

MARKETING MANAGEMENT

M.Com. Semester-2 Paper-COMCC-6

*Topic – Consumer Behaviour &
Factors influencing Consumer Behaviour*

Part-1

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Consumer Behaviour & Factors Influencing Consumer Behaviour

Meaning & Definitions

Consumer Behaviour is the study of how consumers make decisions about what they need, want and desire and how do they buy, use and dispose of goods.

In other words, consumer behaviour studies how individuals, groups and organisation select, buy and dispose of goods, services, ideas or experiences to satisfy their needs and desires.

Philip Kotler propounded the 7 O's framework for the study of consumer behaviour to find the answer for the following questions.

- | | |
|--------------------------------|-------------------------------|
| 1. Who constitutes the market? | Occupants |
| 2. What does the market buy? | Objects/ Products |
| 3. Why does the market buy? | Objectives |
| 4. Who participate in buying? | Organizations |
| 5. How does the market buy? | Operations/ Buying process |
| 6. When does the market buy? | Occasions |
| 7. Where does the market buy? | Outlets/ Distribution centres |

Marketer can understand consumers through analyse the 7 O's framework. On this basis, consumer behaviour helps marketers to develop marketing mix and product on how targeted consumers will respond to them. Thus, consumer behaviour studies how the consumers react or respond to the products.

According to C.G. Walters and G.W. Paul, "Consumer behaviour is a process of whereby individuals decide whether, what, when, where, how and from whom to purchase goods or services."

In the words of Frederic Webster, "Buyer behaviour is the all psychological, social and physical behaviour of potential customers as they become aware of evaluate, purchase, consume and tell other people about products and services."

Thus, the consumer behaviour is the study of how individuals make decisions to spend their available resources (money, time and effort) on consumption related items. In other words, we can say that consumer behaviour is a separate academic discipline which studies what, where, when, how, why and from whom the consumer buys the goods and services. It is the study of whole behaviour of consumers.

Factors Influencing Consumer Behaviour

The major factors influencing consumer behaviour are as follows:

1. Cultural Factors
2. Social Factors
3. Personal Factors
4. Psychological Factors
5. Economic Factors

1. *Cultural Factors* –

Some of the cultural factors are:

- a) **Broad Culture**: This is an important influencing factor of consumer behaviour. Cultural factors include the basic values, needs, wants, preferences and behaviour that are observed by a consumer from their near family members and other people around them. Culture may be broadly defined as the way of living, the way of doing and the way of worshipping. Culture is reflected by family life, social life, family education, ethics in life, religious factors, geographical factors, cultural exchange and so on. The study of culture is necessary to understand the consumer behaviour. Thus, the consumer behaviour is strongly affected by culture factors.

b) **Sub-Culture:** Under culture factors, each culture consists of smaller subcultures. Each sub-culture provides more specific identification of members belong to it. Sub-culture may be divided into four classes. These are –

i) Nationality – For example – Culture like American culture, Indian culture, Chinese culture, African culture, Japanese culture etc.

ii) Religion – For example – Hindus, Muslims, Christians, Buddhists, Jainism etc. Even in each religion, there are several sub-religions.

iii) Racial Groups – Under culture factor, we find various racial groups like Brahmin, Patel, Kshatriya, Baniya, Scheduled caste, Scheduled Tribe and so on.

iv) Geographical Region – On the basis of geographical location, consumer may be divided into four groups –

Location: Rural and Urban Consumers.

Distance: Local, Regional, National and International.

Terrain Area: Hilly, Desert, Valley and Plains.

Climate: Level and intensity of humidity, rain, heat and cold etc.

c) **Social Classes:** According to Philip Kotler, “Social classes are relatively homogenous and enduring divisions in a society, which are hierarchically ordered and whose members share similar values, interest and behaviour.” Social classes reflect differences in income, occupation, education, their role in society and so on. Every social class has its culture that affects behaviour of its members. We can identify three social classes like upper class with upper-upper and lower upper, middle class with upper-middle and middle-class and lower class with upper-lower and lower-lower. Thus, marketer can study consumer behaviour with the help of social classes.