



SREENIVASA INSTITUTE OF TECHNOLOGY AND MANAGEMENT STUDIES, CHITTOOR (Autonomous)

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DEPARTMENT OF MANAGEMENT STUDIES

INTRODUCTION TO CONSUMER BEHAVIOR



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Legacy of Excellence, Culture of learning

II MBA III SEMESTER

1. Introduction

Questions

1. Why do people buy different brands of the same product?
2. Why do some consumers purchase online while others prefer offline stores?
3. What makes a customer choose one product over another?

Learning Objectives

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

- ✓ Define consumers and consumer behaviour.
- ✓ Understand the nature and scope of consumer behaviour.
- ✓ Identify factors affecting consumer behaviour.
- ✓ Understand different types of consumer behaviour.

2. Who is a Consumer?

Definition

William J. Stanton Defines a consumer as the ultimate user of a product, specifically "the individual or organizational unit that uses or consumes a product" to fulfill direct personal or household needs.

Examples

Student buying a laptop.

Family purchasing groceries.

Passenger booking a train ticket.



Types of Consumers

A. Individual Consumers

Purchase for personal use.

Example:

Student buying a mobile phone.



B. Organizational Consumers

Purchase on behalf of an organization.

Example:

College purchasing computers for laboratories.



3. What is Behaviour?

Definition

Michael R. Solomon "The processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires."

Examples

Choosing a restaurant.

Selecting a Smartphone.

Comparing prices before buying.

Key Point

Behaviour is influenced by thoughts, emotions, needs, and surroundings.

4. What is Consumer Behaviour?

Definition

Philip Kotler defines consumer behavior as the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires.

Simple Example

Need → Search → Evaluate → Purchase → Use → Feedback

Example:

Buying a Smartphone.

5. Why Should Marketers Understand Consumer Behaviour?

Understanding consumer behaviour helps marketers:

1. Identify Customer Needs

Develop products customers actually want.

2. Design Effective Marketing Strategies

Target the right audience.

3. Improve Customer Satisfaction

Meet consumer expectations.

4. Increase Sales and Profitability

Offer products that match customer preferences.

5. Build Long-Term Relationships

Create customer loyalty.

Example

A company launching student-friendly laptops after studying student needs.

6. Nature of Consumer Behaviour

Consumer Behaviour is:

❖ **Dynamic**

Consumer preferences change over time.

❖ **Complex**

Many factors influence decisions.

❖ **Goal-Oriented**

Consumers purchase to satisfy needs and wants.

❖ **Influenced by Environment**

Family, culture, and society affect decisions.

❖ **Continuous Process**

Starts before purchase and continues after purchase.

❖ **Interdisciplinary**

Uses concepts from: Psychology, Sociology, Economics and Marketing

7. Scope of Consumer Behaviour

Consumer Behaviour studies:

Before Purchase :

- a) Need recognition
- b) Information search

During Purchase

- a) Product selection
- b) Brand choice
- c) Purchase decision

After Purchase

- a) Satisfaction
- b) Complaints
- c) Repeat purchase

Areas Covered : *Consumer decision-making, Buying motives, Brand preference, Customer satisfaction, Consumer loyalty*

8. Factors Affecting Consumer Behaviour

A. Cultural Factors

B. Social Factors

C. Personal Factors

D. Psychological Factors



A. Cultural Factors

Culture

Values, beliefs, customs.

Subculture

Regional or religious groups.

Social Class

Income and occupation influence buying.



B. Social Factors

**Family , Friends, Reference Groups ,
Social Media Influencers**



C. Personal Factors

**Age, Occupation, Income, Lifestyle,
Personality**

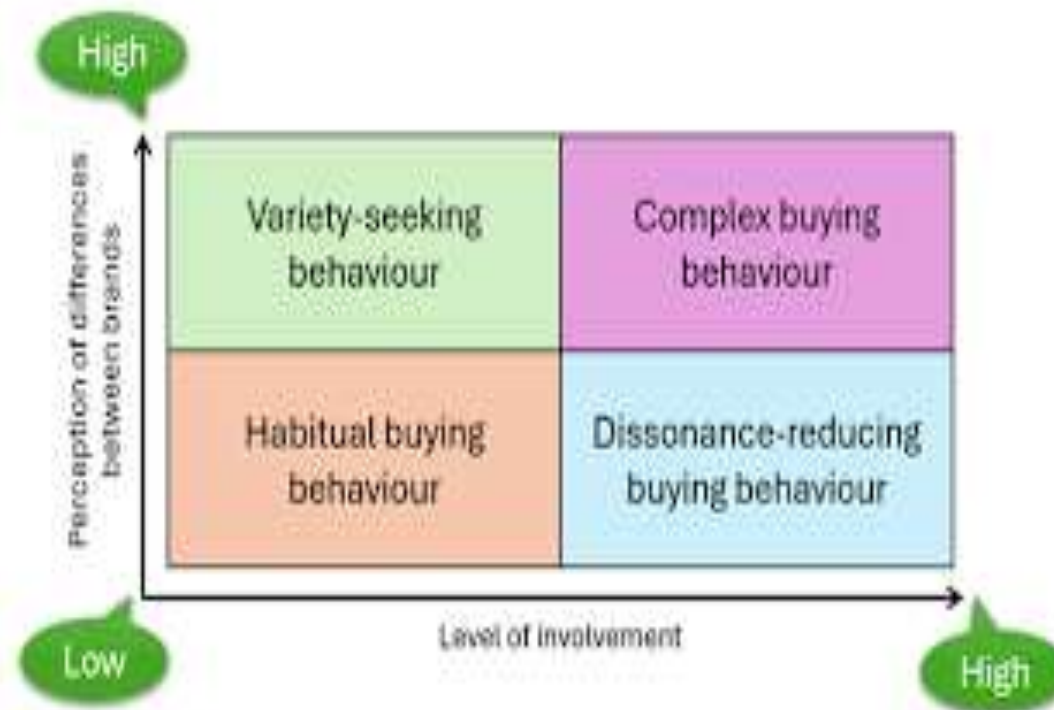


D. Psychological Factors

**Motivation ,Perception, Learning,
Attitudes, Beliefs**



9. Types of Consumer Behaviour



1. Complex Buying Behaviour

High involvement and significant differences among brands.

Example:

Car

Laptop



2. Dissonance-Reducing Buying Behaviour

High involvement but few differences among brands

Example:

Home appliances



3. Habitual Buying Behaviour

Low involvement and few differences

Example:

Salt

Milk



4. Variety-Seeking Buying Behaviour

Low involvement but significant brand differences.

Example:

Snacks

Soft drinks



10. Summary



- ✓ Consumer is the ultimate user of goods and services.
- ✓ Consumer Behaviour studies buying decisions and consumption patterns.
- ✓ Marketers must understand consumer behaviour to satisfy customers and achieve business goals.
- ✓ Consumer Behaviour is dynamic, complex, and influenced by multiple factors.
- ✓ Cultural, social, personal, and psychological factors shape consumer decisions.
- ✓ Consumer behaviour can be classified into four major types.

Closing Question

"Think about your last purchase. Which factors influenced your decision and what type of buying behaviour did you exhibit?"

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