

Introduction to Consumer Behaviour

Learning Objectives

By the end of this lecture, students will be able to:

- Define consumer behaviour.
 - Explain the nature and characteristics of consumer behaviour.
 - Discuss the importance and scope of consumer behaviour.
 - Understand the interdisciplinary nature of consumer behaviour.
 - Differentiate between consumer and customer.
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1. Meaning of Consumer Behaviour

Consumer behavior is the study of how individuals, groups, or organizations **select, buy, use, and dispose** of goods, services, or experiences. It explores the psychological, social, cultural, and personal factors that drive a customer's decision-making process

Marketers utilize this discipline to answer foundational questions about the buyer's journey:

- **Why** does the consumer want the product? (e.g., status, basic need, convenience)
- **How** do they evaluate choices? (e.g., reading reviews, trusting influencer recommendations)
- **When** do they buy, and what triggers the purchase?

Understanding these patterns dictates how companies segment their audience, position their brand, and optimize their overall marketing mix

"The behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs."

2. Definitions of Consumer Behaviour

- According to authors Leon G. Schiffman and Joseph Wisenblit in their foundational textbook *Consumer Behavior*, consumer behavior is defined as the study of how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items.

The definition breaks down into five distinct actions that a consumer takes:

- Searching:- How individuals seek information about products
 - Purchasing:- The actual act of buying the item
 - Using:- How the consumer consumes or experiences the product
 - Evaluating:- How the consumer consumes or experiences the product
 - Disposing:- How the consumer ultimately gets rid of product
- According to authors Hawkins, Mothersbaugh & Best In their book *Consumer Behavior: Building Marketing Strategy*, define consumer behavior as "the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society."

This definition breaks down the consumption process into three core activities:

- **Acquisition** (Select and Secure):- How consumer decide to buy, lease, trade, or borrow goods and services.
 - **Consumption**:- How and where consumers actually use a product or experience and the value they derive from it.
 - **Disposition**:- How consumers get rid of products or packaging after use
- James F. Engel, Roger D. Blackwell, and Paul W. Miniard define consumer behavior as "those actions directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow these actions"

This definition can be broken down into three aspect of behavior:-

01. The Core Activities

- Obtaining:- The search for and acquisition of a product or service
- Consuming:- How and where the consumer uses the product
- Disposing:- How the consumer get rid of the product or its packaging after use

02. The Decision Process

- Problem/Need/Recognition:- Realizing a discrepancy between the current state and a desired state.
- Information Search:- Seeking out data from internal and external sources.
- Alternative Evaluation:- Comparing different options to make the best choice.
- Purchase Choice:- The actual intent and decision to buy.
- Post-Purchase Evaluation:- Reflecting on the outcome to guide future behavior.

03. The Influencing Factors

- Individual Differences:- Consumer resources, knowledge, attitudes, motivations, personality, values, and lifestyle.
 - Environmental Influences:- Culture, social class, personal influences, family and situational factors.
 - Psychological Processes:- Information processing, learning and attitude formation
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3. Characteristics (Nature) of Consumer Behaviour

Discuss the major characteristics, such as:

- Goal-oriented
 - Dynamic
 - Complex
 - Influenced by internal and external factors
 - Decision-making process
 - Varies from person to person
 - Involves exchange
 - Includes pre-purchase, purchase, and post-purchase behavior
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4. Scope of Consumer Behaviour

1. Buying Behaviour

Buying behaviour refers to the process through which consumers identify their needs, search for information, evaluate available alternatives, make purchasing decisions, and complete the purchase. It helps marketers understand why, when, where, and how consumers buy products or services.

Example: A customer compares different smartphone brands based on price, features, and online reviews before making a purchase.

2. Consumption Behaviour

Consumption behaviour refers to how consumers use, experience, and consume products or services after purchasing them. It examines the frequency, manner, place, and purpose of product usage, as well as the level of satisfaction derived from consumption.

Example: A consumer may use a fitness app daily to monitor health or occasionally depending on personal needs and lifestyle.

3. Disposal Behaviour

Disposal behaviour refers to the way consumers dispose of, recycle, reuse, donate, or replace products after they have been used. Studying disposal behaviour helps businesses develop environmentally sustainable products and effective waste management strategies.

Example: A consumer donates old clothes to a charity, recycles plastic bottles, or exchanges an old mobile phone for a new one.

4. Customer Satisfaction

Customer satisfaction refers to the degree to which a product or service meets or exceeds a customer's expectations after purchase and use. A satisfied customer is more likely to become a repeat buyer, recommend the product to others, and remain loyal to the brand.

Example: A customer who receives high-quality service from an online shopping platform is more likely to purchase again and leave a positive review.

5. Post-Purchase Evaluation

Post-purchase evaluation is the process through which consumers assess whether a product or service has fulfilled their expectations after purchase. This evaluation influences future buying decisions, customer loyalty, and word-of-mouth communication.

Example: After purchasing a laptop, a customer evaluates its performance, battery life, and overall value before deciding whether to recommend the brand or repurchase it.

6. Digital Consumer Behaviour

Digital consumer behaviour studies how consumers search for information, compare products, interact with brands, and make purchasing decisions through digital platforms such as websites, mobile applications, and social media. It also examines the impact of online reviews, ratings, digital advertisements, and influencer marketing on consumer decisions.

Example: A consumer watches YouTube reviews, compares prices on e-commerce websites, and reads customer ratings before buying a smartphone online.

5. Importance of Consumer Behaviour

- Consumers
- Marketers
- Business organizations
- Government
- Society

5.1. Importance for Consumers:-

- Avoids Manipulative Marketing
- Maximizes Your Spending Power
- Improves Financial Health:
- Aligns Purchases with Values:

5.2. Importance for Marketers:-

- Understand customer needs
- Effective market segmentation
- Better product development
- Successful promotional campaigns
- Improved customer retention

5.3. Importance for Business Organizations:-

- Better business decisions
- Increased profitability
- Competitive advantage
- Product innovation
- Customer loyalty

5.4. Importance for Government:-

- Consumer protection
- Fair trade practices
- Public welfare
- Policy formulation
- Awareness campaigns

5.5. Importance for Society:-

- Sustainable consumption
 - Environmental protection
 - Ethical business practices
 - Social welfare
 - Responsible use of resources
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6. Consumer Decision Framework (Introduction Only)

1. Need Recognition
2. Information Search
3. Evaluation of Alternatives
4. Purchase Decision
5. Post-Purchase Behaviors (All these points will be discussed in upcoming lecture)

7. Factors Affecting Consumer Behaviour (Introduction)

- Cultural Factors
- Social Factors
- Personal Factors
- Psychological Factors

All these factors will be covered in upcoming lectures.

8. Emerging Trends in Consumer Behaviour

Consumer behaviour has evolved significantly due to technological advancements, changing lifestyles, and increasing environmental awareness. The following are some of the major emerging trends shaping modern consumer behaviour.

1. Online Shopping

Online shopping has transformed the way consumers purchase products and services. E-commerce platforms enable customers to browse products, compare prices, read reviews, and make purchases anytime and from anywhere. Convenience, a wider product selection, and doorstep delivery have made online shopping an integral part of consumer behaviour.

Example: Purchasing books, electronics, or groceries through Amazon or Flipkart.

2. Artificial Intelligence (AI)

Artificial Intelligence is revolutionizing consumer behaviour by enabling businesses to provide personalized recommendations, virtual assistants, chatbots, demand forecasting, and predictive analytics. AI helps organizations understand consumer preferences and deliver a more customized shopping experience.

Example: Netflix recommending movies based on viewing history or Amazon suggesting products based on previous purchases.

3. Social Media Influence

Social media platforms have become powerful sources of information and influence consumer purchasing decisions. Consumers rely on reviews, ratings, influencer recommendations, and user-generated content before making purchase decisions. Social media also enables direct interaction between businesses and consumers.

Example: Purchasing a skincare product after watching a review on Instagram or YouTube.

4. Personalization

Modern consumers expect products, services, and marketing messages tailored to their individual needs and preferences. Businesses use customer data and analytics to provide personalized recommendations, offers, and experiences, thereby increasing customer satisfaction and loyalty.

Example: Spotify creating personalized playlists or e-commerce websites recommending products based on browsing history.

5. Sustainability

Consumers are becoming increasingly aware of environmental and social issues. As a result, many prefer products and brands that follow sustainable practices, such as responsible sourcing, recyclable packaging, energy-efficient production, and reduced environmental impact.

Example: Purchasing products made from recycled materials or choosing brands that minimize plastic packaging.

6. Green Consumer Behaviour

Green consumer behaviour refers to the preference for environmentally friendly products and responsible consumption practices. Green consumers consider the environmental impact of their purchasing decisions and support businesses that promote sustainability and conservation.

Example: Buying reusable shopping bags, electric vehicles, energy-efficient appliances, or organic products.

Conclusion

These emerging trends indicate that modern consumer behaviour is increasingly influenced by digital technologies, data-driven personalization, social media, and environmental consciousness. Organizations that understand and adapt to these trends are better positioned to meet changing customer expectations and achieve long-term success in today's competitive marketplace.

9. Key Terms

Students should remember:

- **Consumer** :- The person who actually use the product or services after purchase.
Example: A mother buys a packet of biscuits for her child. The **child is the consumer** because he or she consumes the biscuits.
 - **Customer** :- The person or organization who actually buy the product and services.
Example: A person who buys groceries from a supermarket is the **customer** of that supermarket.
 - **Buyer** :- A **buyer** is the person or organization that makes the actual purchase transaction and pays for the product or service. **Example:** A father purchases a laptop for his daughter. The **father is the buyer** because he made the purchase.
 - **User** :- A **user** is the person who actually uses a product or service, regardless of who purchased it. **Example:** A company purchases a computer for an employee. The **employee is the user**, while the company is the buyer.
 - **Decision Maker** :- A **decision maker** is the person who decides which product, brand, or service should be purchased. **Example:** A family decides to buy a particular brand of refrigerator after the mother compares different brands. The **mother is the decision maker**.
 - **Influencer**:- An **influencer** is a person who affects or influences the buying decision by providing advice, recommendations, or information.
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10. Summary

In this lecture, we developed a foundational understanding of **Consumer Behaviour**, one of the most important areas of marketing management. We learned that consumer behaviour is the study of how individuals, groups, and organizations select, purchase, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

We discussed the definitions of consumer behaviour proposed by leading scholars and identified the key elements of these definitions. We also differentiated between important terms such as **consumer, customer, buyer, user, and influencer**, which are frequently used in marketing.

Further, we examined the **nature, characteristics, scope, and importance** of consumer behaviour. We learned that consumer behaviour is dynamic, goal-oriented, influenced by various internal and external factors, and involves activities before, during, and after the purchase. We

also explored its significance for consumers, marketers, business organizations, governments, and society.

Finally, we briefly introduced the **consumer decision-making process** and the major factors influencing consumer behaviour, which will be discussed in detail in the upcoming lectures.

A sound understanding of consumer behaviour enables organizations to create superior customer value, build long-term relationships, and make effective marketing decisions while helping consumers make informed purchasing choices.

11. References

- Schiffman, L. G., & Wisenblit, J. Consumer Behavior.
 - Hawkins, D. I., Mothersbaugh, D. L., & Best, R. Consumer Behavior: Building Marketing Strategy.
 - Engel, J. F., Blackwell, R. D., & Miniard, P. Consumer Behavior.
 - Kotler, P., & Keller, K. L. Marketing Management.
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12. UGC NET Quick Revision

Include a one-page revision section with:

- Important definitions
- Important keywords
- Frequently asked concepts
- Authors to remember

13. Practice Questions

Short Questions

- Define consumer behaviour.
- Explain the nature of consumer behaviour.
- Discuss the importance of studying consumer behaviour.

Long Questions

- Explain the scope and importance of consumer behaviour.
 - Discuss the characteristics of consumer behaviour with examples.
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