

**MBA**  
**SEMESTER - 3**  
**MBA03EM311**

**Consumer Behaviour**



## Message for the Students

Dr. Babasaheb Ambedkar Open (University is the only state Open University, established by the Government of Gujarat by the Act No. 14 of 1994 passed by the Gujarat State Legislature; in the memory of the creator of Indian Constitution and Bharat Ratna Dr. Babasaheb Ambedkar. We Stand at the seventh position in terms of establishment of the Open Universities in the country. The University provides as many as 54 courses including various Certificate, Diploma, UG, PG as well as Doctoral to strengthen Higher Education across the state.



On the occasion of the birth anniversary of Babasaheb Ambedkar, the Gujarat government secured a quiet place with the latest convenience for University, and created a building with all the modern amenities named 'Jyotirmay' Parisar. The Board of Management of the University has greatly contributed to the making of the University and will continue to this by all the means.

Education is the perceived capital investment. Education can contribute more to improving the quality of the people. Here I remember the educational philosophy laid down by Shri Swami Vivekananda:

***“We want the education by which the character is formed, strength of mind is Increased, the intellect is expand and by which one can stand on one’s own feet”.***

In order to provide students with qualitative, skill and life oriented education at their threshold. Dr. Babaasaheb Ambedkar Open University is dedicated to this very manifestation of education. The university is incessantly working to provide higher education to the wider mass across the state of Gujarat and prepare them to face day to day challenges and lead their lives with all the capacity for the upliftment of the society in general and the nation in particular.

The university following the core motto ‘स्वाध्यायः परमम् तपः’ does believe in offering enriched curriculum to the student. The university has come up with lucid material for the better understanding of the students in their concerned subject. With this, the university has widened scope for those students who

are not able to continue with their education in regular/conventional mode. In every subject a dedicated term for Self Learning Material comprising of Programme advisory committee members, content writers and content and language reviewers has been formed to cater the needs of the students.

Matching with the pace of the digital world, the university has its own digital platform Omkar-e to provide education through ICT. Very soon, the University going to offer new online Certificate and Diploma programme on various subjects like Yoga, Naturopathy, and Indian Classical Dance etc. would be available as elective also.

With all these efforts, Dr. Babasaheb Ambedkar Open University is in the process of being core centre of Knowledge and Education and we invite you to join hands to this pious *Yajna* and bring the dreams of Dr. Babasaheb Ambedkar of Harmonious Society come true.



Prof. Ami Upadhyay

Vice Chancellor,

Dr. Babasaheb Ambedkar Open University,  
Ahmedabad.

**MBA  
SEMESTER-3 MARKETING  
CONSUMER BEHAVIOUR  
BLOCK: 1**

- Authors' Name:** Dr. Darshana Shah, SDJ International College, Surat  
Dr. Ruchir Pandya, Assistant Professor, Marwadi University, Rajkot  
Dr. Preyal Sanghvi, Associate Professor, Som Lalit Institute of Management,  
Ahmedabad  
Ms. Bijal Raval, Assistant Professor, Dr.BAOU, Ahmedabad
- Review (Subject):** Prof. (Dr.) Manoj Shah, Professor& Director, Dr. BAOU, Ahmedabad  
Dr. Abhijitsinh Vala, Associate Professor, Christ College, Rajkot  
Dr. Jay Badiyani, Associate Professor, MKBU Bhavnagar
- Review (Language):** Dr. Ketan K.Gediya, Associate Professor, Smt.S.R.Mehta Arts College, Ahmedabad
- Editor's Name:** Prof. (Dr.) Manoj Shah  
Professor and Director,  
School of Commerce and Management,  
Dr. Babasaheb Ambedkar Open University,  
Ahmedabad.
- Co-Editor's Name:** Dr. Dhaval Pandya  
Assistant Professor,  
School of Commerce and Management,  
Dr. Babasaheb Ambedkar Open University,  
Ahmedabad.
- Publisher's Name:** Dr. Ajaysinh Jadeja  
Registrar,  
Dr. Babasaheb Ambedkar Open University  
'Jyotirmay Parisar', Opp. Shri Balaji Temple, Chharodi, Ahmedabad, 382481,  
Gujarat, India.
- Edition:** 2024 (First Edition)
- ISBN:** 978-93-5598-754-9



978-93-5598-754-9

All rights reserved. No part of this work may be reproduced in any form, by mimeograph or any other means without permission in writing from Dr. Babasaheb Ambedkar Open University, Ahmedabad.

***CONSUMER BEHAVIOUR***  
***MBA03EM311***  
***SEMESTER-3***

**BLOCK-1**

---

Unit-1 Introduction to Consumer Behaviour	01
Unit-2 Consumer Behaviour as a Field of Study	11
Unit-3 Consumer Motivation	26
Unit-4 Consumer Personality and Perception	35
Unit-5 Consumer Learning and Attitude	47

---

**BLOCK-2**

---

Unit-6 Consumer Decision Making Process	64
Unit-7 Cultural Influences on Consumer Behaviour	74
Unit-8 Social Influences on Consumer Behaviour	89
Unit-9 Multidisciplinary Nature of Consumer Behavior	104
Unit-10 Emerging Trends in Consumer Behaviour	117

---

**1.1 Introduction****1.2 Definition & Meaning****1.3 Stages of Buying Process****1.4 Nature of Consumer Behaviour****1.5 Important of Consumer Behaviour****1.6 Type of Consumer Behaviour**

❖ keywords

❖ Exercise

---

**1.1 Introduction**

---

As per the contemporary era's of marketing, "consumer is the king". This concept was developed in the era of 'marketing concept' which was developed after second world war, where consumers were on priority than the selling concept where sellers were leading. This has led to the concept of shift in manufacturer's attention from producing by their choice to consumer's wish and need. Consumer then became the centre of attention and the result was shift towards the concept of consumer-oriented marketing. Hence developing the new concept of consumer behaviour were understating the market, analysing what is required by individuals, groups or businesses to make decisions for selecting, purchasing, using or disposing off the services, products, experiences or ideas that can satisfy their needs and wants. In today's world, marketers need to develop effective strategies to sell and promote their services and products by understanding consumer behaviour, which has become a critical aspect of marketing.

---

**1.2 Definition and Meaning**

---

There are various definitions given by many authors. Let us understand a few of them. According to Leon G. Schiffman and Leslie Lazar Kaunk, consumer behaviour is "*the interaction and interdependence between affect and cognition, behaviour, and the environment.*" There is a focus on complex relationship between consumers choices that are influenced by emotions, thoughts, actions and other external factors.

Philip Kotler has defined consumer behaviour 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 Richard L. Sandhusen "*Consumer behaviour encompasses the totality of consumers decision with respect to the acquisition, consumption, and disposition of goods, services, time and ideas by (human) decision-making units*" -.

These definitions emphasize on few aspects like psychological, sociocultural, economic and situational factors that play a crucial role to understand the choice, preference and pattern of purchase of the consumer. For companies to develop effective strategies for

promotion, product development and customer engagement, businesses and marketers need to understand the behaviour of the consumer, which has now become an essential part.

---

### 1.3 Stages of Buying Process

---

There are series of stages that are typically involved in consumer buying behaviour process. Let us understand the same:

1. **Problem recognition:** In this first stage the consumer recognizes what is their need or a problem that can be solved by acquisition of some type of service or product. There are two forms by which this need may arise – Internal stimuli (e.g. hunger, thirst) or by external stimuli (e.g. recommendation, advertising etc.)
2. **Information search:** Once the needs have been identified, the next step comes is seeking information. The information is gathered to evaluate potential solutions. The consumer gathers this information from various sources like friends and family, personal experiences, advertisements, product reviews, online research or by salesperson.
3. **Evaluation of Alternatives:** After gathering the information, the consumer would then try to evaluate available various options based on price, quality, features, brand, personal preference etc. Then the consumer finalizes few products or services that would be full- filling their requirements.
4. **Purchase decision:** After the evaluation of alternatives, the consumer has to make the purchase decision for that specific product or service. This decision could be influenced by some of the factors like brand loyalty, recommendation, price promotion and value proposition of the product or service.
5. **Purchase:** This is the phase/stage where the transaction happens. The consumer would finally choose to buy the product or service that is available from the particular seller or retailer.
6. **Post purchase Evaluation:** The consumer would now check the level of satisfaction with the product or service after making the purchase. The comparison would be from expectation with the actual experience. If the service or product meets or exceeds the expectations that the consumer was expecting, the result would be customer satisfaction and loyalty. If the service or product does not meet the expectations then it would lead towards dissatisfaction and would lead towards negative word-of-mouth or might return the product.
7. **Post purchase behaviour:** This stage becomes very important as positive post-purchase behaviour it would involve brand advocacy, repeat purchase resulting into brand loyalty and positive word-of-mouth marketing in form of feedbacks and reviews (digitally) and sharing the experience with friends & family members and known people in person.

For a marketer, understanding each stage is essential as it would help them tailor their marketing strategies that would help influence consumer at each stage and help them guide towards making a purchase decision of that particular product or brand.

It is important to note that different products have different stages that would be affecting their buying behaviour e.g. for linear fashion, a consumer may skip some stages or might get engaged repeatedly. Also based on factors like product cost, significance and the level of involvement by a consumer, would also affect the stages of buying behaviour.

---

## 1.4 Nature of Consumer Behaviour

---

Consumer behaviour study itself is multifaceted and complex. It involves a lot of understanding on decision making and action taken by an individual, group or an organization towards any product or service purchase. The experience, idea, use or acquisition of the product or service understanding of an individual also plays a very important role. There are various key aspects associated with nature of consumer behaviour which are as follows:

1. **Evolving** – The behaviour of a consumer is never static, it evolves over time with change in their preference due to changing societal trends, technology and even the income (economic condition). These changes have to be adapted by the marketer to remain relevant in the market.
2. **Multidisciplinary** – Understanding consumer behaviour just is not restricted towards marketing and analysis concepts, it involves various other disciplines too. Concepts like psychology, sociology, economy, anthropology along with marketing concepts. These all need to be analysed and an overall evaluation is done to understand ‘what makes a consumer make certain choices?’ and ‘how a consumer does gets influenced?’
3. **Individualistic approach**–An individual is influenced by its culture, social factors, personal values, psychological traits like position in society, income, lifestyle, spending habits etc. These factors do vary from person to person. These are unique features which have wide range of factors and psychological traits that may vary from person to person.
4. **Rational and Emotional** – These two factors do affect the consumer’s decision while making purchase decision. Decisions based on price and functionality can be considered as practical based decision which is rational and those that are influenced by emotions, desires and aspirations can be considered under emotional traits.
5. **Cultural and Social Influences** – These three factors play a very significant role in shaping consumer behaviour. The cultural and social norms like their religious beliefs, do’s and don’ts in the society, lifestyle, family beliefs and few other factors does affect while making the final choice.
6. **Information driven** –Information is an important tool for any consumer, which s/he can source from internet, usage of technology and Word of mouth communication. Now with this digital era, a lot of information is available online which does impact the decision-making process.
7. **Decision making** – As discussed above there are several stages of decision making like problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour. These are influenced by all other personal factors i.e. internal factors as well as external stimuli.
8. **Brand loyalty and switching** – A consumer who is loyal to a brand, shall prefer that particular brand over others, this is brand loyalty. However, if the consumer does switchover to other brand due to change in preference or competitive offerings, then that is said as switching of brand.
9. **Ethical and sustainable considerations**–In today’s modern era, consumers have started preferring brands/ products or services that are considerate about their ethical and sustainable practices. They prefer a brand that seems responsible and does take care of environment and provide eco-friendly consumption products.

10. **Cultural variations** – Different regions have different cultures, values, customers and economic conditions, hence the same affects the buying behaviour approach. Multinational companies have to adapt this marketing strategies and provide their product and/or services according to the local preferences and norms.
11. **Digital approach** – The revolution in digital landscape has transformed consumer behaviour approach. Where initially people preferred to go to a shop or a mall, physically check the products and then select/ buy them, now the same is happening virtually. The consumers are now preferring online shopping, they use social media and online reviews to check the product understanding that does play a crucial role in influencing decisions.

In all, understanding a consumer behaviour is a complex process. It has wide array of factors that influence a consumer to make his/her purchase decision. Hence it becomes a vital area to study the market by the marketers that would help them to predict and understand how the consumer can make the choices. By developing such effective marketing strategies, a company can hence then build a strong customer relationship for a long period of time.

---

### **1.5 Importance of Consumer Behaviour**

---

Following are various reasons to understand the importance of consumer behaviour:

1. **Understanding customers' needs and preferences** – The most important aspect is to identify the need of the customer and then comprehend their desires and preferences of the target audience. By understanding this basic requirement of the customer, the business can design the products and services as per the expectations of the consumers.
2. **Market segmentation** – Segmenting the target market is one of the most important parameters that would help analyse the consumer behaviour for business. Market segmentation is based on demographic, geographic, psychographic and behavioural traits. This segmentation helps the companies to tailor make the marketing efforts, by targeting a specific customer group, resulting in more effective and efficient campaigns.
3. **Product development and innovation** – By understanding the consumer's behaviour towards a particular product or service, companies can get good insights into its features of the products, can check if any improvement or innovation is required as per the need of consumers and make the modifications. This insight guides the companies for better product development and innovations.
4. **Pricing strategies** – One of the challenging parts is setting the price. Hence here the companies have to understand how the customers perceive value of the product and are ready to pay for the product. Companies then can make the crucial decision for setting the competitive and profitable prices for the product. Companies can use these consumer behaviour insights and hence can optimize their pricing strategies.
5. **Promotional strategies** – Companies need to understand in which type of message the consumer can resonate with the advertising message and hence design the business marketing campaigns accordingly. This understanding does help the companies to craft persuasive message and use the most effective channel for communication for their product.



6. **Inventory management** – Once the demand pattern can be predicted, it becomes easy for companies to manage their inventory more efficiently. This helps to reduce carrying cost, avoid overstock and minimize stockouts.
7. **Brand loyalty and customer retention** – Brand loyalty is created by understanding the requirements of the consumer and providing them with the product, resulting into a positive experience and maintaining long-term relationships with them. It helps in creating a good customer base which would be more cost-effective than acquiring new customers.
8. **Competitive advantage** – A proper understanding of consumers approach towards a product/ service can help companies change quickly as per market conditions and stay ahead of their competitors and offer unique value propositions. Understanding deeply the consumer behaviour can gain business a good competitive advantage.
9. **Risk mitigation** –The basic requirement for any company is to understand consumer preference. If a business can identify the preference of the consumers, it would be easy to address the issues they might face before they face customer dissatisfaction or negative feedback. This proactive approach of the company can help them from damaging the brand name and even mitigate risks.
10. **Ethical and sustainable practices** – One of the important parameters for a customer is checking the ethical practices about the company and their sustainable business practices. Companies that have these values incorporated, can gain trust and loyalty of these conscious customers.
11. **E-commerce** – E-commerce plays a critical role for a business to be successful as this is the digital age. Online behaviour understanding is required now. Website traffic, online reviews, user interactions does play an essential role even define digital marketing strategies.
12. **Expansion Globally** –Across the world, there are various cultures and different lifestyles based on demography also. The companies have to understand the local customer preference along with their cultural nuances, this would help to build a successful expansion of their product in a new market.

Understanding the importance of consumer behaviour is an essential part for the companies as it helps them provide valuable insights that would keep the businesses informed about the requirements, hence to make a decision based on expectations from the target audiences' requirements, by full filling their needs. Understanding consumer behaviour and providing the products would give a success in this competitive market.

---

### **1.6 Type of Consumer Behaviour:**

---

Following are the types of consumer behaviour:

1. **Low involvement buying behaviour** – This behaviour is having very less efforts to make a purchase decision as it would be a routine/ regular buying approach. E.g. Buying of vegetables or household products, that are frequently purchase and hence has very less efforts placed and the product(s) are also of low-cost. This type of buying is generally habitual buying pattern and it does not require evaluation or research.
2. **Impulse buying behaviour** – This involves buying those unplanned products that a consumer gets driven by emotional or situational factors. Often a consumer buys products that s/he had not intended to purchase, but when they did come across the product in-store or online, they would make that purchase. Placement of the

products, promotion and even emotions does play a big role in influencing the impulse buying of a consumer.

3. **Variety Seeking approach** – These types of consumers have characteristics of having a desire for change and novelty. They may switch the products or brands frequently that can help them satisfy their curiosity and also avoid tedium. These types of customers enjoy trying new products and having different experiences.
4. **Brand loyalty** – These customers would prefer a particular brand only over any other brand or product category. These customers have a strong base of trust, positive experience and also have an emotional connection with the brand. The ultimate result of having brand loyal customers is repeat purchase and brand advocacy.
5. **Brand switching** – Here, the customers would prefer to try different brands within a product category. They do switch over brands based on factors like price promotions, desire for variety or where there was dissatisfaction based on previous purchase.
6. **E-commerce behaviour** – With the digital era which has made it crucial for online retailers, as here the customers do require all the information online, where they can easily compare prices, products, read reviews of customers and even product experts, and also can check for various options.
7. **Socially influenced behaviour** – These are the type of customers who are influenced by their family, friends, colleagues and communities. Even now online social media community does play a big role in influencing the behaviour. This approach does affect the product choice, brand perception and the final purchase decisions.
8. **Ethical and sustainable behaviour** – This approach involves concepts that an individual does consider like his/her own personal values and environmental & social concerns. This type of customers focusses more on ethical and sustainable practices done by the companies by providing fair trade, eco-friendly products and/or organic production.
9. **Cultural and Global Behaviour** – Based on various cultures across the regions, there are various cultural norms, traditions and economic conditions that does affect the buying behaviour approach. Hence various multinational companies need to adapt the marketing strategies based on the cultural variations of that region.

Hence consumer behaviour has various types that exhibits different behaviour depending on the product category, context and individual preference. Understanding this type of consumer behaviour would help the companies define proper marketing strategies and engage with consumers effectively.

In conclusion, consumer behaviour sets the stage for a profound exploration of the intricate and ever-evolving world of how individuals and groups make choices in the marketplace. Understanding consumer behaviour is the cornerstone of effective marketing, product development, and business strategy. It encompasses a complex interplay of psychological, sociocultural, economic, and situational factors, all of which impact consumer choices, preferences, and purchasing patterns. With a multidisciplinary approach drawing insights from psychology, sociology, economics, and more, the study of consumer behaviour unveils the driving forces behind our decisions to select, purchase, use, or dispose of products, services, and ideas. As we delve deeper into this fascinating field, we uncover the key to connecting with consumers and creating offerings that meet their needs and desires while also shaping the broader market landscape. In essence, the

study of consumer behaviour is a gateway to understanding the dynamics of contemporary commerce and the consumer's pivotal role within it

## **Case Study:**

### **1. Starbucks and Consumer Behaviour:**

Starbucks, the globally recognized coffee giant, provides an intriguing case study in the realm of consumer behaviour. With its ubiquitous presence and a devoted customer base, Starbucks has mastered the art of understanding and influencing consumer choices. The success of Starbucks can be attributed to a multitude of factors rooted in consumer behaviour. The allure of Starbucks goes beyond just coffee; it is about the entire experience. The cozy ambiance, the aroma of freshly brewed coffee, and the personalized options for customers all stimulate the senses and evoke a sense of comfort and community. Starbucks has successfully harnessed the principles of perception, motivation, and social influence to create a unique, immersive experience that keeps customers coming back. The company's emphasis on corporate social responsibility and ethical sourcing also resonates with consumers, aligning with their values and influencing their purchasing decisions. Starbucks' ability to create a sense of belonging, offer a customized product, and engage with societal issues exemplifies how understanding consumer behaviour is at the heart of building a brand that extends far beyond a simple coffee shop.

- How does Starbucks create a multisensory experience for its customers, and how does this influence consumer behaviour?
- How does Starbucks' customization strategy align with consumer behaviour principles, and what motivates consumers to engage with a brand that allows them to personalize their products?
- Starbucks places a strong emphasis on corporate social responsibility and ethical sourcing. How does this commitment impact consumer perceptions and influence their purchasing decisions?
- In a highly competitive market, how does Starbucks maintain its appeal and market share, and what role does consumer behaviour play in its ability to stay ahead of its competitors?

### **2. Smart phone to be bought by a 21-year-old:**

Meet Sarah, a 21-year-old college student majoring in digital marketing. She's at a crossroads, looking to purchase a new smartphone, and her buying decision is deeply intertwined with various elements of consumer behaviour.

Firstly, Sarah's perception of the ideal smartphone revolves around features like advanced camera capabilities, fast processing speeds, and sleek design. She believes these qualities are integral for her academic pursuits, social life, and the need to display her photography skills. Her motivation stems from the desire to excel academically, stay connected with friends, and present herself with style on social media.

To make an informed decision, Sarah embarks on an information search journey. She pores over online reviews, seeks recommendations from friends and family, and spends time in smartphone stores for hands-on experiences. Additionally, she keeps an eye out for promotional deals and discounts to ensure the best value for her purchase.

The influence of Sarah's social circle is unmistakable. Her friends use the latest smartphone models, praising their camera quality and the performance of social media apps. She's also a follower of tech influencers on social platforms, which intensifies her desire for a trendy and feature-packed smartphone.

Given her student status, economic factors are crucial in Sarah's choice. She's conscious of her budget limitations and contemplates instalment plans or trade-in options to make the purchase more affordable.

Sarah identifies with a culture of innovation and tech-savviness, which plays a pivotal role in her decision-making. She gravitates towards brands known for cutting-edge technology and reliability, a choice that aligns with her self-identity as a digital marketing student.

In Sarah's eyes, the perceived value of the smartphone is substantial. It's not just a device; it's an investment in her academic and social life. Its value is not solely in its features but also in how it enhances her personal and professional image.

Ultimately, the smartphone Sarah chooses strikes a balance between her preferences, financial constraints, and her aspiration to align with her academic and social circles. This hypothetical example illustrates the intricate interplay of psychological, social, economic, and cultural factors in shaping a 21-year-old's buying decision for a smartphone.

- Considering the factors that influenced Sarah's decision to purchase a smartphone, how could a smartphone manufacturer use this understanding of consumer behaviour to tailor their marketing strategy and product development to attract more college students like Sarah? What specific marketing approaches and product features would you recommend?
- Sarah mentioned her inclination toward brands associated with innovation and reliability. How can a smartphone company build and maintain a brand image that appeals to consumers like Sarah and sets them apart from competitors in the crowded smartphone market? What strategies might they employ to communicate this brand image effectively to the target market?

#### ❖ Exercise

##### MCQ (multiple choice questions):

1. What is consumer behaviour primarily concerned with?
  - A) Understanding business profitability
  - B) Studying consumer choices and preferences
  - C) Analysing marketing strategies
  - D) Assessing economic trends
2. What are some of the key factors that influence consumer behaviour?
  - A) Geopolitical events and stock market fluctuations
  - B) Psychological, sociocultural, economic, and situational factors
  - C) Competition among businesses and government regulations
  - D) Technological advancements and climate change

**Answer: B) Psychological, sociocultural, economic, and situational factors**

3. What is consumer behaviour primarily concerned with?

- A) Choices
- B) Marketing
- C) Economics
- D) Trends

**Answer: A) Choices**

4. What influences consumer behaviour?

- A) Perception
- B) Friends
- C) Environment
- D) All

**Answer: D) All**

5. Which fields contribute to consumer behaviour's multidisciplinary nature?

- A) Psychology
- B) Economics
- C) Sociology
- D) All

**Answer: D) All**

6. The significance of understanding consumer choices is for:

- A) Fun
- B) Profit
- C) Learning
- D) Exploration

**Answer: B) Profit**

7. How does customization impact behaviour?

- A) Confuses
- B) Excites
- C) Boreds
- D) None

**Answer: B) Excites**

8. What is "perceived value" in consumer behaviour?

- A) Price
- B) Benefits
- C) Needs
- D) Perceptions

**Answer: B) Benefits**

9. Culture affects: \_\_\_\_\_

- A) Behaviour
- B) Attire
- C) Taste
- D) Career

**Answer: A) Behaviour**

10. Perception and motivation drive:

- A) Choices
- B) Shopping
- C) Careers
- D) Hobbies

**Answer: A) Choices**

11. Why is personalization important?

- A) Control
- B) Cost
- C) Promotion
- D) None

**Answer: A) Control**

12. How does understanding benefit businesses?

- A) Growth
- B) Losses
- C) Control
- D) Ignorance

**Answer: A) Growth**

13. How can business apply the understanding of consumer behaviour to their marketing strategies?

- A) Experimentation
- B) Trial and Error
- C) Customization
- D) Developing Effective Strategies

**Answer: D) Developing Effective Strategies**

14. What primarily shapes a consumer's perceived value of a product or service?

- A) Advertising
- B) Needs and Preferences
- C) Government Policies
- D) Chance

**Answer: Needs and Preferences**

15. Why is understanding consumer behaviour essential for businesses and marketers?

- A) Creativity
- B) Profitability
- C) Cultural
- D) Health

**Answer: B) Profitability**

**2.1 Introduction****2.2 The Use of New Approaches to Explore What Makes People As They Do****2.3 Key Aspects of Consumer Behaviour****2.4 The Consumer Behaviour Description****2.5 Key Socio-Cultural Factors Impacting the Buying Process****2.6 Social Factor and Their Influences on Consumer Behaviour****2.7 Individual Factors**

- ❖ **Key Words**
- ❖ **Exercise**

---

**2.1 Introduction**

Consumer behaviour is study of why and how people make the choices while purchasing products. It is an ever-changing domain which constantly keeps on evolving. It responds to changes in needs, situations, society, culture, technology. Along with change in time and era, the new knowledge, theories and concepts are added to the subject as it is an open system. Following are some new approaches catching the attention of students, business community and academicians.

---

**2.2 The Use of New Approaches To Explore What Makes People As They Do**

As aforesaid, the consumer behaviour is an open branch of knowledge and it is multidisciplinary. So, it absorbs the changes and forces prevailing around it. Following are the new approaches, ranging from neuroscience to society and from statistics to psychology that can help to know what make people as they do.

**2.2.1 Consumer Neuroscience:**

The consumer neuroscience is a new branch of study that combines the consumer behaviour and neuroscience. The application of Neuroscience techniques is a fresh and new approach in consumer behaviour, such as brain imaging (fMRI), eye-tracking, and biometric measurements, are being used to study how consumers respond to marketing stimuli at a subconscious level. Neuromarketing aims to understand the neural processes underlying consumer decision-making, helping marketers design more effective campaigns and products. EEG measures brain responses. This gives you objective responses rather than conscious and rationalized verbal responses. This matters because consumer behaviour is largely determined by unconscious responses instead of conscious ones. EEG measurements are precise to the millisecond. This allows you to measure the initial impression and quick brain responses to marketing messages. EEG is good for

measuring the brain's cognitive processes, such as calculations. This allows us to predict customers' thinking and discover the optimal price for your product or service.

Using EEG paired with our scientifically-validated algorithm, we can measure the optimal price for your product or service. With the optimal price, we are able to compute the maximum revenue and profit. This assures you that the chosen price leads to maximum sales and profits.



Source: <https://www.neurensics.com/>

### 2.2.2 Big Data and Predictive Analytics:

The digital technologies have penetrated greatly across the world and have generated enormous data on consumer behaviour. By blending big data analytics and machine learning algorithms, marketers can learn about the behavioural patterns, prevailing trends, and correlations in consumer data. It helps to know the taste, frequency, preferences, purchase timings. The analysis of big data allows businesses to anticipate future consumer behaviour and craft marketing strategies accordingly. The market segmentation is also possible. One of the studies reveals that the consumer responds more positively to the customized products.

### 2.2.3 Behavioural Economics:

Drawing from psychology and economics, behavioural economics explores how cognitive biases, utility maximization model influence consumer choices. Concepts like loss aversion, framing effects, and choice architecture explain why individuals often make rational- irrational or inconsistent decisions. Understanding these biases enables marketers to motivate consumers towards desired behaviours. For example, individuals



might agree to pay for a likely smaller cost instead of a potentially greater but much less likely cost. This decision is due to loss aversion encouraging an individual to avoid taking any financial risks

#### **2.2.4 Personalization and Customization:**

Consumers are reported to show more and more interest in personalized experiences and products specially offered them according to their preferences. The rise of technology, such as artificial intelligence and machine learning, enable marketers to collect and analyse data on consumer behaviour at scale, allowing for hyper-targeted marketing campaigns and product recommendations. According to our findings, 72% of consumers are ready to share a little or more personal information against a personalized shopping experience. This lets a great opportunity for e-commerce retailers to take advantage of customer data in order to create the best online experience possible.

#### **2.2.5 Social Influence and Word of Mouth:**

People try to behave cautiously when they spend money. With the great impact of social media, the references from credible sources and word-of-mouth marketing play a significant role in shaping consumer behaviour. Social networks like Meta and Telegram allow individuals to share opinions, reviews, and recommendations with their connections, influencing purchasing decisions. Marketers with or without the help of influencers, leverage social media platforms to engage with consumers, build brand communities, and encase the power of influencer marketing. For buying cars to watching movies or for dining at restaurant people follow the sources they are influenced by or, that they consider credible.

#### **2.2.6 Sustainability and Ethical Consumption:**

The enlightened marketing by many big companies and NGOs have kindled thinking with conscience among the people. An increasing number of consumers are preferring the products which are more environment friendly or tagged as sustainable. The products claiming ethical production practices and corporate social responsibility are also preferred while making purchasing decisions. Businesses that suites consumer values regarding environmental protection, social justice, and ethical sourcing can gain a competitive edge and foster brand loyalty. For e.g. if a snacks manufacturing company employs women only, with a cause of providing the employment and also markets the product with the same appeal, many consumers would prefer to buy such products as they think they are indirectly helping the women.

#### **2.2.7 Experience Economy:**

After Covid-19, many people consider life as an opportunity to enrich the variety of experiences and memories. In an experience-driven economy, consumers seek memorable and meaningful experiences over material possessions. Businesses across various industries are focusing on enhancing the overall customer experience, whether through mesmerizing retail environments, experiential marketing campaigns, or personalized service offerings. Even augmented facilities or services do matter. For example, when a

family buys car, the car could be delivered with ribbons and bouquet on it; moreover, photography can be arranged so that a family can upload the pictures on social media.

### **2.2.8 Cultural and Demographic Changes:**

Frequent demographic changes, including demographic dividend, aging populations, urbanization, and cultural diversity, the cross-cultural impacts combinedly influence consumer behaviour. Understanding the unique preferences and values of different demographic segments is crucial for developing targeted marketing strategies that resonate with diverse audiences. For example, the rural consumers will be less brand centric or their exposure to global brands may be limited while urban consumers are found more brand-loyal.

The above newly emerged concepts and approaches are useful in understanding the motive, the utility maximization, the behaviour psychology and rationale to understand and predict the consumer behaviour. With the application of these new approaches into consumer behaviour studies, businesses can get a more in depth understanding of their prospects and develop more effective strategies to attract, retain, and satisfy customers for long lasting period.

Consumer behaviour refers to the study of how individuals, groups, or organizations select, purchase, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. It encompasses a wide range of psychological, social, cultural, and economic factors that influence the decision-making process of consumers.

---

## **2.3 Key Aspects of Consumer Behaviour Include**

---

The key aspects of consumer behaviour are the ingredients of consumer behaviour. The whole texture of consumer behaviour is woven through these concepts. Hence, for the learner of Consumer Behaviour, these concepts must be well-clarified.

**2.3.1 Needs and Wants:** Consumers have various needs and wants that drive their behaviour. Needs are basic requirements for survival and well-being, such as food, shelter, and clothing, while wants are desires for specific products or services that go beyond basic needs. Even wants can be classified as the wants for survival, wants for efficiency and wants for comforts. The behaviour is consciously and sub-consciously guided by these needs and wants. If the summer heat is extreme, the consumer may feel the high need of fan or air-conditioned and will act positively for the purchase. Here, AC will not be a luxury but it will become a need for him.

**2.3.2 Perception:** Perception is what a product or brand is for consumers. More specifically, it about how consumers perceive products and brands based on their experiences, beliefs, attitudes, and values. Perception influences how consumers interpret and evaluate marketing messages and offerings. Let's have an example. When a consumer is going through the pictures of various ice-creams at ice-cream shop, she may consider an ice-cream with lavish toppings of nuts highly tempting, but more expensive too. If the value she expects to derive matches with the price mentioned in the menu, she will definitely go with ice-cream. If she is inclined to flavoured ice-cream without toppings,

she will not buy rich nutty ice-cream but ice-cream without topping and will derive more value.

**2.3.3 Motivation:** Motivation refers to the internal and external factors that drive consumers to fulfil their needs and desires. These factors may include physiological needs, social needs, emotional needs, and self-esteem. The Abraham Maslow's 'Need Hierarchy Theory' for motivation may be relevant to explain the need evolution to a person time to time along with the stage of need. For example, an athlete will be motivated if she gets expert coaching and sportswear that can enhance his chances for winning.

**2.3.4 Attitudes and Beliefs:** Consumers develop attitudes and beliefs towards products, brands, and companies based on their experiences, opinions, and social influences. Attitudes are the self-developed filters to evaluate a product or a brand or even manufacturer or brand ambassador with negativity or positivity. Attitudes and beliefs influence consumer preferences and purchase decisions. Beliefs may be a conditioning of a person's thinking that builds some positive or negative feeling for certain products. It can be based on self-experiences or references from family elders, friends or any opinion leader.

**2.3.5 Information Processing:** Everyday, an average consumer or prospect is exposed to large flow of targeted, non-targeted information. Consumers gather, process, and evaluate information from various sources such as personal experiences, family, friends, advertisements, reviews, and online platforms to make informed decisions. It is equally important how one processes the information. If the consumer gets negative review or if any social media advertisement fails to attract the prospect, it will not be processed well.

**2.3.6 Decision-Making Process:** The process of consumer decision-making mainly involves several stages: problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. This process can be influenced by internal factors (e.g., motivation, perception) and external factors (e.g., social influence, marketing efforts). For example, the consumer has accessed to one online portal for retail goods. He is determined to buy brand A. but, he finds negative review about the products, he may decide not to purchase that good or, he may decide to buy another product.

**2.3.7 Individual Differences:** Consumer behaviour varies based on individual characteristics such as demographics (age, gender, income), psychographics (lifestyle, personality), and cultural background. We will make a detail discussion about these factors in the coming chapter.

**2.3.8 Social and Cultural and Psychological:** Social factors such as family, reference groups, social class, and culture play a significant role in shaping consumer behaviour. Cultural norms, values, customs, and traditions influence consumer preferences, attitudes, and purchase decisions. We will make a detail discussion about these factors in the coming topic. Post-Purchase Behaviour: After purchasing a product or service, consumers may experience satisfaction or dissatisfaction based on their expectations and actual

experiences. Post-purchase behaviour can influence repeat purchases, brand loyalty, and word-of-mouth recommendations.

---

## 2.4 The Consumer Behaviour Description

---

Understanding consumer behaviour is essential for businesses to develop effective marketing strategies, create products that meet consumer needs, build strong brand relationships, and maintain a competitive edge in the marketplace. By studying consumer behaviour, businesses can anticipate and respond to changing consumer preferences and market trends.

Social and cultural factors significantly influence the consumer buying process. These factors encompass the broader societal and cultural context within which individuals make purchasing decisions.

---

## 2.5 Key Socio-Cultural Factors Impacting the Buying Process

---

**2.5.1 Social Class:** Social class refers to a person's position within society based on factors such as income, education, occupation, and lifestyle. On the basis of income, the society can be classified into ultrarich-elite class, fond of global brands like Ferrari, Rolls-Royce, Mark Jacob's, Gucci, George Armani, Peter-Piloto etc. At extreme low there will be the people who can afford the basic livelihood only. On the basis of Individuals from different social classes may have distinct preferences, values, and buying behaviours. Marketers often target specific social classes with tailored marketing strategies to appeal to their unique needs and aspirations.

**2.5.2 Culture and Subculture:** Culture encompasses the values, beliefs, norms, customs, and symbols shared by a society. Subcultures are smaller groups within a larger culture that share distinctive values or lifestyles based on factors such as ethnicity, religion, nationality, or age. Cultural and subcultural influences shape consumer preferences, perceptions, and behaviours. Marketers must understand cultural nuances and adapt their marketing strategies to resonate with diverse cultural groups. The most significant cultural factors affecting consumer behaviour are **Language**-people would prefer the products that are available in their language-like Hollywood movies dubbed in Hindi



It is career but in Hindi or languages other than English the pronunciation is done carrier.  
**Food-** The cultural factor affects the selection of food also. People love to have food of their culture. Sometimes the fusion is made to offer the taste of two culture in one recipe.



The cultural fusion of taste-The Tandoori Pizza as people of India want pizza with Indian Taste

Likewise, the culture affects and often seems to direct the consumer behaviour

**2.5.3 Family Dynamics:** Family plays a crucial role in shaping consumer behaviour. Family members influence each other's buying decisions through direct advice, role modelling, and shared experiences. Family structure, roles, and communication patterns influence how decisions are made within households. Marketers often target family-oriented messaging and products that cater to specific family needs and dynamics.

#### **Social systems-**

- Family (joint vs. nuclear)
- Wealth distribution and occupation based on 'Caste System'
- Social customs like Wedding, rituals, post-death rituals
- Social values & belief like restriction on working women
- Family values- the importance to family
- Bonding and relationship with kin and friends
- Women status and their participation in work force/business.

#### **Effects of social and family dynamics on decisions**

- Ready to eat and ready to cook products due to increased work-participation rate of women
- Day care centres due to nuclear families
- Small and easy to carry pack of groceries because of changes social values

#### **Examples of how social changes affect the consumer behaviour**

- Horlicks for women
- Small tenements and flats

- Online portals
- Specially designed products for Indian Wedding like Dulha-Dulhan collection by Tanishq
- Event managers and trip organizers
- SUVs are also popular due to joint family systems.

**2.5.4 Role of Gender:** The gender definitely affects the consumer behaviour. Gender roles and stereotypes influence consumer behaviour by shaping perceptions of masculinity, femininity, and appropriate gender-specific behaviours. For example, motorbikes like Royal Enfield Bullet are seen as the symbol of masculinity. However, the scenario has been changing day by day, the gender still is factor to influence behaviour because of physical, psychological distinction of male and female. Marketers often segment their target audience based on gender and develop gender-specific marketing strategies to appeal to male and female consumers. However, gender norms are evolving, and marketers must navigate changing gender dynamics and preferences sensitively.

By understanding these social factors and their influences on consumer behaviour, marketers can develop more effective marketing strategies, target specific consumer segments, and create products and messaging that resonate with consumers' social and cultural contexts.

---

## **2.6 Social Factor and Their Influences on Consumer Behaviour**

---

**2.6.1 Reference Groups:** The consumer behaviour is often found dictated or guided by the reference groups. They are social groups that individuals compare themselves to or seek approval from. These groups can include family, friends, colleagues, and online communities. Consumers may be influenced by the opinions, attitudes, and behaviours of their reference groups when making purchasing decisions. They can be active or passive people to orient customers. Marketers may leverage social influence by using testimonials, endorsements, and social proof in their marketing campaigns.

**2.6.2 Social Influence:** Social influence refers to the impact of social interactions, peer pressure, and conformity on individual behaviour. Consumers may conform to group norms or follow trends endorsed by influencers and celebrities. Social media platforms lever social influence by facilitating peer recommendations, product reviews, and viral trends. Marketers apply social influence through influencer marketing, user-generated content, and social media campaigns to sway consumer behaviour. The Bloggers and vloggers community are becoming popular in this regard.

**2.6.3 Socialization and Learning:** This is related to social learning and social group behaviour also. Socialization processes, including childhood upbringing, education, and life experiences, influence consumer perception, attitudes, preferences, and habits. Consumers know about products, brands, and consumption practices through socialization agents such as family, peers, media, and educational institutions. Marketers target to create positive brand associations and reinforce learning through advertising, brand experiences, and educational content. The idols and celebrities can also be used to

give a message to consumers. For example, a coach or teacher in advertisement can impress the consumers.

**2.6.4 Social Networks and Social Media:** With the advent of social media, consumers are increasingly influenced by online interactions and recommendations from their social networks. Platforms like Facebook, Instagram, and Twitter serve as avenues for consumers to seek product recommendations, read reviews, and engage with brands. Peer recommendations and influencer endorsements can significantly impact purchasing decisions. The word-of-mouth publicity made through Whatsapp Groups are the examples. The new class of domestic online traders or channels can be taken here.

**2.6.5 Opinion Leaders:** Opinion leaders are individuals within a social group who exert influence over others due to their expertise, knowledge, or status. These individuals can shape perceptions and preferences regarding certain products or brands through their recommendations and endorsements. For example, there are TV Presenters who have good insight about automobiles or gadgets and they regularly come up with pros and cons of new models of cars that can control the consumer behaviour. People have their YouTube channels also where they put reviews of movies or some products or travel destinations. The chefs can be the valued opinion leaders when it comes to spices or ingredients or cooking apparatus.

**2.6.6 Social Identity:** what is the mobile caller-tunes? Well, Consumers are often observed deriving their sense of identity and self-expression from the products they purchase. Certain brands or products may align with specific social identities or subcultures, leading consumers to make purchases that reflect their desired image or affiliation with a particular group. For example, the brands like Raymonds, Nike Shoes, iPhone are seen as their identity. The politicians to reveal the clean image prefer white colour dressing.

**2.6.7 Social Trends and Movements:** The enlightenment through inner drive or inspired by some exemplary practices can affect consumer behaviour. There are new trends like organic food, vegan food, green marketing and beauty without cruelty movement by PETA. Social trends, movements, and cultural shifts can influence consumer preferences and behaviours. For example, increasing awareness of sustainability issues has led to a growing demand for eco-friendly products and ethical consumption practices. The increasing usage of E-bikes is the example of drive towards less pollution.

---

## **2.7 Individual Factors**

---

Society comprises of Individuals. Hence, it is essential to examine individual factors that affect the consumer behaviour. They refer to personal characteristics, traits, virtues or limitations that influence how consumers perceive, evaluate, and respond to marketing stimuli. As they belong to particular individual, they obviously vary among individuals and can significantly impact their purchasing decisions and behaviours. Some key individual factors affecting consumer behaviour include:

**2.7.1 Demographics:** Demography is a positive science related to population. Demographic variables such as age, gender, income, education, occupation, marital status, and family size play a crucial role in shaping consumer behaviour. Different demographic groups may have distinct needs, preferences, and purchasing habits. Marketers often segment their target audience based on demographic factors to tailor their marketing strategies effectively. For example, the consumer behaviour, needs, choice and priorities of rural consumers will be different from that of urban consumers. Rural area has agriculture as the main occupation, the behaviour is guided by such purposes.

**2.7.2 Psychographics:** the next among the individual factors are psychographic variables which include consumers' lifestyles, values, interests, attitudes, and personality traits. Psychographics provide insights into consumers' motivations, aspirations, and decision-making processes. By understanding psychographic profiles, marketers can develop targeted messaging and positioning strategies that resonate with consumers' lifestyles and values. For example, the rich and celebrity people may demand a flat with personal lift or elevator to maintain the privacy or to avoid the public contact or they may travel in business class in air journeys.

**2.7.3 Perception:** Perception is the understanding of the stimuli. Perception refers to how individuals interpret and make sense of their surroundings, including marketing stimuli such as advertisements, product packaging, and brand messaging. Perception is influenced by factors such as sensory cues, past experiences, expectations, and selective attention. Marketers aim to create positive perceptions of their products and brands by designing appealing visuals, messaging, and sensory experiences. If a consumer perceives the product useful, he or she can may decide to buy. If the product is perceived beneficial by the consumer, one would avoid buying it.

**2.7.4 Motivation:** Motivation drives consumers' behaviour by energizing and directing their actions towards fulfilling specific needs or achieving desired outcomes. Motivation can be intrinsic (e.g., personal goals, values) or extrinsic (e.g., rewards, incentives). Marketers use motivational appeals in their advertising and promotions to create desire and stimulate purchase intent among consumers.

**2.7.5 Attitudes and Beliefs:** Attitudes are individuals' overall evaluations or feelings towards products, brands, or concepts, while beliefs are individuals' subjective perceptions of reality. Attitudes and beliefs influence consumers' preferences, brand loyalty, and purchase decisions. Marketers seek to shape positive attitudes and beliefs through persuasive messaging, brand positioning, and reputation management.

**2.7.6 Knowledge and Experience:** Consumers' knowledge and experience with products, brands, and categories influence their decision-making processes. Experienced consumers may rely on past experiences and information to make informed choices, while less knowledgeable consumers may seek guidance from external sources such as reviews, recommendations, or expert opinions. Marketers provide information and educational content to help consumers make informed decisions and build trust in their brands.



**2.7.7 Risk Perception:** Risk perception refers to consumers' subjective assessment of the potential uncertainties or negative consequences associated with a purchase decision. Types of risk include financial risk, performance risk, social risk, psychological risk, and physical risk. Consumers may seek to minimize risk through research, comparison shopping, warranties, and return policies. Marketers address risk perceptions by providing reassurance, guarantees, and testimonials to alleviate consumer concerns.

**2.7.8 Self Concept:** The consumer behaviour is greatly governed by the self-concept of the person. If the person considers herself very techno savvy, she would always go for latest gadgets subject to her income. If a person considers herself near to perfection level, she would demand all the things ready including apparels to footwear. If a person considers herself very punctual, she will be keener about watches and timetables and schedules.

By considering these individual factors, marketers can better understand consumers' needs, motivations, and decision-making processes, enabling them to develop more effective marketing strategies and create products and experiences that resonate with their target audience.

## **Summary**

Consumer behaviour encompasses the study of how individuals, groups, or organizations select, purchase, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. It involves a complex interplay of psychological, social, cultural, and individual factors that influence consumers' decision-making processes and behaviours in the marketplace.

Consumer behaviour is a multifaceted phenomenon influenced by a plethora of socio-cultural factors that shape individuals' attitudes, perceptions, and purchasing decisions within a given society. At the core of these influences lies culture, an intricate web of shared values, beliefs, norms, and traditions that define a group of people and guide their behaviour. Cultural differences across regions and societies significantly impact consumer behaviour, as they shape preferences, consumption patterns, and perceptions of various products and services. Marketers must navigate this cultural landscape with sensitivity and insight to effectively target diverse audiences and adapt their strategies to resonate with local customs and norms. Within cultural frameworks, reference groups exert considerable influence over consumer behaviour, serving as benchmarks against which individuals evaluate their own attitudes and preferences. These reference groups can include family, friends, social networks, and even celebrities, whose opinions and endorsements carry significant weight in shaping consumer decisions. Family dynamics, in particular, play a pivotal role in influencing purchasing decisions, with different family members exerting varying degrees of influence over specific purchases based on their roles, relationships, and authority within the household.

Moreover, social class stratifies consumer behaviour, as individuals from different socio-economic backgrounds exhibit distinct consumption patterns and preferences driven by their income, education, occupation, and lifestyle. Social class influences not only the

types of products and brands individuals aspire to purchase but also the channels through which they access information and make purchasing decisions. Furthermore, social networks and digital media platforms have emerged as powerful influencers in shaping consumer behaviour, providing individuals with access to a vast array of product information, reviews, and recommendations from their peers and influencers. Social media, in particular, serves as a platform for consumers to seek validation, share experiences, and engage with brands on a more personal level, thereby influencing their perceptions and purchasing decisions.

In addition to peer influence, opinion leaders within social groups wield significant sway over consumer behaviour, leveraging their expertise, knowledge, or status to shape attitudes and preferences towards certain products or brands. These opinion leaders serve as trusted sources of information and guidance, particularly in areas where consumers may lack expertise or experience, such as technology, fashion, or lifestyle trends. Social identity also plays a crucial role in shaping consumer behaviour, as individuals seek to express their identity, values, and affiliations through their purchasing choices. Brands that align with specific social identities or subcultures can capitalize on this phenomenon by cultivating a sense of belonging and community among their target audience.

Furthermore, social trends and movements influence consumer behaviour by shaping perceptions of social responsibility, sustainability, and ethical consumption practices. Increasing awareness of environmental issues, social justice movements, and corporate accountability has led to a growing demand for products and brands that prioritize sustainability, transparency, and ethical business practices. Consumers are increasingly scrutinizing the social and environmental impact of their purchasing decisions and favouring brands that demonstrate a commitment to ethical and responsible practices. Marketers must adapt their strategies to align with these evolving consumer values and preferences, incorporating sustainability initiatives, corporate social responsibility programs, and transparent communication into their brand identity and messaging.

In conclusion, consumer behaviour is a complex interplay of socio-cultural factors that shape individuals' attitudes, perceptions, and purchasing decisions within a given society. Culture, reference groups, family dynamics, social class, digital media, opinion leaders, social identity, and social trends all play critical roles in influencing consumer behaviour and shaping market dynamics. Marketers must possess a nuanced understanding of these socio-cultural influences to develop tailored marketing strategies that resonate with their target audience and foster meaningful connections with consumers. By aligning their brand values and messaging with consumer values and preferences, businesses can establish trust, loyalty, and brand affinity, driving long-term success and sustainability in an increasingly competitive marketplace.

#### ❖ **Key words**

Keywords in consumer behaviour encompass various concepts and terms that are essential for understanding the dynamics of consumer decision-making and market interactions. Here are some key words commonly associated with consumer behaviour:

- **Consumer:** An individual or entity that purchases goods, services, or experiences for personal use or consumption.
- **Behaviour:** The actions, decisions, and responses exhibited by consumers in the marketplace.
- **Needs:** Fundamental requirements for survival and well-being, which drive consumer behaviour.
- **Wants:** Desires or preferences for specific products, services, or experiences that go beyond basic needs.
- **Perception:** The process by which consumers interpret and make sense of information from their environment, including marketing stimuli.
- **Motivation:** The internal driving force that stimulates individuals to take action to fulfil their needs and desires.
- **Attitudes:** Individuals' overall evaluations or feelings towards products, brands, or concepts, which influence their behaviour.
- **Beliefs:** Individuals' subjective perceptions or assumptions about reality, which shape their attitudes and behaviour.
- **Decision-making:** The process through which consumers evaluate alternatives and make choices among competing options.
- **Information Processing:** The cognitive process by which consumers gather, interpret, and evaluate information to make decisions.
- **Purchase Intention:** Consumers' willingness or intention to buy a product or service, which is a precursor to actual purchase behaviour.
- **Post-Purchase Behaviour:** Actions and reactions exhibited by consumers after purchasing a product or service, including satisfaction, dissatisfaction, and repurchase behaviour.
- **Brand Loyalty:** Consumers' strong preference for a particular brand over others, leading to repeat purchases and positive word-of-mouth.
- **Market Segmentation:** The process of dividing a heterogeneous market into smaller, more homogeneous segments based on shared characteristics or behaviours.
- **Consumer Segments:** Distinct groups of consumers within a market, characterized by similar needs, preferences, and behaviours.
- **Social Influence:** The impact of social interactions, reference groups, and cultural factors on consumer behaviour.
- **Cultural Factors:** Influences stemming from shared values, beliefs, customs, and traditions within a society or cultural group.
- **Psychological Factors:** Internal factors such as perception, motivation, learning, and memory that shape consumer behaviour.
- **Socioeconomic Status (SES):** An individual's or household's position within society based on factors such as income, education, and occupation.
- **Consumer Research:** The systematic study of consumer behaviour, preferences, and market trends through quantitative and qualitative methods.

❖ **Exercise**

**Multiple Choice Questions**

1. Which of the following is/are new approach/es in Consumer behaviour
  - a. Behaviour Economics
  - b. Consumer neuroscience
  - c. Big data
  - d. All of the Above
2. Utility maximization comes under
  - a. Big data
  - b. Behaviour economics
  - c. Neuroscience
  - d. Demography
3. Which one of the following is not a part of socio-cultural factors?
  - a. Social Class
  - b. Culture Subculture
  - c. Family Dynamics
  - d. Psychographics
4. \_\_\_\_\_ is related to population
  - a. Economics
  - b. Perception
  - c. Demographics
  - d. None of the above
5. EFG comes under \_\_\_\_\_
  - a. Big data
  - b. Behaviour economics
  - c. Neuroscience
  - d. Demography
6. Consumer behaviour can be influenced by
  - a. Social media
  - b. Opinion leaders
  - c. Both
  - d. None
7. The social groups that individuals compare themselves to or seek approval from are \_\_\_\_
  - a. Reference groups
  - b. Marketers
  - c. Boss
  - d. None
8. The phenomenon or factor where a consumer wants to enrich the buying is termed as \_\_\_\_
  - a. Experience economy
  - b. Calculative approach
  - c. Bandwagon

- d. None
9. Which of the following is/are the key aspect/s of consumer behaviour?
- Needs and Wants
  - Perception
  - Motivation
  - All the above
10. \_\_\_\_\_ refers to a person's position within society based on factors such as income, education, occupation, and lifestyle
- Social class
  - Demography
  - Psychography
  - Motivation

• **True or False**

- Consumer behaviour is monodisciplinary
- The consumer neurography is 100% accurate tool to predict consumer behaviour
- Needs and wants are the bases of consumer behaviour
- Social media can play considerable role in consumer choices
- The reactions of consumer after having consumed the product is called post purchase behaviour

• **Descriptive Questions**

- Discuss any four new approaches that explain how do consumers behave
- Explain the Key Aspects of consumer Behaviour
- “There are Some key socio-cultural factors impacting the buying process”- elaborate
- Analyse the social factors and their impact on buying behaviour in detail
- How do Individual factors impact consumer behaviour? Explain with examples

**3.1 Introduction****3.2 Definition****3.3 Motivation process****3.4 What are Needs and Goal?****3.5 Theories of Motivations****3.5.1 Maslow's Hierarchy of needs****3.5.2 McClelland's Needs Theory****3.5.3 ERG Theory****3.5.4 Vroom's Expectancy needs Theory****3.5.5 McGregor's Theory X and Theory Y****3.6 Motivational theories and marketing strategies****❖ Exercise**

---

**3.1 Introduction**

---

The term 'Motive' is derived from the Latin word, 'Movere', meaning, to move. Motivation is a very important factor affecting human behaviour. Motivation is affected by various psychological factors such as perception, learning and personality. Motivation is the act or process by which the needs and desires of a person move him towards some action. Motivation can be defined as the driving force within the individual that propels him or her towards a behaviour or action. In normal word we can say for a particular work for own self as well as others to motivate means motivation. Consumers who are primarily motivated by self-expression desire social or physical activity, variety, and risk. In this chapter, the discussions are evolved around the role needs and motives play in consumer behaviour.

---

**3.2 Definition**

---

Motivation is defined as the "process that account for an individual's Intensity, Direction and Persistence of efforts towards attaining a goal."

**-Stephen p. Robbins**

A motive is a need that is sufficiently pressing to direct the Person to seek their satisfaction needs and motives influence what consumers perceive as relevant and also influence their feelings and emotions.

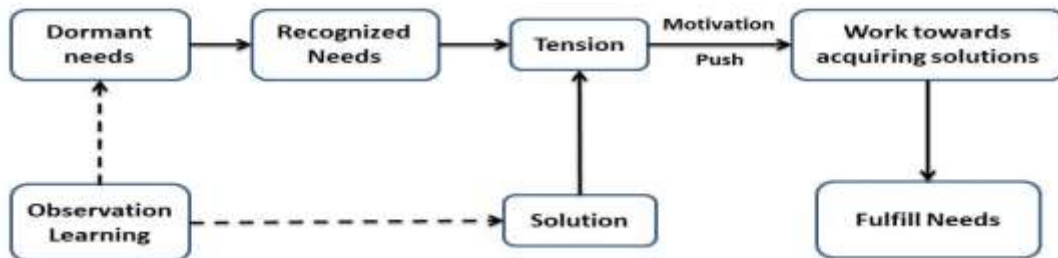
**For example,**

A consumer who feels hungry is motivated to satisfy that need, will view food and advertisement for food as personally relevant, and will experience negative emotions prior to eating and positive emotions after eating.

---

### 3.3 Motivation Process

---



**Unsatisfied Need-** Motivation process begins when there is an unsatisfied need in a human being.

**Tension-** The presence of unsatisfied need gives him tension.

**Drive-** This tension creates an urge of drive in the human being and he starts looking for various alternatives to satisfy the drive.

**Search Behaviour-**After searching for alternatives the human being starts behaving according to chosen option.

**Satisfied Need-** After behaving in a particular manner for a long time he evaluates that whether the need is satisfied or not.

**Reduction of tension-** After fulfilling the need the human being gets satisfied and his tension gets reduced.

Suppose, a Delivery Person during the course of performing his work feels thirsty. His behaviour will be to seek t the nearest source of refreshment, a small restaurant or the individual will prefer to drink a cool drink which will satisfy his thirst.

In that example we can say about positive motivation, similarly people can also experience negative motivations or avoidance of certain situation or items. Thus, motivation the driving force is the outcome of a state of tension, which arises because of unfulfilled needs and desires. Individuals are consciously and subconsciously engaged in a tension reduction behaviour, which they presume will help in fulfilling their needs and thus reduce the tension or stress felt by them.

---

### 3.4 What are Needs and Goal?

---

#### **Needs:**

Everyone has needs - some are natural, others are acquired.

#### **Natural Needs:**

Natural needs are physiological which include need for food, water cloths, air and shelter. It is our primary needs.

### **Acquired Needs:**

Acquired needs are that needs we learn in response to our culture or environment. They may include needs for self-esteem, prestige, affection, power and learning. So, we can consider them as secondary needs.

### **Goals:**

Everyone sets goals on the basis of their personal values and they select means that they believe will help them achieve their desired goals. For any given need, there are many different and appropriate goals Consumer behaviour has a goal. People make decisions based on the various goals they are trying to achieve when choosing which goods and brands to purchase in what quantities, what to eat for breakfast, what sort of soda to drink, and whether to drive or take the bus to work.

---

## **3.5 Theories of Motivations**

---

Psychologists have been interested in the study of human behaviour so as to understand the human needs or motives which influence their behaviour. Professor Daniel starch (1923) had presented a list of forty four human motives and psychologist Henry Murray (1938) had prepared a list of twenty eight psychogenic needs. Murray had suggested that every person has the same set of basic needs but they have different way of ranking these needs on their priority basis.

There are certain theories of motivation usually referred to in a marketing context. These are:

- Maslow's Hierarchy of needs
- McClelland's Needs Theory
- ERG Hierarchy of needs
- Vroom's Expectancy needs
- McGregor's Theory X and Theory Y

### **3.5.1 Maslow's Hierarchy of needs**

Dr. Abraham H. Maslow, a famous social scientist had developed a framework of needs and formulated a widely accepted theory of human motivation based on the notion that there is a hierarchy of needs which influences the person's motivation level. Maslow mentioned a 5-level hierarchy of human needs. He suggested that an individual moves essentially from lower-level needs to higher level needs. Till the lower level is fairly well satisfied the individual cannot be motivated to higher level. Even if lower level is fairly well satisfied the individual is concentrating on attaining the goals at higher level, when any deprivation comes on the lower levels, the individual's priority shifts back to lower levels.





However, it will be necessary to discuss each level at least briefly since its understanding is useful to the marketer in evolving strategies for product, promotion, price and positioning.

### **Physiological Needs**

These basic needs include food, water, air, shelter and sex. They automatically dominate attention till they are met. They require to be met continuously. If we put some food and gold in front of hungry person first their need is food than gold because no one can eat gold in place of food. So, first need is basic needs than and then only other needs take place.

### **Safety and Security Needs**

Good Health, security and safety are needs that can be the driving forces and motivations for an individual after the physiological needs are met to a large extent. After basic needs satisfied safety and security needs automatically generate. In that needs we required safety, stability and Protection. In office or business, we want its safe for us. We required safety against fire, accident and robbery. While office works, we want provident fund, gratuity, worker policy and pension funds like safety.

### **Social Needs**

Friendship, belonging, affection, relationship and social acceptance are in the level of social needs. Every Human is a social animal, has to live in society. So, everyone needs love sympathy towards them. From parents, wife and children they fulfil their Needs. When we come home from office and just need little bit support from our family to reduce tension and all. Marketers of some unique products and their services offering family cars, some communication equipments and partying services do emphasize level of their needs in promotional campaigns.

## **Ego Needs**

Every person wants respect from others and from everywhere. In society five person take his name with respect and became special from others. In office he wants to get promotion easily. If that wish fulfil then he satisfied fully. If that wish not fulfil then he feels low by his self-helplessness and small gland.

## **Self-Actualization**

As per Maslow, this is last need of humans. Step by step when those other needs are satisfied then at last a person wants self-actualization. In their specialization area of working, he wants to become best. In any occupations like painter, writer, singer, actor and composer they want to achieve highest position in their area. That way we inspire to fulfil our self-actualization needs.

### **3.5.2 McClelland's Needs Theory**

McClelland's Needs Theory is sometimes referred to as Three Need theory. In that o believed that the specific needs of the individual are acquired over a period of time and gets moulded with one's experience.

#### **Three type of basic motivating Needs:**

##### **Needs for Power:**

This relates to have control over other people and objects to the environment. (Lit bit similar to Maslow ego needs)

##### **Needs for Affiliation:**

This relates to desire to belong to, be a part of group and friends. (Lit bit similar to Maslow Social Needs)

##### **Needs for Achievement:**

This relates to the need to achieve something. (Little bit close to ego and self-actualization needs)

##### **Achievement:**

In that a person will aim hard to achieve their goals. In fastest generation and competitive environment makes people to think needs for achievements. In advertisement we can see various milk supplements or some nourishing food drinks on some different flavours like chocolate strawberry etc. In that we can think is that with proper rich in vitamins, carbohydrates and minerals is necessary to be able to satisfy the achievement needs.

For example, in market we can see complain, chocolate flavour powder.

That Achievement needs is related to both ego needs and self-actualization needs. Person with high need for achievement are found to be with confident. There are various ways to satisfy their needs.

##### **Power Needs:**

In Power Needs individuals wish to have control over other person and their objects. Persons will be interested in a need for controlling own work or the work of others. People with a high need for power desire situations in which they exercise power and

influence over others. They aspire for positions with status and authority and tend to be more concerned about their level of influence than about effective work performance.

### **3.5.3 ERG Theory**

C. P. Alderfer, an American psychologist, developed Maslow's hierarchy of needs into a theory of his own that we call ERG Hierarchy of needs. His theory suggests that there are three groups of main needs:

**Existence (E)**

**Relatedness (R)**

**Growth (G)**

These groups are made with Maslow's levels of physiological needs, social needs, and self-actualization needs, respectively.

Existence needs means our basic material requirements for living, which include what Maslow categorized as physiological needs such as air, sleep, food, water, clothing, sex and shelter and safety-related needs such as health, secure employment, and property.

Relatedness needs focuses to do with the importance of maintaining interpersonal relationships. These needs are based on social interactions with others and are aligned with Maslow's levels of love/belonging-related needs such as friendship, family, and sexual intimacy and esteem-related needs such as gaining the respect of others.

Growth needs means our essential desire for personal development. These needs are with the other part of Maslow's esteem-related needs such as self-esteem, self-confidence, and achievement, and self-actualization needs such as morality, creativity, problem-solving, and discovery.

Alderfer is of the opinion that when a certain category of needs is not being met, people will enhance their efforts to fulfil needs in a lower category. Maslow's theory is very strict and it assumes that the needs follow a specific and orderly hierarchy and unless a lower-level need is satisfied, an individual cannot proceed to the higher-level need i.e., an individual remains at a particular need level until that need is satisfied.

Whereas, according to Alderfer's theory, if a higher-level need is irritated, an individual may revert to increasing the satisfaction of a lower-level need. This is called the frustration-regression aspect of ERG theory. ERG theory is very flexible as Alderfer feel the needs as a range/variety instead of perceiving them as a hierarchy i.e., an individual can work on growth needs even if his existence or relatedness needs remain unsatisfied.

For example, when growth needs irritate, then an individual might be motivated to accomplish the relatedness need and if there are issues in accomplishing relatedness needs, then he might be motivated by the existence needs. Hence in this manner, frustration or aggravation can result in regression to a lower-level need.

Another example could be, if someone's self-esteem is suffering, he or she will invest more effort in the relatedness category of needs.

## Implications of the ERG

All managers must understand that an employee has various needs that must be satisfied at the same time. According to the ERG theory, if the manager focuses simply on one need at a time, then this will not effectively motivate the employee. The frustration-regression aspect of ERG Theory has an added effect on workplace motivation. For example, if an employee is not provided with growth and advancement opportunities in an organization, then he or she might revert to related needs such as socializing needs.

To meet those socializing needs, if the environment or circumstances do not permit it, he might revert to the need for money to fulfil those socializing needs. By the time the manager realizes and discovers this, they will take more immediate steps to fulfil those needs which are frustrated until such time that the employee can again pursue growth.

### 3.5.4 Vroom's Expectancy needs Theory

Vroom's expectancy theory of motivation says that an individual's motivation is affected by their expectations about the future. As per his focused an individual's motivation is affected by

**Expectancy: effort → performance (E→P)**

**Instrumentality: performance → outcome (P→O)**

**Valence: V(R) outcome → reward.**

**Expectancy:** Here the belief is that increased effort will lead to increased performance i.e., if I work harder then it will be better. This is affected by things such as:

Having the appropriate resources available ((e.g., raw materials, time)

Having the appropriate management skills to do the job

Having the required support to get the job done (e.g., supervisor support, or correct information on the job)

**Instrumentality:** Here the belief is that if you perform well, then the outcome will be a valuable one for me. i.e., if I do a good job, there is something in it for me. This is affected by things such as: A clear understanding of the relationship between performance and outcomes – e.g., the rules of the reward 'game'

Trust in the people who will take the decisions on who gets what outcome

Transparency in the process decides who gets what outcome

**Valence:** is how much importance the individual places upon the expected outcome. For example, if someone is motivated by money, he or she might not value offers of additional time off.

Motivation = V \* I \* E

The three elements are important when choosing one element over another because they are clearly defined:

E>P expectancy: our assessment of the probability that our efforts will lead to the required performance level.

P>O expectancy: our assessment of the probability that our successful performance will lead to certain outcomes.

### **3.5.5 McGregor's Theory X and Theory Y**

Theory X and Theory Y were first explained by McGregor.

One of which is Negative called as Theory X

The other is positive so called as Theory Y

According to him the perception of managers on the nature of individuals is based on various assumptions.

#### **Assumptions of Theory X**

- An average employee naturally does not like work and tries to escape it whenever possible.
- Since the employee does not want to work, he must be convinced mandatory, or warned with punishment to achieve organizational goals. A closed supervision is required on part of managers. The managers adopt a more Advanced style.
- So many employees rank job security on top, and they have little or no ambition.
- Employees mostly dislike more responsibilities.
- Employees challenge change.
- An average employee needs formal direction.

#### **Assumptions of Theory Y**

- Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an essential manner in their jobs.
- Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
- If the job is rewarding and satisfying, then it will result in employee's loyalty and commitment to organization.
- An average employee can learn to admit and recognize the responsibility.in fact; he can even learn to obtain responsibility.
- The employees have their own skills and capabilities. Their logical capabilities should be utilized.

So, we can say the creativity, Resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Theory X: Managers who accept this theory believe that if you feel that your team members dislike their work, have little motivation, need to be watched every minute, and are incapable of being accountable for their work, avoid responsibility and avoid work whenever possible, and then you are likely to use harsh style of management. According to McGregor, this approach is very immediate and usually involves micromanaging people's work to ensure that it gets done properly.

Theory Y: Managers who accept this theory believe that if people are willing to work without supervision, take pride in their work, see it as a challenge, and want to achieve more, they can direct their own efforts, take ownership of their work and do it effectively by themselves. These managers use a decentralized, participative management style.

---

### 3.6 Motivational theories and marketing strategies

---

Strategy should include at least a mission statement, objectives, and focused strategy including market segment focus and product positioning. Marketing strategy should specify clearly the way of carrying on marketing functions of the firm. Effective marketing starts with a considered, well-informed Marketing Strategies .A good marketing strategy helps to define Vision, mission and business goals, and outlines the steps need to take to achieve these goals. Marketing strategy affects the way the business is, so it should be planned and developed in consultation with entire team.

- ❖ describes the business and its products and services
- ❖ Explains the position and role of products and services in the market as per the segment.
- ❖ Profiles customers and competition.
- ❖ Identifies the marketing tactics which will be used allows building a marketing plan and measuring its effectiveness.

A marketing strategy sets the overall direction and goals for

The overall marketing functions, and is therefore different from a Marketing plan, which outlines the specific actions which will be taken to implement the marketing strategy. The marketing strategy could be developed for the next few years, while the marketing plan usually describes tactics to be achieved in the current year. The marketing planning process involves both the development of objectives and specifications for how they will be accomplished. Marketing strategies must have necessary for different organizations and for brand new startup or advertising for small to big organizations. Motivation will affect on different way different person and their works too. An excellence strategy businesses utilize is enhancing consumer perception of the value their product or service offers. It's not always about the price tag; consumers will be more motivated to make a purchase when they believe the value they are getting. Apple's iPhones are an excellence example-Apple has successfully created a market where consumers are drawn to its sleek design, innovative features, and the status symbol that owning an iPhone represents.

#### ❖ Exercise

**Answer the following questions in detail:**

- 1) What is hierarchy of needs as per Abraham Maslow's theory?
- 2) What is motivation? What are needs and goal in Motivation?
- 3) Explain the motivation process.
- 4) Explain the McClelland's Needs Theory.
- 5) Explain the ERG Theory.
- 6) Explain McGregor's Theory X and Theory Y.
- 7) Explain Vroom's Expectancy needs Theory.

**4.1 Definition of Consumer Personality****4.2 Nature of personality****4.3 Personality Traits****4.4 Perception****❖ Exercise**

---

**4.1 Definition of Consumer Personality**

---

The word 'personality' derives from the Latin word 'persona' which means 'mask'. It is possible to think of the study of personality as the study of the "masks" that people put on. These are the identities that people adopt, which also encompass the inner facets of psychological experience that we refer to as the "self."

One person's personality differs from the personality of the other person. It is one of the factors that has an impact on how people operate in the marketplace. His personality type affects what a consumer buys, when he buys it, and how. Because of this, marketers are interested in knowing what personality is, what personality traits are, and how these traits affect the behaviour of consumers. A broader definition of personality is the inner psychological traits that both shape and reflect how an individual interacts with the world. Alternatively, personality is a mix of several human attributes.

---

**4.2 Nature of Personality**

---

Following are the characteristics of personality.

- Personality reflects individual differences
- Personality is consistent and enduring
- Personality can change

**Personality Reflects Individual Differences**

The personality of each person is a distinctive blend of elements; no two people are precisely the same. Being able to divide consumers into separate categories based on a single attribute or a few traits makes personality a useful notion.

Personality is Consistent and Enduring

Marketers identify the psychological features which affect particular consumer responses and work to appeal to these attributes in their target market. Even though a person may have a consistent personality, psychological, socio-cultural, and environmental influences on behaviour can produce significant variations in consumption behaviour.

## **Personality can Change**

Major life events, like the birth of a child, the death of a loved one, a divorce, or a significant shift in one's career, can have an impact on a person's personality. The slow process of maturing includes changes in an individual's personality as well. a) Stereotypes about personality might evolve over time. b) For instance, it is predicted that personality differences between men and women are convergent.

---

### **4.3 Personality Theories**

---

Numerous theories of personality have been created by researchers based on their interpretation of various personality features. Since there isn't a single, widely acknowledged theory of personality.

#### **4.3.1 Freudian theory**

The personality theory created by Sigmund Freud is the most popular. Modern psychology is based on the psychoanalytic theory of personality developed by Sigmund Freud. This theory was founded on the idea that human motivations and personality are rooted in unconscious needs or drives, particularly sexual and other biological drives. According to Freud, there are three forces at play in each person's psyche. Those are

- 1) ID
- 2) The Superego
- 3) The ego

He believed that the relationship between the id, superego, and ego determines a person's personality

#### **1. The ID**

ID includes the instincts and is present at birth. Id includes the basic physiological needs such as thirst, hunger and sex-for which individual seeks satisfaction without concern for the specific means of satisfaction.

#### **2. The Superego**

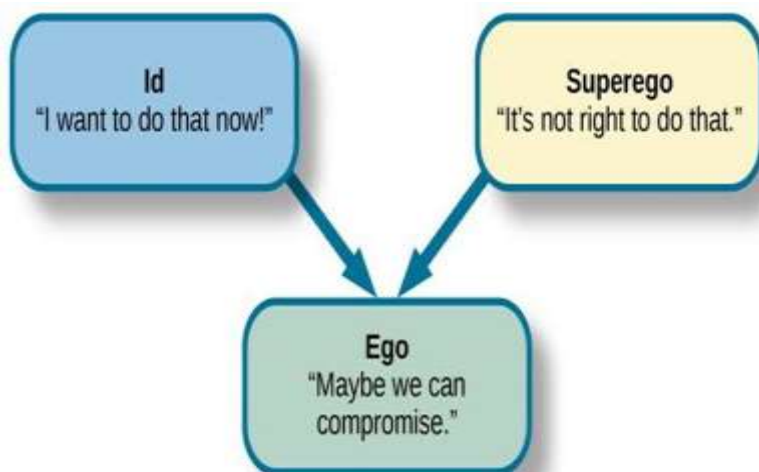
The Superego inhibits the impulses of the id and influence the individual toward conforming to all of the moral principles. The superego is conceptualized as the individual's internal expression of society's moral and ethical codes of conduct. The superego's role is to see that the individual satisfies needs in a socially acceptable fashion. Thus, the superego is a kind of brake that restraints or inhibits the impulsive forces of the id.

#### **3. The ego**

Finally, ego is the individual's conscious control. It functions as an internal monitor that attempts to balance the impulsive demands of the id and the socio-cultural constraints of the superego. The following figure shows the interrelationships among the three distinct interacting systems. He also believed that an individual's personality is formed as he or she passes through a number of distinct stages of infant and childhood development. One



personality develop son the basis of the amount of frustration and anxiety he faces at each of these stages. The stages identified by Freud are



According to the Freudian theory, an adult's personality is determined by how well he or she deals with the crises that are experienced while passing through each of these stages. There are several themes based on psychoanalytic theory which are sometimes used by marketers in attempting to influence consumers such as fantasy, wish fulfilment, aggression and escape from life's pressures (perfume, hair dye, skincare products, dresses, farm houses and motorcycle are some examples of product categories).

#### 4.3.2 Social/Cultural (Neo-Freudian) Theory

The idea that personality is essentially instinctive and sexual in character was opposed by a number of Freud's associates. They maintained that social interactions are essential to the formation of personality. Alfredo Adler saw people trying to achieve different logical objectives, which he referred to as a style of living, emphasising the individual's attempts to overcome emotions of inadequacy. Harry Stack Sullivan emphasised that individuals consistently try to build meaningful and fulfilling relationships with other people, highlighting the need to ease tensions.

Karen Horney concentrated on the effects of interactions between parents and children, particularly the desire of the person to overcome anxiety. Three personality types—compliant, aggressive, and detached—were her suggestions.

People who approach others are compliant because they want to be liked, valued, and loved. Those who are aggressive move against other people. They want to be the best and gain respect. People that are detached walk away from other people because they want their own independence, self-sufficiency, and lack of responsibilities. Based on the aforementioned, the CAD, a personality test, has been created and put to the test. It displays several speculative correlations between ratings and consumption habits of brands and products. Many marketers have probably applied some of these Neo-Freudian beliefs inadvertently.

Joel B. Cohen used a 35-item inventory to measure CAD and discovered some speculative associations between CAD types and the use of a product or brand. "Aggressive" types used more cologne and aftershave lotion and preferred Van Heusen shirts and Old Spice deodorant (perhaps because of its masculine appeal?); "detached" types seemed to have the least awareness of brands and drank more tea. "Compliant" types appeared to prefer known brands and use more mouthwash and toilet soaps. According to Mark Salama, Terrel Williams, and Armen Tashchian, "detached" personality types appear to be less interested in making purchases than "compliant" or "aggressive" types. Take Care Social theories, commonly referred to as non-Freudian theories, incorporate the opinions of numerous non-Freudian social theorists.

### 4.3.3 Trait Theory

According to trait theory, a person's personality is made up of a variety of qualities that characterize broad patterns of response. These ideas, which date back relatively recently, explain consumer behaviour using well-accepted personality traits. In contrast to theories previously described, the orientation is empirical or quantitative. According to J. P. Guilford, a characteristic is any defining and comparatively permanent difference between two people. The idea is that personality traits are broad, comparatively stable aspects that impact behavioural patterns. Three presumptions can be used to summarise the idea:

Behavioural tendencies in individuals are relatively stable. 2. A limited number of traits are common to most individuals. They differ only in the degree to which they have these tendencies. These traits and their relative degree, when identified and measured, are useful in characterizing individual personalities.

One type of feature that is measured is consumer innovativeness, which refers to an individual's openness to new experiences. The level of a consumer's commitment to "worldly possessions" is known as consumer materialism. Remarks 164 Consumer ethnocentrism: the propensity of consumers to approve or disapprove of goods manufactured abroad It is now expected by researchers that personality will influence customers' decision-making processes and whether they choose to buy or consume a wide range of products rather than just one particular brand.

Individuality and Diverse Customer Base In order to better understand their target audience and segment individuals who are most likely to respond favourably to their communications about products or services, marketers are interested in learning how personality affects consumption behaviour.

Innovative Consumer Behaviour and Associated Personality Features Marketers need to get as knowledgeable as possible about consumer innovators, or people who are willing to try new things. These innovators are frequently essential to the commercial success of new goods. The ability to distinguish between consumer innovators and non-innovators has been demonstrated by personality features. Personality traits to be discussed include:

- >> Consumer innovativeness.
- >> Dogmatism.
- >> Social character.
- >> Need for uniqueness.
- >> Optimum stimulation level.
- >> Variety-novelty seeking

**Consumer Innovativeness** How receptive are consumers to new products, new services, or new practices? Recent consumer research indicates a positive relationship between innovative use of the Internet and buying online.

**Dogmatism** is a personality trait that measures the degree of rigidity an individual displays toward the unfamiliar and toward information that is contrary to their established beliefs. Consumers low in dogmatism are more likely to prefer innovative products to established ones. Consumers high in dogmatism are more accepting of authority-based ads for new products.

**Social character** is a personality trait that ranges on a continuum from inner-directed to other-directed. Inner-directed consumers tend to rely on their own “inner” values or standards in evaluating new products and are innovators. They also prefer ads stressing product features and personal benefits. Other-directed consumers tend to look to others for direction and are not innovators. They prefer ads that feature social environment and social acceptance.

**Need for Uniqueness** These people avoid conformity; they are the ones who seek to be unique!

**Optimum Stimulation Level** Some people prefer a simple, uncluttered, and calm existence, although others seem to prefer an environment crammed with novel, complex, and unusual experiences. Persons with optimum stimulation levels (OSLs) are willing to take risks, to try new products, to be innovative, to seek purchase-related information, and to accept new retail facilities. The correspondence between an individual’s OSL and their actual circumstances has a direct relationship to the amount of stimulation individual’s desire. If the two are equivalent, they tend to be satisfied. If bored, they are under stimulated, and vice versa.

**Variety-Novelty Seeking** This is similar to OSL. Primary types are variety or novelty seeking. There appear to be many different types of variety seeking: exploratory purchase behaviour (e.g., switching brands to experience new and possibly better alternatives), vicarious exploration (e.g., where the consumer secures information about a new or different alternative and then contemplates or even daydreams about the option), and use innovativeness (e.g., where the consumer uses an already adopted product in a new or novel way). The third form of variety or novelty seeking—use innovativeness—is particularly relevant to technological changes. Consumers with high variety seeking scores might also be attracted to brands that claim to have novel or multiple uses or applications.

The stream of research examined here indicates that the consumer innovator differs from the non-innovator in terms of personality orientation. Cognitive Personality Factors Market researchers want to understand how cognitive personality influences consumer behaviour. Two cognitive personality traits have been useful in understanding selected aspects of consumer behaviour. They are: a) Need for cognition. b) Visualizers versus Verbalizers.

**Need for Cognition** This is the measurement of a person’s craving for or enjoyment of thinking. Consumers who are high in NC (need for cognition) are more likely to be

responsive to the part of an advertisement that is rich in product-related information of description. They are also more responsive to cool colours. Consumers who are relatively low in NC are more likely to be attracted to the background or peripheral aspects of an ad. They spend more time on print content and have much stronger brand recall. Need for cognition seems to play a role in an individual's use of the Internet.

**Visualizers versus Verbalizers:** Visualizers are consumers who prefer visual information and products that stress the visual. Verbalizers are consumers who prefer written or verbal information and products that stress the verbal. This distinction helps marketers know whether to stress visual or written elements in their ads.

From Consumer Materialism to Compulsive Consumption

**Consumer Materialism** is a trait of people who feel their possessions are essential to their identity. They value acquiring and showing off possessions, they are self-centred and selfish, they seek lifestyles full of possessions, and their possessions do not give them greater happiness.

**Fixated Consumption Behaviour** Somewhere between being materialistic and being compulsive is being fixated with regard to consuming or possessing. Like materialism, fixated consumption behaviour is in the realm of normal and socially acceptable behaviour. Fixated consumers' characteristics include – 1. A deep (possibly: "passionate") interest in a particular object or product category. 2. A willingness to go to considerable lengths to secure additional examples of the object or product category of interest. 3. The dedication of a considerable amount of discretionary time and money to searching out the object or product. This profile of the fixated consumer describes many collectors or hobbyists (e.g., coin, stamp, antique collectors, vintage wristwatch, or fountain pen collectors).

**Compulsive Consumption Behaviour** Compulsive consumption is in the realm of abnormal behaviour. Consumers who are compulsive have an addiction; in some respects, they are out of control, and their actions may have damaging consequences to them and those around them

---

## 4.4 Perception

---

### 4.4.1. Introduction

For an individual, reality is based not on an objective reality but rather on their own subjective experience, which serves as the foundation for their actions and reactions. Because of this, consumers' perceptions rather than their understanding of actual fact are of particular interest to marketers. Perception is, to put it simply, "the way we view the world around us." The way people select, organize, and interpret the stimuli around them is called perception.

### 4.4.2 Elements and Dynamics of Perception

Perception is "the process by which an individual select, organizes, and interprets stimuli into a meaningful and coherent picture of the world," according to Schiffman and Kanuk.

All units of input to a sensory receptor are considered stimuli. Brand names, commercials, colours, sounds, packaging, and other elements are examples of stimulus in a marketing context.

#### **4.4.3 Sensation (Exposure to Stimuli)**

The quick and direct reaction of sense organs to uncomplicated stimuli, such as an advertisement, a brand name, a package, etc., is called a sensation. Individual differences in sensitivity to stimuli are attributed to differences in the quality of sensory receptors. Example: Some people are more visually or auditorily acute. The differentiation of input determines a stimulus's corresponding sensation. Even if there is a lot of sensory input, a largely static and unchanging environment produces little to no sensation. For instance, someone who lives close to a busy train station is unlikely to feel the sound of cars or trains honking or other traffic noises. Increase or decrease of one or two honking horns would never be noticed. When the quantum of sensory inputs is high, the senses fail to detect small differences in sensory inputs.

#### **4.4.4 Absolute Threshold**

The lowest point at which a person can feel a sensation is known as the absolute threshold. An individual can distinguish between "something" and "nothing" at this time, which corresponds to their absolute threshold for that input. One person might perceive the sound pitch at 20 cycles per second, whereas another person would perceive it at 30 cycles per second. For these two people, there would be distinct absolute standards for soundness. The ability of many people to distinguish between different sensory attributes like taste, smell, hearing, or feel is limited. Under conditions of constant stimulation, the senses are prone to grow increasingly dull, and the absolute threshold increases.

Absolute threshold refers to the lowest level at which an individual can experience a sensation. At this point an individual can detect a difference between "something" and "nothing" and this point would be that individual's absolute threshold for that stimulus. For instance, one individual may sense the sound pitch at 20 cycles per second and the second individual may sense the sound pitch at 30 cycles per second. Absolute threshold for sound in case of these two individuals would be different. Many individuals' ability to discriminate sensory characteristics such as taste, smell, hearing, or feel is small. The senses are likely to become increasingly dull under conditions of constant stimulation and the absolute threshold increases. For example, if someone drives for half an hour through a corridor of billboards, it is doubtful that any particular billboard will register any impression. This is known as 'adaptation' and refers to "getting used to" certain sensations. Sensory adaptation is a problem for many TV advertisers because of advertising clutter. It is because of this reason that advertisers are inclined to change their ad campaign frequently fearing that target audiences will get so adapted to the current ads that these will no longer provide sufficient sensory input to be noticed.

#### **4.4.5 Differential Threshold**

Differential threshold is the smallest detectable difference between two values of the same stimulus. This is also referred as JND (Just Noticeable Difference). A German

scientist of nineteenth-century, Ernst Weber discovered that the just noticeable difference between two stimuli was an amount relative to the intensity of the initial stimulus. To measure the differential threshold for a stimulus, one commonly changes its intensity in very small amounts. An individual's threshold exists when she/he first notices that the stimulus has changed. The difference between this value and the starting value is the just noticeable difference.

Weber's Law (after the name of the scientist) states that stronger the initial stimulus, greater the additional intensity needed for the second stimulus to be perceived as different. For example, if a producer: Consumer Perception raises the price of its car by four hundred rupees, probably it would not be noticed because the Notes increase would fall below JND the difference in price may become noticeable if the increase were to be one thousand rupees or more.

The difference needs to be observable to be increased to a level of stimulation equal to JND. Similarly, it is rare to be observed that the price of the identical car drops below JND if the price decreases by 400. Weber's law is a tool used by marketers to forecast consumer reactions to variations in marketing factors or adjustments to these variables. When a product is improved or its price is lowered, for example, the marketer's goal is to get customers to notice the differences. In other situations, the goal is to draw attention away from the differences—for example, by decreasing the size or quality of the product, raising the price, or altering the packaging when it is crucial for consumers to be able to quickly recognize the changes.

#### **4.4.6 Subliminal Perception**

It is also possible for people to perceive stimuli that are not conscious of them. Here, stimuli that would normally be too weak or short to be consciously seen or heard become strong enough to be perceived. Subliminal perception is the process by which a stimulus is perceived when it is below the awareness threshold. This demonstrates that the absolute threshold for effective perception is lower than the threshold of conscious awareness. "Embeds" are covert stimuli that consumers are not likely to recognize.

A number of research studies suggest that individuals differ in their susceptibility to subliminal stimuli and that subliminal messages can trigger basic drives such as hunger but stimulation does not necessarily precipitate action. Caution Differential Threshold is a minute detectable difference and Subliminal Perception occurs when the stimulus is below threshold of awareness but is still perceived. Disguised stimuli, not readily recognized by consumers are called 'embeds'. These embeds are believed to be planted in print advertisement to influence consumers' purchase behaviour. A number of research studies suggest that individuals differ in their susceptibility to subliminal stimuli and that subliminal messages can trigger basic drives such as hunger but stimulation does not necessarily precipitate action. Subliminal research studies are inconclusive as far as impact of advertising is concerned. Research on subliminal perception seems to be based on two theoretical approaches (1) the effect of constant repetition of very weak stimuli adds up to produce response strength and (2) subliminal stimuli of a sexual nature arouse

unconscious sexual motivations. Research studies have so far failed to indicate that any of these theoretical approaches can be put to effective use in advertising to increase sales.

#### ❖ **Key Words**

- **Personality:** inner psychological traits that both shape and reflect how an individual interacts with the world. Alternatively, personality is a mix of several human attributes.
- **Consumer Perception:** The way people choose, organize, and interpret the stimuli around them is called perception.
- **Absolute Threshold:** The lowest point at which a person can feel a sensation is known as the absolute threshold
- **Just Noticeable difference:** Differential threshold is the smallest detectable difference between two values of the same stimulus
- **Consumer Innovativeness** How receptive are consumers to new products, new services, or new practices.
- **Social character** is a personality trait that ranges on a continuum from inner-directed to other-directed. Inner-directed consumers tend to rely on their own “inner” values or standards in evaluating new products and are innovators.
- **Dogmatism** is a personality trait that measures the degree of rigidity an individual display toward the unfamiliar and toward information that is contrary to their established beliefs.
- **Compulsive Consumption Behaviour** Compulsive consumption is in the realm of abnormal behaviour. Consumers who are compulsive have an addiction; in some respects, they are out of control, and their actions may have damaging consequences to them and those around them.
- **Weber’s Law** (after the name of the scientist) states that stronger the initial stimulus, greater the additional intensity needed for the second stimulus to be perceived as different.
- **Visualizers versus Verbalizers:** Visualizers are consumers who prefer visual information and products that stress the visual. Verbalizers are consumers who prefer written or verbal information and products that stress the verbal.
- **Consumer Materialism** is a trait of people who feel their possessions are essential to their identity.

❖ **Exercise**

**Long Questions:**

- 1) Explain briefly the Freudian Theory of Personality. In what way do the Neo Freudians differ with this theory?
- 2) Discuss Trait theory of personality in detail.
- 3) Explain the concept of Just Noticeable Difference and its implications on price and quality.
- 4) Explain Subliminal perception and marketing implications of Subliminal perception.

**MCQ**

1. Those inner psychological characteristics that both determine and reflect how a person responds to his or her environment defines:

- a. Inner characteristics.
- b. Personality.
- c. Motives.
- d. Drives.

**Answer: Personality**

2. According to Freud, the 3 aspects of personality do NOT include which one of the following:

- a. Ego
- b. Emotion
- c. Super ego
- d. Id

**Answer: Emotion**

3. \_\_\_\_\_ personality trait that measures the degree of rigidity.

- a. Dogmatism
- b. Social Character
- c. Consumer Innovativeness
- d. Consumer Materialism

**Answer: Dogmatism**

4. \_\_\_\_\_ are consumers who prefer visual information and products that stress the visual

- a. Visualizers
- b. Verbalizer
- c. Ethnocentric
- d. Consumer Innovativeness



**Answer: Visualizers**

5. The lowest point at which a person can feel a sensation is known as.
- Absolute Threshold
  - Differential Threshold
  - Weber's Law
  - None of the above

**Answer: Absolute Threshold.**

6. Personality trait that ranges on a continuum from inner-directed to other-directed
- Social Character
  - Ethnocentric
  - Novelty Seeker
  - Dogmatism

**Answer: Social Character**

7. The \_\_\_\_\_ is the minimum amount of stimulation that is required to tell that two stimuli are not the same
- similarity disparity
  - just-noticeable difference
  - indifference threshold
  - incompatibility threshold

**Answer: just-noticeable difference**

8. Reading words on a page and understanding their meaning is an example of
- accommodation
  - perception
  - sensation
  - sensory adaptation

**Answer: Perception**

9. Decreased sensitivity to an unchanging stimulus is known as \_\_\_\_\_
- transduction
  - difference threshold
  - sensory adaptation
  - inattentional blindness

**Answer: Sensory Adaptation**

10. \_\_\_\_\_ inner psychological traits that both shape and reflect how an individual interacts with the world.
- Personality
  - Perception
  - Motivation

d. Learning

**Answer: Personality**

**Short Questions – Answers**

- 1) Personality
- 2) Perception
- 3) Weber's Law

**5.1 Introduction to Consumer Learning****5.2 Behavioural Learning Theories****5.3 Theory of Cognitive Learning****5.4 Introduction to Consumer Attitudes****5.5 Definition of Attitude****5.6 Characteristics of Attitude****5.7 Models of Attitude****5.8 The Trying-to-Consume Model****5.9 The Attitude-towards-the-ad Model****5.10 Attitude Change Strategy****❖ Exercise**

---

**5.1 Introduction to Consumer Learning**

---

Consumer learning is the process by which individuals acquire the knowledge and experience needed for purchasing and consumption. It involves continually evolving and changing as a result of newly acquired knowledge from experience. Personal experience and newly acquired knowledge serve as feedback to the individual and provide the basis for future behaviour in similar situations. The term learning encompasses the total range of learning, from simple, almost reflexive responses to the learning of abstract concepts and complex problem-solving.

Most learning theorists recognize the existence of different types of learning and explain the differences through the use of distinctive models of learning. Despite their different viewpoints, learning theorists agree that certain basic elements must be present for learning to occur—motivation, cues, response, and reinforcement.

**Motivation** is based on needs and goals. The degree of relevance, or involvement, with the goal, is critical to how motivated the consumer is to search for information about a product. Uncovering consumer motives is one of the prime tasks of marketers, who try to teach consumer segments why their product will best fulfil their needs.

**Cues** serve to direct consumer drives when they are consistent with their expectations. In the marketplace, price, styling, packaging, advertising, and store displays all serve as cues to help consumers fulfil their needs.

**The response** is how individuals react to a cue and how they behave, and it constitutes their response. A response is not tied to a need in a one-to-one fashion. A need or motive may evoke a whole variety of responses. The response a consumer makes depends

heavily on previous learning, which in turn depends on how related responses were reinforced previously.

**Reinforcement** increases the likelihood that a specific response will occur in the future as the result of particular cues or stimuli.

---

## 5.2 Behavioural Learning Theories

---

Behavioural learning theories are sometimes called stimulus-response theories. When a person responds predictably to a known stimulus, he or she is said to have "learned." Behavioural theories are most concerned with the inputs and outcomes of learning, not the process.

Two theories relevant to marketing are classical conditioning and instrumental (or operant) conditioning.

---

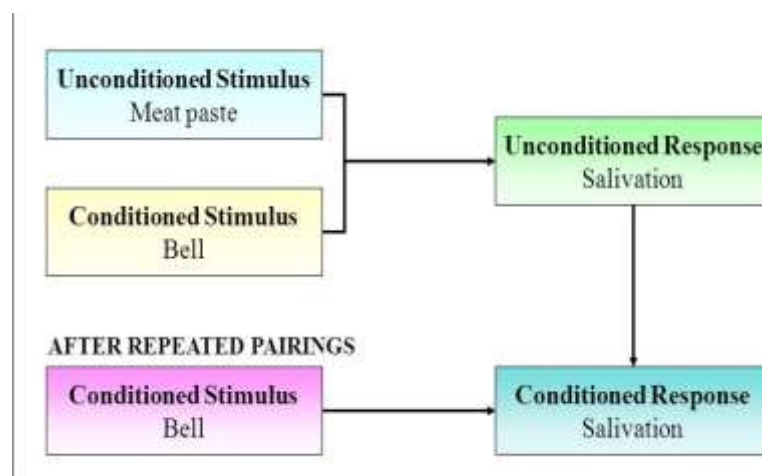
### 5.2.1 Classical Conditioning

---

Early classical conditioning theorists regarded all organisms as passive recipients. Conditioning involves building automatic responses to stimuli. Ivan Pavlov was the first to describe conditioning and to propose it as a general model of how learning occurs. For Pavlov, conditioned learning results when a stimulus that is paired with another stimulus elicits a known response and serves to produce the same response when used alone. He used dogs to demonstrate his theories. The dogs were hungry and highly motivated to eat.

Pavlov sounded a bell and then immediately applied a meat paste to the dogs' tongues, which caused them to salivate. After a sufficient number of repetitions of the bell sound, followed almost immediately by the food, the bell alone caused the dogs to salivate. In a consumer behaviour context, an unconditioned stimulus might consist of a well-known brand symbol (e.g., the Microsoft "Windows" icon) that implies technological superiority and trouble-free operation (the unconditioned response). Conditioned stimuli might consist of new products bearing well-known symbols.

Pavlov Classical Conditioning Theory



## Cognitive Associative Learning

Recent conditioning theory views classical conditioning as the learning of associations among events that allow the organism to anticipate and "represent" its environment. The relationship (i.e., contiguity) between the conditioned stimulus and the unconditioned stimulus (the bell and the meat paste) influenced the dogs' expectations, which in turn influenced their behaviour (salivation). Classical conditioning is seen as cognitive associative learning, not the acquisition of new reflexes, but the acquisition of new knowledge about the world.

Optimal conditioning requires forward conditioning, repeated pairings of the conditioned stimulus and the unconditioned stimulus, a conditioned stimulus and an unconditioned stimulus that logically belong together, a conditioned stimulus that is novel and unfamiliar, and an unconditioned stimulus that is biologically or symbolically salient. Under Neo-Pavlovian conditioning, the consumer can be viewed as an information seeker who uses logical and perceptual relations.

**Cognitive Associative Learning** Recent theories on conditioning perceive classical conditioning as the formation of associations among events, enabling organisms to anticipate and "represent" their environment. The relationship (i.e., contiguity) between the conditioned stimulus and the unconditioned stimulus (the bell and the meat paste) shaped the dogs' expectations, influencing their behaviour (salivation). Classical conditioning is viewed as cognitive associative learning, signifying the acquisition of new knowledge about the world rather than the development of new reflexes. Optimal conditioning, creating a strong association between the conditioned stimulus (CS) and the unconditioned stimulus (US), necessitates forward conditioning, repeated pairings of the CS and the US, a logical connection between the CS and US, a novel CS, and a biologically or symbolically salient US. In Neo-Pavlovian conditioning, consumers are seen as information seekers, using logical and perceptual relations among events, coupled with preconceptions, to build a sophisticated representation of the world.

**Strategic Applications of Classical Conditioning** Three fundamental concepts arise from classical conditioning: repetition, stimulus generalization, and stimulus discrimination.

**1.Repetition** strengthens associations and slows the forgetting process. a) After a certain number of repetitions, retention declines. b) This effect, known as advertising wearout, can be alleviated by varying advertising messages. c) Wearout can be mitigated by introducing variation, either cosmetic or substantive. According to classical conditioning theorists, learning depends not just on repetition but also on individuals' ability to generalize.

**2.Stimulus generalization** elucidates why imitative "me too" products thrive: consumers associate them with the original product they've seen advertised. a) It also clarifies why private label brands mimic the packaging of national brand leaders. Marketers apply the principle of stimulus generalization to product line, form, and category extensions. b) In product line extensions, new products are added to an established brand, leveraging the association with a known and trusted brand name. c) Product form extensions involve

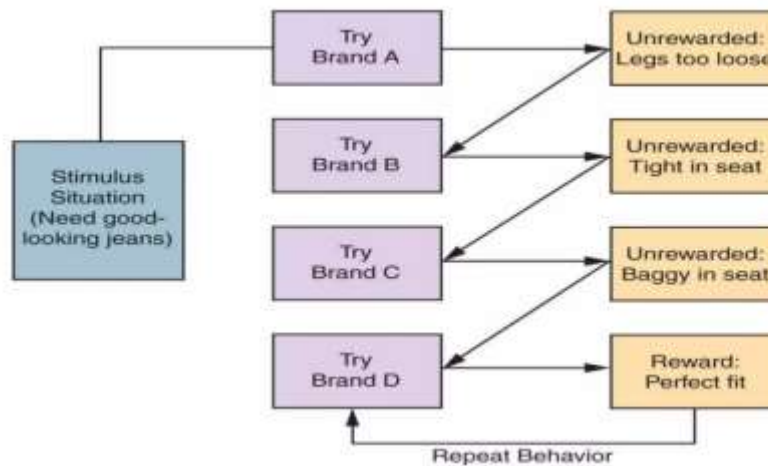
different sizes, colours, and Flavors. d) Product category extensions target new market segments. Family branding, marketing a whole line of company products under the same brand name, and retail private branding achieve a similar effect.

**3. Stimulus discrimination**, the opposite of stimulus generalization, involves selecting specific stimuli from similar ones. a) The consumer's ability to discriminate among similar stimuli forms the basis of positioning strategy, aiming to establish a unique brand image in the consumer's mind. Effective positioning, a key competitive advantage, relies on the consumer's ability to discriminate. b) The image or position a product or service holds in the consumer's mind is critical to its success. c) Market leaders want consumers to discriminate among similar stimuli, unlike imitators who hope for generalization. Most product differentiation strategies aim to distinguish a product or brand based on a relevant, meaningful, and valuable attribute. Unseating a brand leader becomes more challenging once stimulus discrimination occurs. d) The longer the learning period associating a brand name with a specific product, the more likely the consumer is to discriminate and less likely to generalize the stimulus. The principles of classical conditioning underpin many marketing applications, with repetition, stimulus generalization, and stimulus discrimination being key concepts that elucidate consumer behaviour.

### **5.2.2 Instrumental Conditioning**

Similar to classical conditioning, instrumental conditioning necessitates a connection between a stimulus and a response. a) However, in instrumental conditioning, the stimulus leading to the most satisfactory response is learned. Instrumental learning theorists posit that learning occurs through trial and error, with habits formed based on rewards received for specific responses or behaviours. b) While classical conditioning explains simple behaviours, instrumental conditioning is more adept at elucidating complex, goal-directed activities. According to B. F. Skinner, most individual learning occurs in a controlled environment where individuals are "rewarded" for choosing appropriate behaviours. c) In consumer behaviour, instrumental conditioning implies that consumers learn through a trial-and-error process, where certain purchase behaviours result in more favourable outcomes (rewards) than others. d) A positive experience is instrumental in encouraging the individual to repeat a specific behaviour. Similar to Pavlov, Skinner developed his learning model through work with animals. e) In a marketing context, a consumer trying different jeans brands and styles before finding one that fits her figure (positive reinforcement) exemplifies instrumental learning.

## Model of Instrumental Conditioning



Reinforcement of Behaviour Skinner identified two types of reinforcement influencing the likelihood of a response being repeated. a) Positive reinforcement involves events strengthening the likelihood of a specific response. b) Negative reinforcement is an unpleasant outcome that encourages a specific behaviour. c) Either positive or negative reinforcement can be employed to elicit a desired response. d) Negative reinforcement should not be confused with punishment, which aims to discourage behaviour. Forgetting and Extinction When a learned response is no longer reinforced, it diminishes to the point of extinction, where the link between the stimulus and the expected reward is eliminated. a) Forgetting is often related to the passage of time, known as the process of decay. b) Marketers can counter forgetting through repetition and combat extinction by deliberately enhancing consumer satisfaction.

Reinforcement Schedules Marketers have identified three types of reinforcement schedules: Total (or continuous) reinforcement, Systematic (fixed ratio) reinforcement, and Random (variable ratio) reinforcement. Variable ratios tend to foster high rates of desired behaviour and exhibit some resistance to extinction—perhaps because, for many consumers, hope persists. Shaping involves reinforcing behaviours performed by consumers before the desired behaviour can occur, increasing the probability of specific desired consumer behaviour.

### 5.2.3 Modelling or Observational Learning

Learning theorists have observed that a significant percentage of learning occurs through a process psychologists refer to as modelling or observational learning (sometimes called vicarious learning) when there is no direct reinforcement, either positive or negative. When faced with identical circumstances, kids mimic (model) the positively reinforced behaviour after observing how others respond to specific stimuli and the resulting outcomes (reinforcement).

a) The process by which people pick up behaviour by seeing the actions of others and the results of those actions is called modelling.

- b) People they look up to for attributes like attractiveness, accomplishment, skill, or even social class are typically their role models.
- c) Children learn much of their social behaviour and consumer behaviour by observing their older siblings or their parents. Advertisers recognize the importance of observational learning in their selection of models, whether celebrities or unknowns. Sometimes ads depict negative consequences for certain types of behaviour.
- d) This is particularly true of public policy ads, which may show the negative consequences of smoking, of driving too fast, or taking drugs

---

### **5.3 Theory of Cognitive Learning**

---

Theory of Cognitive Learning Not all learning comes from doing something over and over. a) Thinking critically and addressing problems as a customer also leads to learning. The foundation of cognitive learning is mental activity. According to cognitive learning theory, humans learn best when they can solve problems and have some influence over their surroundings.

#### **5.3.1 Information Processing**

The human mind processes the information it receives as input much as a computer does.

- a) Information processing is related to both the consumer's cognitive ability and the complexity of the information to be processed.

Individuals differ in terms of their ability to form mental images and in their ability to recall information. The more experience a consumer has with a product category, the greater his or her ability to make use of product information.

How Consumers Store, Retain, and Retrieve Information The structure of memory—because information processing occurs in stages, it is believed that content is stored in the memory in separate storehouses for further processing; a sensory store, a short-term store, and a long-term store. Sensory store—all data comes to us through our senses; however, our senses do not transmit information as whole images.

- a) The separate pieces of information are synchronized as a single image.
- b) This sensory store holds the image of a sensory input for just a second or two.
- c) This suggests that it's easy for marketers to get information into the consumer's sensory store, but hard to make a lasting impression. Short-term store—if the data survives the sensory store, it is moved to the short-term store.
- d) This is our working memory.
- e) If rehearsal—the silent, mental repetition of material—takes place, then the data is transferred to the long-term store.
- f) If data is not rehearsed and transferred, it is lost in a few seconds. Long-term store—once data is transferred to the long-term store it can last for days, weeks, or even years. Rehearsal and encoding—the amount of information available for delivery from the short-term store to the long-term store depends on the amount of rehearsal an individual give to it.



- g) Encoding is the process by which we select and assign a word or visual image to represent a perceived object.
- h) Learning visually takes less time than learning verbal information.
- i) How much consumers encode depends on their cognitive commitment to the intake of the information and their gender. Information overload takes place when the consumer is presented with too much information.
- j) It appears to be a function of the amount of information and time frame of that information.
- k) There are contradictory studies on what constitutes overload.
- l) The difficulty is determining the point of “overload.” Retention— information is constantly organized and reorganized as new links between chunks of information are forged.
- m) In fact, many information-processing theorists view the long-term store as a network consisting of nodes (i.e., concepts) with links among them.
- n) As individuals gain more knowledge they expand their network of relationships, and sometimes their search for additional information.
- o) This process is known as activation, which involves relating new data to old to make the material more meaningful.
- p) The total package of associations brought to mind when a cue is activated is called a schema.
- q) Research has found that older adults appear to be more reliant on schema-based information processing strategies than younger adults.
- r) Consumers’ information search is often dependent upon how similar or dissimilar (discrepant) presented products are to product categories already stored in memory.
- s) Consumers recode what they have already encoded to include larger amounts of information (chunking). s) The degree of prior knowledge is an important consideration.
- t) Knowledgeable consumers can take in more complex chunks of information than those who are less knowledgeable in the product category.
- u) Information is stored in long-term memory in two ways: episodically (i.e., by the order in which it is acquired) and semantically (according to significant concepts).
- v) Many learning theorists believe that memories stored semantically are organized into frameworks by which we integrate new data with previous experience. Retrieval is the process by which we recover information from long-term storage.
- w) A great deal of research is focused on how individuals retrieve information from memory.
- x) Studies show that consumers tend to remember the product’s benefits, rather than its attributes.
- y) Motivated consumers are likely to spend time interpreting and elaborating on information they find relevant to their needs; and are likely to activate such relevant knowledge from long-term memory.
- z) Research findings suggest that incongruent (e.g. unexpected) elements pierce consumers’ perceptual screens and improve the memorability of an ad when these elements are relevant to the advertising message.

### 5.3.2 Involvement Theory

Research into split-brain hypothesis, also known as hemispherical lateralization, gave rise to involvement theory.

- a) The theory states that the left and right hemispheres of the brain process different types of information differently.
- b) The left hemisphere is in charge of cognitive functions including speaking, reading, and processing information about attribution.
- c) Information that is timeless, visual, holistic, and nonverbal is processed by the right hemisphere of the brain.
- a) Participation Theory and Media Approach People store and process information in their right brains passively.
- a) Watching television is seen as a right hemisphere activity because it is predominantly visual.
- b) It was previously believed that exposure to low-involvement information on repeat would result in passive learning.
- c) Information pertaining to high participation is linked to the left hemisphere.
- d) Recent research suggests that pictorial cues help recall and familiarity, although verbal cues trigger cognitive functions, encouraging evaluation
- e) The right-brain processing theory stresses the importance of the visual component of advertising, including the creative use of symbols.
- f) Pictorial cues are more effective at generating recall and familiarity with the product, although verbal cues (which trigger left-brain processing) generate cognitive activity that encourages consumers to evaluate the advantages and disadvantages of the product.

The marketing implications of the elaboration likelihood model are clear: e) For high-involvement purchases, marketers should use arguments stressing the strong, solid, high-quality attributes of their products—thus using the central (i.e., highly cognitive) route. f) For low-involvement purchases, marketers should use the peripheral route to persuasion, focusing on the method of presentation rather than on the content of the message (e.g., through the use of celebrity spokespersons or highly visual and symbolic advertisements). Measures of Involvement Researchers have defined and conceptualized involvement in a variety of ways including ego involvement, commitment, communication involvement, purchase importance, extent of information search, persons, products situations, and purchase decisions.

---

### 5.4 Introduction to Consumer Attitudes

---

Attitudes are an expression of inner feelings that reflect whether a person is favourably or unfavourably predisposed to some object. They are an outcome of psychological process, and hence are not observable, but must be inferred from what people say are what they do. Attitude has been one of the most important subjects of study in the field of Consumer Behaviour. Attitude research forms the basis for developing new products repositioning the existing products, creating advertising campaigns, and predicting brand preferences as well as general purchase behaviour. Understanding how attitudes influence a consumer's

purchase behaviour is a vital ingredient of the success of any marketing program. Business frequently succeeds in altering behaviour by changing attitudes toward a product, service or activity.

---

### **5.5 Definition of Attitude**

---

Cognitively oriented social psychologists defined an attitude as "an enduring organization of motivational, emotional, perceptual, and cognitive processes with respect to some aspect of an individual's world." In simple terms an attitude is the way we think, feel and act toward some aspect of our environment such as a retail store, television program, or product.<sup>1</sup> A recent definition by behavioural theorists explicitly treat attitudes as being multidimensional in nature. Here, a person's overall attitude toward an object is seen to be a function of (1) the strength of each of a number of beliefs the person holds about various aspects of the object and (2) the evaluation he gives to each belief as it relates to the object. In Consumer Behaviour contest, "an attitude is a learned predisposition to behave in a consistently favourable or unfavourable way with respect to a given object."

---

### **5.6 Characteristics of Attitude**

---

Attitudes have several important characteristics. They • have an object • have direction, intensity and degree • have structure • are learned predispositions • are influenced by a situation.

**Attitudes Have an Object** The "object" can be an abstract concept such as "racism" or a tangible item such as a washing machine. The object can be a physical thing, such as a product or it can be an action such as choosing a retail outlet. For our purpose all the marketing related concepts such as product, product category, brand, service, possessions, product use, advertisement price, medium or retailer can be considered objects.

**Attitudes Have Direction, Degree and Intensity** Attitude expresses i) direction-the person is either favourable or unfavourable toward the object ii) degree-how much the person likes the object, and iii) intensity-how strongly he believes in his conviction. These three elements of a person's attitude provide a marketer with an estimate consumer readiness toward a product purchase. Through degree and intensity sound related they are not synonymous. For instance, a person might feel that Lee jeans are too expensive and the colour fades quickly. Thus, his attitude is negative and the degree of negative feeling is quite extensive. But the individual might have little conviction feeling of sureness since he never wore one or bought one and thus his attitude could be easily changed in a favourable direction.

**Attitudes Have Structure** Attitudes do not stand in isolation. They are associated with each other to form a complex whole. This implies that they have a certain degree of consistency between them. Because attitudes cluster into a structure, they tend to show stability over time. However, despite their consistency, attitudes are not necessarily permanent, they do change.

**Attitudes are learned** Attitude relevant to purchase behaviour are formed as a result of direct experience with the product, information acquired from others, and exposure to

mass media. As a predisposition, attitudes have a motivational quality; that they might propel a consumer toward a particular behaviour. Thus, learning precedes attitude formation and change.

Attitudes Occur within a Situation can influence the relationship between an attitude and behaviour. A specific situation can cause consumer who usually wear bright and flashy colour dresses might purchase a light and sober colour dress since he needs to attend a job interview. It is important to understand how consumer attitudes vary from situation to situation.

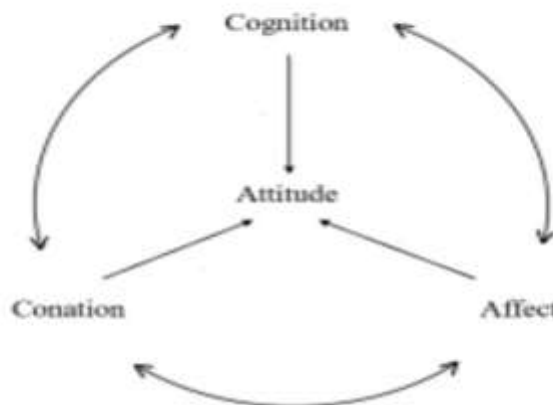
---

## 5.7 Models of Attitude

---

### 5.7.1 Tri-Component Model

According to tri-component attitude model, attitudes consist of three major components, a cognitive component, an affective component, and a behavioural component. These three components are illustrated in Figure 4.1 and discussed as follows:



**Affective Component:** A consumers' emotions or feelings about a particular product or brand constitute the affective component of an attitude. These emotions and feelings are evaluative in nature, because of this nature, an individual rate an object either "favourable" or "unfavourable". When a consumer likes' or 'dislikes' a product, it is an evaluation based on a vague, general feeling.

without cognitive information or beliefs about the product. Or, it may be the result of several evaluations of the product's performance on each of several attributes. Affect laden experiences also manifest themselves as emotionally charged states (e.g., happiness, sadness, shame, disgust, anger, distress, and guilt). Such emotional states may enhance or amplify positive or negative experiences.

A consumer's affective reaction to a product may change as the situation changes. Due to unique motivations and personalities, past experiences, reference groups, and physical conditions, the individuals may evaluate the same belief differently. While feelings are often the result of evaluating specific attributes of a product, they can precede and

influence cognitions. In fact, one may like a product without acquiring any cognitive beliefs about the product. Sometimes, our initial reaction to a product may be like or dislike without any cognitive basis for the feeling.

**Cognitive Component:** The cognitive component consists of a consumer's beliefs about an object. It includes the knowledge and perceptions that are acquired by a combination of direct experience with the attitude object and related information from various sources. This knowledge and resulting perceptions commonly take the form of beliefs. The total configuration of beliefs about a brand represents the cognitive component of an attitude towards a product.

**Behavioural / Conations Component:** This represents one's tendency to respond in a certain manner toward an object or activity. According to some interpretations, the cognitive component may include the actual behaviour itself. In pure marketing terms it relates to the consumer's intention to buy. That is, behavioural intentions. A series of decisions to purchase or other brand to friends would reflect the behavioural component of an attitude.

### **5.7.2 The Multi Attribute Attitude Model**

It portrays consumers attitudes with regard to an attitude object viz. a product, service, catalogue, direct-marketing or cause or an idea; as function of consumers' perception and assessment of the key attributes or beliefs held with regard to the particular attitude object. Although there are many variations of this type of attitude model, the following three models are briefly stated and discussed here viz. 1) the attitude-towards-object model, 2) the attitude-towards-behavior model, 3) the theory of-reasoned-action model.

#### **5.7.2 .1 Attitude towards Object Model**

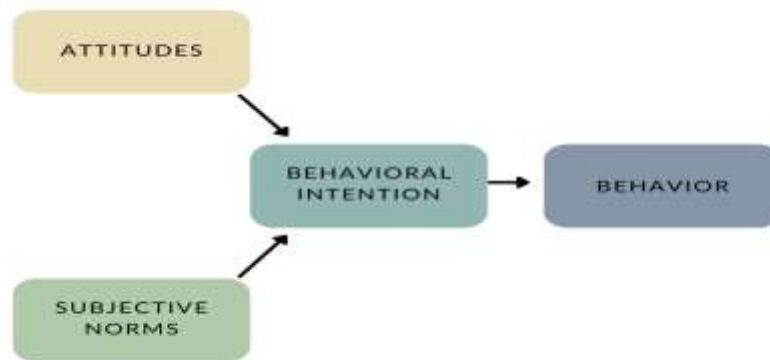
The attitude-towards-object model is especially suitable for measuring attitudes towards a product / service category or specific brands. According to this model, the consumer's attitude towards a product or specific brands of a product is a function of the presence / absence and evaluation of certain product specific beliefs and or attributes. Thus, consumers have favourable attitudes towards those brands that they believe have an adequate level of attributes that they evaluate as positive, and they have unfavourable attitudes towards those brands they feel do not have an adequate level of desired attributes or have too many negative or undesired attributes. Supporting the "trade off" nature of evaluative process, a recent study of Chinese consumers responses to the content of advertisements found that consumers tended to judge product messages both subjectively and objectively.

#### **5.7.2.2 Attitude Towards Behaviour Model**

The attitude-towards-behaviour model is designed to capture the individual's attitude towards behaving or acting with respect to an object rather than the attitude towards the object itself. Model corresponds closely to actual behaviour compare to the attitude towards object model.

### 5.7.2.3 Theory of Reasoned Action Model

The theory-of-reasoned-action (TRA) model presents comprehensive integration of attitude components into structure that is designed to lead to both better explanation and better predictions of behaviour. It consists of all three elements viz. cognitive, affective and conative components like tricomponent model, but are arranged in different pattern.



---

### 5.8 The Trying-to-Consume Model

---

The theory of trying to consume is designed to account for the many cases in which the action or outcome is not certain but instead reflects the consumers' attempts to consume. In this model, there are often personal impediments that might prevent the desired action or outcome from occurring. Again, the key point is that in these cases of trying, the outcome is not and cannot be assumed to be certain. Researchers have recently extended this inquiry by examining those situations in which consumers do not try to consume - that is, fail to try to consume. In this case, consumers appear to

(1) Fail to see or are ignorant of their options and (2) make a conscious effort not to consume; that is, they might seek to self-sacrifice or defer gratification to some future time

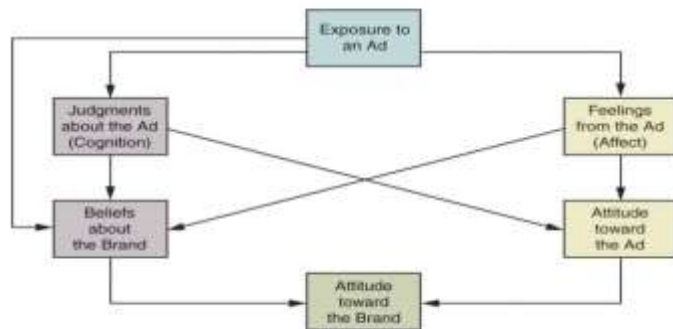
---

### 5.9 The Attitude-towards-the-ad Model

---

To understand the impact of advertising or some other promotional vehicle on consumer attitudes towards particular products or brands, considerable attention has been paid to developing what has been referred to as attitude towards the ad models. Figure 4.3 presents schematic of some of the basic relationships described by an attitude towards the ad model. As the model depicts, the consumer forms various feelings / affects and judgments / cognitions as the results of exposure to an advertisement. These feelings and adjustments in turn the consumer's attitude towards the ad and beliefs about the brand secured from exposure to the advertisement. Finally, the consumer's attitude towards the ad and beliefs about the brand influence his or her attitude towards the brand.

## Attitude-toward-the-ad model



---

### 5.10 Attitude Change Strategy

---

Attitudes are influenced by personal experience and other source of information, and personality.

Altering consumer attitude is a key strategy for the marketers. Marketers has to create positive attitude in consumer mind in order to attract them in comparison with the competitors' products. The below are the attitude change strategies:

- 1) Changing the consumer's basic motivational function
- 2) Associating the product with an admired group or event,
- 3) Resolving two conflicting attitudes
- 4) Altering components of the multi attributes model
- 5) Changing consumer beliefs about competitors' brands

1) **Changing the consumer's basic motivational function** : the consumer attitudes towards a product or brand can be changed by making a particular need important. The approach which is used to change the motivation is functional approach. According to this approach, attitudes can be classified in terms of four functions:

- Utilitarian Function
- Ego-defensive function
- Value expressive function
- Knowledge Function

• **Utilitarian Function:** Consumer value a particular brand because of its utility function. When a consumer is having an experience of using a product in past, he will tend to have positive opinion about it. Therefore, the marketer can change the attitude of consumer by focusing on the utilitarian function which the consumers are not aware of. E.g.: Hit which can be used to kill mosquito and cockroach.

- ❖ **The ego-defensive Function:** It is natural that most of the consumer wants to protect their self-images and they want to feel secure and safe about the product which they are going to buy. Many advertisements help the consumer to feel secure and confident by which the marketer tries to change the attitude by offering reassurance to the consumer's self-concept. E.g.: Bolero advertisement.
- ❖ **The value – expressive function:** Attitudes are an expression or reflection of the consumer's general values, lifestyles, and outlook. If a consumer segment generally holds a positive attitude toward owning the latest designer jeans, then their attitudes toward new brands of designer jeans are likely to reflect that orientation. Thus, by knowing target consumers' attitudes, marketers can better anticipate their values, lifestyles or outlook and can reflect these characteristics in their advertising and direct marketing efforts.
- ❖ **The Knowledge Function:** Customers always have the urge of knowing more about the products. This “need to know” is considered to be important while positioning the product. Indeed, many products and brands positioning are attempted to satisfy the need to know and to improve consumer's attitude toward the brand by emphasizing its advantages over competitive brands.

**Combining Several Functions:** The customers like or dislikes are different for different products and services. If three consumers are having positive attitudes towards Suave hair care products. However, one may be responding solely to the fact that the products work well (the utilitarian function); the second may have the inner confidence to agree with the point “when you know beautiful hair doesn't have to cost a fortune” (an ego defensive function). The third consumer's favourable attitudes might reflect the realization that Suave has for many years stressed value (equal or better products for less) – the knowledge function.

**2). Associating the product with an admired group or event:** Attitudes are related, at least in part, to certain groups, social events or causes. It is possible to alter attitudes toward companies and their products, services and brands by pointing out their relationships to particular social groups, events, or causes.

Companies regularly include mention in their advertising of the civic and public acts that they sponsor to let the public know about the good and that they are trying to do. For example, Crest Sponsors a program that promotes good oral care to children through the Boys and Girls Clubs of America.

Recent research into brand-cause alliances have investigated the relationship between the “cause and the “sponsor”. For instance, one study found that while both the brand and the cause benefit from such alliances, a low familiar cause benefited more from this association with a positive brand than did a highly familiar cause. This finding seems to indicate that it is likely to be a good idea for a sponsor to reveal to target consumers the reasoning behind their sponsorship, so that consumers know the sponsor's motives rather than from their own potentially inaccurate or negative motives.



**3). Resolving two conflicting attitudes:** Attitude change strategies can sometimes resolve actual or potential conflict between two attitudes. Specifically, if consumers can be made to see that their negative attitude toward a product, a specific product, a specific brand or its attributes is really not in conflict with another attitude, they may be induced to change their evaluation of the brand.

**4). Altering components of the multi attributes model:** Multi attitude models have implications for attitude change strategies; specifically, they provide us with additional insights as to how to bring about attitude change:

Changing the relative evaluation of attributes: The overall market for many products categories is often set out so that different consumer segments are offered different brands with different features or benefits. For instance, within a product category such as dishwashing liquids, there are brands such as Dawn that stress potency and brands such as Dove that stress gentleness. These two brands of dishwashing liquids have historically appealed to different segments of the overall dishwashing liquid market. Similarly, when it comes to coffee, or when it comes to headache remedies, there is the division between aspirin and acetaminophen.

In general, when a product category is naturally divided according to distinct product features or benefits that appeal to a particular segment of consumers, marketers usually have an opportunity to persuade consumers to “cross over”.

**5. Changing brand beliefs:** A second cognitive oriented strategy for changing attitudes is changing beliefs or perceptions about the brand itself. Advertising helps us to find out what a particular product has “more” or is “better” or “best” in terms of some important product attribute. As a variation on this theme of “more” ads for Palmolive dishwashing gentleness by suggesting that it be used for hand washing of fine clothing items.

Within the context of brand beliefs, there are forces working to stop or slow down attitude change. For instance, consumers frequently resist evidence that challenges a strongly held attitude or belief and tend to interpret any ambiguous information in ways that reinforce their preexisting attitudes.

Adding an Attitude: This can be accomplished either by adding an attribute that previously has been ignored or one that represents an improvement or technological innovation.

The first route, adding a previously ignored attribute, can be illustrated by the point that yogurt has more potassium than a banana. For consumers interested in increasing their intake of potassium, the comparison of yogurt and bananas has the power of enhancing their attitudes toward yogurt.

The second route of adding an attribute that reflects an actual product change or technological innovation is easier to accomplish than stressing a previously ignored attribute. Sometimes eliminating a characteristic or feature has the same enhancing outcome as adding a characteristic of attribute. For instance, a number of skin care or deodorant manufacturers offer versions of their products that are unscented.

Changing the overall brand rating: Another strategy consists of attempting to alter consumer's overall assessment of the brand directly, without attempting to improve or change their evaluation of any single brand attribute. Such a strategy frequently relies on some form of global statement that "this is the largest selling brand" or "the one all others try to imitate" or a similar claim that sets the brand apart from all its competitors.

❖ **Exercise**

Multiple Choice Questions

1) Pavlov and his dog experiment demonstrated what kind of learning?

- a) Classical conditioning
- b) Operant conditioning
- c) Reasoning
- d) Vicarious learning

**Answer: a**

2) \_\_\_\_\_ describes changes in an individual's behaviour arising from experience.

- a) Modelling
- b) Motivation
- c) Perception
- d) Learning

**Answer: d**

3) In Pavlov's experiments, the meat powder acted as \_\_\_\_\_.

- a) an unconditioned response.
- b) an unconditioned stimulus.
- c) a conditioned stimulus.

**Answer: b**

4. Learning by trial and error is called \_\_\_\_\_.

- a) classical conditioning
- b) operant conditioning
- c) positive reinforcement

**Answer: b**

5. Which of the following is NOT a dimension of attitude?

- a) cognition
- b) conation
- c) Perception

**Answer: c**

6. The view that people consciously evaluate the consequences of their behaviour is called \_\_\_\_\_.

- a) Theory of considered responses
- b) Theory of reasoned action
- c) Theory of planned behaviour

**Answer: b**

7. Which of the following statements is not true?

- a) Attitudes are inherently unstable.
- b) Attitudes are learned.
- c) Attitudes are a predisposition to behave in a particular way.

**Answer: a**

**Write a detailed note on each of the following:**

- 1) Explain Classical conditioning theory and explain marketing implications of Classical Conditioning theory.
- 2) Explain Instrumental conditioning theory and explain marketing implications of instrumental conditioning theory with suitable example.
- 3) Explain Information processing theory with suitable examples.
- 4) Define Attitude and explain characteristics of Attitude.
- 5) Explain Tri Component theory of attitude formation.
- 6) Explain Multi Attribute Model of Attitude.
- 7) Explain various strategies for Attitude change.

**Short notes**

- 1) ELM
- 2) Stimulus Generalization
- 3) Stimulus Discrimination

**MBA**  
**SEMESTER-3 MARKETING**  
**CONSUMER BEHAVIOUR**  
**BLOCK: 2**

- Authors' Name: Dr. Dhaval Vyas , Associate Professor, Darshan University,Rajkot  
Dr. Ravi Vaidya, Professor, SRLIM, Surat  
Dr. Ruchir Pandya, Assistant Professor, Marwadi University
- Review (Subject): Prof. (Dr) Manoj Shah, Professor& Director, Dr. BAOU, Ahmedabad  
Dr. Abhijitsinh Vala, Associate Professor, Christ College, Rajkot  
Dr. Jay Badiyani, Associate Professor, MKBU Bhavnagar
- Review (Language): Dr.Ketan K.Gediya, Associate Professor,Smt.S.R.Mehta Arts College, Ahmedabad
- Editor's Name: Prof. (Dr.) Manoj Shah  
Professor and Director,  
School of Commerce and Management,  
Dr. Babasaheb Ambedkar Open University,  
Ahmedabad.
- Co-Editor's Name: Dr. Dhaval Pandya  
Assistant Professor,  
School of Commerce and Management,  
Dr. Babasaheb Ambedkar Open University,  
Ahmedabad.
- Publisher's Name: Dr. Ajaysinh Jadeja  
Registrar,  
Dr. Babasaheb Ambedkar Open University  
'JyotirmayParisar',Opp.ShriBalaji Temple,Chharodi,Ahmedabad,382481,  
Gujarat,India.
- Edition: 2024 (First Edition)
- ISBN: 978-93-5598-741-9



978-93-5598-741-9

All rights reserved. No part of this work may be reproduced in any form, by mimeograph or any other means without permission in writing from Dr. Babasaheb Ambedkar Open University, Ahmedabad.

**6.1 Introduction****6.2 Problem Recognition****6.3 Source of Problem Recognition****6.4 Evolution of Alternatives****6.5 Purchase Decision****6.6 Post-Purchase Behaviour****❖ Keywords****❖ Exercise**

---

**6.1 Introduction**

---

The consumer buying decision process incorporates the steps that consumers take when considering a potential transaction in the marketplace, encompassing activities before, during, and after the purchase of a product or service. Consumer behaviour is a structured and systematic approach through which individuals make decisions regarding whether, when, where, how, and from whom they will buy goods and services. This process applies to final consumers, which includes individuals and households who make purchases for personal consumption.

Consumer behaviour can be influenced by various factors, ultimately leading to a purchasing decision. These factors may involve rational considerations, emotional impulses, or external pressures. When making a choice about a specific product or service, individuals may act in a rational manner, guided by reason and logic. Alternatively, their decisions may be driven by emotional factors, such as personal preferences or desires. Furthermore, external influences, like familial or social pressures, can play a role in shaping consumer behaviour and choices.

Discovering and deciding to use new things is really interesting. When we talk about using something new, it means we are choosing to make it a regular part of our lives. This could be a physical item, a service, or even just a new idea. Imagine you hear about something new and cool. It's not something everyone knows about, but some people think it's really clever. When you start using it, that's called "adoption." It means you have made a conscious decision to include this new thing in your daily routine.

From the business perspective, one of the most crucial aspects is the consumer behaviour and market environment. This is where companies operate, and it's incredibly important because everything in a marketing-oriented company revolves around the idea that the customer is at the centre of it all. In simpler terms, businesses believe that their main focus should be on the customer. To make this work, people in marketing need to really understand how their customers make decisions. This means they need to know what goes on in a customer's mind when they decide to buy something. It's like figuring out why people choose one thing over another. That's a big part of what marketing is all about. Now, let us understand the definition of consumer behaviour.

### 6.1.1 Definitions:

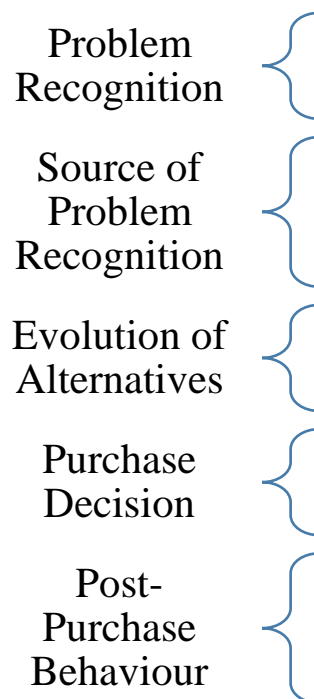
**In simple words,** Consumer behaviour constitutes a systematic process characterized by the formulation and execution of purchasing decisions.

**According to Philip Kotler and Gary Armstrong,** consumer behaviour is "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 their needs and the impacts that these processes have on the consumer and society."

**According to William D. Wells and George E. Belch,** consumer behaviour is "the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and desires."

Based on the above discussion we can derive that, consumer buying behaviour depends on various situations, types of products or services, the intention of buying, and evaluation patterns.

**John A. Havard and Jagdish N. Seth** introduced the model of consumer buying decisions in their book titled "The Theory of Consumer Behaviour. "Philip Kotler has also introduced some modifications to this model. The decision-making process typically involves several steps, each of which plays a crucial role in determining whether a consumer will buy a product or service. These steps are:



---

## 6.2 Problem Recognition

---

This is the very first step in the consumer buying decision process. It begins when an individual becomes aware of a need for a particular product or service. This need can be driven by various factors. The recognition of a need occurs when an individual perceives a gap between their current situation and a desired state. In other words, they identify that something is lacking or needs improvement in their life, and they believe that obtaining a specific product or service can bridge this gap. The need can be triggered by internal stimuli (e.g., hunger, thirst) or external stimuli (e.g.,

**Examples:**

Imagine a college student who has been relying on public transportation to commute to classes. As the semester progresses, they find that their daily travel time is increasing significantly, causing them to feel frustrated by the inefficiency of their current mode of transportation. This realization prompts the recognition of a need for a more convenient and time-efficient commuting solution.

Another example is Aryan realizes the need for a new smartwatch when he notices that his current one has limited features and is not syncing well with his smartphone, causing inconvenience.

**Factors Triggering the Need:**

**Changing Circumstances:** A need can be triggered by changes in a person's life circumstances. For example, if someone gets a new job that requires them to commute, they may suddenly recognize the need for a car or a reliable public transportation pass.

**Emerging Desires:** Sometimes, individuals may develop new desires or aspirations. For instance, someone might become interested in photography as a hobby, leading to the recognition of a need for a camera and related equipment.

**Problems Requiring Solutions:** Needs can also arise when individuals encounter problems or challenges that require solutions. For instance, a homeowner might notice a leaky roof, prompting the need for roof repair services.

Understanding these factors is crucial for businesses and marketers because it helps them identify opportunities to connect with potential customers. By recognizing what triggers consumers' needs, companies can tailor their marketing strategies to address these specific triggers and provide solutions that meet consumers' demands.

---

**6.3 Source of Problem Recognition**

---

When consumers recognize a specific need or desire for a product or service, they embark on a crucial step in their decision-making process: the information search phase. During this step, individuals actively seek out and gather relevant information about potential solutions to fulfil their requirements. This information-seeking process involves exploring a multitude of sources, each of which contributes to their overall understanding of the available options.

**Examples:**

Continuing with the college student's scenario, they start researching alternative commuting options. They inquire with friends who own bicycles, search online for reviews of electric scooters, and read articles comparing different modes of transportation in terms of speed, cost, and environmental impact. The student's information search helps them gather insights to make an informed decision.

Aryan collects information about various smartwatch brands by reading specifications, online reviews, and seeking recommendations from friends and colleagues who use smartwatches.

Here's a detailed discussion of the various sources consumers typically rely on during their information search:

- **Personal Experiences:** Consumers often begin their information search by reflecting on their own past experiences. They may consider whether they have encountered similar needs in the past and how they addressed them. This introspection helps them evaluate what has worked for them previously and what has not
- **Recommendations from Friends and Family:** Word-of-mouth recommendations from trusted friends and family members play a significant role in the decision-making process. These personal endorsements carry a high level of credibility and can strongly influence a consumer's choice.
- **Advertisements:** Consumers are exposed to a wide range of advertisements through various media channels such as television, radio, print, and digital platforms. Advertising provides initial exposure to products or services, creating awareness and often sparking interest.
- **Online Research:** With the proliferation of the internet, online research has become a fundamental part of the information search phase. Consumers turn to search engines like Google, social media platforms, and websites to access a wealth of information. They read articles, watch videos, and explore product descriptions to gain a comprehensive understanding of available options.
- **Expert Opinions:** Seeking guidance from experts in the field can provide consumers with valuable insights. This might involve consulting professionals, reading industry-specific publications, or following thought leaders and influencers who offer informed perspectives.
- **Product Reviews:** Consumer reviews and ratings, posted on e-commerce platforms, forums, and review websites, are pivotal in shaping perceptions. These reviews provide real-world feedback from individuals who have already used the product or service, helping potential buyers measure its performance, reliability, and overall satisfaction.
- **Social Media:** Social media platforms serve as hubs for discussions, recommendations, and user-generated content. Consumers participate in online communities, ask for advice, and share their own experiences, contributing to the collective pool of information.
- **Retail Stores:** For certain products, consumers may visit physical retail stores to interact with the product, ask questions to knowledgeable sales staff, and compare options firsthand.
- **Blogs and Forums:** Niche blogs and online forums dedicated to specific interests or product categories offer in-depth insights and user-generated content. Consumers can engage in discussions, ask questions, and learn from the experiences of others with similar needs.
- In the end, the information search step is a comprehensive process where consumers gather information from diverse sources to make informed decisions. It encompasses personal reflections, recommendations from trusted sources, exposure to advertising, extensive online research, expert opinions, user-generated content, and in-person interactions. The depth and breadth of



information sought can vary depending on the complexity of the decision and the individual's preferences and priorities.

---

## 6.4 Evolution of Alternatives

---

After consumers have collected a wealth of information through their information search efforts, they proceed to the next critical step of their decision-making process: the evaluation of alternatives. During this step, individuals engage in a thorough and systematic assessment of the various options they have identified. This evaluation process entails scrutinizing the attributes, benefits, and drawbacks of each alternative and then comparing them against their personal criteria and preferences.

### Examples:

In the case of college students, they now have a few potential solutions to consider: purchasing an electric scooter, getting a bicycle, or continuing to use public transportation. They evaluate each option based on factors like cost, convenience, environmental impact, and ease of use. This evaluation helps them narrow down the choices and determine which alternative aligns best with their needs.

Aryan shortlists a few smartwatch alternatives and evaluates their pros and cons, considering factors like compatibility with his smartphone, fitness tracking features, and his budget constraints.

Let us discuss this step in detail:

- **Attributes Assessment:** Consumers scrutinize the specific features and characteristics of each alternative. They consider attributes such as size, colour, performance, durability, functionality, and any other relevant aspects that pertain to the product or service.
- **Benefits Evaluation:** Beyond merely examining the features, consumers research to understand the benefits that each alternative offers. They assess how these benefits align with their needs, desires, and expectations. For instance, when purchasing a car, consumers may evaluate factors like fuel efficiency, safety features, and comfort.
- **Drawbacks Analysis:** In addition to benefits, consumers also critically assess the drawbacks or limitations of each option. This involves identifying potential limitations or issues that may arise from choosing a particular product or service. For instance, consumers may consider maintenance costs or potential compatibility issues with technology products.
- **Comparative Analysis:** Consumers engage in side-by-side comparisons of the alternatives they've identified. This often involves creating lists or mental rankings to help them visualize the strengths and weaknesses of each option relative to one another.
- **Budget Considerations:** Financial considerations play a significant role in the evaluation process. Consumers assess whether the cost of each alternative aligns with their budgetary constraints and whether the perceived value justifies the price.

- **Personal Criteria and Preferences:** Each consumer has unique criteria and preferences that factor into the evaluation. These can include brand loyalty, personal aesthetics, ethical considerations, and specific requirements that are personally meaningful.
- **Risk Assessment:** Consumers also evaluate the perceived risks associated with each alternative. This might involve considering the likelihood of dissatisfaction, the potential for product or service failure, or the long-term viability of the choice.
- **Gathering Additional Information:** During the evaluation step, consumers may find gaps in their knowledge or require further clarification. They may revisit information sources to seek additional details or opinions to aid in their decision-making.
- **Seeking Social Validation:** Some consumers seek validation from peers or online communities to confirm their choice or gather insights from others who have made similar decisions. This can be particularly important for high-stakes or unfamiliar purchases.
- **Emotional Considerations:** Emotions also play a role in the evaluation process. Consumers may weigh how each option makes them feel, considering factors like excitement, confidence, or anxiety associated with each choice.
- The evaluation step is a meticulous process where consumers carefully analyse the attributes, benefits, and drawbacks of the alternatives they have identified. This step is crucial in determining which option best fits their needs and aligns with their overall objectives.

---

## 6.5 Purchase Decision

---

The purchase decision step is a crucial step in the consumer buying decision process, where individuals finally make a choice and decide which product or service to buy. This step is marked by a culmination of all the preceding steps, including problem recognition, information search, and evaluation of alternatives.

### Examples:

The college student, having thoroughly considered their options, decides to purchase an electric scooter. They believe that the scooter's speed and convenience outweigh the initial investment cost, and they are also drawn to the environmentally friendly aspect of this mode of transportation. The student's purchase decision is influenced by their assessment of these factors. To execute their decision, the college student visits a local store that specializes in electric scooters. They browse through different models, test-drive a few options, and finally select the one that meets their requirements. The student makes the purchase, providing payment in exchange for the chosen electric scooter.

Aryan may be influenced by the opinions of people he trusts and unexpected situational factors, such as finding a special discount or offer, while making the final purchase decision.

Here's a detailed explanation of the purchase decision step:

- **Finalizing the Choice:** At this step, consumers have typically narrowed down their options to a few preferred choices based on their research and evaluation. They now need to make a final decision regarding which specific product or service they want to purchase.
- **Economic Considerations:** One of the primary factors influencing the purchase decision is the price of the product or service. Consumers assess whether the cost aligns with their budget and financial capacity. They also consider any discounts, promotions, financing options, or payment plans that may affect their decision.
- **Quality and Value:** The perceived quality and value of the chosen option continue to play a significant role. Consumers reevaluate whether the selected product or service meets their expectations in terms of durability, reliability, performance, and overall satisfaction. They want to ensure that they are getting good value for their money.
- **Brand Loyalty:** Brand reputation and loyalty can strongly influence the purchase decision. Consumers who have a positive history with a particular brand may lean towards products from that brand, even if there are alternative options available. Brand loyalty can be a powerful motivator.
- **Availability and Convenience:** The convenience of obtaining the chosen option is essential. Consumers consider factors such as the item's availability in local stores, ease of purchase through online shopping platforms, and proximity to service providers. Accessibility and convenience can often be the deciding factor.
- **Personal Preferences:** Personal preferences and individual tastes remain significant during this step. Consumers may prioritize factors like style, colour, design, and aesthetic appeal when making the final choice. They want the product or service to align with their specific preferences.
- **Social Influence:** External influences, such as recommendations from friends, family, or influencers, can continue to affect the decision. Positive endorsements or testimonials from trusted sources can reinforce the choice or introduce consumers to new options they hadn't considered.
- **Product Features:** Consumers verify that the selected product or service aligns with the specific features and benefits they prioritized during the evaluation step. They want to ensure that the chosen option best fulfills their needs and preferences.
- **Risk Assessment and Mitigation:** Consumers may reevaluate any potential risks associated with their choice. This involves considering potential negative consequences or drawbacks and taking steps to mitigate those risks, if possible.
- **Emotional Factors:** Emotional factors continue to be influential. Consumers often choose options that evoke positive emotions, excitement, or satisfaction. They want to feel confident and content with their purchase decision.
- **Timing and Urgency:** Time-sensitive factors can influence the decision. Limited-time offers, seasonal discounts, or promotions may encourage consumers to make their purchase sooner rather than later. Urgency can create a sense of incentive.
- **Sustainability and Ethics:** Increasingly, consumers are considering sustainability and ethical factors when making a purchase. They may opt for products or services that align with their values and support environmentally friendly or socially responsible practices.

- **Final Check:** Before making the purchase, consumers often conduct a final check, reviewing their research, evaluation, and considerations to ensure they are making the right choice. This helps alleviate any doubts or uncertainties.
- **Transaction:** The purchase decision culminates in the actual transaction, where consumers pay for the selected product or service. This can occur online through e-commerce platforms, in physical stores, or through service providers.
- The purchase decision step is the culmination of the consumer buying decision process, where consumers make the ultimate choice to acquire a specific product or service. The outcome of this step leads to the actual acquisition of the chosen product or service and marks a significant milestone in the consumer's decision-making.

---

## 6.6 Post-Purchase Behaviour

---

The Post-Purchase Behaviour step is the final step in the consumer buying decision process, which consists of a series of steps that consumers go through when making a purchase. This step is crucial because it determines the satisfaction and loyalty of the consumer, which can have a significant impact on future buying decisions and the reputation of the brand or product. In this step, consumers evaluate their purchase and their overall experience with the product or service they bought.

### Examples:

After using the electric scooter for a few weeks, the college student reflects on their decision. They find that the scooter has significantly reduced their commuting time, making their daily routine more efficient. Additionally, they appreciate the environmental benefits of their choice. As a result, the student experiences a sense of satisfaction with their purchase. Given the positive experience with the electric scooter, the college student becomes an advocate for this mode of transportation. They share their satisfaction with friends and classmates, encouraging them to consider similar alternatives. Additionally, the student plans to continue using the scooter and might even explore accessories to enhance their riding experience.

After purchasing the smartwatch, Aryan engages with the brand based on his experience with the product. If the smartwatch meets his needs or exceeds his expectations in terms of features, compatibility, and performance, he will be satisfied. However, if it falls short in any of these aspects, he may be disappointed with his purchase.

Let's explore deeper into this step:

- **Product Evaluation:** After making a purchase, consumers begin evaluating the product or service based on their expectations and the actual performance or quality. They assess whether the product met their needs and whether it provided the value they expected.
- **Satisfaction:** Satisfaction is a critical factor in post-purchase behaviour. If the consumer is satisfied with their purchase, they are more likely to have positive feelings about the brand and may become a loyal customer. Conversely, if the product fails to meet their expectations, dissatisfaction can lead to negative feelings and potentially harm the brand's reputation.

- **Cognitive Dissonance:** Cognitive dissonance refers to the discomfort or uncertainty that arises when consumers experience conflicting thoughts or emotions about a purchase decision. In the Post-Purchase Behaviour step, consumers may question whether they made the right choice or if they could have found a better alternative. Marketers can help alleviate cognitive dissonance through effective communication and customer support.
- **Word of Mouth:** Satisfied customers are more likely to engage in positive word-of-mouth marketing, sharing their experiences with friends, family, colleagues, and online communities. On the other hand, dissatisfied customers can spread negative feedback, potentially harming the brand's reputation. Encouraging positive word of mouth and addressing negative feedback is essential for managing post-purchase behaviour.
- **Repeat Purchase or Loyalty:** If the consumer is satisfied with their purchase, they are more likely to become repeat customers. Building loyalty is a long-term goal for businesses, as loyal customers are more likely to choose the same brand or product in the future and may even become advocates for the brand.
- **Returns and Complaints:** Some consumers may encounter issues with their purchase, such as defects or dissatisfaction with the product. In such cases, they may seek returns, refunds, or file complaints. How a company handles these issues can significantly impact the customer's perception and loyalty.
- **Post-Purchase Communication:** Effective post-purchase communication is vital for building and maintaining a positive relationship with customers. Companies may send follow-up emails, conduct surveys, or provide customer support to gather feedback and address any concerns.
- **Post-Purchase Marketing:** Companies often use post-purchase marketing strategies to encourage additional purchases or upselling. This can include offering related products or services, loyalty programs, or discounts to incentivize customers to buy again.

In summary, the Post-Purchase Behaviour step is a critical part of the consumer buying decision process. It's where consumers evaluate their purchase, experience satisfaction or dissatisfaction, and decide whether to become repeat customers or advocate for the brand. Businesses must actively manage this step to foster customer loyalty, address concerns, and encourage positive word of mouth, ultimately contributing to long-term success.

## ❖ Conclusion

The consumer buying decision process is a complex journey consisting of various stages, starting with recognizing a need and culminating in post-purchase behaviour. Each of these stages plays a crucial role in shaping an individual's purchasing decision and can be influenced by a wide range of factors, including personal preferences, product characteristics, and external influences. Gaining a deep understanding of this process and its underlying dynamics is essential for businesses and marketers. It enables them to tailor their strategies effectively, catering to consumers' needs, preferences, and behaviours at each stage. Ultimately, this approach can help build positive customer relationships and foster loyalty.

### ❖ Exercise

**Answer the following Questions in detail / Write detailed answers to the following questions:**

- 1) How will you recognize your need or requirement as a consumer? Which factors trigger your need for recognition? Write with suitable examples.
- 2) What are the various sources consumers rely on during the information search step of the buying decision process, and how do these sources influence their decisions?
- 3) What are the critical factors that you will consider when evaluating alternatives during the decision-making process, and how do these factors affect your final choice?
- 4) How do emotional factors and personal preferences play a role in the purchase decision step, and why is it important for businesses to understand and address these aspects?
- 5) In the post-purchase behaviour step, what are some of the key considerations for businesses in terms of managing customer satisfaction, addressing cognitive dissonance, and fostering loyalty?

## 7.1 Introduction

## 7.2 Definition

## 7.3 Characteristics of Culture

## 7.4 Components of Culture

## 7.5 Measuring Cultural Values

## 7.6 Core Indian Values

- ❖ Summary
- ❖ Exercise

---

## 7.1 Introduction

---

A wedding is a very clearly identified ritual in any religion, race or nationality. Perhaps, no other ceremony is as large as a wedding / marriage when it comes to exhibiting the culture of a society. Weddings frequently have a strong foundation in traditions, practices, and convictions that represent the ideals of a locality or an area. Let us see how a north Indian marriage is different from a typical Gujarati wedding on one aspect: the *mangalphas* – the auspicious rounds which couples take around the sacred fire, while the priest chants the *mantras*. A north Indian Hindu wedding has seven *phas* whereas a Gujarati Hindu wedding has four *phas*, signifying the four main aims of life: Dharma, Artha, Kama and Moksha. Keeping the reasons aside, what we witness is an exhibition of culture – the most omnipresent, comprehensive yet subtle factor influencing consumer behaviour.

---

## 7.2 Definition

---

The term "culture" refers to a very wide range of things, including our history, beliefs, morals, rituals, artwork, and habits. Simply put, culture is a shared way of living and represents the sum total of all learning acquired by a society and transmitted from one generation to the other. It is a cultivated behaviour, shaped by an individual's or society's learned and accumulated experiences and transmitted socially. People's understanding of their society, its institutions, and its social order is shaped by their culture. People's communication styles and vocabulary are shaped by their culture, which also determines what is acceptable and unacceptable. The APA Dictionary defines culture as "the values, beliefs, language, rituals, traditions, and other behaviours that are passed from one generation to another within any social group". Edward Taylor's (1871) definition of culture laid the foundation for most sociological and anthropological ideas about culture. Taylor defined cultures as "that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society". The forces that shape culture are not static, thereby rendering cultures as dynamic and adaptable aspects of civilization. Cultural changes do happen, albeit slower than behavioural and attitudinal changes. Sometimes, culture takes an entire generation to change and adapt.

A culture is “the complex of values, ideas, attitudes, and other meaningful symbols created by people to shape human behaviour and the artifacts of that behaviour as they are transmitted from one generation to the next.”<sup>ii</sup>

The definition given above focuses on three crucial aspects of a person's culture. *First*, culture was initially "created by people," changing over time as a product of human activity and transmitted to the next generation. *Second*, there are both tangible and invisible effects of cultural influence. People's cultural surroundings directly influence their fundamental attitudes and values. People also leave tangible cultural legacies in the form of artwork, crafts, architecture, furniture, laws, and cuisine. Third, the cultural milieu is dynamic and frequently changes over extended periods of time. Slowly but surely, women's roles in the house and in the workplace have changed, as has the general need for leisure time. But other changes happen more quickly. For instance, fashion trends come and go quite quickly.

Culture influences and determines the way we live life, and thus in essence determines consumer behaviour as well. It is safe to say that all consumption decision making happens within the ambit of culture. The predominance of males in insurance purchase has a relation to the patriarchal nature of the Indian culture, wherein financial decision making is more often than not an autonomous decision taken by the male of the family.

Culture, in the context of consumer behaviour, refers to the shared beliefs, values, norms, customs, and practices that characterize a particular group of people. It encompasses everything from language, religion, and social structure to food preferences, fashion, and leisure activities<sup>iii</sup>. When discussing consumer behaviour, culture refers to the common values, conventions, behaviours, and beliefs that define a specific group of individuals. It includes everything from dietary habits, dress, and leisure pursuits to language, religion, and social structure. Culture is a learned behaviour that one picks up from interaction and socialization within a particular group or society. An individual's worldview is shaped by their culture, which also has an impact on their attitudes, beliefs, and actions. It serves as a lens through which individuals understand and make meaning of the goods, services, and brands that are a part of their surroundings. Culture is the most pervasive external force on an individual's consumption behaviour.

---

### 7.3 Characteristics of Culture

---

The characteristics of culture are some basic features which are shared by all cultures.

- Culture is learned
- Culture is shared
- Culture is dynamic
- Culture satisfies needs

#### **Culture is learned:**

Just because a child is born in Japan doesn't mean that the child is born with a genetically disposed ability to use chopsticks. Culture is not biological. It is learned through a combination of explicit teaching and implicit learning. Cultural norms, values, and beliefs are acquired through formal, informal, or technical means. Formal learning takes place when senior members instruct juniors in various cultural facets;



informal learning happens when a child imitates the actions of others, such as parents, older siblings, or heroes and heroines (child imitates the behaviour of selected ones - family member, friends, TV/movie heroes and characters, Ex. Shakti man); technical learning results from formal education obtained from various institutions (teachers instruct children in educational environment about what should be done, how it should be done and why it should be done - ethical values like kindness, honesty, responsibility). All three of these learning styles have an impact on our purchasing habits, which is something that marketers should actively consider when creating their strategies and work to reinforce. *Enculturation* is when someone learns one's own culture. *Acculturation* is the learning of a new or foreign culture. When marketers like Kellogg's enter a foreign market, they deeply understand the culture of that market as food has a very strong association with culture.

### **Culture is shared:**

Because they meet our requirements, most individuals of a given culture share the same cultural values, beliefs, conventions, etc. We are able to act in socially acceptable ways and anticipate the actions of others because we share a common culture with them. Even if cultures are similar, that does not imply that they are all the same (homogenous). People collaborate and impart skills and information to other people in their networks. Culture is shaped in part by the ways people share and the things they share. For example, elderly people recall a time when letters that arrived in the mail every few months were used to sustain long-distance friendships. The same objective is achieved by modern youth culture through the use of smart phone instant messaging.

### **Culture is dynamic:**

Cultures are in a constant state of evolution. Cultures interact and change as a result of being in constant contact with other cultures. Cultures must adapt to survive in an ever-changing environment. As a result, rather than being a static concept, culture is dynamic. Cultural norms bring about changes in our purchasing patterns and ways of living. Marketers must closely and consistently watch for changes in the dynamic culture in order to successfully adapt their products and ensure that consumers will accept them.

### **Culture satisfies needs:**

Everybody has a different set of needs. They require a variety of physical, social, and psychological needs in addition to food, clothes, housing, medicine, love and a sense of belonging, achievement, and prestige and regard. The way these requirements will be met is influenced by culture. People from different cultures, for instance, satiate their hunger needs with different foods. Whereas a Bangladeshi would consume rice to fulfil this desire, a man in Bali, Indonesia, is more likely to eat mango to satisfy this urge. Culture sets rules that tell individuals what to buy, when to buy, how to buy, how to use and consume various items, and most importantly, what kind of lifestyle to lead in order to meet one's requirements.

---

## 7.4 Components of Culture

---

Culture is made up of a number of essential elements that together influence consumer behaviour.

- **Values and Beliefs**

Values are firmly established beliefs and norms that direct people's actions and opinions. These are speculative notions of what is admirable and worthwhile. Contrarily, beliefs are the particular ideas or convictions that people hold. Consumer decisions are significantly influenced by both beliefs and values. For instance, customers in certain cultures place a great importance on sustainability and environmental consciousness, which makes them choose eco-friendly items. Social media has become an important medium to share cultural values.

- **Rituals and Traditions**

Customs and rituals are culturally significant symbolic actions. They frequently entail routine acts carried out on particular days or times. These behaviours have a significant effect on consumer behaviour, affecting patterns of consumption and buying decisions. Each culture has well defined rituals for several occasions. For example, people participate in gift-giving customs during specific festivals or a holiday, which boosts sales of associated goods. Everybody has their own little consumer rituals, be it the morning grooming routine we follow or the weekend hang out with friends at a café. Customs may see a change in their expression, but they persistently exist over time. 'godhbharai' may change into a baby shower and vastupujan can evolve into house warming, but the essence of the ritual remains as a cultural element within the society. Additionally, as members of a culture, we participate in public rituals like watching the World Cup, the Olympics, or even just turning in once a week to cast our votes for our favourite reality show (like The Indian Idol).

- **Language and communication**

Since language makes it easier to communicate and convey ideas, language is an essential component of culture. Languages differ in their linguistic subtleties and cultural meanings. When creating their messaging, marketers should take linguistic variances into account to promote clear communication and prevent miscommunication or cultural errors.

- **Symbols and Icons**

Visual representations with cultural connotations and associations are called symbols and icons. They could be symbols that have cultural meaning, such as logos, colours, gestures, or pictures. Companies use icons and symbols to help customers recognize their brands and feel a connection to them.

The image below shows how a simple hand gesture has different interpretations in different parts of the world.



Source: [www.thecultureist.com](http://www.thecultureist.com)

---

## 7.5 Measuring Cultural Values

---

A society's ideals, practices, and rituals are reflected in its culture, which in turn shapes how its members interact, live, and consume. Measurement of cultural values can be done through some prominent methods such as content analysis, consumer field observations and value measurement instruments.

- **Content Analysis**

The focus of content analysis is on the written, spoken, and visual communications within a society. Content analysis can be used to compare various civilizations or to ascertain what social and cultural changes have taken place in a given society. Eight editions of *Seventeen Magazine*—four Japanese issues and four American issues—contained more than 250 advertisements. The content analysis revealed significant differences in the representation of young girls. American adolescent females were frequently portrayed as independent and resolute, while Japanese adolescent girls were typically joyful, carefree, and innocent<sup>iv</sup>.

Data for content analysis may come from interviews, open-ended inquiries, field study notes, talks, books, articles, discussions, newspaper headlines, speeches, media, and historical documents, among other communicative language sources. Multiple text formats may be analysed in a single study's analysis. The text must be coded, or divided into digestible code categories for analysis (also known as "codes") in order to be analysed using content analysis. To further summarize the data, the codes can be further classified into "code categories" after the text has been coded into code categories.

- **Field Observations**

It entails watching particular people of a society on a daily basis. From these observations, researchers interpret and conclude about values, beliefs and customs of the societal group being investigated. Rituals and habits associated with cooking and eating can be understood by observing a family on a daily basis when it engages into the various acts associated with preparation and consumption of food.

To be relevant and effective, field observations should occur within a natural

environment, meaning the environment of the participant – their homes, offices, shopping trips, etc. Field observations can be disguised or non-disguised. The primary objective of field observations is a thorough observation of participant behaviour. Qualitative research tools such as depth interviews and focus group discussions can also be used to explore cultural changes.

- **Value Measurement Instruments**

Value measurement instruments normally take the form of self-administered surveys which measure individuals' cultural values.

One such value survey is the Rokeach Value Survey (RVS). The classification system of values was created by social psychologist Milton Rokeach and has two sets of values, each with eighteen separate value elements. One set is called terminal values the other instrumental values.

- Eighteen terminal values: Desired final states of existence are referred to as terminal values. These are the things that a person hopes to do throughout their lifetime. These ideals differ among many cultural groupings of individuals. The terminal values in RVS are
  - True Friendship
  - Mature Love
  - Self-Respect
  - Happiness
  - Inner Harmony
  - Equality
  - Freedom
  - Pleasure
  - Social Recognition
  - Wisdom
  - Salvation
  - Family Security
  - National Security
  - A Sense of Accomplishment
  - A World of Beauty
  - A World at Peace
  - A Comfortable Life
  - An Exciting Life
- Eighteen instrumental values: The term "instrumental values" describes desirable behavioural patterns. These are the more desirable behavioural patterns, or ways to reach the end goals. The eighteen instrumental values in RVS are
  - Cheerfulness
  - Ambition
  - Love
  - Cleanliness
  - Self-Control
  - Capability
  - Courage
  - Politeness

- Honesty
- Imagination
- Independence
- Intellect
- Broad-Mindedness
- Logic
- Obedience
- Helpfulness
- Responsibility
- Forgiveness

Filling out the survey requires respondents to rank the 18 instrumental values and then the 18 terminal values in order "of importance to YOU, as guiding principles in YOUR life" (Rokeach, 1973, p. 27). Research on personality psychology, behaviour, marketing, social structure, and cross-cultural studies have all been conducted with an emphasis on the RVS.

Another value survey tool is the Gordon's Survey of Personal and Interpersonal Values, which measures values that determine how people cope with their daily lives. There are two different surveys – one each for measuring personal values and social values. Personal values from Gordon's inventory applicable to marketing are Achievement, goal orientation and variety. Similarly, applicable social values are leadership, recognition and conformity.

A very important measure of national culture has been the one developed by Hofstede. Psychologist Dr. Geert Hofstede had worked for IBM in more than 50 countries. At first, he identified four characteristics that may set one civilization apart from another. Later, working with Drs. Michael H. Bond and Michael Minkov, he added the fifth and sixth dimensions. The six dimensions are:

- Power Distance, related to the different solutions to the basic problem of human inequality; a high Power Distance Index (PDI) score suggests that people are aware of "their place" in the system and that society accepts an unequal, hierarchical distribution of power. A low Power Distance Index (PDI) score indicates that power is widely spread and shared, and that society does not tolerate situations in which power is distributed inequitably.
- Uncertainty Avoidance, related to the level of stress in a society in the face of an unknown future; people in countries with high Uncertainty Avoidance scores try to keep their lives as predictable and under control as they can. They could be inclined to give up if they see they are powerless over their own lives. These folks might call each other "mañana" or say that "God is in control of their destiny." People are more laid back, gregarious, and inclusive in nations with low Uncertainty Avoidance Index (UAI) scores.
- Individualism versus Collectivism, related to the integration of individuals into primary groups; a high Individualism versus Collectivism (IDV) score denotes a lack of interpersonal cohesiveness among individuals who do not belong to a core "family." People in this situation accept less accountability for the deeds and results of others.
- Masculinity versus Femininity, related to the division of emotional roles between

women and men; the roles of men and women overlap less in civilizations that value masculinity, and males are expected to act assertively. Being able to demonstrate your success and being quick and strong are viewed favourably. However, modesty is viewed as a virtue in feminine societies where there is a significant deal of overlap between male and female responsibilities. Working with co-operative individuals or having positive relationships with your direct supervisors is given more weight.

- Long Term versus Short Term Orientation, related to the choice of focus for people's efforts: the future or the present and past. Long-term-oriented nations are typically more practical, modest, and frugal. People who live in nations that prioritize the short term are usually more religious and nationalistic, and they tend to place greater value on principles, consistency, and truth.
- Indulgence versus Restraint, related to the gratification versus control of basic human desires related to enjoying life. High IVR nations permit or promote the comparatively unrestricted satisfaction of citizens' personal desires and emotions, such as having pleasure and appreciating life. A culture with a low IVR score places more value on controlling people's conduct and behaviour, repressing gratification, and upholding stricter social norms.

---

## 7.6 Core Indian Values

---

India accommodates incredible cultural diversity between languages, geographic regions, religious traditions and social stratifications. Despite this diversity, there are common themes and ideas that contribute to the values, attitudes, beliefs and customs of the dominant society. We shall now look at some core Indian values which are common to the Indian society and way of living.

- **Family Orientation**

An Indian family consists of husband, spouse, children, parents, siblings and close relatives. Mostly, the male (in some cases, the female too) is the chief wage earner and supports the entire joint family. Being the sole breadwinner severely restricts the disposable income of the family, making the family always look for value-based products at lower price points. The joint family system has been synonymous to the Indian family structure. However, Indian families are changing. Multigenerational families are in decline. In fact, only 37.1% of Indians live with extended family. Although nuclear families have become the norm, single-person households are still rare (4.1%). Marriage is the main way of life for most people. It is not uncommon for people to spend 20% of their lifetime income on their wedding. And with the increasing financial power of nuclear families, spending is increasing by more than 20% every year. Of course, weddings are a big event for clothing, beauty, events and luxury items. The themes of parenting, caring and love are popular and successful in advertising. A Samsung ad for rural repair services. It shows a strong truck driver who overcomes all obstacles to help customers in need. The ad collected 35 million views in two weeks, showing the brand's warmth and loyalty to consumers.

- **Propensity to Save**

Indians are globally renowned for high degree of propensity to save, partly due to the considerable uncertainty in generating money as a sizeable chunk of the population is

either dependent on agriculture or thrive on unpredictable incomes in the unorganized sector. Another reason why Indians save throughout their lives is the absence of a comprehensive social security scheme or guaranteed pension funds. They have to depend on their own resources for medication and retirement. As a result, one of the biggest concerns for Indians is saving for retirement. It is then no wonder that insurance companies promote retirement plans and health insurance plans so rigorously. Customers use their savings to enjoy holidays and, in particular, family weddings, indulging in extravagant spending. Consumers have recently started to spend money on durable goods after meeting their basic requirements. Perhaps common "entry-level" purchases for the average Indian who can manage the requirements are bicycles, watches, and televisions. The practice of saving money is widespread across society. All socioeconomic groups' consumers have an interest in jewellery, and for the majority of them, this may entail investing a sizeable portion of their resources. Jewellery has historically been more closely linked to women. It is more common for families with female children to spend their savings on jewellery. The majority of jewellery buyers get their pieces from family jewellers who have been in their lives for multiple generations. Instalment payments are popular for a variety of products, from computers to bicycles, because customers divide their funds between conventional expenditures like jewellery and necessities for a comfortable life.

- **Festivities:**

Indian culture heavily incorporates festivals of culture. Subcultures also celebrate a variety of holidays. During the holiday seasons, brands run sales promotions. At these times, astute consumers strike "value-based" agreements. In the hopes of finding such offers, consumers put off purchases, particularly those of durable goods. Festivals determine consumption cycles and market demand patterns. The fortnightly period of "Shraddh" is considered inauspicious for any major purchases. There are specific days like "Dusshera" which are considered thoroughly auspicious for any new purchases, office and shop inaugurals or entering into a new residence. Each part of the country, as defined by its sub-culture, has its own set of festivals. A marketer would do well to understand how consumer behaviour patterns are in sync with these festive occasions.

- **Shopping as a ritual:**

Shopping has strong cultural connotations in India. Shoppers, their shopping habits and patterns, the products they buy and the outlets they choose to shop from vary across the geographical and socio-economic spectrum of consumers. Organized retailing accounts for a small percent of total purchases. Rural shopping is marked by weekly fairs and flea markets. Of late, online shopping has gained traction, especially amongst the younger consumers. Rural India is also adopting online shopping in a big way. Affordability for luxury goods across rural markets varies widely. Punjab has a high degree of rural affluence. Urban cities are witnessing a growth in organized retailing with the coming up of malls, mega format stores and multi-use complexes.

- **Mythology:**

The myths and stories of a community frequently serve as the basis for the development of its culture. It was common practice to create myths to explain natural occurrences. A myth is, at its most basic, a story that tells how the world came to be the way it is. The idea of karma, or the law of cause and effect, permeates all Indian religions and holds that one's actions in this life have an impact on one's actions in the

next. In Hinduism, the cycle of birth and rebirth, also known as soul transmigration, never ends until a person obtains moksha, or escape from the cycle. People used myths as a means of comprehending aspects of the world around them that their limited scientific knowledge was unable to explain. Nonetheless, they still have a significant impact on modern life. For instance, myths explain our idling cultural and psychological processes. They move us from the conceptual to the practical by personifying our inner and outside worlds, and they have metaphorical significance. The psyche is home to myths, and our perception of the world is shaped by this psyche. Be it novels or movies, mythology is making a big impact in the product's acceptability by the consumers. Marketers can create value-based associations with mythology or mythological characters to strike a chord with the consumers.

- **Food:**

If there is any aspect of day-to-day life that is closely related to culture, it is food. India's diversity of sub-cultures is amply and prominently reflected in the cuisines of people around the country. Eating habits are hard to modify because they are closely associated with culture. Indian cuisine is known for its hot and spicy cuisine. Throughout India, be it North India or South India, spices are used generously in food. A wonderful aspect to note about the food culture of India is not just the vastness of its cuisine but also the mobility and acceptability of cuisines and specialties across the country. Momos have found acceptance across the country, so has 'aloo paratha' and 'idli-dosa'. Indians have a high degree of openness to trying out foreign foods. This has been a boon to food franchising and also to the ready to cook and ready to eat industry players such as MTR or Haldiram's. Cracking the Indian food code is something that MNCs should always be very serious about. Taco Bell to Dominoes, MNCs have Indianized their menu and offerings to gain acceptance in the Indian market.

- **Summary**

Consumer behaviour is a multifaceted tapestry intricately woven with the threads of culture, reflecting the shared values, beliefs, and norms of a society. As individuals navigate the marketplace, their choices are not merely dictated by personal preferences but are profoundly influenced by the cultural milieu in which they exist.

Cultural influences significantly shape consumer behaviour by reflecting shared values, beliefs, and norms within a particular society. These influences impact various aspects of consumer decision-making, from individualism versus collectivism to gender roles and traditions. Marketers must consider cultural symbols, language nuances, and rituals, tailoring their strategies to align with cultural preferences. Family structures, social dynamics, and subcultures also play a pivotal role, influencing purchasing decisions and brand perceptions. Understanding the impact of time orientation, personal space, and the significance of cultural events is essential for businesses aiming to connect with diverse consumer markets. Overall, cultural sensitivity and adaptation are crucial for developing effective marketing strategies that resonate with and appeal to the diverse cultural backgrounds of consumers.

The intricate dance between culture and consumer behaviour is a dynamic and ever-evolving phenomenon. For businesses seeking success in the global marketplace, a nuanced understanding of cultural influences is not just beneficial but imperative. From the shaping of individual preferences to the dynamics of family structures and



beyond, culture is the silent force guiding consumers through the marketplace. As businesses navigate this intricate tapestry, the ability to decode cultural influences becomes a key determinant of success, fostering authentic connections with diverse consumer bases.

### ❖ Exercise

#### Write a long question answer

1. Compare and contrast the influence of culture on consumer behaviour in individualistic and collectivistic societies. Provide examples to support your comparison.
2. Assume you are a marketing manager for a multinational corporation launching a new product globally. Explain how you would conduct cultural research and incorporate cultural insights into the marketing strategy to ensure success in diverse markets.
3. How can cultural symbols be utilized in international advertising to enhance brand communication?
4. Explore the impact of globalization on local cultures. Discuss both the positive and negative aspects of the globalization of products, services, and cultural influences.
5. Compare and contrast the strategies of two multinational companies in the same industry – one that largely standardizes its products globally and another that adapts products to local cultures. Evaluate the advantages and disadvantages of each approach in terms of consumer acceptance and market success.
6. Choose a global brand and analyse how the use of cultural symbols has contributed to its success or challenges in various markets. Discuss how the brand has adapted its marketing strategies to incorporate or respond to cultural symbols, and evaluate the impact on consumer perception.
7. Design a marketing campaign for a fashion brand targeting a culturally diverse audience. Consider how cultural symbols, values, and traditions can be incorporated into the campaign to appeal to a broad range of consumers. Provide specific examples of cultural elements integrated into the campaign.
8. Explain Hofstede's cultural dimensions theory. How do these dimensions influence consumer behaviour? Provide examples of how companies can adapt their strategies based on these dimensions.
9. Define consumer acculturation and discuss how it shapes purchasing decisions. Explain the stages of acculturation and provide examples of how companies can target consumers at different acculturation levels.
10. Define cultural influences on consumer behaviour. Discuss why understanding these influences is crucial for marketers in today's globalized business environment.

## **Case: Navigating Cultural Currents - PepsiCo's Global Marketing Strategy**

### **Introduction:**

PepsiCo, a global giant in the beverage and snack industry, embarked on a journey to understand and adapt to the diverse cultural landscapes shaping consumer behaviour worldwide. This case study delves into how cultural influences became a pivotal factor in PepsiCo's marketing strategy, influencing product development, advertising, and consumer engagement.

### **Background:**

PepsiCo's initial approach to international markets was primarily standardized. The company operated under the assumption that a uniform global marketing strategy would effectively resonate with consumers regardless of cultural differences. However, challenges arose as cultural nuances significantly impacted consumer perceptions and preferences.

### **Recognizing Cultural Dimensions:**

PepsiCo's marketing team undertook a comprehensive analysis of cultural dimensions, drawing insights from Hofstede's framework. The team identified key dimensions such as individualism-collectivism, power distance, and masculinity-femininity, recognizing their influence on consumer behaviour. This understanding prompted a shift from a one-size-fits-all approach to a more culturally nuanced strategy.

### **Adapting Product Offerings:**

One of the first steps was to tailor product offerings to align with local tastes and preferences. For instance, in markets with a high preference for spice, PepsiCo introduced bold and spicy flavours for snacks and beverages. In countries where communal dining is a cultural norm, snack sizes and packaging were adjusted to accommodate shared consumption.

### **Cultural Symbolism in Advertising:**

PepsiCo recognized the power of cultural symbols in influencing consumer behaviour. Adapting advertising campaigns to incorporate culturally relevant symbols and narratives became a priority. For example, in regions where family values are paramount, PepsiCo emphasized commercials showcasing shared moments around the family table, creating emotional connections with the audience.

### **Localizing Marketing Communication:**

Understanding language nuances proved crucial in effective communication. PepsiCo invested in localizing marketing communication, ensuring that slogans and taglines were not only translated accurately but also resonated with cultural sensibilities. The company collaborated with local linguists and cultural experts to navigate linguistic intricacies.

### **Addressing Cultural Sensitivities:**

As PepsiCo expanded into diverse markets, it encountered situations where certain marketing approaches were culturally insensitive. The company demonstrated a commitment to rectifying these issues promptly. In instances where backlash occurred, PepsiCo engaged in open dialogue, apologized, and adjusted its strategies to reflect cultural respect.

### **Impact on Consumer Engagement:**

The shift towards a culturally sensitive approach yielded positive results for PepsiCo. Consumer engagement increased, and market share grew in regions where the company had struggled previously. The brand was perceived as more authentic and respectful of local values, fostering a sense of connection with consumers.

### **Conclusion:**

PepsiCo's journey underscores the significance of cultural influences on consumer behaviour and the need for businesses to adapt strategies accordingly. By recognizing and embracing cultural diversity, PepsiCo not only overcame challenges but also emerged as a brand that value and celebrates the rich tapestry of global cultures. This case study serves as a testament to the transformative power of understanding and integrating cultural influences into the heart of marketing strategies.

## **Case: Unravelling Cultural Threads - Hindustan Unilever's Marketing Odyssey in India**

### **Introduction:**

Hindustan Unilever Limited (HUL), a leading consumer goods company in India, has navigated the complex and culturally diverse Indian market for decades. This case study explores how HUL has strategically woven cultural influences into its marketing initiatives to connect with consumers across the diverse tapestry of India.

### **Understanding Cultural Diversity:**

India, known for its rich cultural heritage and immense diversity, poses a unique challenge for marketers. HUL recognized the need to appreciate and comprehend the diverse cultural dimensions across regions, languages, and traditions. The company adopted a decentralized approach, allowing local teams to tailor strategies based on the cultural nuances of specific regions.

### **Cultural Symbols in Branding:**

HUL has successfully integrated cultural symbols into its branding to resonate with Indian consumers. For instance, the use of traditional motifs and symbols on packaging for products like soaps and detergents has not only conveyed authenticity but has also established an emotional connection with consumers who identify with these cultural elements.

### **Festivals and Rituals as Marketing Opportunities:**

Understanding the cultural significance of festivals and rituals in India, HUL strategically aligns its marketing efforts with these events. Special editions, festive packaging, and promotional campaigns tied to festivals have become a staple in HUL's marketing calendar. The "Share Happy Homes" Diwali campaign, focusing on spreading joy and togetherness, exemplifies this approach.

### **Cultural Adaptation in Product Portfolio:**

HUL's product portfolio reflects a nuanced understanding of Indian cultural preferences. From introducing skincare products infused with traditional Ayurvedic ingredients to launching culinary items tailored to regional tastes, the company has adeptly adapted its offerings to align with the diverse culinary and beauty traditions across India.

### **Incorporating Language Nuances:**

India boasts a multitude of languages and dialects. HUL recognized the importance of language nuances in effective communication. Advertisements and product labels are meticulously crafted to resonate with the linguistic diversity of the country, ensuring that the message is not only understood but also culturally relevant.

### **Celebrating Diversity in Advertising:**

HUL has been a pioneer in portraying diversity in its advertisements. Whether it's showcasing various cultural practices, regional festivals, or diverse family structures, the company's campaigns emphasize inclusivity. The "Real Beauty" campaign for skincare products, featuring individuals of diverse skin tones and backgrounds, received widespread acclaim for promoting cultural diversity and breaking beauty stereotypes.

### **CSR Initiatives Aligned with Cultural Values:**

HUL's Corporate Social Responsibility (CSR) initiatives align with cultural values. Projects related to hygiene, education, and sustainable living are designed to address specific needs in different regions, considering the cultural context. This cultural alignment not only enhances the company's social impact but also resonates positively with consumers.

### **Consumer Engagement and Loyalty:**

By weaving cultural influences into its marketing strategies, HUL has fostered deep connections with Indian consumers. The brand is perceived as culturally sensitive, contributing to high levels of consumer trust and loyalty. HUL's market leadership in various consumer goods categories is a testament to the success of its culturally informed approach.

**Conclusion:**

Hindustan Unilever's journey in India exemplifies the significance of understanding and embracing cultural influences in consumer behaviour. By acknowledging the diverse cultural fabric of the country, HUL has not only succeeded in penetrating diverse markets but has also become a brand that resonates with the hearts and minds of Indian consumers. This case study serves as a valuable lesson for businesses operating in culturally diverse markets, emphasizing the importance of cultural sensitivity in crafting successful marketing strategies.

---

**8.1 Introduction****8.2 What is Social Class?****8.3 Characteristics of Social Class****8.4 Social Class and Consumer Behaviour****8.5 Measurement of Social Class**❖ **Summary**❖ **Exercise**

---

**8.1 Introduction**

---

A fundamental idea in sociology, social class provides a prism through which one can see society's complex stratification. Fundamentally, social class draws boundaries between groups of people in a population according to social position, wealth, income, education, and occupation. Social class represents the hierarchical division of societies according to social, cultural, and economic aspects. It shapes people's identities and experiences by influencing their possibilities, ways of living, and views. This paradigm takes into account social and cultural factors that significantly influence people's identities, opportunities, and actions in addition to reflecting economic inequities. Despite its seeming simplicity, social class is a complicated and dynamic aspect of society. It explores a web of variables that influence our life experiences, opportunities, and even how we view ourselves, going beyond simply income. Early in the 19<sup>th</sup> century, the word "class" gained widespread usage, taking the place of phrases like "rank" and "order" to refer to the main hierarchical social groups. Social class is mainly about wealth, but it's also connected to status within society. Knowing social class is essential to understanding the processes of privilege, power, and inequality that permeate society and every facet of human interaction.

Social class is a significant factor in determining people's preferences, purchasing decisions, and brand perceptions. It also has a significant impact on consumer behaviour and marketing methods. Social class, which is a component of socio-economic stratification, influences how consumers live their lives, goals, and consume in ways that reflect their values and social identities. For marketers to effectively segment audiences, create targeted campaigns, and match messaging and products to the requirements and preferences of particular socioeconomic groups, they must have a thorough awareness of the subtleties of social class. In an increasingly stratified environment, firms may build marketing strategies that appeal with varied audiences and promote sustainable growth by acknowledging the complexity of social class dynamics and using insights into consumer motivations and behaviours. This chapter explores the relationship between marketing and socioeconomic class, looking at how these factors affect customer behaviour, brand positioning, and marketing strategies.

---

**8.2 What is Social Class?**

---

Giving a single, comprehensive definition of "social class" is challenging because it's meaning and methods of measurement have been hotly debated for many years. Social

classes are generally understood to be the specific divisions into which society is divided on the basis of socioeconomic standing. Social class is a group of people within a society who possess the same socioeconomic status<sup>1</sup>. Social class describes the differences that exist in society according to social and economic position. Individuals belonging to the same socioeconomic class generally possess comparable wealth, levels of education, work types, and incomes.

In general, sociologists propose that social class is influenced by three interconnected dimensions:

- Occupation, income, and wealth are all tied to economic capital.
- Status and power levels are two elements that are associated to political capital.
- Customs, values, beliefs, and way of life are all connected to cultural capital.

Maxweber held that "classes are aggregate of individuals who have the same opportunities of acquiring goods. The same exhibited standard of living.

A continuum that encompasses a variety of social positions and is further subdivided into a limited number of distinct social classes, or strata, can be conceptualized as social class. Families or individuals are placed in a social class category using this framework's idea of social class. In line with this custom, social class is described as the arrangement of individuals within a community into a hierarchy of discrete status classes, with each class having a generally constant status while the other classes have varying degrees of status.

---

### 8.3 Characteristics of Social Class

---

A society's social class is made up of a variety of traits that set one group apart from another. These qualities may consist of:

- **Income and Wealth:** The amount of income and total wealth is one of the main markers of social class. Those in higher socioeconomic strata usually have more financial resources available to them.
- **Occupation:** A person's occupation is frequently correlated with their social class. Jobs in manual labour or the service sector are typically associated with lower social classes, whereas professions like medicine, law, and executive positions are typically associated with higher social classes.
- **Education:** A person's level of education has a big impact on their social status. Since education is frequently associated with better career possibilities and higher income, people with advanced degrees or specialized training are more likely to be members of higher social classes.
- **Resource Access:** Social class frequently affects a person's ability to obtain resources like good healthcare, affordable housing, and an education. While lower classes could encounter difficulties accessing these materials, higher classes usually have more access to them.
- **Networks:** People's social networks are influenced by their social class since they

tend to interact with people from similar backgrounds. These networks can offer assistance, chances, and resource access. Cultural capital is the term used to describe an individual's knowledge, abilities, and cultural assets that have the potential to elevate them in society. For instance, exposure to high cultures—that is, literature, the arts, and classical music—is frequently linked to higher social strata.

- **Power and Influence:** A person's degree of power and influence in society can also be attributed to their social class. Higher social, political, and economic classes may be more powerful, enabling them to sway institutions and laws to their favor. **Mobility:** A person's capacity to move up or down the social ladder can be influenced by their class. The degree to which people can shift their social class over time—due to a variety of factors such as economic success, education, or other considerations—is referred to as social mobility. Social class can also have an impact on how people are seen by others and the preconceptions that are connected to their social background. Opportunities, encounters, and social relationships may be impacted by these beliefs.

In general, we can say that social class is hierarchical, albeit allowing upward mobility amongst the different classes. Persons belonging to the same social class tend to behave more alike, having an aspirational inclination towards the class/classes immediately above them and a tendency to dissociate from classes immediately below them. Social class is continuous, allowing individuals to move higher or drop lower.

Social Class	Characteristics
Upper-Upper	The social elite known as Upper-Uppers are wealthy individuals who have prominent families and rely on inheritance. They look after many homes and enrol their kids in the top educational institutions. They are looking to buy jewellery, antiques, houses, and international travel. Despite their modest size, they act as a model for others, so much so that members of other socioeconomic classes copy their purchasing patterns.
Lower-Uppers	Those classified as Lower Uppers are those who have amassed significant wealth or income via extraordinary skill in their line of work or enterprise. Typically, they are middle-class people. They frequently participate in social and civic affairs and try to purchase for themselves and their kids status symbols like fancy automobiles, residences, and educational opportunities. Their goal is to be welcomed into the upper-upper class, a status that their offspring are more likely to attain than they are.
Upper-Middles	The Upper Middle Class does not have extraordinary riches or family prestige. The one who was mostly focused on "career." They are now working as corporate managers, professionals, and self-employed business owners. They value education and want their kids to acquire administrative or professional skills to keep them out of the underclass. They are a quality market for nice homes, furnishings, appliances, clothing, and civic-mindedness.
Middle Class	Average-paid white-collar and blue-collar workers who make an effort to act morally make up the middle class. They frequently purchase goods in an effort to "keep up with the trends." The middle class is of the opinion that parents should spend more money sending their kids to professional institutions and giving them "worth-while experiences."
Working Class	Working class people are defined as "blue collar workers with average pay and those who lead a working-class lifestyle," regardless of their level of



	education, occupation, or income. The working class mainly relies on family for financial and psychological support, advice on what to buy, recommendations on career prospects, and help during difficult times. The working class continues to sharply categorize people based on their sex roles. Compared to the upper classes, they are known to have larger families.
Upper-Lowers	Despite having a living level that is just over the poverty line, Upper Lovers are employed. They are underpaid for doing unskilled labour. They often lack formal education. Despite living close to the poverty line, they are able to keep their living conditions quite tidy.
Lower-Lowers	Clearly impoverished, Lower Lovers are typically unemployed. The majority of them rely on charity for money, and some are not interested in seeking long-term employment. "Dirty, ragged, and broken-down" describes their houses and belongings.

**Task:**

You own two furniture stores, one serving customers from the upper middle class and the other from the lower class. How do social and socioeconomic distinctions affect each store's:

- a) Product categories and designs
- b) Payment policies
- c) Advertising media selection
- d) Ad copy and communications style

---

**8.4 Social Class and Consumer Behaviour**

---

Social class is a key predictor of consumer behaviour, which is a complex phenomenon influenced by a number of factors. Individuals' identities and behaviours are shaped by a range of qualities that are collectively referred to as social class. These characteristics include income, education, occupation, and lifestyle. Let us explore the complex relationship between consumer behaviour and social class, looking at how purchase decisions, consumption patterns, and brand preferences are influenced by social class.

- **Impact on Consumption Patterns:**

Depending on the socioeconomic group, there are differences in tastes and habits that impact consumption patterns. Higher socioeconomic class people frequently engage in conspicuous spending, which is defined as the acquisition of upscale items and ostentatious shows of wealth. Conversely, because of financial limitations, buyers from lower socioeconomic classes could choose practical purchases and look for value-oriented goods.

In addition, the consumption rituals and behaviours of a given socioeconomic class impact the kinds of things that are bought, the stores that are preferred for shopping, and brand loyalty. Higher class customers, for example, might prefer upmarket boutiques and fine shops, whereas lower class customers might frequent bargain stores and internet marketplaces to make ends meet.

- **Purchase Decisions and Brand Preferences:**

Social class has a big impact on purchases since it shapes views of status, prestige,

and product quality. Higher social class consumers might be more concerned with brand reputation, linking premium brands to superior quality and social standing. Lower-class consumers, on the other hand, might give more weight to functional features and price when making purchases, choosing private-label or generic products over more expensive options.

Even if they cost more, upper-class people may choose luxury or artisanal goods like handmade crafts or organic food.

When selecting products, middle-class buyers might put value and usefulness first, looking for goods that strike a balance between cost and quality.

People with lower incomes tend to prioritize essentials and may be more cost-conscious, choosing generic or basic versions of goods.

Furthermore, brand preferences and loyalty are influenced by social class, as people like to identify with companies that represent their goals and social identities. Rich consumers use luxury products in particular as status symbols to convey their social standing and uniqueness in the community. On the other hand, consumers from lower socioeconomic classes could grow devoted to value-oriented brands that meet their practical and financial demands.

For instance, people from higher social strata frequently prefer luxury brands like Louis Vuitton or Rolex because they denote exclusivity and affluence. Customers in the middle class may like companies like Gap or Toyota because they provide high-quality goods at more reasonable costs. Due to financial limitations, those with lower incomes could prefer generic or discount brands.

- **Segmentation:** Marketers can identify discrete consumer segments with particular demands and preferences by using social class as a segmentation variable. Marketers can effectively reach their target customers by customizing their product offerings, message, and distribution channels based on their understanding of the consumption habits and lifestyle features associated with various social classes.
- **Brand positioning:** By highlighting characteristics and connections that appeal to consumers' socioeconomic standing, brand positioning strategies should be in line with the target market's perceived social class. Value-oriented companies may emphasize accessibility, affordability, and usefulness to draw in budget-conscious customers, whereas luxury brands may emphasize exclusivity, craftsmanship, and heritage to appeal to wealthier consumers.
- **Communication techniques:** Within each socioeconomic class, there are cultural norms, values, and goals that should be reflected in communication techniques. Marketers can create a sense of connection and authenticity by using language, images, and cultural allusions that speak to the socioeconomic background of their target audience.

Consumers from the upper class may interact with highbrow media sources like cultural periodicals or esteemed newspapers, where advertisements frequently showcase opulent lifestyles.

For knowledge and pleasure, middle-class people may turn to popular media like radio, television, and the internet, which may affect how much of an advertisement for

mass-market goods they see.

Customers with lower incomes might be more likely to rely on free or inexpensive media sources, such as social media platforms or local newspapers, where advertisements for reasonably priced goods and services are common.

- **Implications for Marketing:** In order to effectively target and engage varied audience segments, marketers must acknowledge the importance of socioeconomic class in customer behaviour. Enhancing brand relevance and appeal can be achieved by customizing marketing methods to align with the values, tastes, and goals of particular socioeconomic classes.

India's festivals and cultural celebrations provide an illustration of how society influences consumer behaviour.

Festivals such as Diwali, which are celebrated extensively in India, have a significant social impact on consumer behaviour. People give gifts, candies, and brand-new clothing when their families and communities get together, and it becomes culturally expected for them to take part in these customs.

Spending on gifts, décor, clothes, and confections rises as a result of this societal pressure. It's possible for people to feel pressured to follow social conventions and preserve their social standing in their society by purchasing costly gifts or new clothing for their loved ones.

Furthermore, there is a custom of exchanging gold and jewellery during significant events, such as weddings, which strengthens the social effect on purchasing decisions. As a representation of riches and prosperity, families could feel compelled to buy gold jewellery, even if it exceeds their means.

Moreover, social media platforms play a significant role in amplifying these social influences. People often share their festival preparations, purchases, and celebrations on social media, creating a sense of competition and comparison among peers. This can further drive consumer spending as individuals strive to keep up with the perceived lifestyle standards of their social circle.

Overall, festivals and cultural traditions in India exert a strong social influence on consumer behaviour, shaping spending patterns and purchase decisions in alignment with societal norms and expectations.

### **Task:**

Take any two Hindi serials being aired on any popular channel. Identify how the social class of the characters is reflected in the series, through their homes and home décor, clothes, utensils, lifestyles, cars, choices of profession, travel and recreation and eating habits.

---

## **8.5 Measurement of Social Class**

---

Because social class has multiple dimensions and multiple socio-economic factors interact, measuring social class is a challenging task. Numerous techniques and metrics have been devised to evaluate social class, each providing distinct perspectives on the socio-economic standing of individuals.

Systematic approaches to measure social class are denoted as subjective measures and objective measures:

- **Subjective measures:**

Individuals' impressions of their socio-economic status and relative standing within society are captured by subjective measurements of social class. These metrics offer insightful information on how people identify with specific social class categories and how they see their position in the social hierarchy. The following are a few typical subjective metrics used to evaluate social class:

*Self-Reported Social Class:* People are directly asked to identify their own social class in self-report surveys or questionnaires depending on how they see their socioeconomic standing. A variety of social class designations, such as lower class, middle class, and higher class, may be shown to respondents, who are then asked to choose the one that most accurately describes their place in society.

For e.g. respondents can be asked to indicate which social class do they belong to, by selecting any one of the options:

- (1) Lower class
- (2) Middle class
- (3) Upper class
- (4) Prefer not to say

- **Macro social Class Identification:** This method asks people to identify without mentioning particular socioeconomic parameters with more general social class categories like working class, middle class, or upper class. The identification of respondents may be predicated on variables including cultural capital, lifestyle, occupation, education, and economic level.
- **Social Status Ranking:** Based on socioeconomic factors such wealth, education, employment, and income, respondents may be asked to rate themselves in relation to other members of society or in their social circles. People can evaluate how they feel about themselves in comparison to their peers and the general public using this score.
- **Subjective Social Mobility:** This concept refers to the way in which people assess their chances of moving up or down the social ladder. In comparison to their current situation, respondents may be asked to score their agreement with statements regarding their chances of experiencing social decline or reaching a higher social standing in the future.
- **Perceived Financial Security:** People's subjective assessments of social class can also be reflected in their judgments of their own financial security and economic well-being. It is possible to question respondents to rate their degree of financial comfort, their capacity to satisfy demands and goals, and their level of confidence in their prospects for the future.
- **Identification of Cultural Capital:** Knowledge, abilities, and cultural resources that enhance a person's social standing and reputation are referred to as cultural capital. Subjective measures of cultural capital evaluate people's opinions about their cultural preferences, tastes, and engagement in various cultural pursuits, including fine dining, music, literature, and the arts.

Subjective social class assessments provide information on people's identity

formation, social comparisons, and self-perceptions that may not be revealed by objective indicators alone. Nonetheless, it's critical to understand that a variety of factors, such as cultural standards, social comparisons, and individual biases, may have an impact on subjective perceptions of social class. Furthermore, the complex and multidimensional structure of social class dynamics is shown by the fact that subjective measurements of socioeconomic status may not always line up exactly with objective indices of that status.

### **Objective measures:**

Measurable socio-economic indices that are unaffected by people's subjective impressions or self-reporting are the foundation of objective measurements of social class. Based on observable criteria, these metrics offer a more standardized and concrete evaluation of people's socioeconomic level.

**Objective measures of social class are of two types:** single variable indexes and composite variable indexes. A single variable index estimates an individual's social class on the basis on a single socio-econometric indicator. The following are a few typical objective metrics used to gauge social class on a single variable:

**Occupational Prestige:** Classifying people according to the perceived rank or prestige associated with their work, occupational prestige is a commonly used objective measure of social class. To allocate occupational prestige scores to various job categories, researchers frequently utilize established scales or classification systems, such as the Socio-Economic Indexes for Areas (SEIFA) or the International Standard Classification of Occupations (ISCO). Occupations with higher social prestige are indicated by higher scores, and those with lower social standing are indicated by lower ratings.

**Income:** A key metric for determining a person's socioeconomic standing, income represents their wages and available funds. Gross annual income, family income, and individual earnings before taxes and deductions are examples of objective measures of income. People are frequently categorized into distinct social class groupings such as low-income, middle-income, or high-income households, based on their income levels.

**Education:** A person's level of education can be a good indicator of their socioeconomic standing; higher education is usually linked to more privileges in society. One can define objective measurements of education as the greatest level of education attained, degrees obtained (such as a bachelor's degree, advanced degree, or high school diploma), or the number of years of formal education completed. Social class classifications, such as those with low, moderate, or high levels of education, are frequently distinguished by educational achievement.

**Occupational Classifications:** Occupational classifications are a common tool used by objective measurements of social class to group people according to their employment status, job function, and industry sector. Certain occupational groupings, such as managers, professionals, clerks, salespeople, service providers, and manual labourers, may be distinguished from one another by categories. Individuals' roles in the labour market and their socioeconomic standing in relation to others are revealed by these classifications.

**Wealth and Assets:** Reflecting an individual's amassed resources and financial holdings, wealth and asset ownership constitutes another objective indicator of socioeconomic position. Net worth (assets less obligations), property ownership (e.g., real estate, investments, and automobiles), savings and investments, and other tangible assets are examples of objective indicators of wealth. Beyond income levels alone, wealth indicators offer a thorough evaluation of people's financial security and social standing.

**Housing circumstances:** Aside from tenure (e.g., homeownership or renting), housing circumstances can also act as objective markers of social class. These include housing quality and community features. Renters and those who live in underprivileged areas might be categorized as lower social class, while owners of properties in affluent communities are frequently associated with higher social class status.

Composite indices create a single overall assessment of social class standing by methodically combining several socioeconomic factors. Consumer researchers are interested in these indices because they might more accurately represent the complexity of social class than single-variable indexes. India has its own composite variable index for assessing the socio-economic status of an individual. The index has undergone many ramifications, from the Socio-economic Scale (SEC) of 1988 – created by Market Research Society of INDIA (MRSI), to the New Consumer Classification System (NCCS) which was introduced in 2015 - co-developed by Market Research Society of India (MRSI) and Media Research Users Council (MRUC), to the most recently launched Indian Socioeconomic Classification System (ISEC).

#### **NCCS:**

NCS was used to categorize households in India. The primary wage earner's level of education and the quantity of consumer durables the household has from a predetermined list are the two variables used to categorize households in this co-developed model by Media Research Users Council (MRUC) and Market Research Society of India (MRSI).

Fundamentally, NCCS evaluates and classifies homes using a dual-variable methodology. The principal wage earner's educational achievement and the number of consumer durables the household owns—which are selected from a predetermined, carefully curated list—are the main classification criteria. This unique method takes into account material and educational aspects, offering a comprehensive picture of the socioeconomic standing of a household.

The list of durables considered for NCCS reporting are:

	Items owned / have access at home	Circle	Tick
1a	Electricity Connection	01	✓
	Ceiling Fan	02	✓
	LPG Stove	03	✓
	Two Wheeler	04	✓
	Colour TV	05	✓
	Refrigerator	06	✓
	Washing Machine	07	
	Personal Computer/ Laptop	08	
	Car/Jeep/Van	09	✓
	Air Conditioner	10	
1b	Agricultural Land	11	✓
	NUMBER OF STANDARD 11 OWNED		8

Source: Afaq.

Mapping the number of durables in the household with the education of the primary wage earner identifies the social class of the individual / household.

EDUCATION OF CWE							
No. of Durables Owned	Illiterate	Literate but no formal school/ School upto 4 yrs	School- 5 to 9 years	SSC/ HSC	Some College (Incl Diploma) but not Grad	Grad/ PG: General	Grad/ PG: Professional
	1	2	3	4	5	6	7
None	E3	E2	E2	E2	E2	E1	D2
1	E2	E1	E1	E1	D2	D2	D2
2	E1	E1	D2	D2	D1	D1	D1
3	D2	D2	D1	D1	C2	C2	C2
4	D1	C2	C2	C1	C1	B2	B2
5	C2	C1	C1	B2	B1	B1	B1
6	C1	B2	B2	B1	A3	A3	A3
7	C1	B1	B1	A3	A3	A2	A2
8	B1	A3	A3	A3	A2	A2	A2
9	B1	A3	A3	A2	A2	A1	A1

Source: Afaq.

### Indian Socio-Economic Classification System (ISEC):

The new socio-economic classification system called 'ISEC' has been introduced by the autonomous market research industry body, Market Research Society of India (MRSI). The current New Consumer Classification System is largely being replaced by this new one (NCCS).

Brands and agencies can determine price points and gain insight into the characteristics and behaviours of their target audience by using socioeconomic

classification. Updates to the current socioeconomic classification are needed in light of the evolving home scenario. In contrast to NCCS, which only took into account the primary earner's education and the existence of specific consumer durables in the home, MRSI's ISEC takes into account the primary earner's occupation, the highest-achieving male adult's education, and the highest-achieving female adult's education. Using resources from the National Council of Applied Economic Research (NCAER), the Worldpanel division, Kantar, and the Indian Readership Survey (IRS), among others, a group of specialists and professionals from the research and insights business built it.

Launched in February 2024, the 12-tier Indian Socio-Economic Classification System (ISEC) classifies households according to a mix of household variables and education. It takes the role of the former National Council of Applied Economic Research (NCCS) classification scheme, which placed a strong emphasis on car ownership and consumer durables.



Source: MRSI

Here's a breakdown of the 12 ISEC levels:

Level 1 & 2: ISEC A1 & A2

- Highest income households with very high educational qualifications.
- Includes professionals like doctors, lawyers, CEOs, etc.

Level 3 & 4: ISEC B1 & B2

- Upper-middle-class households with high education levels.
- Includes professionals like engineers, teachers, managers, etc.

Level 5 & 6: ISEC C1 & C2

- Middle-class households with moderate education levels.
- Includes salaried professionals, small business owners, etc.

Level 7 & 8: ISEC D1 & D2

- Lower-middle-class households with basic education levels.
- Includes skilled workers, self-employed individuals, etc.



## Level 9 & 10: ISEC E1 & E2

- Upper-lower-class households with limited education.
- Includes unskilled workers, daily wage earners, etc.

## Level 11 & 12: ISEC F1 & F2

- Lowest income households with little or no education.
- Includes marginal workers, subsistence farmers, etc.

## This is how the classification will actually work



Occupation of chief earner	Education of best educated female adult								Occupation of chief earner	Education of best educated female adult							
	Education of best educated male adult	no female adult	no formal education	upto class 5	class 6 to 9	class 10 to 14	degree regular	degree professional		Education of best educated male adult	no female adult	no formal education	upto class 5	class 6 to 9	class 10 to 14	degree regular	degree professional
Labour	no male adult	12	12	11	11	10	9	9	no male adult	11	12	11	10	9	6	5	
	no formal education	12	12	11	11	11	10	10	no formal education	11	11	11	10	9	8	8	
	upto class 5	12	12	11	11	10	9	9	upto class 5	11	11	10	9	8	8	7	
	class 6 to 9	12	11	11	10	10	9	9	class 6 to 9	10	11	10	9	8	7	5	
	class 10 to 14	11	11	10	10	9	8	7	class 10 to 14	9	10	9	8	7	5	4	
	degree regular	9	10	9	9	8	7	6	degree regular	7	9	8	7	6	3	2	
degree professional	9	10	9	8	7	6	6	degree professional	6	8	6	6	4	2	2		
Farmer	no male adult	12	12	11	11	10	9	9	no male adult	10	12	10	10	8	7	6	
	no formal education	12	12	11	11	11	10	10	no formal education	11	11	10	10	10	9	8	
	upto class 5	12	12	11	11	10	9	9	upto class 5	11	11	10	9	8	7	7	
	class 6 to 9	12	11	11	10	10	9	9	class 6 to 9	10	10	9	9	8	7	6	
	class 10 to 14	11	11	10	10	9	8	7	class 10 to 14	8	9	8	8	7	6	4	
	degree regular	9	10	9	9	8	7	6	degree regular	7	9	8	7	6	4	3	
degree professional	9	10	9	8	7	6	5	degree professional	6	8	7	6	4	2	2		
Worker	no male adult	12	12	11	10	10	8	8	no male adult	10	12	10	10	7	5	5	
	no formal education	11	11	11	11	10	9	8	no formal education	11	11	10	10	10	8	6	
	upto class 5	11	11	10	10	10	9	7	upto class 5	11	11	10	9	8	6	6	
	class 6 to 9	11	11	10	9	9	8	7	class 6 to 9	9	9	9	8	7	6	6	
	class 10 to 14	10	10	9	9	8	6	6	class 10 to 14	7	9	8	7	5	3	3	
	degree regular	8	9	8	8	7	5	4	degree regular	6	8	7	6	4	2	1	
degree professional	8	9	7	7	5	3	3	degree professional	5	7	6	5	3	1	1		

Source: MRSI, 2018

Objective measures of social class offer standardized and quantifiable assessments of individuals' socio-economic status, facilitating comparisons across different population groups and research studies. By utilizing multiple objective indicators, researchers can obtain a comprehensive understanding of social class dynamics and their implications for various outcomes, such as health, education, employment, and access to resources.

### Task:

1. Identify other prominent scales for measuring social class.
2. Measure the social class of a heterogeneous group of individuals or households using any of the methods shown above.

### ❖ Summary

The impact of social class on consumer behaviour is complex, influencing several facets of people's life and influencing their buying habits in subtle ways. The biggest effects are clearly visible in the differences in purchasing power across various socioeconomic strata. While members of lesser social classes might have to give priority to more affordable options, higher social classes usually have more spare income, which allows them to afford luxury goods and services. Social class

differences are reflected in brand preferences as well. People in higher social classes tend to choose prestigious or exclusive brands, whereas people in lower social classes could choose more affordable or value-oriented options. These choices are frequently entwined with social class-based views of quality, status, and cultural capital.

Social class has a big impact on lifestyle decisions as well. A person's preference for housing, modes of transportation, pastimes, and entertainment tends to correspond with their socioeconomic standing. While members of lesser social classes might make more practical decisions due to financial limitations, higher social classes might choose to live in posh districts, drive expensive cars, and engage in exclusive hobbies.

Furthermore, purchasing and consumption patterns are influenced by socioeconomic class. While lower social classes may prefer online shopping platforms or discount retailers due to ease and affordability, higher social classes may frequent specialty shops and premium boutiques. Social networks and peer groups frequently have an impact on these decisions because people want to fit in with the consumption habits of people in their social circles.

Consumer behaviour is influenced by education and access to knowledge in a variety of social strata. The wealthier parts of society have higher levels of education and better access to information, which helps them make better educated judgments about what to buy, know more about the products they're buying, and recognize market trends. This gap in information has the potential to widen the consumption gap between social classes.

In general, marketers and companies looking to successfully target and engage a variety of consumer niches must comprehend the complex dynamics of social class influences on consumer behaviour. Through an understanding of the subtle differences in tastes, lifestyles, and consumption patterns between various social classes, marketers can adjust their approaches to appeal to certain target audiences and build strong relationships with customers from a variety of socioeconomic backgrounds.

Task:

Identify companies which have more than one offering within the same product category. Assess whether socio-economic segmentation is used by the company.

### **Case 1: Hindustan Unilever Limited (HUL)**

A popular skin-lightening cream in the Indian market for a long time is Fair & Lovely. In the past, Fair & Lovely benefited from the preference for lighter skin tones in society, which are frequently connected to greater social position, in terms of beauty standards. The company advertised to consumers in the poor and middle classes, offering them a way to look better and possibly improve their social and economic chances. Fairer skin could lead to improved marital possibilities, career opportunities, and overall success in life, according to the marketing ads.

In contrast, the marketing technique employed by HUL's Dove brand was distinct. Dove positioned itself as a brand that celebrates true beauty and acceptance of oneself, regardless of social norms or skin tone. The company purposefully shifted its emphasis from promoting fairness as a standard of beauty to inclusivity and diversity. In order to subvert conventional beauty standards and encourage women to feel good about their inherent attractiveness, Dove included women from a variety of origins, complexion tones, and body kinds in their advertising.

This case study demonstrates how consumer behaviour in India's beauty and personal care sector is influenced by social class. By focusing on lower- and middle-class customers, Fair & Lovely was able to take advantage of their desires for acceptance and social mobility. Conversely, Dove tapped into a more affluent and socially conscious market by associating its brand values with the ideas of inclusivity and empowerment.

The disparate marketing approaches taken by HUL's Fair & Lovely and Dove brands highlight how important it is to comprehend how social class issues influence Indian consumer behaviour. In order to establish a meaningful connection with a wide range of consumer segments and appeal to their values and goals, marketers need to skilfully manage the intricate interactions of cultural norms, societal expectations, and economic variables.

## **Case 2: Maruti Suzuki**

The car industry, specifically the marketing tactics used by automakers to appeal to various socioeconomic groups, is a prime illustration of how social class affects consumer behaviour in India. One of the top automakers in India, Maruti Suzuki, provides a wide variety of cars to suit different socioeconomic groups in the community. The Maruti Suzuki Alto and Maruti Suzuki Swift are two examples of its noteworthy achievements in catering to many socioeconomic strata.

**Maruti Suzuki Alto:** Targeting largely the lower-middle and middle-class segments of the Indian population, the Alto is positioned as an affordable option thanks to its fuel efficiency, low maintenance costs, and affordability. Maruti Suzuki purposefully positions the Alto as an entry-level automobile that is ideal for families looking for a dependable and affordable form of transportation or for first-time car owners. The Alto's price, ease of ownership, and fit for urban and semi-urban surroundings are frequently highlighted in advertising efforts.

**Maruti Suzuki Swift:** The Maruti Suzuki Swift, on the other hand, is positioned as a premium hatchback that caters to the upper-class and upper-middle class market groups. Customers looking for a balance between comfort, style, and performance will find the Swift appealing due to its sophisticated design, cutting-edge technology, and exceptional performance. The Swift is positioned by Maruti Suzuki as a car for the aspirational buyer, with a focus on its cutting-edge technology, stylish design, and engaging driving experience.

The marketing strategies employed by Maruti Suzuki for the Alto and Swift exemplify how social class influences consumer behaviour in India's automotive industry:

**Socioeconomic Segmentation:** Maruti Suzuki designs its product lineup to appeal to various demographic groups in light of India's varied socioeconomic environment. Maruti Suzuki successfully targets consumers across a range of income levels and social strata with cars like the Alto and Swift.

**Value Proposition:** The Alto and Swift's value propositions are in line with the goals and tastes of the corresponding target markets. The Swift places more emphasis on performance, flair, and technological innovation than the Alto does on affordability, usefulness, and cost-effectiveness. Customers from various socioeconomic strata can relate to these value propositions since they speak to their unique wants and goals.

**Brand Perception:** The Alto and Swift's branding and positioning are in line with the social standing and lifestyle choices of its target markets. While the Swift is seen as a high-end, aspirational car for people who are looking to advance in their careers, the Alto is thought to be a practical and functional option for consumers on a tight budget.

In general, the Maruti Suzuki case study highlights how customer behaviour in the Indian automobile industry is influenced by social class, which shapes perceptions of brands, product preferences, and purchasing decisions across various socioeconomic segments. Car manufacturers can create personalized marketing strategies to effectively engage their target audience and boost sales by knowing the unique needs, tastes, and goals of consumers from different social strata.

### ❖ **Exercise**

Write a long question answer

1. How does social class impact individuals' purchasing power and ability to afford certain goods and services?
2. What role does social class play in shaping brand preferences and loyalty among consumers?
3. How do lifestyle choices, such as housing, transportation, and leisure activities, vary across different social classes?
4. In what ways does social class influence perceptions of product quality, status, and prestige?
5. How do social networks and peer groups contribute to the formation of consumer preferences and behaviours within specific social classes?
6. What are some examples of marketing strategies that effectively target consumers from different social classes?
7. How does education and access to information differ among individuals from various social classes, and how does this impact their consumer behaviour?
8. How do social class dynamics intersect with other demographic factors, such as age, gender, and ethnicity, to shape consumer behaviour?
9. In what ways can businesses adapt their products, pricing strategies, and marketing approaches to effectively appeal to consumers from diverse social classes?

**9.1 Introduction****9.2 The Application of Various Disciplines In Consumer Behaviour****9.3 Economics and Consumer Behaviour****9.4 Psychology****9.5 Sociology****9.6 Anthropology****9.7 Communication**❖ **Exercise**

---

**9.1 Introduction**

---

The word consumer means the person who purchases and consumes the goods or services to derive utility or satisfaction. The word behaviour means the particular pattern of decision making related to rationalization the decision also with some influences that may take the consumer away from rationalization. Thus, there are more than one disciplines or areas of study get involved when the consumer behaviour is to be studied or to be understood to achieve successful exchange. In this short discussion to subject, we could spot the subjects like commerce, economics, psychology, marketing etc. yes, it is true. Consumer behaviour is a multidisciplinary field that draws insights and methodologies from various disciplines to understand the complex dynamics of consumer decision-making and market interactions. Its multidisciplinary nature is evident through its integration of knowledge and perspectives from several fields.

---

**9.2 The application of various disciplines in consumer behaviour**

---

**9.2.1 Psychology:** The mind is the root of behaviour. In consumer behaviour, it is essential to know how does a person behave. What is the motive? What need is going to be satisfied? Which stage of need a consumer is passing through? Are the questions to be answered to understand consumer behaviour. Psychology is the study of mind. It is humanity domain that provides the theoretical framework about behaviour. It includes foundational theories and concepts related to perception, motivation, learning, memory, and attitudes, which are essential for understanding consumer behaviour. Psychological research methods are also used to study consumer cognition, emotion, and decision-making processes.

**9.2.2 Sociology:** The commerce and business are not possible without society. Philip Kotler, The Marketing Guru also says that marketing is a social process. The consumer belongs to the buyers' social group and sellers also belong to suppliers' social group. The interaction takes place only when the social groups are there. Moreover, the social groups, reference groups, peer groups and social media also affect consumer behaviour. Sociology is a study of social dynamics. Sociology contributes insights into social interactions,

group dynamics, social structures, and cultural influences that shape consumer behaviour. Sociological theories help explain how individuals are influenced by social norms, reference groups, social class, and cultural values.

**9.2.3 Anthropology:** The consumer behaviour is influenced by the evolution stage of a race; the consumer does belong to. It studies a journey of cultural development and transformation of races. Anthropology is study of how particular race has evolved. In way, the culture has its roots into the human progress. Anthropology offers cultural insights and ethnographic research methods to understand consumer behaviour within diverse cultural contexts. Anthropological perspectives help marketers uncover cultural meanings, rituals, and symbols that influence consumer preferences and consumption practices. Hence, the study of Anthropology helps to ascertain the buying behaviour pattern of consumers of particular group.

**9.2.4 Economics:** When there is give and take or exchange of economic goods, including barter, the eternal theories of demand-supply and utility maximization become relevant. Business is all about utility maximization for consumers and profit maximization for suppliers. Economics is to maximize the satisfaction with available scarce resources. It provides theories and models to analyse consumer preferences, demand, utility maximization, and market dynamics. Economic principles such as supply and demand, price elasticity, and consumer surplus inform marketing strategies, pricing decisions, and market segmentation. For example, when the price is reduced, the consumer surplus would increase so, the consumer will extend the purchase. The consumer surplus theory thus, is the foundation of The Law of Demand. Apart of this, there are many economic theories that give a new insight in the study of consumer behaviour.

**9.2.5 Marketing:** In fact, the consumer behaviour study is a part and one of the topics of Marketing. Hence, marketing is one of the most significant domains to be applied in consumer behaviour studies. Marketing plays a central role in consumer behaviour research, as it focuses on understanding consumer needs, developing products, designing marketing strategies, and creating customer value. Marketing research methods, such as surveys, experiments, and observational studies, are used to gather consumer insights and feedback. According to the scholars of the marketing, customer is the centre around whom all the marketing activities are revolving.

**9.2.6 Communication Studies:** Communication is to receive and relay messages with the essence and the way that serves the objective. Like other subjects in humanities, the communication is also science as well as an art. Being science it has theories and principle, the subject framework that are applied in consumer behaviour. The consumer behaviour studies involve understanding what consumers want, what they purchase, how they purchase. Communication studies contribute theories and frameworks for understanding how messages are transmitted, received, and interpreted by consumers. Communication strategies, media channels, and persuasive techniques are critical for shaping consumer perceptions, attitudes, and behaviours. Hence, it is one of the disciplines required in consumer behaviour.

**9.2.7 Neuroscience:** As psychology studies the mind, the Neuroscience provides insights into the brain related processes (neural processes) that are responsible for causing consumer decision-making, emotions, and preferences. The latest inventions in Neuroscience have Neuroscientific methods, such as brain imaging (e.g., fMRI) and

psychophysiological measurements, help researchers understand the biological basis of consumer behaviour. Though, they may not be 100% accurate and reliable, they give directions to form marketing strategies to influence the consumers and generate desired responses.

**9.2.8 Information Technology:** Today's world is dominated by Information Technology. Being omnipresent, Information technology facilitates data collection, analysis, and consumer engagement through digital platforms, e-commerce, social media, and big data analytics. Technology-driven approaches, such as machine learning and artificial intelligence, enable marketers to personalize marketing messages and predict consumer behaviour. The latest among these is application of AI. Moreover, it helps to maintain the database and to get the analysis with few clicks.

**9.2.9 Environmental Studies:** The environment study is a very large domain that can affect the consumer choices. In fact, here, it is justifiable to interpret as Ecological Environment. It has two aspects. How much weightage a customer gives to environment related things and how much she will have to pay for it. Sometimes, it becomes mutually exclusive for him to have both: the environmentally product and utility maximization. Sustainable marketing practices and green consumerism are growing areas of interest within consumer behaviour research. Environmental studies examine how environmental factors, such as physical surroundings, ecological sustainability, and corporate social responsibility, influence consumer choices and brand perceptions.

**9.2.10 Ethics and Law:** Ethics have growing concern on both the parts; consumers and sellers. Consumers are insisting for transparent offers and traders are also recognizing the importance of ethics. Ethics and legal considerations mould consumer protection policies, advertising practices, and corporate social responsibility initiatives. Ethical marketing practices, consumer rights, and privacy concerns are important considerations in consumer behaviour research and practice.

---

### **9.3 Economics and Consumer Behaviour**

---

As we mentioned earlier, the multidisciplinary nature of consumer behaviour highlights its complexity and the need for interdisciplinary collaboration to address contemporary challenges in understanding and influencing consumer behaviour effectively. By integrating insights from diverse disciplines, researchers and practitioners can develop holistic approaches to studying consumer behaviour and designing innovative strategies to meet evolving consumer needs and preferences. Economics plays a crucial role in understanding consumer behaviour as it provides theories, models, and frameworks for analysing how individuals allocate limited resources to satisfy their unlimited wants and needs. Here are some key ways in which economics intersects with consumer behaviour:

**9.3.1 Utility Theory:** The demand depends upon the value perception (Utility) of the buyer for any good or service. Utility theory is a fundamental concept in economics that posits individuals seek to maximize their utility, or satisfaction, from consuming goods and services. Consumer behaviour models, like marginal utility theory model by Alfred Marshal and Indifference curve analysis. the utility maximization model and indifference curve analysis, are based on the premise that consumers make rational decisions to maximize their utility given their budget constraints.

**9.3.2 Demand Theory:** Demand theory includes the factors affecting demand and how consumers' preferences, incomes, and prices influence their demand for goods and services. The law of demand states that as the price of a good decreases, quantity demanded increases, *ceteris paribus*. Consumer behaviour research in economics often focuses on analysing demand elasticity, income effects, and substitution effects. Moreover, various elasticities of demand like price, income and cross are calculated.

**9.3.3 Consumer Preferences:** Economics examines how consumers' preferences and tastes impact their consumption decisions. Revealed preference theory posits that consumers' preferences can be inferred from their observed choices in the marketplace. Economists study consumer choice behaviour to understand how individuals allocate their limited resources among competing alternatives. E.g. there is general stereotyping that price rise always increases demand adversely but, in the case of conspicuous goods, it will be positively affecting to demand.

**9.3.4 Consumer Surplus Theory:** Consumer surplus is a concept presented by Alfred Marshall in welfare economics that measures the difference between what consumers are willing to pay for a good or service and what they actually pay. Consumer behaviour research in economics has attempted to quantify consumer surplus and assess the welfare implications of changes in prices, taxes, or government policies. Unless and until a consumer achieves maximum total consumer surplus, she will not be ready to stop demanding the products.

**9.3.5 Market Structure and Types of Competition:** Economics studies how market structures, such as perfect competition, monopoly and imperfect competitions like oligopoly, and monopolistic competition, influence consumer behaviour and market outcomes. Consumer behaviour research in economics often analyses the impact of market power, pricing strategies, and barriers to entry on consumer welfare and market efficiency.

**9.3.6 Behavioural Economics:** Behavioural economics combines theories from psychology and economics to understand how cognitive biases, heuristics, and emotional factors influence consumer decision-making. Behavioural economists study factors such as loss aversion, framing effects, and hyperbolic discounting to explain deviations from traditional economic models of consumer behaviour.

**9.3.7 Income and Wealth Effects:** Ultimately, it is purchasing power that supports and backs demand. Changes in consumers' incomes and wealth have significant implications for their consumption style and purchasing decisions. Economics studies income and wealth effects on consumer spending, savings, and investment behaviour, as well as the distributional consequences of changes in income and wealth.

**9.3.8 Information and Uncertainty:** Economics explores how consumers gather, process, and respond to information in making purchasing decisions. Information asymmetry, where one party has more information than another, can lead to market failures and inefficiencies. Economics investigates the role of advertising, branding, and consumer information in shaping consumer behaviour.

**9.3.9 Macro Trends:** though consumer behaviour sounds closer to microeconomics, it also takes help from macroeconomics. The stage of business cycle, the national income,



growth rate, collective optimism and pessimism in economy affect the aggregate demand and so, the individual demand also.

**9.3.10 Money Supply and Credit Policy:** Nowadays, the demand and consumer behaviour also tend to follow the availability of credit and quantity of money, prevailing in the economy. In western developed economies, there has been a credit economy since long. People have been using credit cards and a high share of transactions belong to credit and loans. Japan also has practiced this policy of free credit to keep economy in momentum.

Overall, economics provides valuable insights into the rational decision-making processes of consumers, the determinants of demand, market interactions, and the welfare implications of consumer behaviour. By integrating economic principles with other disciplines such as psychology, sociology, and marketing, researchers can develop a more comprehensive understanding of consumer behaviour and inform policy decisions and business strategies.

---

## 9.4 Psychology

---

Consumer behaviour has its roots in psychology. It plays a significant role in understanding consumer behaviour. Psychological theories provide very useful insights into the cognitive, emotional, and behavioural processes that influence individuals' decisions in the marketplace. Here are some key ways in which psychology intersects with consumer behaviour:

**9.4.1 Perception:** Perception is how consumer perceives or understands or derives meaning of any stimuli. In the context of consumer behaviour, it explores how individuals perceive and interpret information from their environment, including marketing stimuli such as advertisements, product packaging, and brand messaging. Consumer perception influences how individuals form impressions of products, brands, and companies, shaping their purchasing decisions. E.g. if consumer perceives that when there are aggressive advertisements, the products must be of low quality. On the other hand, sometimes advertisements successfully change the perception of buyer.

**9.4.2 Attitude:** Psychology examines individuals' attitudes, beliefs, and value systems, which shape their evaluations and preferences for products, brands, and marketing messages. The theory of cognitive dissonance explains how individuals seek consistency between their attitudes and behaviours, leading to post-purchase rationalization or changes in attitudes.

**9.4.3 Learning and Memory:** The learning theories are a part of psychology. They study how individuals acquire knowledge, skills, and attitudes through learning processes such as classical conditioning, operant conditioning, and observational learning. Consumer learning influences how individuals form brand associations, develop preferences, and make purchase decisions based on past experiences and exposure to marketing stimuli.

**9.4.4 Motivation:** Motivation is an important constituent of Psychology. The psychology investigates the underlying motivations that drive individuals to fulfil their needs and desires through consumption. Maslow's pyramid of needs, theory of valence and expectancy and other motivational theories provide frameworks for understanding how

consumers prioritize and pursue goals related to physiological, safety, social, esteem, and self-actualization needs.

**9.4.5 Emotions:** Psychology studies the role of emotions in consumer decision-making, highlighting how emotional responses influence product evaluations, brand perceptions, and purchase intentions. Emotional branding strategies aim to evoke specific emotions, such as joy, nostalgia, or fear, to create memorable and meaningful consumer experiences.

**9.4.6 Memory:** Psychology investigates how memory processes, including encoding, storage, and retrieval, influence consumers' recall and recognition of brands and advertising messages. Branding strategies leverage principles of memory retention and retrieval to create distinctive brand identities and foster brand loyalty.

**9.4.7 Decision-Making Heuristics and Biases:** Psychology studies cognitive biases, heuristics, and decision-making shortcuts that individuals use to simplify complex choices and judgments. Heuristics means involving or serving as an aid to learning, discovery, or problem-solving by experimental and especially trial-and-error methods. Behavioural economics integrates psychological insights with economic principles to understand deviations from rational decision-making, such as loss aversion, anchoring effects, and confirmation bias.

**9.4.8 Social Influence:** Psychology studies the impact of social factors, such as reference groups, social norms, conformity, and social comparison, on consumer behaviour. Social influence processes shape individuals' product choices, brand preferences, and consumption behaviours through social identification, social proof, and normative influence. The social customs or the conventional wants are largely dominated by the social framework which a consumer lives in.

By integrating psychological theories and research methods with consumer behaviour studies, researchers and marketers can obtain deep insights into the cognitive, emotional, and social processes that drive consumer decision-making. This interdisciplinary approach enables the development of more effective marketing strategies, branding initiatives, and consumer interventions that resonate with individuals' psychological needs and motivations.

---

## 9.5 Sociology

---

Sociology is the study of society, social institutions, and social relationships. It examines how human behaviour is shaped by the surrounding social and cultural structures, and how these, in turn, are affected by individual and collective actions. Sociology explores the complexities of social life by analysing how groups, organizations, communities, and entire societies operate and evolve. Sociology provides valuable insights into consumer behaviour by examining the social interactions, group dynamics, cultural influences, and structural factors that shape individuals' consumption patterns and choices in society. Here are some key ways in which sociology intersects with consumer behaviour:

**9.5.1 Degree of Socialization:** Sociology examines how individuals are socialized into consumer roles and behaviours through interactions with family, peers, media, and institutions. Socialization processes shape individuals' attitudes, preferences, and consumption practices, influencing their choices of products, brands, and lifestyles.

**9.5.2 Social Class:** Sociology studies the relationship between social class, income inequality, and consumer behaviour. Social class considerably influences individuals' access to resources, consumption patterns, and preferences for specific goods and services. Sociological research highlights how social class affects individuals' tastes, lifestyles, and cultural capital, determining their consumption habits and preferences.

**9.5.3 Reference Groups:** Reference groups play a crucial role in shaping an individual's attitudes, behaviour, and self-concept. These groups are any and all groups that influence an individual's evaluations, aspirations, or behaviour. They serve as a frame of reference for individuals in forming their attitudes, beliefs, and behaviours, and can include a wide range of groups, from family and friends to professional organizations, social clubs, and even broader societal categories like age groups, racial or ethnic communities, or fans of a particular sports team. Sociology explores the role of reference groups, social networks, and social identities in shaping consumer behaviour. Individuals often compare themselves to reference groups and seek social validation through their consumption choices. Sociological theories of social identity and group membership help explain how consumers express their social identity and affiliation through consumption symbols and brands. It is sociological understanding of how individuals use material objects and brands to express their identity, status, group membership, or distinctiveness.

**9.5.4 Symbolic Consumption:** Symbolic consumption refers to the practice of buying and using products or services to convey specific meanings and messages about oneself to others. Sociological perspectives on symbolic consumption, conspicuous consumption, and lifestyle branding shed light on how individuals use consumption as a form of self-expression, social differentiation, and identity construction. Sociology elaborates consumer culture as a social phenomenon characterized by the production, distribution, and consumption of goods and services as symbols of identity, status, and meaning.

**9.5.5 Globalization:** Sociology investigates the impact of globalization on consumer behaviour, including the spread of global brands, cultural homogenization, and transnational consumer practices. Sociological research on globalization highlights how economic, political, and cultural forces shape individuals' consumption choices and identities in a globalized world. E.g. in India, there had been an attraction for imported goods.

**9.5.6 Social Norms and Values of society:** Social norms are shared guidelines or rules that dictate how people should behave in specific situations, contexts, or cultures. Sociology investigates how cultural norms, values, and beliefs influence consumer behaviour within different social contexts. Cultural factors shape individuals' perceptions of what is considered appropriate, desirable, or taboo in consumption practices. Sociological theories of cultural capital, habitus, and cultural hegemony provide frameworks for understanding how culture influences consumer preferences and choices. Like smoking is a taboo in many societies and culture. E.g. dress code for wedding and funeral are different in most of the cultures.

**9.5.7 Social Change:** Sociology investigates how consumer behaviour contributes to broader social changes, including environmental sustainability, ethical consumption, and social movements. Sociological perspectives on sustainable consumption, ethical consumption, and social activism explore how individuals' consumption choices can

promote social and environmental justice. The increasing rate of women participation in employment is a kind of social change.

By integrating sociological theories, methods, and perspectives with consumer behaviour research, scholars and marketers can gain deeper insights into the social dimensions of consumption, the cultural influences on consumer choices, and the role of consumption in shaping social identities and structures. This interdisciplinary approach enables the development of more nuanced and socially responsible strategies for understanding and influencing consumer behaviour in diverse cultural and social contexts.

---

## 9.6 Anthropology

---

Anthropology is significant for understanding the complex nature of human societies and cultures. It challenges assumptions about the universality of human experiences and highlights the diversity and adaptability of human communities. There can be cultural anthropology, biological anthropology, linguistic anthropology and archaeological anthropology. By studying the variety of human societies and cultures, anthropology helps us appreciate cultural differences, understand human commonalities, confront social inequalities, and address global issues like environmental conservation, health crises, and cultural preservation. Anthropology plays a significant role in understanding consumer behaviour by providing insights into the cultural, social, and symbolic meanings embedded in consumption practices. Here are some key issues in which anthropology intersects with consumer behaviour:

**9.6.1 Cultural Analysis:** Anthropology studies how culture shapes consumer preferences, values, and behaviours. Cultural anthropology investigates the cultural meanings, symbols, rituals, and traditions associated with consumption practices. There are some Ethnographic research methods, such as participant observation and in-depth interviews, are used to study consumer behaviour within specific cultural contexts.

**9.6.2 Ethnic Symbolic Consumption:** As we saw in sociological factors also, Symbolic Consumption is included in Anthropology. It explores how consumers use products, brands, and consumption practices to express identity, social status, and cultural belonging. Symbolic consumption involves the appropriation of cultural symbols and meanings through consumption choices. Anthropologists analyse how individuals and groups construct meaning and identity through their consumption patterns.

**9.6.3 Reciprocal practices:** Anthropology studies reciprocity like gift-giving practices, reciprocity norms, and social exchange systems that influence consumer behaviour. Gift exchange plays a central role in building social relationships, establishing social bonds, and expressing gratitude within communities. Anthropologists examine how gift-giving rituals shape consumer preferences and market dynamics. E.g. in Japan the gift exchange practices are different from Arab culture.

**9.6.4 Marketplace Ethnography:** Anthropologists conduct ethnographic research in marketplaces, shopping malls, and consumer environments to understand consumer behaviour in situ. Marketplace ethnography involves observing and interacting with consumers in their natural settings to uncover cultural meanings, social interactions, and consumption rituals. Anthropologists study the social dynamics of consumption spaces and the role of material culture in everyday life.

**9.6.5 Material Culture and Consumption Patterns:** Anthropology investigates the material culture, artifacts, and objects produced and consumed by societies. Consumer behaviour research in anthropology explores how material objects reflect cultural values, aesthetics, and socio-economic conditions. Anthropologists analyse consumption patterns, preferences, and tastes across different cultures and historical periods.

**9.6.6 Cultural Hybridity and Cross culture Impact:** Anthropology investigates the impact of globalization on consumer cultures, cultural hybridity, and cultural change. Globalization and cross culture developments and processes, such as mass media, tourism, and transnational markets, contribute to the diffusion of consumer goods, brands, and lifestyles across borders. Anthropologists study how global flows of goods and ideas influence local consumption practices and identities.

**9.6.7 Ethical Consumption:** Anthropology examines the issues of sustainability, ethical consumption, and environmental stewardship from a cultural perspective. Anthropologists examine how cultural values, belief systems, and worldviews shape individuals' attitudes and behaviours towards sustainable living and responsible consumption. Ethnographic research sheds light on grassroots movements, alternative economies, and community-based initiatives promoting sustainable consumption practices.

By integrating anthropological perspectives with consumer behaviour research, marketers and businesses gain deeper insights into the cultural, social, and symbolic dimensions of consumer behaviour. This interdisciplinary approach enables the development of culturally sensitive marketing strategies, product designs, and consumer experiences that resonate with diverse cultural groups and foster meaningful connections with consumers.

---

## **9.7 Communication**

---

Communication is simply the act of transferring information from one place, person or group to another.

Every communication involves (at least) one sender, a message and a recipient. This may sound simple, but communication is actually a very complex subject. The transmission of the message from sender to recipient can be affected by a huge range of things. These include our emotions, the cultural situation, the medium used to communicate, and even our location. The complexity is why good communication skills are considered so desirable by employers around the world: accurate, effective and unambiguous communication is actually extremely hard. Communication plays a crucial role in shaping consumer behaviour by influencing individuals' perceptions, attitudes, and purchase decisions. Here are some key ways in which communication intersects with consumer behaviour:

**9.7.1 Advertising and Promotion:** Advertising and promotional messages are pervasive in the modern marketplace, influencing consumers' awareness, attitudes, and preferences for products and brands. Effective advertising strategies leverage persuasive communication techniques, such as emotional appeals, storytelling, and social proof, to capture consumers' attention and influence their purchase decisions.

**9.7.2 Brand Messaging and Positioning:** Brand communication strategies convey a brand's identity, values, and promises to consumers. Brand messaging and positioning shape consumers' perceptions of brands, influencing their brand preferences, loyalty, and

purchase intentions. Consistent and coherent brand communication builds brand equity and fosters long-term relationships with consumers.

**9.7.3 Consumer Information and Education:** Communication serves as a tool for providing consumers with information and education about products, services, and purchasing options. Informative communication helps consumers make informed decisions, compare alternatives, and evaluate product features and benefits. Consumer education campaigns raise awareness about important issues such as health, safety, and sustainability.

**9.7.4 Customer Relationship Management (CRM):** Communication plays a central role in customer relationship management strategies aimed at building and maintaining long-term relationships with consumers. CRM initiatives use various communication channels, such as email, phone, and social media, to engage with customers, address their needs, and provide personalized experiences. Effective communication fosters customer loyalty, retention, and advocacy.

**9.7.5 Digital and Social Media Marketing:** Digital and social media platforms enable interactive communication between brands and consumers, facilitating engagement, dialogue, and relationship-building. Social media marketing leverages user-generated content, influencer endorsements, and viral campaigns to create buzz, generate brand awareness, and drive consumer engagement. Personalized communication and targeted advertising on digital platforms enable brands to reach specific consumer segments with tailored messages.

**9.7.6 Crisis Communication and Reputation Management:** In times of crisis or negative publicity, effective communication is critical for protecting a brand's reputation and rebuilding consumer trust. Crisis communication strategies involve transparent and timely communication, addressing consumer concerns, and demonstrating accountability and commitment to remedial actions. Proactive reputation management efforts help mitigate the impact of negative events on consumer perceptions and brand equity.

**9.7.7 Word-of-Mouth and Social Influence:** Word-of-mouth communication, both offline and online, plays a significant role in shaping consumer perceptions and purchase decisions. Consumers rely on recommendations, reviews, and testimonials from friends, family, and online communities to guide their purchasing choices. Social influence processes, such as social proof and conformity, amplify the impact of word-of-mouth communication on consumer behaviour.

By understanding the role of communication in consumer behaviour, marketers can develop strategic communication plans that effectively engage consumers, shape their perceptions, and influence their purchasing decisions. Integrated communication strategies that leverage multiple channels and touchpoints enable brands to build meaningful connections with consumers and drive brand success in the competitive marketplace.

❖ **Exercise**

➤ **Choose the correct answer from the options given below each of the following:**

1. Which of the following discipline is not a part of consumer behaviour?

- a. Psychology
- b. Politics**
- c. Economics
- d. Communication

2. Which of the following discipline/s is/are the part of Consumer behaviour?

- a. Sociology
- b. Anthropology
- c. Marketing
- d. All the above**

3. Which of the following is not a part of economics?

- a. demand
- b. utility
- c. market structure
- d. neuroscience**

4. \_\_\_\_\_ examines how human behaviour is shaped by the surrounding social and cultural structures.

- a. economics
- b. marketing
- c. sociology**
- d. anthropology

5. Advertising and promotion belong to \_\_\_\_\_ branch

- a. economics
- b. marketing**
- c. sociology
- d. anthropology

6. \_\_\_\_\_ examines individuals' attitudes, beliefs, and value systems, which shape their evaluations and preferences for products, brands, and marketing messages

- a. Psychology
- b. Politics
- c. Economics**
- d. Communication

7. Brain imaging and FMRI are the part of \_\_\_\_\_

- a. demand
- b. utility
- c. market structure
- d. neuroscience**

8. \_\_\_\_\_refers to the practice of buying and using products or services to convey specific meanings and messages about oneself to others

- a. **Symbolic consumption**
- b. Consumption
- c. Attitude
- d. Perception

9. CRM means \_\_\_\_\_

- a. Customer Rational Management
- b. Company Relation Management
- c. **Customer Relationship Management**
- d. Company Relationship Marketing

10. Influencers come under\_\_\_\_\_

- a. economics
- b. anthropology
- c. sociology
- d. **social marketing**

11. Utility theories are the part of \_\_\_\_\_

- a. sociology
- b. neuroscience
- c. **economics**
- d. communication

12. An effective delivery of message is a purpose of \_\_\_\_\_

- a. **sociology**
- b. neuroscience
- c. economics
- d. communication

13. Social learning and influence come under \_\_\_\_\_

- a. **sociology**
- b. neuroscience
- c. economics
- d. communication

14. Reciprocal practices are the part of \_\_\_\_\_ -

- a. economics
- b. marketing
- c. **sociology**
- d. anthropology

15. Machine learning is included in \_\_\_\_\_

- a. **information technology**
- b. marketing



- c. sociology
- d. anthropology

➤ **State whether the following statements are True or False:**

1. Consumer behaviour is a texture woven with more than one disciplines
2. Consumer surplus is a part of law
3. Marketing ethnography is a tool from IT discipline
4. Attitudes and beliefs do not affect the buying decisions
5. Neuroscience is a science related to human brain

**Answer:**

1. True
2. False
3. False
4. True
5. False

➤ **Answer the following questions in detail.**

1. explain the role of various disciplines that affect the consumer behaviour.
2. elaborate the areas of economics that are used to understand the consumer behaviour.
3. is communication a deciding factor in consumer behaviour? How?
4. anthropology is a study of culture and evolution of an ethnic group. Explain
5. Sociology contributes in consumer behaviour. Discuss

- 10.1 Introduction: The Emerging Trends
- 10.2 The Increased Demand for Transparency
- 10.3 Accelerated Online Buying
- 10.4 Increasing Focus on What's Truly Important Focus
- 10.5 Greater Human Elements
- 10.6 B2B Customer Gaining
- 10.7 Consumer Seeking for Social experience
- 10.8 More People Approach
- 10.9 Content Marketing
- 10.10 Increase Process on Green Product
- 10.11 Value Based Spending

❖ Key Words

---

### 10.1 Introduction: The Emerging Trends

---

Consumer behaviour is an open branch of knowledge. It has been evolving with the changing generations. The scholars and experts have identified some emerging trends which are shaping consumer behaviour in the modern market system. These trends are affected by technological advancements, societal changes, and evolving consumer expectations and priorities. The below are some important emerging trends in consumer behaviour:

1. **The Dominance of Gen-Z (Generation Z):** Generation Z, the people born after millennials, is emerging as an important consumer demographic stratum with distinct preferences and behaviours. Gen Z consumers demand and value authenticity, diversity, and social impact. They are digital savvy who prefer authentic brand experiences, user-generated testimonials, and social media influencers. Brands are adapting their marketing strategies to resonate with Gen Z values and communication preferences.
2. **Digitalization of Retail Business:** The integration of digital technology into brick-and-mortar retail environments is reshaping the in-store shopping experience. Retailers are adopting technologies such as augmented reality, virtual reality, and smart mirrors to enhance product development, engagement, and customization. The convergence of online and offline channels is erasing the boundaries between physical and digital retail.
3. **E-commerce Revolution:** The continued rise of e-commerce is transforming how consumers shop and interact with brands. The convenience of online shopping, coupled with advancements in mobile technology and logistics, has led to a surge

in online retail sales. Consumers increasingly prefer seamless digital experiences, personalized recommendations, and omnichannel shopping options.

4. **Awareness about Sustainability, Ethics among Consumers:** There is growing consumer awareness and concern about environmental sustainability, social responsibility, and ethical business practices. Consumers are preferring eco-friendly products; (though the rate is higher in European countries than the developing economies) transparent supply chains, and brands that align with their values. Sustainable packaging, ethical sourcing, and corporate social responsibility initiatives are becoming key differentiators for brands.
5. **Health and Wellbeing Focus:** Consumers are prioritizing health and wellness in their purchasing decisions, driving demand for organic, natural, and functional products. There is growing interest in plant-based alternatives, clean label ingredients, and products that promote physical and mental well-being. Brands are responding by offering healthier options and wellness-oriented marketing messages.
6. **Experience economy:** Consumers are prioritizing experiences over material possessions, seeking memorable and immersive brand experiences. Experiential marketing initiatives such as pop-up stores, events, and branded experiences are gaining popularity. Consumers are willing to pay for unique experiences that provide entertainment, education, or social connection.
7. **Subscription Economy:** The subscription-based business model is gaining traction across various industries, offering consumers convenience, value, and customization. Subscription services for streaming media, meal kits, beauty products, and software are reshaping consumer consumption patterns. Subscription brands focus on building long-term relationships, recurring revenue streams, and customer loyalty.
8. **Autonomous Workplace:** The shift towards remote work and home-based lifestyles due to the COVID-19 pandemic has impacted consumer behaviour. Consumers are spending more time at home, leading to increased demand for home improvement products, home entertainment, and remote work essentials. Brands are adapting their product offerings and marketing strategies to cater to the needs of home-bound consumers.
9. **Privacy and Security focus:** Growing concerns about data privacy, security, and digital surveillance are influencing consumer attitudes and behaviours. Consumers are becoming more cautious about sharing personal information and expect brands to prioritize data protection and transparency. Trustworthy data practices and consent-based marketing approaches are essential for maintaining consumer trust.
10. **Social media- The Game Changer:** Social media platforms continue to influence consumer behaviour, shaping purchasing decisions, brand perceptions, and cultural trends. Social commerce features such as shoppable posts, influencer collaborations, and user-generated content are driving e-commerce growth. Brands leverage social media analytics and engagement strategies to connect with consumers and build online communities.

The above discussed emerging trends have compelled the marketer to change the marketing modes operandi. They highlight the dynamic nature of consumer behaviour and the importance of adapting to evolving consumer preferences, technological innovations, and societal changes in the rapidly evolving marketplace. Brands that anticipate and respond to these trends are better positioned to engage with consumers, drive loyalty, and stay competitive in the digital age.

---

## 10.2 The Increased Demand for Transparency

---

The increased demand for transparency is a notable trend in consumer behaviour, driven by growing consumer awareness, ethical considerations, and a desire for accountability from brands and businesses. Transparency refers to openness, honesty, and disclosure of information regarding product sourcing, manufacturing processes, environmental impact, and corporate practices. Here are some key factors contributing to the increased demand for transparency:

1. **Increasing Consumer Empowerment:** Consumers today have access to vast amounts of information through the internet, social media, and digital platforms. They are more informed and empowered than ever before, seeking transparency to make informed purchasing decisions and hold brands accountable for their actions.
2. **Trend of Ethical and Sustainable Consumption:** There is a growing movement towards ethical and sustainable consumption, with consumers prioritizing products and brands that align with their values. Transparency allows consumers to assess the social and environmental impact of products, enabling them to support brands that demonstrate ethical and sustainable practices.
3. **Keeness about Health and Safety:** Concerns about product safety, ingredient transparency, and health risks have led consumers to demand greater transparency from brands. They want clear information about product ingredients, manufacturing processes, and quality standards to ensure the safety and efficacy of the products they purchase.
4. **Increasing Keeness about supply Chain and Value Chain:** Consumers are now interested in peeping into the journey of products from raw materials to finished goods. They seek transparency across the supply chain, including information about sourcing, production methods, labour practices, and fair-trade certifications. Supply chain transparency helps build trust and confidence in brands' commitment to responsible sourcing and production.
5. **Corporate Social Responsibility (CSR):** Corporate social responsibility has become a key consideration for consumers, who expect companies to operate ethically, contribute to social good, and address environmental challenges. Transparency is essential for demonstrating CSR initiatives, disclosing impact metrics, and engaging stakeholders in meaningful dialogue.
6. **Social media and Digital Activism:** Social media platforms provide consumers with a powerful platform to voice their opinions, advocate for transparency, and hold brands accountable for their actions. Digital activism, online petitions, and social media campaigns raise awareness about issues such as environmental

conservation, human rights, and corporate transparency, influencing consumer perceptions and brand reputations.

7. **Regulatory Scrutiny and Legal Compliance:** Governments and regulatory bodies are increasingly scrutinizing corporate practices and enforcing transparency requirements through legislation, regulations, and industry standards. Companies are compelled to disclose information related to product labelling, advertising claims, data privacy, and corporate governance to comply with legal obligations and avoid regulatory penalties.
8. **Brand Perceptions:** Transparency is closely linked to brand trust and reputation, as consumers are more likely to trust brands that are open, honest, and transparent in their communications and actions. Brands that demonstrate transparency build stronger relationships with consumers, foster brand loyalty, and differentiate themselves in the marketplace.

In response to the increased demand for transparency, brands and businesses are adopting transparency initiatives, such as sustainability reports, ingredient labelling, supply chain disclosures, and ethical sourcing commitments. By embracing transparency, brands can build trust, enhance brand credibility, and meet the evolving expectations of today's conscious consumers.

---

### 10.3 Accelerated Online Buying

---

It has been evident post-covid and with rise of mobile data availability, there has been accelerated trend of online buying in consumer behaviour is a significant phenomenon driven by various factors, including technological advancements, changing consumer preferences, and global events such as the COVID-19 pandemic. Here's an overview of the key drivers and implications of this trend:

1. **COVID-19 -The Trigger:** The COVID-19 pandemic accelerated the shift towards online shopping as consumers sought to minimize in-person interactions and adhere to social distancing guidelines. Lockdowns, store closures, and health concerns prompted many consumers to turn to online retailers for their shopping needs, leading to a surge in e-commerce sales across various product categories
2. **Convenience:** The most valid reason behind increasing online shopping is unparalleled convenience, allowing consumers to browse and purchase products from the comfort of their homes or on the go. The ability to shop 24/7, access a wide range of products, and have items delivered to their doorstep quickly appeals to consumers seeking convenience and time-saving solutions.
3. **Mobile Technology:** The widespread penetration of smartphones and mobile devices has facilitated the growth of online shopping. Mobile-friendly websites, shopping apps, and mobile payment options have made it easier for consumers to shop online anytime, anywhere. Mobile commerce (m-commerce) has become a significant driver of online sales, particularly among younger consumers.
4. **E-commerce Platforms:** The proliferation of e-commerce platforms such as Jio-mart, Meesho, Amazon, Alibaba, and Flipkart have expanded consumers' access to a vast array of products and sellers. These platforms offer features such as personalized

recommendations, user reviews, and fast shipping options, enhancing the online shopping experience and driving consumer adoption.

5. **Improved Logistics Network:** Advances in logistics and delivery infrastructure have made online shopping more efficient and reliable. Expedited shipping options, same-day delivery services, and hassle-free returns have reduced barriers to online buying, providing consumers with greater confidence and convenience in their purchase decisions.
6. **Customization:** Online retailers leverage data analytics and artificial intelligence to personalize the shopping experience and recommend products tailored to individual preferences and browsing behaviour. Personalization features such as product recommendations, targeted promotions, and dynamic pricing algorithms enhance consumer engagement and drive online sales.
7. **Influencer Marketing:** Social media platforms have emerged as influential channels for online shopping through social commerce features and influencer marketing campaigns. Consumers discover products, read reviews, and make purchases directly within social media apps, leveraging social networks and influencers' recommendations to inform their buying decisions.
8. **Ease of Digital Payment Options:** The availability of secure and convenient digital payment options such as mobile wallets, digital wallets, and buy-now-pay-later services has facilitated online transactions and reduced friction at the checkout process. Seamless payment experiences enhance the overall online shopping experience and encourage repeat purchases.

Thus, the above factors are the determinants of increasing online purchase. Overall, the accelerated trend of online buying reflects consumers' evolving preferences for convenience, choice, and seamless shopping experiences. As online shopping continues to grow, retailers and brands must adapt to meet consumers' expectations for frictionless transactions, personalized interactions, and reliable fulfilment services to remain competitive in the digital marketplace.

---

#### **10.4 Increasing Focus on What's Truly Important Focus**

---

Truly important communication encompasses several key elements that contribute to effective and meaningful interaction:

1. **Authenticity:** People are giving the great importance to validation and authentication of information. Hence, genuine and sincere in communication is valued more. Authenticity fosters trust and credibility, as people are more likely to connect with and believe someone who is genuine.
2. **Clarity:** The target audience is so hectic that it won't take trouble to understand the message well by sparing more time. Clearly conveying message without ambiguity or confusion is essential. Using simple and direct language that is easily understood by the intended audience.
3. **Active Listening:** Communication is not just about speaking; it's also about listening attentively to others. Showing genuine interest in what the other person is

saying, asking for questions, and provide feedback to demonstrate understanding are the needs of new communication.

4. **Empathy:** Understanding and considering the perspective and feelings of the other person is crucial for building rapport and trust. Empathetic communication involves acknowledging emotions, validating concerns, and showing understanding and compassion.
5. **Respect:** Treating others with respect by being humble, courteous, and mindful of their boundaries have the winning essence. Respectful communication involves refraining from interrupting, avoiding derogatory language, and valuing diverse viewpoints.
6. **Feedback:** Feedback is very important. Providing and receiving constructive feedback is essential for growth and improvement. Offer feedback in a constructive and non-judgmental manner, focusing on specific behaviours and their impact.
7. **Nonverbal Communication:** Paying attention to nonverbal cues such as body language, facial expressions, and tone of voice are very crucial as they often convey additional meaning beyond words. Aligning verbal and nonverbal communication enhances clarity and understanding.
8. **Adaptability:** Adapting communication style is required to suit the needs and preferences of the situation and the individuals involved. Being flexible and adaptable in approach can help overcome communication barriers and foster better connection.
9. **Timeliness:** Communicating in a timely manner, especially when addressing important matters or responding to inquiries. Prompt communication demonstrates reliability and respect for others' time.
10. **Purposefulness:** Ensuring that communication serves a clear purpose and aligns with goals and objectives. Avoiding unnecessary or excessive communication that may lead to confusion or information overload.

By integrating these principles into communication practices, one can foster more effective, meaningful, and fulfilling interactions with others.

---

## 10.5 Greater Human Elements

---

Understanding the greater human element in client consumer behaviour involves recognizing the various psychological, emotional, and social factors that influence individuals' purchasing decisions. Here are some key aspects to consider:

1. **Self-Image:** Consumers often buy products or services that align with their self-image or desired identity. Brands that resonate with consumers' values, beliefs, and aspirations can build strong emotional connections and loyalty. E.g. a successful person can always look for good brief-case
2. **Cognitive Biases:** Consumers are susceptible to various cognitive biases, such as confirmation bias, anchoring bias, and scarcity bias, which can influence their perceptions and decision-making processes. Understanding these biases can help businesses design more effective marketing strategies.

3. **Emotions:** Emotions play a significant role in consumer behaviour. People often make purchasing decisions based on how they feel rather than solely on rational analysis. Marketers and businesses leverage emotional appeals, such as joy, fear, nostalgia, or pride, to connect with consumers and create memorable experiences.
4. **Social Influence:** People are driven by the attitudes, behaviours, and opinions of others, whether it's friends, family, celebrities, or online influencers. Social proof, peer recommendations, and social validation play a significant role in shaping consumer choices.
5. **The Stage of Need and Motivations:** Consumer behaviour is driven by various motivations and needs, including physiological, safety, social belonging, esteem, and self-actualization needs, as proposed by Maslow's hierarchy of needs. Businesses must understand what drives their target audience and tailor their offerings accordingly.
6. **Perceptions:** How consumers perceive and interpret information, stimuli, and experiences can significantly impact their purchasing decisions. Factors such as branding, packaging, pricing, and advertising messages shape consumers' perceptions of products and brands.
7. **Lifestyle and Values:** Consumers' lifestyles, values, and priorities influence their consumption patterns and brand preferences. Lifestyle segmentation helps businesses identify distinct consumer segments based on shared interests, activities, and values.
8. **Decision-Making Process:** Consumers go through a decision-making process when making purchase decisions, which typically involves problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase evaluation. Understanding each stage of this process helps businesses tailor their marketing efforts and provide relevant information and support.
9. **Cultural and Societal Influences:** Cultural norms, traditions, and societal trends shape consumer behaviour on a broader scale. Businesses operating in diverse cultural contexts must consider cultural sensitivities and adapt their strategies accordingly.

By considering these aspects of the greater human element in client consumer behaviour, businesses can develop more insightful and effective marketing strategies, products, and services that resonate with their target audience on a deeper level.

---

## 10.6 B2B Customer Gaining

---

When it comes to Business-to-Business (B2B) consumer gaining, the focus shifts from individual consumers to businesses as customers. Here are some strategies for acquiring B2B customers:

1. **Identify Target Market:** Understanding target audience is crucial in B2B. Identifying businesses that could benefit from products or services based on their industry, size, location, and specific needs.



**2. Developing a Value Proposition:** Clearly communicating the value of products or services offered to businesses. Highlighting how solutions can solve their pain points, improve efficiency, reduce costs, or increase revenue is a key to win.

**3. Building Relationships:** B2B relationships often involve longer sales cycles and multiple decision-makers. Investing in building strong relationships with key stakeholders within target companies are advisable. Networking, attending industry events, and engaging in personalized outreach can help establish trust and credibility of B2B partners.

**4. Content Marketing:** Creating informative and educational content that addresses the challenges and interests of target audience is necessary. Blog posts, whitepapers, case studies, and industry reports can establish one's expertise and attract potential B2B customers.

**5. Utilizing Platforms like LinkedIn:** LinkedIn is a powerful platform for B2B lead generation and networking. One can optimize company profile, share valuable content, join relevant groups, and engage with potential prospects to expand reach and connect with decision-makers.

**6. Free Trials or Demonstrations:** Free trials and demonstration to let others experience the value of products or services firsthand are significant in b2b. This hands-on approach can help alleviate concerns and demonstrate the effectiveness of solutions to be sold.

**7. Referral Programs:** Encouraging satisfied B2B customers to refer other businesses to is effective. Implementing referral programs that incentivize existing clients to advocate for particular brand, help to expand customer base through word-of-mouth marketing.

**8. Partnerships and Alliances:** Collaboration with complementary businesses or industry partners to reach new B2B customers is becoming popular. Strategic partnerships can provide access to new markets, resources, and distribution channels, accelerating customer acquisition efforts.

By implementing these strategies effectively, businesses can attract and acquire B2B customers, driving growth and success in the competitive B2B marketplace.

---

## 10.7 Consumer Seeking for Social experience

---

Consumers seeking social experiences are often drawn to products, services, and activities that allow them to connect, interact, and engage with others. Here are some examples and strategies for businesses looking to cater to this consumer segment:

**1. Social Events:** Social events, gatherings, or meetups where consumers can come together to socialize, network, and build relationships are the first set of activities. This could include community events, workshops, seminars, or themed parties.

**2. Shared Experiences:** Offering products or services that facilitate shared experiences among consumers can lever the social experience. This could involve group activities such as cooking classes, team-building exercises, escape rooms, or adventure outings.

**3. Social Media Engagement:** Leveraging social media platforms to create online communities where consumers can connect, share experiences, and engage with brand

and each other is must. Encouraging user-generated content, discussions, and interactions to foster a sense of community can also be effective.

**4. Collaborative Consumption:** The companies provide social platforms for collaborative consumption, where consumers can share resources, skills, or experiences with each other. Examples include carpooling apps, coworking spaces, and peer-to-peer lending platforms.

**5. Interactive Entertainment:** Offering interactive entertainment experiences that encourage social interaction and participation is a new funda. This could include live performances, immersive theatre experiences, interactive gaming events, or virtual reality experiences. For example, Smule is the singing app that allows interactive entertainment.

**6. Artistic Events:** Hosting cultural or artistic events that bring people together to appreciate and celebrate shared interests can enhance the social experience. This could include art exhibitions, film screenings, music festivals, or cultural performances.

**7. Community Spaces:** Creating physical or virtual community spaces where consumers can come together to socialize, collaborate, and exchange ideas can work well. This could involve coworking spaces, community centres, online forums, or social networking platforms.

**8. Networking Opportunities:** Providing opportunities for consumers to network and connect with like-minded individuals, professionals, or mentors can be a part of enhancing consumer experience. This could involve networking events, industry conferences, or mentorship programs.

By understanding and catering to consumers' desire for social experiences, businesses can create engaging and memorable interactions that foster loyalty, advocacy, and community building.

---

## 10.8 More People Approach

---

A "more people" approach in consumer behaviour refers to understanding how social influences, group dynamics, and collective behaviour shape individuals' purchasing decisions and consumption patterns. Here are some key aspects to consider:

**1. Social Influence:** People are influenced by the attitudes, opinions, and behaviours of others within their social networks. This includes friends, family, peers, colleagues, and online communities. Businesses can leverage social influence through social proof, testimonials, influencer marketing, and word-of-mouth referrals.

**2. Group Dynamics:** Consumer behaviour is often influenced by group dynamics, such as reference groups, social norms, and group identity. Reference groups are groups to which individuals compare themselves and seek validation. By understanding the reference groups that are relevant to their target audience, businesses can tailor their marketing strategies to align with group norms and aspirations.

**3. Social Identity:** Individuals derive their sense of identity and self-concept from their social affiliations, including groups based on gender, age, ethnicity, occupation, hobbies, and interests. Businesses can appeal to consumers' social identities by offering products, services, and marketing messages that resonate with their group affiliations and values.

**4. Social Networks:** Online social networks and platforms play a significant role in shaping consumer behaviour and purchase decisions. Businesses can utilize social media platforms, forums, and online communities to engage with consumers, foster relationships, and facilitate peer-to-peer recommendations and discussions.

**5. Social Comparison:** Consumers engage in social comparison to evaluate their own preferences, attitudes, and behaviours relative to those of others. Businesses can capitalize on social comparison by highlighting social proof, user-generated content, and comparative messaging that emphasizes the benefits and advantages of their products or services compared to alternatives.

**6. Collective Decision-Making:** In high-involvement or expensive purchases, individuals may consult with others and make decisions collectively as a group or household. Understanding the dynamics of collective decision-making can help businesses tailor their marketing strategies and messaging to address the needs and preferences of multiple stakeholders.

**7. Social Trends and Movements:** Consumer behaviour is influenced by broader social trends, movements, and cultural shifts. Businesses can focus on emerging social trends by aligning their offerings with societal values, concerns, and aspirations, thereby appealing to consumers' desire for social relevance and contribution.

By adopting a "more people" approach in consumer behaviour analysis, businesses can gain insights into the social influences, group dynamics, and collective behaviours that shape individuals' purchasing decisions and consumption choices. This understanding enables businesses to develop more effective marketing strategies, enhance customer engagement, and foster brand loyalty within social contexts.

---

## 10.9 Content Marketing

---

Content marketing is a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience — and, ultimately, to drive profitable customer action. Here's an overview of content marketing and its key elements:

**1. Content Creation:** Content marketing begins with the creation of high-quality, relevant, and engaging content that addresses the needs, interests, and pain points of your target audience. This content can take various forms, including blog posts, articles, videos, infographics, podcasts, e-books, whitepapers, case studies, and social media posts.

**2. Audience Understanding:** Effective content marketing requires a deep understanding of your target audience — their demographics, preferences, behaviours, challenges, and aspirations. By understanding your audience's needs and interests, you can create content that resonates with them and provides value.

**3. Content Distribution:** Once the valuable content is created, it's important to distribute it through the appropriate channels to reach target audience. This may include website, blog, social media platforms, email newsletters, guest blogging on relevant websites, content syndication, and online communities.

**4. Search Engine Optimization (SEO):** Optimizing content for search engines is essential for improving its visibility and attracting organic traffic. This involves

conducting keyword research, optimizing on-page elements (such as titles, meta descriptions, and headings), building quality backlinks, and creating valuable, shareable content that attracts links naturally.

**5. Consistency:** Consistency is a sine qua non to successful content marketing. Regularly publishing high-quality content helps to establish brand as a trusted authority in suitable industry, build credibility, and keep the audience engaged over time.

**6. Value Proposition:** The content should provide value to audience by educating, entertaining, inspiring, or solving their problems. By delivering valuable content, one can build trust, foster relationships, and position the brand as a helpful resource in your niche.

**7. Measurement and Analytics:** To gauge the effectiveness of content marketing efforts, it's important to track key metrics and analyse the performance of content. This may include metrics such as website traffic, engagement (likes, shares, comments), conversion rates, email open rates, and ROI. By measuring and analysing these metrics, one can identify what's working well and make informed decisions to optimize your content strategy.

**8. Adaptation and Optimization:** Content marketing is an iterative process that requires continuous learning and adaptation. Based on the insights gained from analytics, customer feedback, and market trends, you should continuously optimize your content strategy to improve results and stay relevant to your audience.

Overall, content marketing is a powerful approach for building brand awareness, driving website traffic, generating leads, nurturing relationships with prospects, and ultimately, driving sales and revenue growth. By creating valuable content that resonates with your target audience and distributing it effectively, you can establish your brand as a trusted authority and attract and retain loyal customers over time.

---

## 10.10 Increase Process on Green Product

---

Increasing the production of green products involves various strategies aimed at enhancing sustainability, reducing environmental impact, and meeting growing consumer demand for eco-friendly alternatives. Here are some steps to increase the production of green products:

**1. Research and Development:** Investing in research and development is done to innovate and improve the design, materials, and manufacturing processes of green products. It is required to develop eco-friendly alternatives to conventional products by exploring sustainable materials, energy-efficient technologies, and recyclable packaging.

**2. Supply Chain Optimization:** the next step is to evaluate and optimize supply chain to reduce waste, energy consumption, and carbon emissions. Collaboration with suppliers is necessary to source sustainable materials, implement green procurement practices, and minimize environmental impact throughout the supply chain.

**3. Energy Efficiency:** The next comes implementing energy-efficient technologies and practices in manufacturing facilities to reduce energy consumption and greenhouse gas emissions. Investment in renewable energy sources such as solar, wind, or hydroelectric power to power production processes become essential.

**4. Waste Reduction and Recycling:** Implementing waste reduction and recycling initiatives to minimize waste generation and maximize resource efficiency is the measure next. Implementing closed-loop manufacturing processes where possible, allowing materials to be recycled and reused in the production of new products is a good option.

**5. Lifecycle Assessment:** Conducting lifecycle assessments to evaluate the environmental impact of green products from raw material extraction to end-of-life disposal is a part of process. Using this data is useful in identifying opportunities for improvement and making informed decisions to optimize product sustainability.

**6. Certifications and Standards:** Obtaining certifications and adhering to recognized environmental standards for green products, such as Energy Star, BHARAT SATGE-VII, EPEAT, Cradle to Cradle, or Forest Stewardship Council (FSC) certification may be useful. These certifications provide credibility and assurance of the product's environmental performance.

**7. Consumer Education and Marketing:** Educating consumers about the benefits of green products and their positive impact on the environment is must. For that marketing campaigns and communication channels can be used to raise awareness, highlight product features, and promote the value of sustainability.

**8. Partnerships and Collaboration:** Collaborating with industry partners, NGOs, academic institutions, and government agencies to share best practices, collaborate on research and development initiatives, and advocate for policies that support sustainable production and consumption are the few measures that can be useful.

**9. Continuous Improvement:** Fostering a culture of continuous improvement within organization, encouraging employees to contribute ideas, identify opportunities, and implement solutions to enhance the sustainability of product production processes are the internal actions that can be effective indeed.

**10. Customer Engagement and Feedback:** Engaging with customers to understand their needs, preferences, and feedback regarding green products can lead to clearer idea about green processes. The customer insights are game changers to refine product offerings, address concerns, and drive innovation in sustainable product development.

By implementing these strategies, businesses can increase the production of green products, reduce environmental impact, meet consumer demand for sustainability, and contribute to a more sustainable future.

---

### **10.11 Value Based Spending**

---

Value-based spending refers to purchasing decisions based on the perceived value of a product or service rather than only on price or features. It involves considering factors like quality, durability, sustainability, ethics, and overall benefits relative to the cost. Here are some key aspects of value-based spending:

**1. Quality over Price:** Value-based spending prioritizes quality over price. Consumers are willing to pay a higher price for products or services that offer superior quality, performance, and reliability, as they perceive them to deliver greater value in the long run.

**2. Durability and Longevity:** Value-based spending takes into account the durability and longevity of a product. Consumers prefer products that are well-made, durable, and built to last, as they provide long-term value and reduce the need for frequent replacements.

**3. Sustainability and Ethics:** Value-based spending considers the environmental and social impact of products or services. Consumers are increasingly concerned about sustainability, ethical sourcing, and corporate responsibility, and they are willing to support brands that align with their values and principles.

**4. Functionality and Utility:** Value-based spending evaluates the functionality and utility of a product or service in meeting specific needs or solving particular problems. Consumers seek products that offer practical benefits, convenience, and versatility, enhancing their overall satisfaction and value proposition.

**5. Customer Experience:** Value-based spending emphasizes the overall customer experience, including factors such as customer service, ease of use, and after-sales support. Positive experiences contribute to consumer satisfaction and loyalty, adding value beyond the core product or service.

**6. Total Cost of Ownership:** Value-based spending considers the total cost of ownership over the product's lifecycle, including maintenance, repairs, and operational costs. Consumers assess the long-term value proposition of a product or service based on its total cost and benefits over time.

**7. Brand Reputation and Trust:** Value-based spending takes into account the reputation and trustworthiness of the brand. Consumers are more likely to choose products from brands with a strong reputation for quality, reliability, and integrity, as they perceive them to offer greater value and peace of mind.

**8. Personal Values and Preferences:** Value-based spending reflects individual values, preferences, and lifestyle choices. Consumers may prioritize certain features or attributes based on their personal beliefs, interests, or cultural influences, shaping their perception of value.

**9. Comparison Shopping and Research:** Value-based spending involves thorough comparison shopping and research to evaluate different options and make informed decisions. Consumers weigh various factors and considerations to determine which product or service offers the best value proposition for their specific needs and preferences.

**10. Long-Term Benefits and ROI:** Value-based spending considers the long-term benefits and return on investment (ROI) of a purchase. Consumers assess the potential economic, practical, and emotional benefits of a product or service relative to its cost, aiming to maximize value and satisfaction over time.

By adopting a value-based approach to spending, consumers can make more conscious, informed, and satisfying purchasing decisions that align with their priorities, preferences, and values.

- **Key Words**

- **Sustainability:** The practice of using resources in a way that meets current needs without compromising the ability of future generations to meet their own needs. In consumer behaviour, it refers to a preference for products and brands that have minimal negative impact on the environment.
- **Eco-consciousness:** Awareness and concern for environmental issues, leading to actions and decisions that support ecological sustainability. Eco-conscious consumers prioritize eco-friendly products and practices.
- **Digital transformation:** The integration of digital technologies into all areas of business, fundamentally changing how businesses operate and deliver value to customers. In consumer behaviour, it reflects the shift towards digital platforms for shopping, communication, and interaction with brands.
- **Personalization:** Tailoring products, services, or experiences to individual preferences and needs. Personalization in consumer behaviour involves offering customized recommendations, promotions, or content based on data about the individual customer.
- **Customization:** Allowing consumers to create or modify products or services according to their specific requirements or preferences. Customization gives consumers a sense of control and ownership over their purchases.
- **Health and wellness:** A focus on physical and mental well-being, leading consumers to seek products and services that support a healthy lifestyle, such as organic food, fitness products, and wellness services.
- **Convenience:** The quality of being easy, effortless, and efficient. Consumers value convenience in shopping experiences, such as fast delivery, streamlined checkout processes, and accessible customer support.
- **Time-saving solutions:** Products or services that help consumers save time and effort in their daily tasks or activities. Time-saving solutions are particularly appealing to busy lifestyles.
- **Remote work:** Working outside of a traditional office setting, often from home or other locations, using digital technologies to stay connected and productive.
- **Home-centric lifestyles:** A lifestyle focused on activities and experiences centered around the home, including remote work, home entertainment, and home improvement projects.
- **Ethical brands:** Brands that demonstrate ethical values and practices, such as fair treatment of workers, sustainable sourcing, and commitment to social causes.

- **Transparency:** Openness and honesty in communication and business practices. Transparent brands provide clear information about their products, processes, and values to consumers.
- **Social responsibility:** The idea that businesses should act ethically and contribute positively to society, including environmental stewardship, community engagement, and ethical supply chain practices.
- **Online shopping:** Purchasing goods or services over the internet, often through e-commerce platforms or websites.
- **Mobile shopping:** Shopping done using mobile devices such as smartphones or tablets, often through dedicated shopping apps or mobile-responsive websites.
- **Influencers:** Individuals with a significant following on social media platforms who have the ability to influence consumer opinions and purchasing decisions through their recommendations and endorsements.
- **Social media:** Online platforms and websites that enable users to create and share content, connect with others, and participate in social networking activities.
- **Local sourcing:** Procuring products or ingredients from local suppliers or producers, often to support the local economy, reduce carbon footprint, and promote freshness.
- **Tech integration:** Incorporating technology into various aspects of business operations or consumer experiences, such as digital payment systems, smart devices, and data analytics.
- **Health and safety:** Concerns and practices related to maintaining physical and psychological well-being, including hygiene, sanitation, and safety measures in public spaces or products.

## ❖ Exercise

### Long Questions:

- 1.) Explain the key drivers and implications of accelerated online buying.
- 2.) Describe the important of emerging trends in consumer behaviour
- 3.) Explain the Concept of Green Product.
- 4.) Write a note on Value based Spending.





યુનિવર્સિટી ગીત

સ્વાધ્યાય: પરમં તપ:

સ્વાધ્યાય: પરમં તપ:

સ્વાધ્યાય: પરમં તપ:

શિક્ષણ, સંસ્કૃતિ, સદ્ભાવ, દિવ્યબોધનું ધામ  
ડૉ. બાબાસાહેબ આંબેડકર ઓપન યુનિવર્સિટી નામ;  
સૌને સૌની પાંખ મળે, ને સૌને સૌનું આભ,  
દશે દિશામાં સ્મિત વહે હો દશે દિશે શુભ-લાભ.

અભણ રહી અજ્ઞાનના શાને, અંધકારને પીવો ?  
કહે બુદ્ધ આંબેડકર કહે, તું થા તારો દીવો;  
શારદીય અજવાળા પહોંચ્યાં ગુર્જર ગામે ગામ  
ધ્રુવ તારકની જેમ ઝળહળે એકલવ્યની શાન.

સરસ્વતીના મયૂર તમારે ફળિયે આવી ગહેકે  
અંધકારને હડસેલીને ઉજાસના ફૂલ મહેંકે;  
બંધન નહીં કો સ્થાન સમયના જવું ન ઘરથી દૂર  
ઘર આવી મા હરે શારદા દૈન્ય તિમિરના પૂર.

સંસ્કારોની સુગંધ મહેંકે, મન મંદિરને ધામે  
સુખની ટપાલ પહોંચે સૌને પોતાને સરનામે;  
સમાજ કેરે દરિયે હાંકી શિક્ષણ કેરું વહાણ,  
આવો કરીયે આપણ સૌ  
ભવ્ય રાષ્ટ્ર નિર્માણ...  
દિવ્ય રાષ્ટ્ર નિર્માણ...  
ભવ્ય રાષ્ટ્ર નિર્માણ