival is the ability to acquire and maintain resources”\(^2\).

This problem would be simplified if organizations were in complete control of all the components necessary for their operation.

Douglas Brownlie- summarizes the position when he states three ‘premises’: “The determinants of success are dictated by the business environment’ the firm’s response to environmental change represents a fundamental choice knowledge of the business environment must precede the acquisition of any degree of control over it”\(^3\)

Today, it is fashionable to talk about the new economy, that businesses are operating in a globally economy and that things are moving at a nanosecond pace. Modern markets are characterized by hyper competition, aided by ever evolving and emerging technologies and hence challenging businesses to keep abreast of consumer requirements and satisfy them at all times.

The highly eminent and respected author of Marketing Management “Philip Kotler had said that –The future is not ahead of us, it has already happened. Unfortunately, it is unequally distributed among companies and nations”. This statement is true in the context of the modern
markets and needs to be understood and emphasized on by the marketing managers of today's companies to create a level playing field.

But the old economy seemed simpler. It was based on the Industrial revolution and on managing manufacturing industries. Manufacturers applied certain principles and practices for the successful operation of their factories. They standardized products in order to bring down costs. They aimed to continually expand their market size to achieve economies of scale. They tend to replicate their procedures and policies in every geographic market. The fact is that today's economy and companies are a hybrid of the old economy and new economy. The changes in technology and economy are eliciting a new set of beliefs and practices on the part of business firms. Companies need to retain skills and competencies that have worked in the past, but they will also need to add new understandings and competencies for they hope to grow and prosper.

The term "Market" originated from the Latin word "Mercatus" which means "To trade".

There are different uses on which a market is explained. It may be a place, an assembly, and organization or an assembly of commercial activities.

Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders. It is the business function that identifies customer needs and wants, determines which target markets the organization can best serve, designs appropriate products, services and programs to serve these markets, and calls upon everyone in the organization to think and serve customer. From a societal viewpoint, marketing links a society's material requirements and its economic patterns of response. Marketing
management is a business discipline focused on the practical application of marketing techniques and the management of a firm's marketing resources and activities. Marketing managers are often responsible for influencing the level, timing, and composition of customer demand in a manner that will achieve the company's objectives.

Thus Marketing Management is a business discipline focused on the practical application of marketing techniques and the management of a firm's marketing resources and activities. Marketing managers are often responsible for influencing the level, timing, and composition of customer demand in a manner that will achieve the company's objectives.

1.1.1. Definitions

Different experts versions about Marketing

There is no universally accepted definition of this term. In part, this is due to the fact that the role of a marketing manager can vary significantly based on a business' size, corporate culture and industry context. For example, in a large consumer products company, the marketing manager may act as the overall general manager of his or her assigned product category or brand with full profit & loss responsibility. In contrast, a small law firm may have no marketing personnel at all, requiring the firm's partners to make marketing management decisions on a largely ad-hoc basis.

The broader, more sophisticated definitions of marketing management from Drucker, Kotler and other scholars are therefore juxtaposed against the narrower operating reality of many businesses. The source of confusion here is often that inside any given firm, the term marketing management may be interpreted to mean whatever the marketing department happens to do,
rather than a term that encompasses all marketing activities -- even those marketing activities that are actually performed by other departments, such as sales, finance or operations. If, for example, the finance department of a given company makes pricing decisions (for deals, proposals, contracts, etc.), that finance department is responsible for an important component of marketing management -- pricing.

The American Marketing Association has defined marketing as “the performance of business activities that directs the flow of goods and services from producers to consumers or users”\(^5\)

This definition presents a cut and dry view of marketing, while the essence of marketing will also involve a human element.

According to the Institute of Marketing of the United Kingdom- “it is the creative function which promotes trade and employment by assessing consumer needs and initiating research development to meet them. It co-ordinates the resources of production and distribution of goods and services, determines and directs the nature and scale to the total effort required to sell profitably the maximum production to the ultimate users.

This definition of marketing is truly comprehensive and provides a wholesome picture of the varied faces and facets of marketing. It is also an intelligent assessment of marketing and thought provoking.

According to Cundiff and Still—“Marketing is the business process by which products are matched with the markets and through which transfer of ownership are affected”\(^6\)
This again is a definition of marketing which aims to convey the true essence and concept of marketing.

As per William J. Stanton—“Marketing is a total system of interacting business activities designed to plan, price, promote and distribute wants satisfying products to target markets to achieve organizational objectives”.

Stanton tries to provide a more realistic and straightforward idea of marketing and brings into picture the various layers involved.

The Institute of Marketing, London defined it as—“The marketing function responsible for identifying, anticipating and satisfying customer requirements profitably”.

The above definition presents the scientific picture of the process of marketing.

Each of the above definition has involved a lot of thought and analysis and individually as well as collectively covered every single angle of marketing. All the analysis done has more ways than one, contributed to the understanding and growth of marketing. This has definitely helped organizations understand and plan their activities better.

1.1.2 Marketing strategy

Once the company has obtained an adequate understanding of the customer base and its own competitive position in the industry, marketing managers are able to make key strategic decisions and develop a marketing strategy designed to maximize the revenues and profits of the firm. The selected strategy may aim for any of a variety of specific objectives, including optimizing short-term unit margins, revenue growth, market share, long-term profitability, or other goals.
To achieve the desired objectives, marketers typically identify one or more target customer segments which they intend to pursue. Customer segments are often selected as targets because they score highly on two dimensions: 1) The segment is attractive to serve because it is large, growing, makes frequent purchases, is not price sensitive (i.e. is willing to pay high prices), or other factors; and 2) The company has the resources and capabilities to compete for the segment's business, can meet their needs better than the competition, and can do so profitably. In fact, a commonly cited definition of marketing is simply "meeting needs profitably."

The implication of selecting target segments is that the business will subsequently allocate more resources to acquire and retain customers in the target segment(s) than it will for other, non-targeted customers. In some cases, the firm may go so far as to turn away customers that are not in its target segment. The doorman at a swanky nightclub, for example, may deny entry to unfashionably dressed individuals because the business has made a strategic decision to target the "high fashion" segment of nightclub patrons.

In conjunction with targeting decisions, marketing managers will identify the desired positioning they want the company, product, or brand to occupy in the target customer's mind. This positioning is often an encapsulation of a key benefit the company's product or service offers that is differentiated and superior to the benefits offered by competitive products.

Ideally, a firm's positioning can be maintained over a long period of time because the company possesses, or can develop, some form of sustainable competitive advantage. The positioning should also be sufficiently relevant to the target segment such that it will drive the purchasing behavior of target customers.
History and trends was using tactics now focusing on Marketing strategies was build sales through advertising now build brands through a coordinated integrated marketing strategy that involves all points of contact between the company and the public was short term focus on profitable transactions now look at customer’s lifetime value was company was the unit of analysis... now the whole value chain is the unit of analysis, meeting the end customers' needs was organized by product units... now organized by customer segment was segmented on geographic or demographic variables... now segmented in depth using all relevant variables, especially behavioural variables like usage rate, loyalty, or benefit was focus on capturing new customers... now emphasis on keeping existing customers was a performance measured by financial metrics... now performance measured by financial, strategic, and marketing metrics was to satisfy shareholders... now satisfy all stakeholders was... marketing department does the marketing... now everyone in the company does some marketing was individual and hierarchical work structures... now cross functional teams was developing and implementing a marketing plan took years... now it takes months (or weeks)

Marketing, as suggested by the American Marketing Association, is "an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders". Another definition, perhaps simpler and more universal, is the process of moving people closer to making a decision to purchase or repurchase a company's products. Simply, if it does not facilitate a "sale" then it is not marketing. Perhaps the simplest Western definition of all was that summarized by Philip Kotler in his earlier books as: "Marketing is human activity directed at satisfying needs and wants through exchange processes". On the other hand, Christian Gronroos, in the context of a move to relationship marketing, summarized a rather different
European view in his definition: "Marketing is to establish, maintain and enhance long-term customer relationships at a profit, so that the objectives of the parties involved are met. This is done by mutual exchange and fulfillment of promises".

However, the most widely accepted definition of marketing on a global scale comes from the Chartered Institute of Marketing (CIM) in the UK which is the largest marketing body in the world in terms of membership. The definition claims marketing to be the "management process of anticipating, identifying and satisfying customer requirements profitably". Thus, operative marketing involves the processes of market research, new product development, product lifecycle management, pricing, channel management as well as promotion. However, marketing is more of a process-oriented cross function, not a direct decision maker in these processes. It is one of the company's management tools to ensure that products and services are developed according to market requirements, and that they are profitable.

Prior to the advent of market research, most companies were product-focused, employing teams of sales people to push their products into or onto the market, regardless of market desire. A market-focused, or customer-focused, organization instead first determines what its potential customer's desire, and then builds the product or service. Marketing theory and practice is justified on the belief that customers use a product/service because they have a need, or because a product/service has a perceived benefit.

Two major aspects of marketing are the recruitment of new customers (acquisition) and the retention and expansion of relationships with existing customers (base management). An emerging area of study and practice concerns internal marketing, or how employees are trained and managed to deliver the brand in a way that positively impacts the acquisition and retention of
customers. Once a marketer has converted the prospective buyer, base management marketing takes over. The process for base management shifts the marketer to building a relationship, nurturing the links, enhancing the benefits that sold the buyer in the first place, and improving the product/service continuously to protect her business from competitive encroachments. Marketing methods are informed by many of the social sciences, particularly psychology, sociology, and economics. Anthropology is also a small, but growing, influence. Market research underpins these activities. Through advertising, it is also related to many of the creative arts.

1.1.3. Marketing in the modern context

There have always existed major business houses who did huge volumes of business long before the markets were opened up for competition in 1991 by the then existing government led by the late Sri P. V. Narasimha Rao. Corporate like Hindustan Lever, Tata group of Industries, Mahindra and Mahindra etc were already powerhouses long before the current IT giants came into existence. The post liberalization and much talked about IT majors have contributed into uncertain terms towards Indian companies being ranked alongside the best organizations like IBM, Microsoft and the like. These successful Indian IT and non IT majors including DR. Reddy laboratories and Ranboxy have given an entirely new meaning and trust to the question how business can be run?. They have altered beyond recognition the size of businesses and have made their own rules of playing the game of business. It would be a major blunder not to give due recognition to technology which has played a key and unmistakable role in making IT majors like Infosys, Wipro, Satyam etc who are needless to say technology majors. In fact, technology has penetrated markets worldwide to such an extent that their very existence depends on the partial or complete use of technology. A large amount of small and large sized companies have
emerged who are not hesitant about using technology and every other means and resource to make it bit.

As Philip Kotler had said rightly “marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of values with others”9

Kotler's definition has a lot of relevance in current day markets, and it is proved by the fact that a much larger number of people are benefited by the large number of corporate that have emerged in the last decade and half. Because of these organizations a much larger population has enjoyed with the fruits of the growth either through jobs or by being managed by those who own them and also by those who are employed with them, which was exactly what Philip Kotler had defined Marketing Management.

1.1.4 Types of markets

"The word market originally meant the place where the exchange between seller and buyer took place. Today we speak of a market as either a region where goods are sold and bought or particular types of buyers"10

When strategizing specialists in marketing comment about markets they are usually referring to the different groups of people and/or organizations. The four major market groups are:

1. Consumer,
2. Business to Business,
3. Institutional, and Reseller.
1.1.5 Criticism on marketing

Some aspects of marketing, especially promotion, are the subject of criticism. It is especially problematic in classical economic theory, which is based on the assumption that supply and demand are independent. However, product promotion is an attempt coming from the supply side to influence demand. In this way producer market power is attained as measured by profits that would not be realized under a free market. Then the argument follows that non-free markets are imperfect and lead to production and consumption of suboptimal amounts of the product.

To some critics, the ability of marketers to alter consumer behaviour is powerful and frightening. Critics acknowledge that “marketing has legitimate uses in connecting goods and services to the consumers who want them. Critics also point out that marketing techniques have been used to achieve morally dubious ends by businesses, governments and criminals. Critics see a systemic social evil inherent in marketing”.11

Marketing is accused of creating ruthless exploitation of both consumers and workers by treating people as commodities whose purpose is to consume. Most marketers believe that marketing, like any other technology, is amoral. It can be used for good or evil purposes, but the technique itself is ethically neutral.

1.1.6 Different stages in the evolution of marketing

At outset it is important to run through the different stages that marketing has evolved from the time of its inception as a concept. Marketing today has endured various time-tested methods and evolved to what it is today.
The following is a stage by stage description of Marketing

1.1.7 Self-Sufficiency Stage.

In this stage, man did visualize needs except his own. All that he produced was for his own needs. This reflected a self centered mind set which did not require him to think more than his necessary, but also necessitated thinking outside him once his own needs and wants are met. This led to the second stage of marketing.

1.1.8 Exchange –Oriented Stage.

In this stage, the surplus of the product after meeting all of the producers’ need was then apportioned for trading purposes. This system finally evolved in to the much talked about Barter System which was a justified exchange system acceptable to all the parties evolved in the trading. The Barter System had a just and equitable exchange ratio of products .This led to the third stage on the evolution of marketing.

1.1.9 Production – Oriented Stage (1869-1930)

This was another stage where a self-centered approach was apparent in that producing more and more goods was given priority and not better quality goods which the consumer actually needed and wanted. It showed that marketing was ignored all most completely in this stage, but it also led to a thinking approach which converted to the next stage of marketing.

1.1.10 Sale-Oriented Stage (1930-1950)

In this stage the need was felt for actively selling products and services and was the first stage in evolution of marketing when profit became prominent and was recognized as the driving force of selling. Various selling and promotional efforts were planned to attract the attention of
prospective buyers. This was the stage where the need for first marketing a product to achieve sales was felt. Marketing thus became a separate and specialized study separate from sales.

It needs mention here that this stage was leading to a couple of stages in which the customer well and truly became the king. Though it took a long time coming, it was long overdue and suddenly became beneficial across all sections of society.

1.1.11 Marketing-Oriented Stage (1950-1960)

This was the stage when the customer finally started getting due recognition and importance, and there began a clear demarcation between sales and marketing. As Peter Drucker rightly said “the aim of marketing is to know and understand the customer so well that the product or service fits him and sell itself”\textsuperscript{12}

It was, however, accepted that the key task of the organization is to determine the needs, wants and values of a target market and to adopt the organization to deliver the desired satisfaction more effectively and efficiently than its competitors.

From this stage onwards the customer started getting more and better products and hence wants and desires began to increase. Because of this businesses grew by leaps and bounds and thus began the mushrooming of lots of businesses, new and innovative.

1.1.12 Customer-Oriented Stage (1960s-Present)

This stage saw business managers transcend the run-of-the-mill thinking and implement consumer satisfaction as a priority. Although this thinking is not all pervasive with businesses, it is quite well spread and widely accepted by business managers. This is evident from the words of Theodore Levitt —“Management must think of itself not as producing products but as providing
customer –creating value satisfaction.... the organization must learn to think of itself, not as producing foods or services, but as buying customers, as doing things that will make people want to do business with it”

1.1.13 Management –Oriented Stage.

In the current modern market scenario, the buyer is very much aware of products range and services and is in a much better position to choose from the variety of products available, based on his needs at any given point of time. Because of a lot of sellers competing with each other for market share, the customer has been educated enough about each product’s subtleties and qualities.

The challenge then for the modern seller and marketer is to create a mind share for his product in the customer’s mind and position the product such that he gets maximum revenue from the effort.

Managing the complexities of such markets requires specialized knowledge and expertise in the intricacies of consumer behavior. Marketing management and research has provided for the understanding and catering of such a complex requirement of customers.

1.2 The marketing mix

The term Marketing Mix became popularized after Neilh Borden published his 1964 article the concept of the marketing mix. Borden began using the term in his teaching in the late 1940’s after James Culliton had described the marketing manager as a “mixer of ingredients”. The ingredients in Borden’s marketing mix included product planning, pricing, branding, distribution channels, personal selling, advertising, promotion, packaging, display, servicing,
physical handling and fact finding and analysis. E. JERME MC. CARTHY later grouped these ingredients into the four categories that today are known as the 4P's, depicted below.

The "4 P's" of marketing

Source: Philip Kotler Marketing Management, 1988

These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that centre the 4P's on the customers in the target market in order to create perceived value and generate a positive response. The marketing mix is generally accepted as the use and specification of the 4 P's describing the strategic position of a product in the marketplace (as originally defined and popularized by Philip Kotler in his Marketing Management book. Against Kotler's four P's, some claim that they are too strongly oriented towards consumer markets and
do not offer an appropriate model for industrial product marketing. Others claim it has too strong of a product market perspective and is not appropriate for the marketing of services.

1.2.1 Product

Product is the centre of all discussions and activities of a business organization and is the sole driving point for manufacturers and marketing organizations. It is the fulcrum of all activities in business, from marketing to manufacture, promotion and sale. A good product that meets the demands and requirements of a wide range of customers with diverse needs is the driving point for any organisation’s efforts. Needless to say, the converse is true in cases where products and services do not satisfy customers or end-users needs and hence can be fatalistic to the existence and sustenance of an organization.

In marketing, a “product is anything that can be offered to a market that might satisfy a want or need”\(^{19}\). It is of two types: Tangible (physical) or Intangible (non-physical). Since services have been at the forefront of all modern marketing strategies, some intangibility has become essential part of marketing offers. It is therefore the complete bundle of benefits or satisfactions that buyers perceive they will obtain if they purchase the product. It is the sum of all physical, psychological, symbolic, and service attributes, not just the physical merchandise. All products offered in a market can be placed between Tangible (Pure Product) and Intangible (Pure Service) spectrum.

A product is similar to goods. In accounting, goods are physical objects that are available in the marketplace. This differentiates them from a service, which is a non-material product. The term goods is used primarily by those that wish to abstract from the details of a given product. As such it is useful in accounting and economic models. The term product is used primarily by
those that wish to examine the details and richness of a specific market offering. As such it is useful to marketers, managers, and quality control specialists.

A physical item that is offered for sale should not automatically be considered a product if it has no market. Like 95% of patents they are at best interesting diversions and at worst a waste of time. A service is a non-material or intangible product - such as professional consultancy, witnessing or an entertainment experience.

Classifying products

Product management involves developing strategies and tactics that will increase product demand (referred to as primary demand) over the product's life cycle. One useful technique in understanding a product is the Aspinwall Classification System. It classifies and rates products based on five variables:

1. Replacement rate (How frequently is the product repurchased?)

2. Gross margin (How much profit is obtained from each product?)

3. Buyer goal adjustment (How flexible are the buyers' purchasing habits with regard to this product?)

4. Duration of product satisfaction (How long will the product produce benefits for the user?)

5. Duration of buyer search behaviour (How long will consumers shop for the product?)
Product - Although this typically refers to a physical product, it has been expanded to include services offered by a service organization. The specification of the product is one of the variables that a marketer has at his/her control. For example, the product can include certain colors (or not), certain scents (or not), certain features (or not). Lastly, in the broadest sense when a consumer purchases a product it also includes the post-sales relationship with the company. The post-sales relationship can include customer service and any warranty.

1.2.2 Price

Price is arguably the most vital and important influence on the positioning of the product and its growth and hence has a direct impact on the volume of the sale of the product and share in the market. If put to the right and thoughtful use, effective pricing can earn a business organization a major and sustained share in a given market. A marketing manager can also maintain resale price of his product, maximize profit and achieve the targeted return on investment.

1.2.3 Place

Once a decision is made regarding which product to manufacture and sell, a location or place has to be selected in which the institution has to be established so that the product can be reached easily, safely and economically to the potential user. Business sense is extremely vital to this decision as the speed and economical disbursement of the product can make it economical and viable, both of which are important to get and sustain business. In short, product positioning at the right place and time is important. The distribution structure consists of the organization producing and selling the products and all the other layers composed of the wholesalers, retailers and other marketing intermediaries and players.
The physical distribution element plays a vital role in the marketing mix because of the necessity for the product to be moved from the place of production to the place of consumption and also because transportation as well as warehousing expenditure are a significant part of the total expenditure.

1.2.4 Promotion

Promotion is the act of an organization in which a concerted effort is made to educate the potential and prospective buyer about the features, strengths and merits of buying their products. Either subtly and directly or indirectly a comparison is provided vis-à-vis other similar competing products in order to gain an anticipated market share or to improve the existing market share. There are various channels of promotion which can be chosen by the marketing manager depending on the need, resources available, the ideal method applicable to the native market and the best mode of promotion available.

Promotional Mix refers to the use of singular or collective types of and quantity of different promotion forms used by an organization to convey information and uses to the end user about their products and features of the products. The following are the various forms of promotion that comprise of promotion:

a) Personal Selling- It is the direct presentation of a product and service to a prospective buyer by a person directly or indirectly representing the organization. Personal selling can be directed to an end user or to a middle man who then takes the products to the end user, and this is the most widely used and prevalent method of promotion. Personal selling is of much greater efficiency and effectiveness in an economy where a wide section of the customers are uneducated or inadequately educated. But regardless of its inadequacies, it is a foolproof method
and much longer lasting once it is effectively implemented. A couple of examples are the spread of Asian Paints and Thumps Up in the rural markets in India.

b) Advertising- Is an indirect and non-personal form of communication for which the sponsor has paid up and is clearly identified. Until recently the product maker would specify the advertising content, but in a highly competitive and maturing market the content is left to the advertiser while the seller is only interested in the end results. The most widely used medium are the electronic media (Television, Radio and the internet) and the print media (Newspapers, Magazines etc.). It must be mentioned here that it is difficult not to pay attention to the eye-catching, innovative, inventive and humorous advertisements which are so much in vogue in the electronic and print media in today’s modern markets.

c) Publicity – It is non-personal stimulation of demand for a product or service or business unit by placing commercially significant news about it in a publication of it upon Radio, TV & Stage, all of which are not paid by the sponsor. It is important to note that publicity is also used in social causes and non profit-making and non-commercial ventures. Publicity is also the feedback, positive or otherwise, generated by a product owing to the utilization of a product and service, and this is without argument the most desirable yet durable form of promotion that a seller should strive to and perhaps dare to achieve. The footwear majors like Adidas, Reebok and notably Nike with its caption “Just Do It” have been able to achieve.

d) Sales Promotion- Sales promotion is defined as “a diverse collection of incentive tools, mostly, short-term, designed to stimulate quicker and/or greater purchase of particular products/services by consumers.” (Kotler, 1988 pp. 661). The main purpose of a consumer promotion is to have a direct impact on the purchase behavior of the firm’s customers (Kotler
1988, Blattberg & Neslin 1990). Consumer promotions are aimed at creating a ‘pull’ for end customers as opposed to trade and retail promotions that are aimed at creating a ‘push’ through channel members.

Sales promotion research has traditionally focused on price promotions and has been conducted in the context of Western Europe and US markets. However, the growing importance of a variety of non price promotional tools e.g. free gift offers, sweepstakes in markets like India, has highlighted the need to study a variety of different promotions in different contexts.

Sales promotion involves marketing endeavors different from advertising, publicity and also personal selling. It offers aggressive methods of selling or creating demand and these methods are supporting forms of promotion. Sales promotion supports and increases effectiveness of advertising and personal selling. It stresses on promoting a product by using so many techniques like offering incentives and free byes for increasing purchases or even for extra purchases. It is also done for launching new products and increase sales of existing products.

e) Public Relations- It is a form of promotion in which an attempt is made to form, develop, maintain and sustain image in the public for an organization so that reputation and good will are created. This could be a vital factor which would contribute to the long-run performance of the organisation and its products. In the modern markets professional public relation firm’s services are being utilized by organization.
1.3 Consumer behaviour

Consumer behaviour can be defined as "the behavior that consumers display in searching for purchasing, using, evaluating and disposing of products and service, which they expect will satisfy their needs."

"Understanding human needs is half the job of addressing them."

This job of trying to understand requirements of a consumer and to subsequently satisfy such needs has been the subject of intense study and speculation for a very long time till now. It also needs no special mention that this speculation and study will continue for long time to come. Such a study has been entirely to the benefit of the consumer or end user and has in no small way benefited the manufacturers and the sellers. The human mind is an erratic and unpredictable component has only made the study that much more difficult yet interesting.

"It is important for marketers to know, what consumers need and want, how they think, work, make decisions, along personal and group factors, influencing their decision."

To add to already existing difficulty in reading the human mind, is the fact that consumer behaviour in underdeveloped and developing countries is a burdensome task. This could be owing to the fact that a large part of the population in such developing and underdeveloped countries lack adequate or even basic education. All these countries invariably do not or cannot provide even basic facilities and amenities, thereby making it difficult or even impossible for the consumers who have clarity in or predictable consuming patterns.

"An individual exhibits varied consumption behaviour by making choices that differ from one occasion to the next in the same class of potential substitutes."
In spite of the difficulty attached to the understanding of consumer behaviour and the associated challenges, it is inevitable and important for marketing organizations to try and understand, and hence study consumer behavior. It will be unthinkable for any organization to try and market or sell their products and services to unknown customer. It would be in the best interest of the consumer and the manufacturers/ marketing organisations that all the required study and analysis is undertaken and such data is made available.

"Risk-taking theory suggests that most consumers decide to buy a product under some degree of uncertainty about a given brand. Knowing the perceived risk, the consumer may take steps to reduce to that mostly reflect reliance on some idea or person". For example, he may rely on the brand image of a product or on an opinion leader and seek information from him.

It is obvious that consumer behaviour is dictated by a lot of factors and these factors have already being spelt by experts in this field. Some of these factors are obvious while the others have been found out by the experts in the field. It must be said here the native factors have the greatest and wide spread influence on consumer behaviour owing to their direct impact on the thinking and psyche of a native buyer.

Factor that influence consumer behaviour are:

1.3.1 Cultural Factors

Cultural factors are inevitably and invariably influencing factors on consumer behaviour. This is very much obvious as most, if not all needs of a consumer are driven by the influence of culture which the buyer in question is part of cultural factors can be divided as follows.

i. Culture ii. Sub Culture iii. Social Class
Culture is the most fundamental and basic determinant of a person’s needs as well as behaviour. Marketing organizations are relentless in their efforts to identify and subsequently respond to changes in culture which have an effect on consumption patterns.

This is needed for them to tailor their products and services to such changing needs of consumers.

Subculture also influences consumer behaviour and is distinguished in the following ways.

i. National groups
ii. Religious groups
iii. Racial groups
iv. Geographical areas

People belonging to a single nature and its culture have unique consumption patterns based on their tastes and habits. Religion also has its own role influencing consumer behaviour racial background of consumers to play its own role and finally geographical location of buyers also impact buyer behaviour.

Social classes are relatively homogeneous and endowing divisions in any society. There is a defined and predictable hierarchical order to such a group, and they share tastes and values which are alike and can be anticipated. Social scientists have identified and demarcated such socials class in the following ways.
Social class cannot be measured solely on the basis of income. Other factors like occupation, income, education, wealth and other such variables are to be taken into account. Ranking of such a class is done measuring inferiority or superiority based on this class in the society.

1.3.2 Social Factors: These factors are

a. Reference groups: Reference groups with whom the consumer is affiliated because of his profession and occupation.

b. Family: The family to which he is directly and completely attached and hence influenced. Marketers should take interest in catering to the needs of the immediate family members whose needs are directly attached to and dictated by the consumer.
c. Roles and Status: Some persons take active part in many groups like family clubs, organizations etc. and hence consume products which will cater to and enhance such status in the society. The marketers should produce goods and services that satisfy and improve such social status.

1.3.3 Personal Factors

A buyer’s decisions are also influenced by personal outward characteristics, not only the buyer’s age and life cycle stage, occupation, economic circumstances, life style, personality and self concept.

(a) Age and life cycle stage: People change goods and services that they buy over their span of life. Baby food is taken at the infant stage, all other eatables in the subsequent stage followed by a specified diet in later years. An individual’s taste for clothes, furniture, automobiles and also recreation is related to this age at any given point of time. Consumption also dictated by the then stage of family life cycle. Marketing companies target a given life cycle of a consumer to sell their products and services.

(b) Occupation: Occupation of a person has a vital influence on purchase of goods and services. Corporate create products and services aimed at influencing a customer’s purchasing patterns based on their occupation, an attempt is also made to specialize in the making of such products.

(c) Economic Circumstances: Economic Circumstances greatly influence choice of purchase of a product, and such circumstance consists of expendable income, savings, assets and buying power.
(d) **Life Style**: Life style is different for people from similar sub-cultures, social classes and also occupation. Life style is indicated by the person's daily activity, choices interests and ideas.

(e) **Personality and Self Concept**: Every person is unique in his or her own way and hence has a personality which is differed from all others. Hence, tastes and preferences of each person will be different from others.

1.3.4 **Psychological Factors**

Psychological factors also have a marked impart on buyer behaviour and are identifiable as motivation, perception, learning, beliefs and attitudes.

a. **Motivation**:

Motivation has been made famous and dealt with comprehensively and expertly by Sigmund Freud, Abraham Maslow and Frederic Hertzberg. Each of whom have in their own way explained motivation. Freud was the first to talk about the psychological stage that motivates a person like ID, Ego and Super Ego. Maslow's hierarchy of needs is a theory in psychology that Abraham Maslow proposed in his 1943 paper *A Theory of Human Motivation*, which he subsequently extended. His theory contends that as humans meet 'basic needs', they seek to satisfy successively 'higher needs' that occupy a set hierarchy. Maslow studied exemplary people such as Albert Einstein, Jane Addams, Eleanor Roosevelt, and Frederick Douglass rather than mentally ill or neurotic people, writing that "the study of crippled, stunted, immature, and unhealthy specimens can yield only a cripple psychology and a cripple philosophy." (Motivation and Personality, 1987)
Hertzberg categorized the factors into two types as maintenance factors and motivational factors. He said that, with the presence of the maintenance factors an employee does not increase his motivation level but with the presence of motivational factors he will be motivated very well and thereby pay his maximum efforts for the success of the organization.

b. Learning

Learning according to experts happens through a combination of and interplay of stimuli, drives causes responses and also reinforcement. Learning has taught marketing organizations to stimulate demand for their products and series using such drives, stimuli, causes, responses and positive reinforcement.

c. Perception:

Perception refers to the ideas and experiences that settle as beliefs of any person and can and will be different for each individual even if the experiences were same or similar. It needs mention here that internal and external factors play an indelible role in the shaping of ideas and perception for any given individual.

iv. Beliefs and Attitudes

Beliefs and attitudes are those which are picked up by any person through surroundings and their experiences and those of others surrounding them. These experiences take the shape of behaviour dictated by beliefs and attitudes. Needless to say such behaviour is also indicated by buying patterns.
1.3.5 Decision making process of a consumer

Decision making process involving a consumer is making a choice from the alternatives and options available, and the decision is obviously arrived at consciously after analysis, study and analysis of each option. The judgment of the choice of the best option available involves factors which influence the decision making process and understanding what goes behind such a decision made is the real challenge, what with the market providing a wide array of choices. The different persons who are involved in decision making can be:

1. Initiator: - Initiator is the person who suggests or puts the seed in the mind of the purchaser about the need for buying the product or service

2. Influencer: - Influencer is the person who actually nurses the initial idea or purchase in the mind of the buyer and has some kind of influence on the buyer’s decision or otherwise regarding purchase of the product

3. Decider: - Decider is the person who takes the final decision or shares in the decision making and it is the judgment of this decider which is paramount in the final purchase of the product

4. Purchaser: - Purchaser could also be a decider in the decision making and is the person who actually arranges for the resources or money to acquire the product or service

5. User: - User is the person who actually is the user of the product but who is not necessarily part of the ‘think-tank’ but is the person who actually makes use of the product or service

The stages of decision-making mentioned above are indicative of the various layers involved in the decision making of a customer, from the idea stage to the end-user stage. It is possible that one person can form a single layer or even multiple layers and there can be no fixed
layer or combination of layers for a buyer. For example and initiator can also be the influencer, the decision maker can also be the buyer and user as well; a single person can form all the layers in some cases, but that are extremely rare occurrences.

Attempting to know the social, psychological and cultural factors that impact this decision making process is important, different stages involved in the process can be explained as follows:

- Problem recognition
- Information search
- Evaluation of alternatives
- Purchase decision
- Post purchase behaviour

1.3.6 Problem recognition

The buying process starts with Problem recognition. The buyer recognizes a problem or need. The buyer senses a difference between his or her actual state and some desired state. The need can be triggered by internal stimuli. One of the person’s normal needs – hunger, thirst, and sex- raises to a level high enough to become a drive. From previous experiences, the person has learned how to cope with this drive and is motivated towards objects that he or she knows will satisfy. Or a need can be triggered by external stimuli. For example, if a person goes to a readymade shop to buy a dress for his child, he may admire his neighbour who comes in a new car, which may stimulate him to buy a similar or same Car. All of these can lead him to recognize a problem or need. At this stage, the marketer needs to determine the factors and situations that usually trigger consumer problem recognition. The marketer should research

31
consumer to find out what kinds of needs or problems arise, what brings them about, and how they lead the consumer to a particular product. By gathering such information, the marketer can identify the stimuli that most often trigger interest in the product and can develop marketing programs which involve these stimuli.

1.3.7 Information Search

An aroused consumer may or may not search for increased information and it depends on him developing a strong desire and if a product that satisfies his need then comes along the consumer may actually purchase the product. If he does not instantly decide to buy the product he may actually store the information in his memory which he may use later on with possible additional information to buy the product at a more suitable time and location. The drive or desire level may reach rare heights at some point which alone may be the driving point for the decision making process.

There are various sources from which the customer seeks information and each source has its own degree of influence in the final decision taken. Such sources can be personal which include family, friends, acquaintances; Commercial which include advertising, sales people, dealers, packaging and displays; Public source which includes mass media, consumer-rating organizations; and finally Experiential sources which consist of handling, examining, and using the product.

The degree of impact of each of the sources of information is dependent on the product directly and the buyer mindset as well, and this marketer must be aware of. How well he understands sources of information, the individual impact and collective influence, will
determine how well he has studied and understood the targeted market. Precision in this regard will do him a world of good in the short and long run.

1.3.8 Evaluation of alternatives

It has been seen till now how a consumer uses and evaluates the information that is available at his disposal in order to arrive at the final decision about the range of choices of a product and service. What goes through the consumer's mind before he decides on the final product is something that the marketer needs to thoroughly understand, which is also called alternative evaluation. There are no easily available solutions available which can be readily applied to understand alternative evaluation and it requires continuous and updated study at all times to keep abreast of new and developing needs of consumers from time to time.

Certain ground rules can be applied to understand the consumer evaluation process better, and they are:

i. Benefit that the consumer seeks from the product that suits his needs best

ii. Degree or amount of importance that the customer attaches to the product, how much does he need it and how soon

iii. Brand awareness or brand image that the consumer has, which is his own impression and perceptions developed over time

iv. Utility function or what purpose does the product serve to the consumer

v. What was the evaluation procedure that the customer has applied for his decision?
1.3.9 Purchase decision

In the evaluation stage, the consumer rates each brand and then makes buying decisions. Ideally the consumer would like to buy the most preferred brand but if the user and the buyer are different persons and if the user is dependent on the buyer for purchase of the product, chances are that the buyer will decide the amount to be spent on the product. That could mean the most economical brand of product will be purchased rather than the most preferred brand, regardless of the choice of the user. This is so in cases where the buyer has a direct influence on the user and actually takes the final decision on how much can be spent on the product, and that the user is totally dependent on the buyer and his attitude for purchasing the product.

The intention to purchase is also impacted by unexpected situational factors. For instance the purchase is based on factors like earning power and dispensable money at that point of time. That is something which can change because of the unexpected happening at short notice, a need which arises suddenly and which requires urgent and immediate attention. A decision that is made for a purchase can be affected by such sudden and unexpected happening because of which priorities can change. This also needs to be considered by a marketer and an allowance has to be made for such a thing which can happen.

It must be mentioned here that all decisions made after careful and extensive considerations need not result in the actual purchase of the product, and there is always the possibility of the decision being stalled for varied and sometimes unexplained reasons. It is also possible that the decision did not take into account something minor or trivial at that point which emerges as a crucial factor subsequently. The unknown risk factor also plays its own role in vetoing the final purchase decision, because of the fear of the unknown cropping up just when
the finalization is about to happen and can happen sometimes because of hasty and some other times because of a faulty analysis of all the options.

1.3.10 Post Purchase Behaviour

Having effected purchase of a product does not end the process for a marketer; actually the process starts at this point. A customer should use the product, find it suitable and palatable and the product should meet his overall expectations. This will result in the customer deciding to continue to use the product, and also mean that the customer might become loyal to the company or brand. The converse is bound to happen if the consumer is either partially or completely unhappy with the product. If the product exceeds the expectations of the consumer, it would be even better and can result in fierce loyalty to the product from the consumer, although such a situation is as rare as sunshine in the South Pole.

Exaggerating the features or benefits from the use of the product can create a dissatisfied consumer who will be unhappy that the product does not match his expectations. On the other hand understating the features and benefits from the use of the product can have its pitfalls in that the consumer might find temporary happiness in the product exceeding his expectations and once reality dawns on him he feels cheated, which in turn can make him switch to another brand. Examples can be the exaggerated ratings that media organizations project for their endeavours, something that has been found out and the trust in such ratings has totally evaporated to such an extent that the effort itself has become an exercise in futility. Response ratings of customers for media conducted programmes were at its inception a brilliant concept which has now been nullified by overambitious and overeager media companies.
Satisfying a customer partially or completely need not be the primary goal of a product making organization and the effort should be to allocate sufficient or adequate resources to create a quality product which would provide maximum mileage to the end-user which will ultimately satisfy the customer. Any compromise, even to a small extent will create a product which is inadequate and finally leave itself open to question and judgment. A product which creates a good word of mouth and continued patronage from the user is a product that would go the distance. Respecting the judgment and requirements of the customer should be the ultimate goal of a marketer, and that at all times would ensure the growth and sustenance of an organization.

1.4 Theoretical aspects of consumer behavior

Understanding the buying behavior of the target market is the essential task of marketing managers under marketing concept. But the study of consumer behavior is the most dynamic of all the marketing activates has the consumer preferences rapidly change and are affected by multiply by of factors at given point of time which are difficult to analyze. Therefore it is necessary to continuously study, analyze and understand it and monitor this understanding to the marketing management so that effective decisions can be taken in respect of products price promotions and distribution a marketer who understands how consumer will respond to different products features, prices advertising appeal and so on will have an enormous advertise over his computations.

When a buyer takes a decision to buy there is no rigid rule to bind him some times the decision is taken on the spot or after evaluating various alternatives available and reissuing himself with the opinion of those who have already purchase the product.
The buyer also influenced by the social environment in which he lives- his family, society neighbors, friends and colleagues. Every component of his social environment leaves an imprint on him and influences his buying behaviour.[21]

It amply clear from the above that buyer behaviour is a complex subject. Over the years several models have been forwarded with the intention of explaining buyer behaviour. All the social sciences like Economics, Psychology, Sociology and Anthropology have influenced the buyer behavior studies. In order to have an idea of the nature of this influence some of the important consumer behaviour models are discussed as follows.

1.4.1 The Economic Theory

The economic theory of consumer behavior was synthesized by Alfred Marshall from the ideas of classical economists and the proponents of the theory of marginal utility. The economic theory is based on the assumption that the individual is a rational buyer who has perfect information about the market, fully aware of his desires and needs and able to determine the best way to satisfy them.

The economists described man a rational buyer and viewed the market as a collection of homogeneous buyers. And area set of given conditions the buyers behave in a similar fashion and every buying decision is a logical process with the ultimate intention of obtaining optimum value for the money they spend. Price is regarded as strongest motivation. Through the model of economic man may help us to understand certain aspects of buyer's behaviour, it certainly cannot answer all the factors affection his behavior. It cannot be applicable in real life situation. Economists have often stated that consumers seek to allocate their resources to maximize satisfaction, but they have never been able to measure satisfaction or utility. The economics
theory deals with only price and income influence on consumer behavior and ignores many other aspects such as perceptions, attitudes, motivation, personality, learning process, social class and culture to understand these exogenous and endogenous variables that marketers turn to social scientists for psychological and sociological explanation of consumer behavior.

1.4.2 Learning Model

The stimulus response theory on learning model had its beginning with the Russian psychologists Ivan Pavlov. It is based on the experiments made by Russian Psychologists in which feeding of a dog was preceded by the sound of a bell and found that dogs behavior is conditioned, it is related to behavior producing stimulus (bell ringing) and behavior response (salivation).

The process of learning based on the four fundamental factors – drives, cues, response and reinforcement. Drive is a strong internal stimulus impelling action. The cue is a weak stimulus in the environment determining when, where and how an individual response to the drive. The action to cue is response. Finally, reinforcement takes place when the response is rewarding.

If the response to cue is rewarding the individual tends to repeat that response when the drive is aroused again. Repeated reinforcement leads to habit formation and the decision for individual becomes a routine affair.

Learning teaches marketers that they can build up demand for a product by associating it with strong drives, using motives as cues and providing positive reinforcement. This model helps the marketers in introducing a new brand into a highly competitive market. To build up brand loyalty free samples can be distributed. Learning model also provides guidelines for copy
strategy. To be effective as a cue and advertisement must arouse strong drives in the person. The strongest product related drives must identify.

Thus, the pavlovian model relates buyer behavior to the learning process and states that consumer's response is likely to depend on his experience and level of learning. Therefore, the model and suggests that marketers have to relate the product, brand offering to the internal drives of a consumer
text.

Learning is not a perfect predictor of behavior because a variety of other factors also influence a consumer. A pattern of repeatedly purchasing the same brand may be disrupted as a consumer may be influenced by advertisement of a new product or he may desire for variety or novelty. Or a temporary situation such as being short of money or pressed for time may produce behavior different than a learnt response. Thus, a learner response does not necessarily occur every time a stimulus appears.

1.4.3 Maslow's Hierarchy of Needs

Psychologists have put forward theories on consumer behavior. Dr. Abraham Maslow, a clinical psychologist formulated a widely accepted theory of human motivation based on the motion of a universal hierarchy of human needs. Maslow's theory postulates five basic of human needs which rank in order of importance from lower level needs to higher level needs.

The psychological needs are basic needs, they include the need to satisfy hunger, thirst, sleep, etc. for people who are well off, the psychological needs are met as a matter of routine, whereas for the poor a major part of their life is append in striving to meet these needs. Safety needs include needs relating to physical safety and economic and social security. Social needs come next in the ladder. They include the need for love and the need to belong. Esteem needs
come next in the hierarchy. They include the need for self esteem, the need for recognition by society and the need to be held in esteem by others. Self actualization needs include the need for self development and the needs to attain complete tuition of one’s capabilities and endowment. The actions of individuals are guided by their need structure and need level.

Thus, consumers dominated by the higher motives of esteem of self actualization will be expected to show interest in a great variety of products than consumers dominated by lower order motives. Although Maslow’s scheme is useful for general understanding of motives, it has limited use in attempting to predict specific behavior.

1.4.4 Psycho-Analytic Model

This model, the brain child Sigmund Freud has added new dimension to the theory of consumer behavior by introducing psychological elements of the consumer into their decision making. It offers most superior and innovative implications to the marketer for designing a product-message that suits the psychological needs of the consumer.

Freud mentioned that human mind is composed of three elements: the id, the Ego and the Super Ego. Instinctive needs are present in the Id, the Super Ego contains values that limit actions on ethical and moral considerations. Ego mediates between the unrestrict5ned needs of the Id and social constraints of Super Ego. Behavior thus, is a function of these three systems.

The Psycho-Analytical Theory helps the marketers to understand individuals real motive for purchasing a particular product or brand. It has caused marketers to realize that they provide consumers socially acceptable rationalization for their purchase.
1.4.5 Veblenian Social Psychological Model

The theories discussed above relate behavioral aspects mainly, to the economic and personality variables. But in reality, the personality variables are governed by social and cultural norms which the society has and in which consumer is living. These social influences exert pressure and mould individual behavior. Veblen saw man primarily as a social animal confirming to the general forms and norms of the culture surrounding him and to the more specific standards of the sub-culture and reference groups to which his life is bound. His wants and behavior and largely molded by his present group membership and the group membership to which he aspires. Thus, man's attitudes and behavior are influenced by several levels of society, culture, sub-cultures, social classes reference groups' ad family. The challenge to marketer is to determine which of these social levels are most important in influencing the demand for his product.

The Gestalt Theory:- This theory states that an individual perceives products and ideas as parts of the whole instead of isolated and segregated segments. It is based on the premise that total is different from the sum of its parts. This theory states that stimuli are perceived in relation to the organization of one's experience. Also, every person tends to organize parts of information and ideas into whole so as to respond to stimuli. It is so because perceptions based on parts differ from that based on the whole. Therefore, marketer should attempt to avoid action which by it may not be negative, but becomes so when combined with other parts of action already initiated or likely to be initiated. It is so because consumers will not think of only one action of marketer but the totality of the action.
Theory of Cognitive Dissonance:- Largely based on the Gestalt approach, the theory of cognitive dissonance was propounded by Festinger. This theory is based on the premise that a person strives towards consistency within his cognitive structure and attempts to reduce tension so as to make life more comfortable. Inconsistency, which has been called dissonance by Festinger, is a state of Psychological tension which may result from any decision for example, purchase of a product. Therefore, a consumer facing post-purchase decision anxiety will react in the following ways. He will attempt to reassure himself by obtaining information in support of the product purchased or avoid sources of information which increase dissonance or may seek information about the negative attributes of the rejected products and positive attributes of the product purchased.

Marketers may be profited by this theory by attempting to reduce the post purchase dissonance of their consumers. They may reassure their consumer about the wisdom of their purchase decision and reinforce their confidence in the product. This may be done by reassuring advertising, efficient after sale service and product use instruction manuals whose introducing remarks compliment consumers for their wise product choice.

1.4.6 The Nicosia Model

In recent years, some efforts have been made by marketing scholars to build buyer behaviour models totally from the marketing man’s stand point. The Nicosia model and Howard and Sheth Model are two important models in this category, where human being is analysed as a system with stimuli as the input and behavior as the output of the system.

Francesco M. Nicosia, a leading scholar in the study of consumer behavior propounded a comprehensive model in 1966 to analyse the consumer’s behavioural process. The model
concentrates on the communication process that occurs between a firm and a consumer. It uses a flow of events, tracing through a sequence of stages and each stage is identified as a field.

There are four stages or fields in the model. Field one represents the sources of firm's massage to the consumer's attitude. The field one is divided into two sub-fields, the first one includes consumers attributes which effect his reception of firm's message. The field two represents a search for and an evaluation of advertised products in comparison to other alternatives. In field three the consumer's motivation towards the advertised product results in the actual purchase of the product. Field four deals with use of purchased item and the output is feed back to the firm as stimulus and to the consumers as relation of the consequence of the purchase in the memory.

1.4.7 The Howard Seth Model

John A. Howard and Jagdish N. Sheth have developed a comprehensive model which presents numerous factors in attempting to explain consumer behavior. This model describes what happens in between receiving a stimulus (input) and the action what we call behavior (output). In this model four sets of variables are deemed to determine buyer behavior. These are:

1. Stimulus-input variables from social environment and marketing programme of a firm.

2. Internal variables that together show the state of the buyer (buyer’s motives, attitudes, experiences, perceptions etc.)

3. Exogenous variables that affect the internal state of the buyer (these include social class, culture, time pressure and financial status of the buyer).
4. Response-output variable (buyer’s behavior based interaction of the first three sets of variables). Thus, this model explains in a logical and elegant structure a large number of variables known to operate in purchase behavior.

1.4.8 Engel Blackwell and Kollat Model

This model treats an individual as being a system with output that respond to input. This model recognizes the existence of intervening variables in between initial inputs and final outputs. This model takes into account an individual’s psychological makeup (personality, attitudes, stored information, learning experiences and evaluate criteria) as well as environment inputs that affect individual behavior.

Blackwell and Kollat Model involves four basic components: Central Control Unit, Information processing, The Decision Process and Environmental influences. The Central Control Unit consists of stored information and experience, evaluation criteria, attitudes and personality that affect a person’s mental process. The information processing component consists of the consumer’s exposure, attention, comprehension and retention of information relating to the product of brand. The Decision Process component of the model is environmental influence which affects the consumer at various stages in the decision making process. The main environmental factors are income, culture, family and social class. Situational influences such as consumer’s financial conditions also influence the decision process.

Over the years, several models have been put forward with the intention of explaining buyer behavior. They neither fully explain the complex subject of buyer behavior nor do they establish a straight input-output equation on buyer behavior. None of them provide a precise
answer to why's and how's of buyer behavior. They merely explain under currents of human behavior from different angles and premises.

However, these models are of significance as they provide a framework of reference for future research; the findings of such a research can be integrated into a meaningful whole. They are useful in building up a theory and provide comprehensive explanation for the performance of entire system.

1.5 Influence of 4 Ps on Consumer Behaviour

It is already a well known and studied fact that cultural, social, personal and psychological factors have an influence on Consumer Behaviour. As experts and research findings on consumer behaviour had already mentioned, each of the afore-mentioned factors influence consumer behaviour.

The Culture and surroundings in which the consumer grows have a direct and deep impact on his behaviour and there are various stages in the consumer's life cycle that define the kind and degree of influence of culture on consumption patterns. Similarly social impact on the consumer is reflected in consumption patterns and includes the reference group, family and also social status at any given point of time. Then personal factors also have a direct influence on a consumer and his consumption patterns of products and services and the personal factors include Age and life cycle stage, Occupation, Economic Circumstances, Life Style, Personality and Self Concept. Psychological factors also impact a consumer's behaviour and include factors like Motivation, Learning, Perception, Attitudes and beliefs.

While there are a host of other factors which have impacted consumer behaviour, the above-mentioned factors have a more basic and direct influence on consumer behaviour, and it
would be in the best interests of manufacturers and marketers to consider each of the above-mentioned factors individually, collectively and carefully to be able to get desired results from their efforts at profit making.

It would be stating the oblivious if it is mentioned that the Product, Price, Place and Promotion have a bearing on Consumer Behaviour, directly or indirectly. Each of the 4 Ps have the Consumer as the focal point of marketing and selling efforts and it would be pertinent at this point to explain how each impacts the behaviour of the consumer.

The Product as we all know is the first step in the effort to cater to the needs of the end user or the consumer, and a lot of thought and effort goes into the process. Predicting and anticipating the consumption patterns of the customer, his needs, his requirements, his culture, tastes, mindset etc and is a complex process which is not very easy to understand and predict but is an extremely worthwhile exercise. To quote and example, a whole lot of money has been spend and research and development conducted in evaluating and analyzing the consuming patterns of soft drinks and beverages across the world, particularly in India. While there has been a consistent and ever increasing consumption of different brands and types of soft drinks, it was assessed that the consumer would either be bored of drinking the same or similar drinks every time, a conscious and concerted effort was made to innovate and provide a much greater variety for the customer to choose from and enjoy drinking, not to mention the differing quantities and packaging that was provided so that every section of consumers of all ages got what they wanted in the quantity that each preferred to drink. A striking example and case in point is Maaza, the Mango beverage that even provided small sachets of the soft drink which spread across the market in India like wildfire. This was one of the better examples of innovation that showed the
organization in good light, not sitting on past laurels and thinking more and more about what new and better that can be given to a customer before the customer can ask for better service.

While the above example illustrates the fact that a product defines and justifies the organization's understanding and assessment of which product sells, the message is loud and clear, 'the more you innovate and improvise, the better you consolidate an already captured market for your product'. Unlike the pre-liberalisation market where market leaders were near monopolies, today with the entry of Multinationals and with the advent of ambitious and confident Entrepreneurs of home grown corporate, better and better services and features and customer satisfaction at all times are the mantras for survival and growth and also longtime market standing. Complacency can only spell doom for any organization which takes its market position and leadership for granted. Also the size of the company no longer matters, the quality of the product and service are all that matter.

While modern consumption trends of consumers are more driven by quality and not the price alone, companies can underestimate the role of Price in consumer behaviour at their own peril. Pricing of a product is a real indicator of the precision of an organisation's assessment of the true value of their product and the consumer's reaction and assessment of what the customer feels is the amount of money that he can spend on the product and service. This at most times is the key to getting results for an organization, how well and precisely has the organization been able to assess the consumer for his product, his needs and satisfaction parameters, his product Vis a Vis competition, and how well he has positioned the product. While there can be no perfect assessment about what the consumer exactly requires and what is the exact price that the product should sell at, getting closest to the satisfaction and pricing mix for the product is vital to the existence and thrift for the product and hence the organization.
In an open and well educated market like ours, the consumer is prepared to spend a good amount of money if he can be convinced that the product is worthwhile and is better than similar competing products.

The place of the product and service has an indirect bearing on the entry and subsequent growth of a product in a given market. Accessibility of a product and also the speed of access have a direct impact on the consumption patterns of customers. For instance imported cars take a lot of time and extra cost to reach the end user, and subsequently cannot be easily and regularly serviced, and hence lots of the time even a customer who can afford to spend on such imported cars and the extra sum to have the vehicle imported and also for the upkeep of the product, would at most times prefer a better local alternative for the ease and convenience and also the lesser cost involved. On the other hand, the Handy Cameras are as yet not easily available in our country and come at a steep price are still purchased because the total cost involved is easily affordable and the use and wear and tear are much lesser. Also these products are easy to store and carry apart from long terms benefits from their usage. It needs mention here that shipping of almost any product has become much easier and efficient than ever before and hence place of the product is fast becoming irrelevant and insignificant. The introduction of efficient and innovative transportation for products and services and to add to that the competitive pricing for such services has made the customer happier and more satisfied. It can be said that as far as transportation and shipping service for products, the customer is spoilt for choice.

Product Promotion is fast becoming the most influential factor in consumer behaviour and in fact is being used as a tool to influence consumer behaviour. The electronic medium of Product Promotion has brought about a revolution in medium and methods being used to impact consumers, and without any doubt, has been used by corporate to package and present their
products to potential users in such a way that the quality of the product and its features has sometimes become irrelevant. The multitude of advertising options and the fact that all companies have taken to advertising to promote and protect their products and services. The advent of innovative and inventive advertisements, media like the print and electronic medium like TV and Internet which have helped spread messages and advertising to a huge audience, product promotion has become seamless and is actually being used by companies to project features of their product which sometimes either do not exist or are not completely true. Having said that, modern advertising techniques and trends have had a huge impact on the selling patterns and plans of manufacturing and selling organizations and also the consumption patterns of the modern consumer. Advertising has had such an overwhelming impact on product promotion and consumption trends that consumers have discovered new and innovative needs for products available in the market. A customer today has become to utilize products and services like never before, and consumption is so conspicuous as to defy the actual concept of need based consumption. For instance, Mobile phones have found new uses and users who otherwise have no necessity or reason to communicate and have spread so much and so fast that even daily wage workers, old persons and also children and teenagers have begun to use mobile phones to communicate where otherwise they would have no need to converse. Adding to the burgeoning mobile users community’s needs for receiving and sending communication is the use of the SMS or the short messaging service which has revolutionized advertising and given it new wings, and this has become a major market in its own right.

The advent of MNC and their products that are also competing for local space with native products has only raised the expectations and requirements of the consumer, and ‘the sky is not the limit’ for today’s consumer. In fact, more earning power and the subsequent increase in
spending power has had consumers demanding more and more from organizations' products and services, and the fact that native organizations and MNCs are falling over each other to make the customer and satisfy their every need.

A note must be made of the fact that advertisement through the internet is still in the nascent stages and which will hopefully evolve to a more sensible and mature model which will provide more correct and complete information from the seller than it is currently providing, unauthentic and without any or sufficient validation.
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