
UNIT 7 CONSUMER BEHAVIOUR

- 7.1 Introduction**
- 7.2 Objectives**
- 7.3 Meaning of Consumer Behaviour**
- 7.4 Objectives of Consumer Behaviour**
- 7.5 Significance of Consumer Behaviour**
- 7.6 Consumer Buying Behaviour Process**
- 7.7 Consumer Buying Behaviour**
- 7.8 Factors Affecting Consumer Behaviour**
- 7.9 Categories of Consumers**
- 7.10 Consumer Adoption Process**
- 7.11 Summary**
- 7.12 Glossary**
- 7.13 Answer to Check Your Progress**
- 7.14 Reference/ Bibliography**
- 7.15 Suggested Readings**
- 7.16 Terminal Questions**

7.1 INTRODUCTION

Consumer behavior is the study of the actions and decisions made by individuals or households when they search for, purchase, use, and dispose of products and services. It involves understanding why and how consumers make decisions and what motivates them to purchase a particular product or service.

Consumer behavior is a crucial aspect of marketing, as it helps businesses understand their target audience and develop effective marketing strategies that resonate with them. By analyzing consumer behavior, businesses can gain insights into factors that influence purchasing decisions, such as cultural, social, personal, and psychological factors.

The study of consumer behavior is multidisciplinary, drawing from fields such as psychology, sociology, anthropology, economics, and marketing. It is a dynamic and constantly evolving field, influenced by technological advancements, changing consumer preferences, and cultural shifts.

Thus, the study of consumer behavior is essential for businesses to develop effective marketing strategies that appeal to their target audience and encourage them to make a

purchase. It involves analyzing a variety of factors that influence consumer decisions and is a multidisciplinary field that continues to evolve with changing consumer preferences and technological advancements.

7.2 OBJECTIVES

After reading this unit you will be able to understand:

- Consumer Behaviour.
- Objectives and significance of Consumer Behaviour.
- Consumer Buying Behaviour Process.
- Factors Affecting Consumer Behaviour and consumer adoption process.

7.3 MEANING OF CONSUMER BEHAVIOUR

Consumer behavior refers to the actions and decisions made by individuals, households, or organizations when they search for, purchase, use, and dispose of goods and services in order to satisfy their needs and wants. It involves the study of how consumers make choices, including their psychological, social, cultural, and economic factors that influence their behavior. This includes their motivations, attitudes, beliefs, and perceptions, as well as their decision-making processes, such as information search, evaluation of alternatives, and post-purchase behavior. Understanding consumer behavior is important for businesses to develop effective marketing strategies and create products and services that meet the needs and wants of their target customers.

Consumer behavior is a complex process that involves a wide range of psychological, social, cultural, and situational factors. These factors can influence consumer decisions in various ways, and understanding them is critical for companies looking to create products and services that resonate with their target audience.

One of the most important psychological factors that influence consumer behavior is motivation. Consumers are motivated by a wide range of needs, including physiological needs such as hunger and thirst, safety needs, social needs such as belongingness and love, esteem needs such as status and prestige, and self-actualization needs such as personal growth and fulfilment. Understanding what motivates consumers is essential for companies to create products and services that meet those needs.

Another psychological factor that influences consumer behavior is perception. Consumers perceive products and services in different ways, and their perception can be influenced by various factors such as previous experiences, cultural background, and personal biases.

Companies must understand how consumers perceive their products and services to create effective marketing messages that resonate with their target audience.

Social factors also play a critical role in consumer behavior. Consumers are influenced by their family, friends, and other reference groups, and they often look to these groups for guidance and support when making purchase decisions. Cultural factors such as beliefs, values, and customs also influence consumer behavior and can impact how consumers perceive products and services.

Situational factors such as time, place, and mood also influence consumer behavior. For example, consumers may be more likely to make impulse purchases when they are in a hurry or feeling stressed. Understanding these situational factors is essential for companies to create marketing strategies that are tailored to the specific needs and wants of their target audience.

Thus, understanding consumer behavior is critical for companies looking to create products and services that meet the needs and wants of their target audience. By studying the various factors that influence consumer behavior, companies can develop effective marketing strategies that resonate with consumers and drive business success.

Definition of Consumer Behaviour

According to *American Marketing Association*, consumer behaviour can be defined as "the dynamic interaction of affect and cognition, behaviour, and environmental events by which human beings conduct the exchange aspects of their lives."

According to *Hawkins, Best, and Coney*, 2001, p7, Consumer behaviour can be defined as "the study of individuals, groups or organisations and the processes they use to select, secure, use and dispose of products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society".

According to *Satish K. Batra and S. H. H. Kazmi*, 2004, Consumer behaviour is "the mental and emotional processes and the observable behaviour of consumers during searching purchasing and post consumption of a product and service.

7.4 OBJECTIVES OF CONSUMER BEHAVIOUR

The objectives of studying consumer behavior are as follows:

1. **Understanding consumer needs and wants:** Understanding consumer behavior can help companies identify the needs and wants of their target customers. By analyzing consumer behavior, businesses can identify the factors that influence consumer decisions, such as demographics, lifestyle, personality, and culture. This information can be used to develop products and services that meet consumer needs, and to create marketing messages that resonate with them.
2. **Developing effective marketing strategies:** Consumer behavior research can help companies develop effective marketing strategies. By analyzing consumer behavior,

businesses can identify the most effective channels to reach their target audience, such as social media, email, or television ads. They can also determine the best messaging to use to persuade consumers to make a purchase, such as highlighting the benefits of the product or service, or using emotional appeals.

3. **Evaluating and improving products and services:** Understanding consumer behavior can help companies evaluate their products and services and identify areas for improvement. By gathering feedback from customers, companies can identify the strengths and weaknesses of their products and services, and make changes to improve their quality. This can help enhance customer satisfaction, build loyalty, and increase sales.
4. **Identifying new opportunities:** Consumer behavior research can help businesses identify new market opportunities. By analyzing consumer behavior, companies can identify emerging trends and changing consumer preferences, and create products and services that meet these new needs. This can help companies stay ahead of the competition and grow their market share.
5. **Enhancing customer loyalty:** By understanding consumer behavior, companies can develop strategies to enhance customer loyalty. They can create products and services that meet the needs and wants of their customers, provide excellent customer service, and engage with their customers to build long-term relationships. This can help increase customer retention, reduce churn, and generate repeat business.

Thus, studying consumer behavior is essential for businesses to succeed in today's competitive marketplace. By understanding consumers and their behavior, businesses can develop effective marketing strategies, create products and services that meet consumer needs, and build strong relationships with their customers.

7.5 SIGNIFICANCE OF CONSUMER BEHAVIOUR

The significance of consumer behavior is as follows:

1. **Market segmentation:** Consumer behavior research helps businesses to identify different market segments based on characteristics such as age, income, lifestyle, and purchasing behavior. By understanding these market segments, businesses can develop targeted marketing strategies that resonate with each group. This can lead to increased sales and brand loyalty.
2. **Brand positioning:** Consumer behavior research provides insights into the attitudes, beliefs, and values of consumers towards brands. This information can be used to develop a brand positioning strategy that differentiates the business from its competitors. By positioning the brand in a way that resonates with the target audience, businesses can increase brand awareness, loyalty, and sales.

3. **New product development:** Consumer behavior research provides insights into the needs and wants of consumers, including their preferences for product features and benefits. This information can be used to develop new products that meet the changing needs of consumers. By developing products that meet the needs of consumers, businesses can gain a competitive advantage and increase sales.
4. **Pricing strategies:** Consumer behavior research provides insights into the factors that influence consumer purchasing decisions, including price sensitivity. This information can be used to develop effective pricing strategies that maximize revenue and profit. By setting prices that are consistent with consumer expectations, businesses can increase sales and revenue.
5. **Distribution strategies:** Consumer behavior research provides insights into the purchasing behavior of consumers, including where and how they prefer to shop. This information can be used to develop effective distribution strategies that make products easily accessible to the target audience. By making products available where and when consumers want them, businesses can increase sales and customer satisfaction.
6. **Customer retention:** Consumer behavior research provides insights into the factors that influence customer satisfaction and loyalty. This information can be used to develop effective customer retention strategies that keep customers coming back. By providing excellent customer service and meeting the needs of customers, businesses can increase customer loyalty and repeat business.
7. **Predicting future trends:** Consumer behavior research can help businesses to predict future trends in the market. By analyzing current and past consumer behavior data, businesses can identify emerging trends and adapt their strategies accordingly. By staying ahead of the curve, businesses can gain a competitive advantage and increase sales.

Thus, the study of consumer behavior is significant because it helps businesses to understand their target audience, develop effective marketing strategies, differentiate themselves from their competitors, develop new products that meet changing consumer needs, set prices that maximize revenue, develop distribution strategies that make products easily accessible, retain customers, and predict future trends. By using this information to inform their decision-making, businesses can increase their chances of success in the market.

7.6 CONSUMER BUYING BEHAVIOUR PROCESS

The consumer buying behavior process refers to the steps that consumers go through when making a purchasing decision. Various stages of consumer buying behaviour process are as follows:

1. **Need Recognition:** This stage occurs when a consumer recognizes that they have a problem or a need that they want to satisfy. The need can be triggered by internal or

external factors. For example, an internal factor could be a person feeling thirsty and recognizing the need to buy a drink, while an external factor could be seeing an advertisement for a new phone and realizing that their current phone is outdated.

2. **Information Search:** Once the consumer has recognized a need, they will start searching for information about products or services that can satisfy that need. They may use a variety of sources such as online reviews, recommendations from friends or family, advertisements, or salespeople. The amount of information search can depend on the complexity and importance of the purchase decision. For example, a consumer may conduct extensive research before buying a car, but may not spend as much time researching a pack of gum.
3. **Evaluation of Alternatives:** After gathering information about different options, the consumer will evaluate each alternative based on factors such as price, quality, and availability. They may also consider personal factors such as brand loyalty or previous experience with a product. This evaluation process will help the consumer narrow down their options and make a final decision.
4. **Purchase Decision:** Once the consumer has evaluated their options, they will make a decision on which product or service to purchase. This decision will be based on the consumer's evaluation of the alternatives as well as their personal preferences and budget. The purchase decision can also be influenced by external factors such as sales promotions, discounts, or availability of a product.
5. **Post-purchase Evaluation:** After making a purchase, the consumer will evaluate their satisfaction with the product or service. This evaluation can be positive or negative, and can influence the consumer's decision to purchase the same product or service again in the future. If the consumer is satisfied with their purchase, they may become loyal to the brand and purchase the same product or service in the future. If the consumer is dissatisfied, they may return the product, leave a negative review, or choose a different brand in the future.

Thus, understanding the consumer buying behavior process can help businesses customise their marketing and sales strategies to better meet the needs of their target consumers. For example, a business can use advertising to trigger need recognition, provide detailed product information to aid in the information search stage, offer promotions or discounts to influence the purchase decision, and provide excellent customer service to encourage positive post-purchase evaluation.

7.7 CONSUMER BUYING BEHAVIOUR

Roles of a Buyer

Roles played by a buyer at the time of buying decision, includes:

1. **Initiator:** The initiator is the person who first recognizes a need or a problem that requires a purchase. They may be the consumer themselves, or they could be someone else who influences the consumer's decision, such as a family member or friend. Initiators can be triggered by various factors, such as an advertisement, a recommendation, or a personal experience.
2. **Influencer:** The influencer is someone who provides information or advice to the consumer during the decision-making process. They may have expertise in the product or service being considered, or they may simply be someone the consumer trusts and respects. Influencers can play a significant role in shaping the consumer's perception of the product or service, and they may be influential in determining which brand or product the consumer ultimately chooses.
3. **Decider:** The decider is the person who ultimately makes the decision to buy or not to buy. This could be the consumer themselves, or it could be someone else, such as a parent or a spouse. Deciders are typically responsible for evaluating the options available, weighing the pros and cons of each, and making a final decision based on a variety of factors, such as price, quality, and convenience.
4. **Buyer:** The buyer is the person who actually makes the purchase. This could be the consumer themselves or someone else, such as a personal shopper or a procurement officer. Buyers are responsible for executing the transaction, and they may be influenced by factors such as availability, price, and convenience.
5. **User:** The user is the person who will be using the product or service. This could be the consumer themselves or someone else, such as a child or a colleague. Understanding the needs and preferences of the user is important for businesses, as it can impact the user's satisfaction with the product or service, and may influence their decision to make repeat purchases or recommend the product to others.

Thus, understanding the different roles that consumers can play in the decision-making process can help businesses tailor their marketing efforts to the right individuals, and can also help them to develop products and services that meet the needs and preferences of their target audience.

Buying Decisions

There are different types of buying decisions that consumers may make, depending on the level of involvement and the amount of time and effort they put into the decision-making process. The different types of buying decisions are as follows:

1. **Routine Buying Decision:** These are buying decisions that consumers make frequently and with little thought or effort. Consumers have established preferences and habits when it comes to routine purchases. They are usually low-involvement decisions, meaning that consumers do not invest a lot of time or effort into researching their options. Instead, they rely on their past experiences and habits to

make the purchase. Businesses can influence routine buying decisions by maintaining a consistent product quality, price, and availability.

2. **Limited Buying Decision:** These are buying decisions that consumers make with some thought and effort, but without extensive research or evaluation. Consumers may have a few criteria in mind when making these purchases, but are not necessarily looking at a wide range of options. Businesses can influence limited buying decisions by providing clear information about their products, highlighting their unique selling points, and offering competitive pricing.
3. **Extensive Buying Decision:** These are buying decisions that consumers make after a lot of research and evaluation of options. Consumers will typically spend a lot of time and effort comparing different brands, features, prices, and reviews before making a final decision. These are high-involvement decisions, meaning that consumers invest a significant amount of time, effort, and emotional energy into the process. Businesses can influence extensive buying decisions by providing detailed information about their products, addressing consumer concerns and questions, and building trust and credibility with their target audience.
4. **Impulse Buying Decision:** These are buying decisions that consumers make on the spot, often without much thought or planning. Consumers may be influenced by factors such as sales, promotions, or the immediate desire for gratification. Businesses can influence impulse buying decisions by creating a sense of urgency or scarcity, using attractive packaging, and offering promotions or discounts.
5. **Emotional Buying Decision:** These are buying decisions that consumers make based on their emotions, rather than on rational factors such as price or quality. Consumers may be influenced by factors such as social pressure, status, or personal values. Businesses can influence emotional buying decisions by using emotional appeals in their advertising, appealing to consumers' values and beliefs, and creating a sense of exclusivity or prestige around their products.

Buying Behavior

The various types of buying behavior that consumer's exhibit when making purchase decisions, are as follows:

1. **Complex Buying Behavior:** This type of behavior is seen when consumers make high-involvement purchase decisions, such as buying a car, a house, or expensive electronics. Consumers engage in extensive research, compare different options, and make a deliberate and thoughtful decision. Marketers need to provide detailed information about the product, including its features, benefits, and performance, and may need to use salespeople to provide expert advice and address any concerns or questions. They may also offer financing options, warranties, or service plans to reduce perceived risk and increase the likelihood of purchase.

2. **Dissonance-Reducing Buying Behavior:** This type of behavior occurs when a consumer is faced with a high-involvement purchase decision but experiences post-purchase dissonance or doubt about whether the decision was the right one. Marketers need to reassure the consumer by emphasizing the positive features and benefits of the product, and may offer money-back guarantees or warranties to reduce the perceived risk. They may also follow up with the customer after the purchase to address any concerns or issues.
3. **Habitual Buying Behavior:** This type of behavior is seen when consumers make low-involvement purchase decisions, such as buying routine household items like milk or bread. Consumers have established purchasing habits and do not engage in extensive research or evaluation. Marketers need to maintain consistent product quality, price, and availability, and may use promotions or discounts to encourage repeat purchases. They may also use point-of-purchase displays or advertisements to reinforce brand loyalty.
4. **Variety-Seeking Buying Behavior:** This type of behavior occurs when a consumer is looking for a change or variety in their purchasing decisions. Consumers may try different brands or products, even if they are satisfied with their current brand. Marketers need to offer a range of options, differentiate their products from competitors, and use promotional strategies to encourage trial and repeat purchases. They may also offer new or limited-edition products to attract consumers who are seeking variety.
5. **Impulse Buying Behavior:** This type of behavior occurs when a consumer makes an unplanned purchase decision, often influenced by emotions or situational factors such as a sale or limited-time offer. Marketers need to create a sense of urgency or scarcity, use attractive packaging or displays, and offer promotions or discounts to encourage impulse purchases. They may also use location-based marketing, such as placing products near checkout counters or in high-traffic areas, to increase the likelihood of impulse purchases.



Check Your Progress-A

Fill in the blanks.

1. type of behavior occurs when a consumer is faced with a high-involvement purchase decision but experiences post-purchase dissonance or doubt about whether the decision was the right one.
2. buying decisions that consumers make frequently and with little thought or effort

7.8 FACTORS AFFECTING CONSUMER BEHAVIOUR

Consumer behavior is influenced by a variety of factors, which are as follows:

1. **Cultural Factor:** Cultural factors can have a significant impact on consumer behavior. Culture refers to the shared values, beliefs, customs, and traditions of a particular group or society. Cultural factors can influence consumer behavior as follows:
 - 1.1. **Attitudes towards products:** Different cultures may have different attitudes towards certain products or behaviors. For example, in some cultures, it may be considered impolite to wear shoes inside the house, while in others it may be the norm. Marketers need to be aware of these cultural differences and develop products and marketing campaigns that are sensitive to cultural norms and expectations.
 - 1.2. **Language and communication:** Language and communication can also be affected by cultural differences. Marketers need to consider the languages spoken by their target audience and ensure that their marketing messages are translated and culturally appropriate.
 - 1.3. **Symbols and icons:** Symbols and icons can have different meanings in different cultures. Marketers need to be aware of these cultural differences and ensure that their marketing campaigns use symbols and icons that are appropriate and meaningful to their target audience.
 - 1.4. **Religious and spiritual beliefs:** Religious and spiritual beliefs can also influence consumer behavior. For example, some religions may prohibit the consumption of certain foods or products. Marketers need to be aware of these religious and spiritual beliefs and develop products and marketing campaigns that are sensitive to them.
 - 1.5. **Social structure and hierarchy:** Social structure and hierarchy can also be influenced by cultural factors. In some cultures, social status is highly valued and may influence purchasing decisions. Marketers need to be aware of these cultural differences and develop products and marketing campaigns that appeal to different social classes.
2. **Social Factor:** Social factors can have a significant impact on consumer behavior. Social factors refer to the various social influences that can affect a consumer's buying behavior. Social factors influence consumer behavior as follows:
 - 2.1. **Family:** The family can have a powerful influence on consumer behavior. For example, parents may make purchasing decisions on behalf of their children, and spouses may influence each other's purchasing decisions.
 - 2.2. **Reference groups:** Reference groups are groups of people who influence a consumer's attitudes and behavior. These can include friends, co-workers, and social media influencers. Consumers may seek to conform to the opinions and behaviors of their reference groups.

- 2.3. **Social class:** Social class can also have an impact on consumer behavior. Consumers from different social classes may have different priorities and preferences when it comes to products and services.
 - 2.4. **Culture:** As mentioned before, culture can also be considered a social factor, as it influences the shared values, beliefs, customs, and traditions of a particular group or society.
 - 2.5. **Demographics:** Demographic factors such as age, gender, and income can also influence consumer behavior. Different demographic groups may have different preferences and priorities when it comes to products and services.
 - 2.6. **Social media:** Social media has become a powerful social influence in recent years. Consumers may be influenced by social media influencers, user-generated content, and social media advertising.
3. **Personal Factor:** Personal factors can have a significant impact on consumer behavior. Personal factors refer to the various individual characteristics that can influence a consumer's buying behavior. Personal factors influence consumer behavior as follows:
 - 3.1. **Age and life stage:** Different age groups may have different preferences and priorities when it comes to products and services. For example, younger consumers may be more interested in technology and fashion, while older consumers may prioritize health and wellness products.
 - 3.2. **Gender:** Gender can also influence consumer behavior, as different genders may have different preferences and priorities when it comes to products and services.
 - 3.3. **Income:** Income can be a major factor in determining a consumer's purchasing power and willingness to spend on different products and services.
 - 3.4. **Education:** Education level can also influence consumer behavior, as consumers with higher levels of education may be more interested in products and services that are innovative, environmentally friendly, or socially responsible.
 - 3.5. **Personality:** Personality traits can also influence consumer behavior. For example, consumers who are more extroverted may be more likely to purchase products that enhance their social status or help them connect with others.
 - 3.6. **Lifestyle:** Lifestyle factors such as hobbies, interests, and values can also influence consumer behavior. Consumers who prioritize health and wellness may be more interested in organic food and fitness products, while consumers who prioritize sustainability may be more interested in eco-friendly products.
 4. **Psychological Factor:** Psychological factors can have a significant impact on consumer behavior. Psychological factors refer to the various psychological influences that can affect a consumer's buying behavior. Psychological factors influence consumer behavior as follows:

- 4.1. **Motivation:** Motivation is a driving force behind consumer behavior. Consumers may be motivated by a variety of factors, including personal needs, desires, and goals. Marketers need to understand consumers' motivations and develop products and marketing messages that appeal to those motivations.
- 4.2. **Perception:** Perception refers to how consumers interpret and make sense of information. Consumers may perceive products and marketing messages differently depending on their personal experiences, beliefs, and values.
- 4.3. **Learning:** Learning refers to how consumers acquire and retain knowledge about products and services. Consumers may learn about products and services through personal experience, word of mouth, advertising, or other sources.
- 4.4. **Attitudes:** Attitudes refer to consumers' overall evaluations of products and services. Consumers may have positive or negative attitudes towards different products and services, which can influence their purchasing decisions.
- 4.5. **Personality:** Personality traits can also influence consumer behavior. Consumers with different personality traits may be more or less likely to purchase certain products or services.
- 4.6. **Lifestyle:** Lifestyle factors such as hobbies, interests, and values can also influence consumer behavior. Consumers with different lifestyles may have different preferences and priorities when it comes to products and services.
5. **Economic Factor:** Economic factors can have a significant impact on consumer behavior. Economic factors refer to the various economic influences that can affect a consumer's buying behavior. Economic factors influence consumer behavior as follows:
 - 5.1. **Income:** Income is a major economic factor that can influence consumer behavior. Consumers with higher incomes may be more willing to spend on luxury or high-end products, while consumers with lower incomes may prioritize affordability and value.
 - 5.2. **Price:** Price is another economic factor that can influence consumer behavior. Consumers may be more or less likely to purchase a product or service depending on its price point and perceived value.
 - 5.3. **Employment:** Employment status can also influence consumer behavior. Consumers who are employed may be more willing to spend on non-essential products and services, while consumers who are unemployed or underemployed may prioritize basic necessities.
 - 5.4. **Inflation:** Inflation can also impact consumer behavior, as rising prices can make it more difficult for consumers to afford certain products and services.
 - 5.5. **Interest rates:** Interest rates can also influence consumer behavior, particularly when it comes to big-ticket purchases such as homes or cars. Consumers may be more or

less likely to make these types of purchases depending on the prevailing interest rates.

- 5.6. **Economic conditions:** Economic conditions, such as recessions or booms, can also impact consumer behavior. During times of economic uncertainty, consumers may be more cautious about their spending and prioritize essential products and services.

7.9 CATEGORIES OF CONSUMERS

Based on their adoption behavior consumers can be categorised as:

1. **Innovators:** Innovators are the first consumers to adopt a new product or technology. They are typically risk-takers and are willing to take a chance on new and untested products. They tend to be highly educated, financially stable, and have a high tolerance for uncertainty. Innovators often serve as opinion leaders in their communities and can influence the purchasing decisions of early adopters.
2. **Early Adopters:** Early adopters are the second group of consumers to adopt a new product or technology. They are typically well-connected, socially active, and hold positions of influence in their communities. They are often opinion leaders and are respected for their knowledge and expertise. Early adopters tend to be more discerning than innovators and will only adopt new products or technologies that they believe have significant potential.
3. **Early Majority:** The early majority is the largest group of consumers to adopt a new product or technology. They are more risk-averse than innovators and early adopters and tend to be more practical in their purchasing decisions. They need to see evidence that a new product or technology is reliable, effective, and provides good value for money before they will adopt it.
4. **Late Majority:** The late majority is the group of consumers that adopt a new product or technology only after it has become mainstream. They are skeptical of new products or technologies and need significant social proof before they will adopt them. They tend to be more traditional and prefer to stick with products or technologies that are tried and tested.
5. **Laggards:** Laggards are the last group of consumers to adopt a new product or technology. They are typically older, less educated, and less financially stable than other consumer groups. They are resistant to change and prefer to stick with familiar products or technologies. They may adopt new products or technologies only when they are no longer able to purchase their preferred products or when the new products or technologies have become the only available option.

8.10 CONSUMER ADOPTION PROCESS

The consumer adoption process is the process that a consumer goes through when they become aware of, consider, and then adopt a new product or service. The five stages of the consumer adoption process are as follows:

- 1 **Awareness:** In this stage, the consumer becomes aware of the new product or service. This can happen through advertising, word of mouth, social media, or other forms of promotion. The goal of marketing in this stage is to create brand awareness and generate enough interest to encourage the consumer to learn more. Marketers may use a variety of tactics such as advertising, PR, and influencer marketing to generate awareness.
- 2 **Interest:** In this stage, the consumer expresses an interest in the new product or service. They may seek out more information, visit a store or website, or request a sample or trial. The goal of marketing in this stage is to provide enough information and incentives to keep the consumer engaged and interested. Marketers may use tactics such as content marketing, email marketing, or social media advertising to keep the consumer interested.
- 3 **Evaluation:** In this stage, the consumer evaluates the new product or service against other options. They consider the benefits, features, price, and quality and compare it to other products or services in the same category. The goal of marketing in this stage is to differentiate their product or service from the competition and convince the consumer that it is the best option. Marketers may use tactics such as product demos, comparison charts, and customer testimonials to differentiate their product or service.
- 4 **Trial:** In this stage, the consumer tries the new product or service for the first time. They may purchase a small quantity or use a free trial and evaluate the experience based on their expectations and previous experiences. The goal of marketing in this stage is to provide a positive and memorable experience that encourages the consumer to continue using the product or service. Marketers may use tactics such as product samples, free trials, or money-back guarantees to encourage consumers to try their product or service.
- 5 **Adoption:** In this stage, the consumer decides to adopt the new product or service and integrate it into their regular routine. They become a loyal customer and may even recommend the product or service to others. The goal of marketing in this stage is to maintain the consumer's interest and loyalty by providing excellent customer service and ongoing support. Marketers may use tactics such as loyalty programs, personalized communications, and ongoing customer support to maintain the consumer's interest and loyalty.



Check Your Progress- B

Write True or False.

3. Innovators are the first consumers to adopt a new product or technology.
4. In the evaluation stage of consumer adoption process, the consumer becomes aware of the new product or service.
5. Lifestyle is a type of personal factor that affects consumer behavior.

7.11 SUMMARY

Consumer behavior refers to the actions and decisions made by individuals when they search for, purchase, use, and dispose of products and services. The objective of studying consumer behavior is to understand why and how consumers make decisions and to use that knowledge to develop effective marketing strategies.

The buying behavior process involves several stages, including problem recognition, information search, and evaluation of alternatives, purchase decision, and post-purchase evaluation. The factors that affect consumer behavior include cultural, social, personal, and psychological factors, as well as situational factors such as time, place, and the buyer's mood.

Consumers can be categorized into different groups, including innovators, early adopters, early majority, late majority, and laggards, based on their level of acceptance and adoption of new products or services. Understanding the different categories of consumers can help marketers develop targeted marketing strategies that appeal to each group.

The consumer adoption process involves five stages: awareness, interest, evaluation, trial, and adoption. Each stage presents its own set of challenges, and marketers must understand the consumer's mind-set and tailor their marketing efforts accordingly to effectively guide the consumer towards adoption.

In summary, understanding consumer behavior is essential for marketers who want to create effective marketing strategies that will resonate with their target audience and encourage them to purchase and adopt their products or services. By understanding the buying behavior process, factors that affect consumer behavior, categories of consumers, and the consumer adoption process, marketers can develop targeted messaging and promotions that will address each stage and help guide the consumer towards adoption..

7.12 GLOSSARY



- **Consumer Behaviour:** Consumer behavior refers to the actions and decisions made by individuals or households when they search for, purchase, use, and dispose of products and services. It involves studying how consumers behave, what motivates them, and how they make decisions when purchasing goods or services. Understanding consumer

behavior is essential for businesses to develop effective marketing strategies that will appeal to their target audience and encourage them to make a purchase. It involves analyzing a variety of factors such as cultural, social, personal, and psychological factors, as well as situational factors such as time, place, and the buyer's mood.

- **Consumer Buying Process:** Consumer buying process refers to the series of steps or stages that consumers go through when making a purchase decision. It involves a five-stage process that includes problem recognition, information search, and evaluation of alternatives, purchase decision, and post-purchase evaluation. The consumer buying process begins when the consumer identifies a problem or need and seeks to find a solution or product to satisfy that need. The process continues as the consumer searches for information about the available options, evaluates the alternatives, and ultimately makes a purchase decision. After the purchase, the consumer may evaluate their decision and experience, which can influence future purchases. Understanding the consumer buying process is essential for businesses to develop effective marketing strategies that address each stage of the process and encourage consumers to make a purchase.

7.13 ANSWERS TO CHECK YOUR PROGRESS



Check Your Progress –A

1. Dissonance-Reducing Buying Behavior
2. Routine Buying Decision

Check Your Progress –B

3. True.
4. False.
5. False.

7.14 REFERENCES



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7.15 SUGGESTED READINGS



1. Mc Daniel, Lamb & Hair, Introduction to Marketing, Thomson/ South-Western
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7.16 TERMINAL QUESTIONS



1. Define consumer behaviour?
2. Elaborate the process of consumer buying process?
3. Explain various factors affecting consumer buying behaviour.
4. Define consumer adoption process?