

Consumer Buying Behavior



Learning Objectives

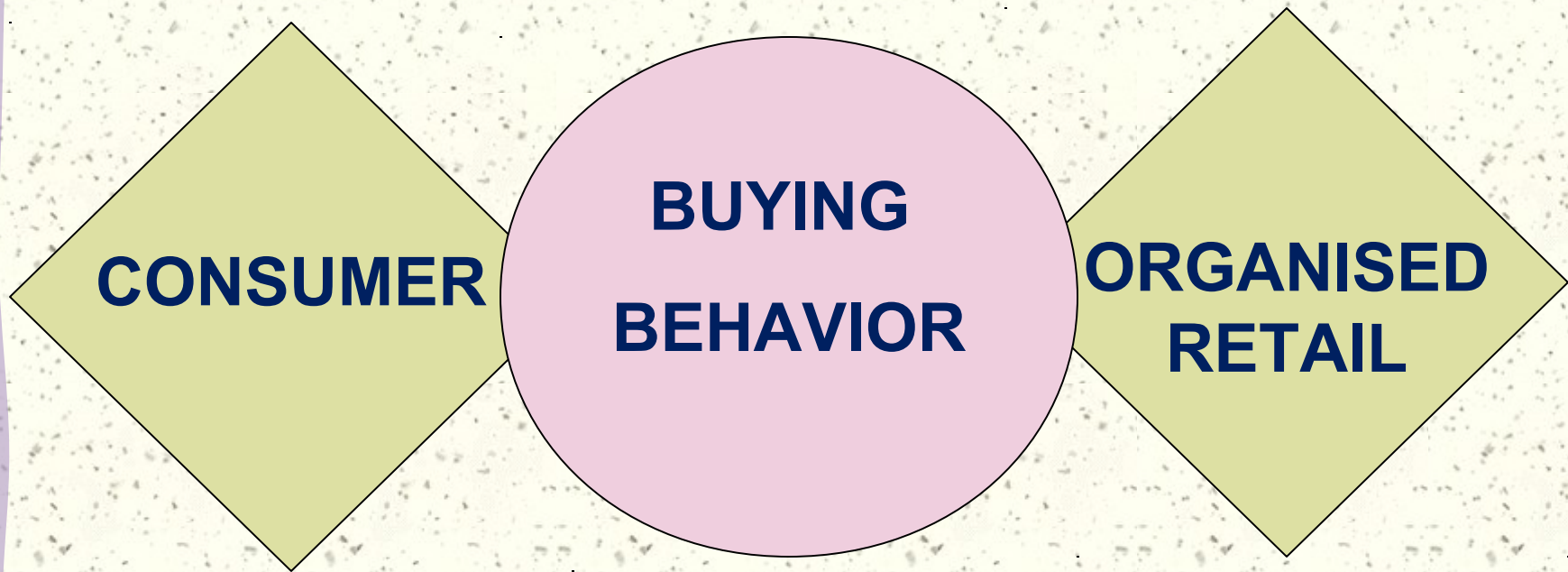


- # Identify major factors influencing consumer behavior
- # List stages in buying decision process
- # Identify Impact of Consumer Buying Behavior on Organized Retail

Impact of Buying Behavior

- Buyers reactions to a marketing strategy, to what, where, when and how consumers buy, has a great impact on the success of business
- Helps marketers to better predict how consumers will respond to future marketing strategies

The Basis



Consumer Market

- # Consists of all the individuals and households who buy or acquire goods and services for personal consumption.

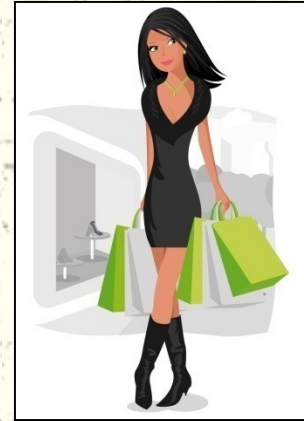
Let us Identify

- # Sony is waiting for he friends at the mall...she still has another 20 minutes to go – she decides to take a look at the stores in the mall
- # Mrs Joshi has been able to come out to shop finally – there are certain food products that she always shops herself – she needs to buy cholesterol free stuff for her husband

Types of Consumers in Retail Sores



Time Killer



Product Groupies



Focused Fulfillers



Pleasure Seeker

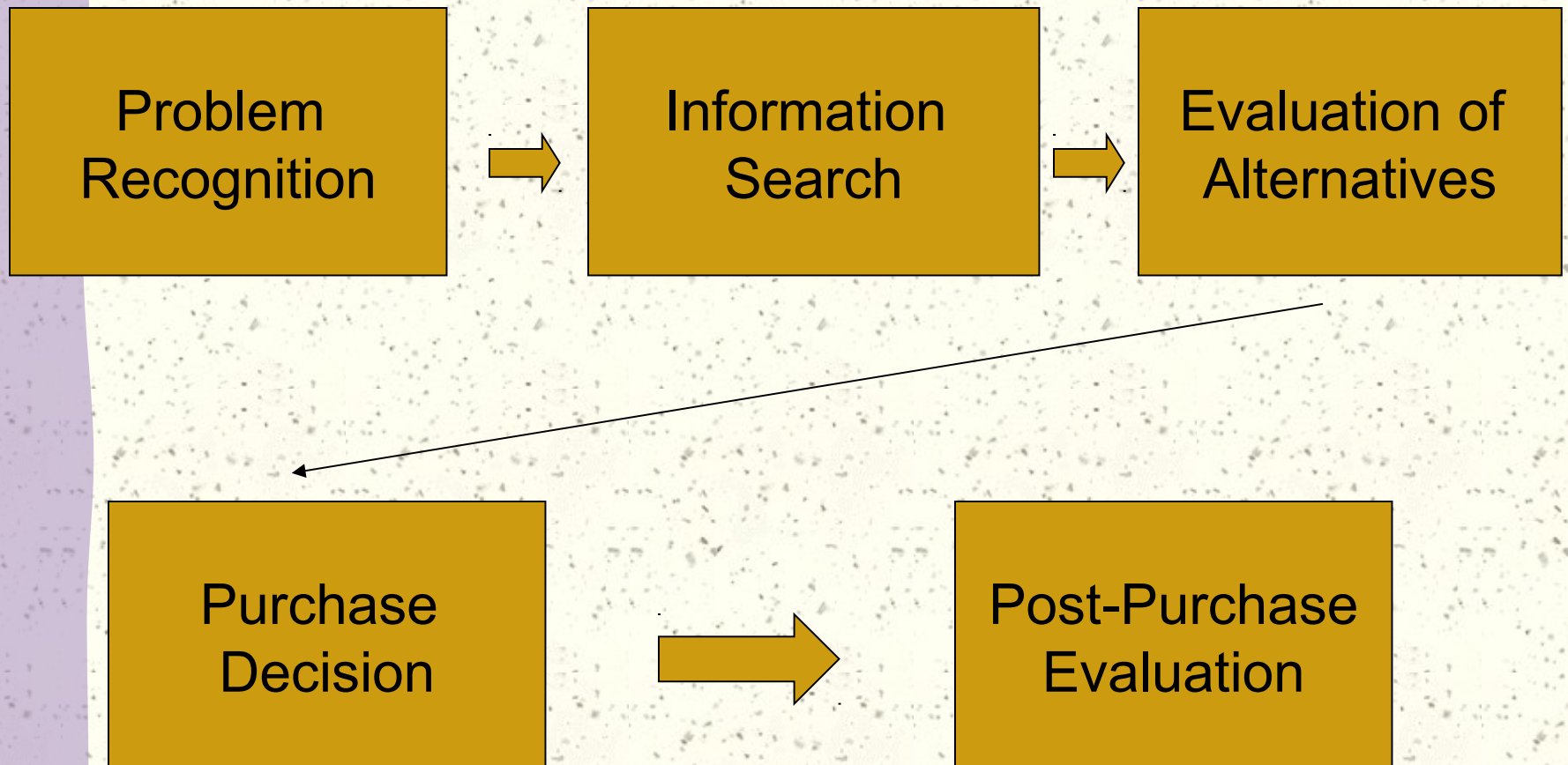


General Browsers

Consumer Buying Decision Process



The Process



Factors Affecting Consumer Behavior

- # Cultural
- # Social
- # Personal
- # Psychological

Factors Affecting Consumer Behavior

Key Factors

Cultural

Social

Personal

Psychological

- **Culture**
 - *Forms a person's wants and behavior*
- **Subculture**
 - *Groups with shared value systems*
- **Social Class**
 - *Society's divisions who share values, interests and behaviors*

Culture

Effects on Culture - Growing up, basic values from family and other important groups

Current Cultural Shifts :

Low calorie foods

Health club memberships

Exercise equipment

Activity or health-related holidays etc.

Desire for leisure time

Subculture

Can include

- ▣ Nationalities
- ▣ Religions
- ▣ Racial groups
- ▣ Other groups sharing the same geographical location

Factors Affecting Consumer Behavior

Key Factors

Cultural

Social

Personal

Psychological

- Groups
 - Reference Groups
- Family
 - Immediate Family Members
 - Relatives
- Roles and Status in the society

Reference Groups

- **Primary Group** - consists of individuals one interacts with on a regular basis. These groups include:
 - ▣ Friends
 - ▣ Family Members
 - ▣ Relatives
 - ▣ Co Workers
- **Secondary Groups** - share indirect relationship with the consumer Example – Religious associations, Political Parties, Clubs etc.

Family Influence on Buying Behavior

Husband-Dominant

Wife-Dominant

Equal



Factors Affecting Consumer Behavior

Key Factors

Cultural

Social

Personal

Psychological

- Age and life cycle
- Occupation
- Economic situation
- Lifestyle
 - *Activities, interests and opinions*
 - *Lifestyle segmentation*
- Personality and self-concept

Stages in Family Life-Cycle

1. Single
2. Newly Married Couples
3. Full Nest I
4. Full Nest II
5. Full Nest III
6. Empty Nest I
7. Empty Nest II
8. Solitary Survivor
9. Solitary Survivor, Retired



Factors Affecting Consumer Behavior

Key Factors

Cultural

Social

Personal

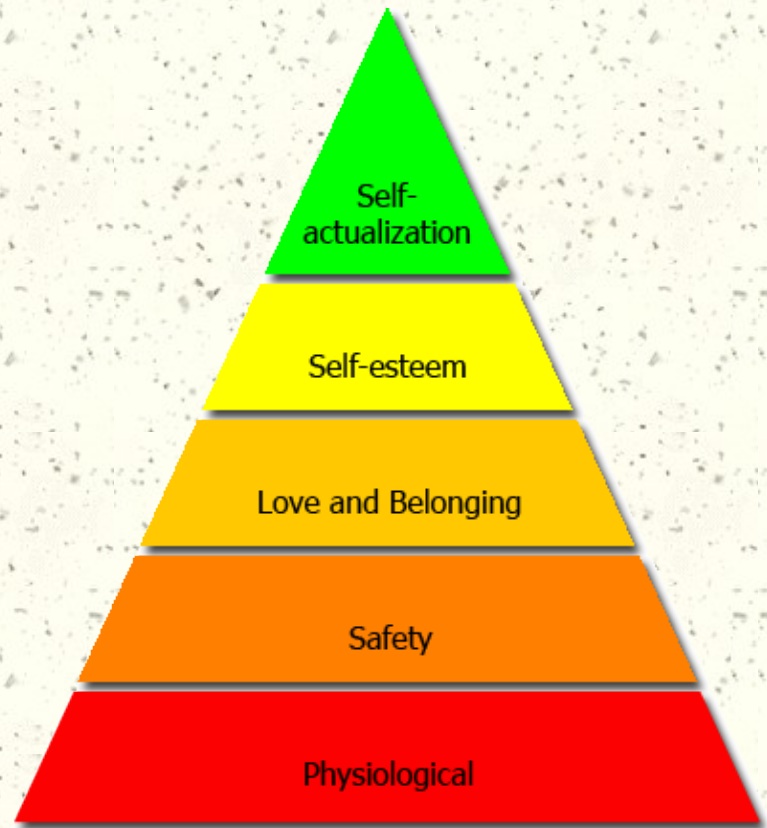
Psychological

- Motivation
- Perception
- Learning
- Beliefs and attitudes

Psychological Factors

Motivation

- Motivation research is based on Freud; Looks for hidden and subconscious motivation
- Maslow ordered needs based on how pressing they are to the consumer



Perception -Activity



Psychological Factors Perception

- Perception is the process by which people select, organize, and interpret information
- Perception Includes:
 - ▣ Selective attention
 - ▣ Consumers screen out information
 - ▣ Selective distortion
 - ▣ People interpret to support beliefs
 - ▣ Selective retention
 - ▣ People retain points to support attitudes

Psychological Factors

Motivation

Perception

Learning

- ▣ Changes in an individual's behavior arising from experience



Psychological Factors

Motivation

Perception

Learning

Beliefs

- ▣ A descriptive thought about a brand or service
- ▣ May be based on real knowledge, opinion, or faith

Psychological Factors

- # Motivation

- # Perception

- # Learning

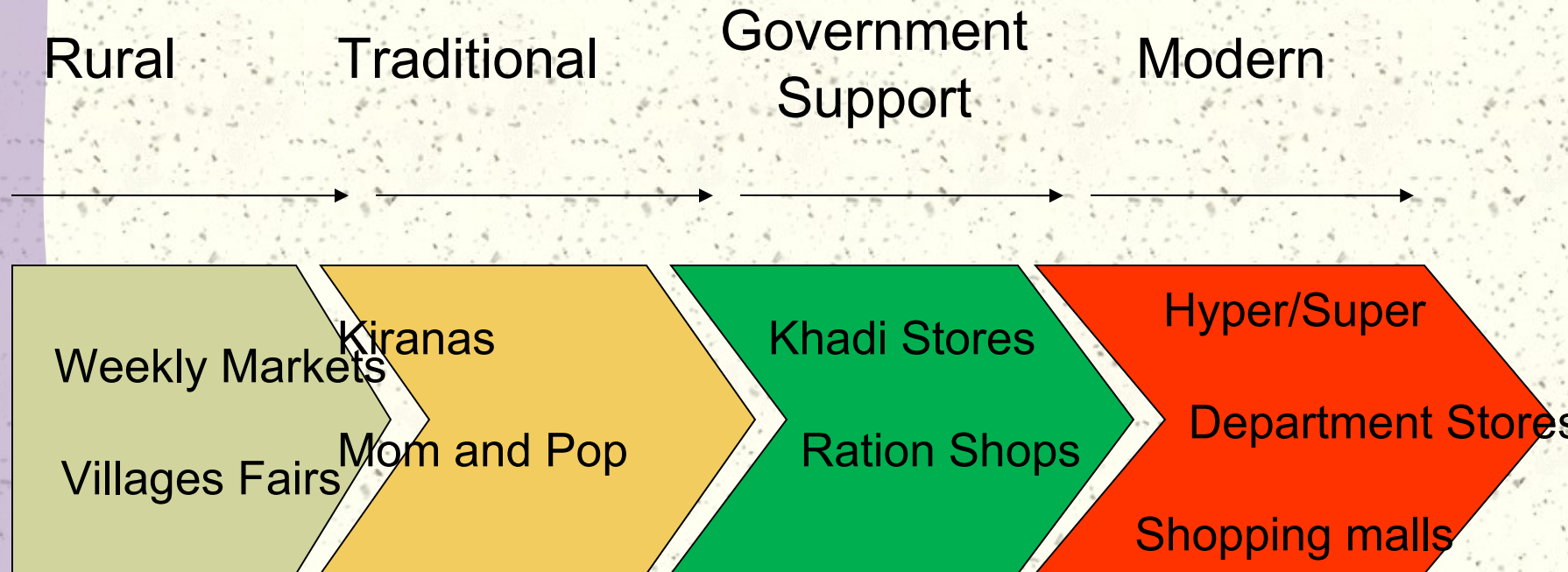
- # Beliefs

- # **Attitudes**

- ▣ Describes a person's evaluations, feelings and tendencies toward an object or idea

- ▣ They are difficult to change

Retail – Evolution in India



Some of the Key Players in Organised Retail

BIG BAZAAR
Is se sasta aur accha kahin nahi

venture risks *return value*
Pantaloon
Retail (India) Limited
a 'future group' venture

Reliance
RETAIL

WESTSIDE

SHOPPERS STOP
START SOMETHING NEW

Arvind

lifestyle
YOUR STYLE. YOUR STORE.

D MartTM

WAL*MART

provogue
REDEFINING FASHION

BARISTA
COFFEE

Café
COFFEE DAY

Lee Cooper
FOOTWEAR

more.
for you

cromā
The Electronics Megastore

The Complete Man
Raymond
SINCE 1935

PVR
CINEMAS

Enjoy, relax @
CINEMAXTM
A KANAKIA Group Company
A KANAKIA Group Company

ADLABS
Never a dull moment

Reebok

Case Study



Conclusion

- # The study of consumer behavior is the most important factor for marketing of any goods and services
- # The consumer behavior suggest how individual, groups and organization select, buy, use and dispose of goods, services, ideas or experience to satisfy there needs and wants. It also clues for improving or introducing products or services, setting price, devising channels etc.

Thank You



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