

CONSUMER BEHAVIOUR

An important part of the marketing process is to understand why a customer or buyer makes a purchase. Without such an understanding, businesses find it hard to respond to the customer's needs and wants.

Consumer behaviour is the study of individuals, groups, or organisations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how:

- The psychology of how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers);
- The psychology of how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
- The behavior of consumers while shopping or making other marketing decisions;
- Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
- How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and how marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

Selected research methods: advantages and disadvantage

Method	Advantage	Disadvantage
Surveys	Mail: Low cost; ability to show text and graphics Telephone: Moderate cost; ability to screen select respondents meeting desired criteria Mall intercept: Able to reach more potential respondents;	Mail: Slow; low response rate Telephone: Cannot show stimuli; can only ask a limited number of questions; question answer options have to be repeated Mall intercept: More expensive than most other survey research

	able to pre-screen respondents for desired criteria Online: Conditional branching, fast, limited data entry	(but less costly than focus groups and experiments). Online: Respondents often fail to read instructions
Experimentation	Able to eliminate extraneous influences and identify causes of choice and/or behavior	Expensive; difficult to set up; limited information collected in one setting
Observation	Consumer is in natural environment	Cannot get at consumer's thoughts; labor intensive and expensive
Focus groups	Flexible method to gauge consumer response to entirely new products and questions; issues of interest to respondents can be identified without specific prior knowledge of specific questions to ask	Expensive; unable to generalize from small sample size; respondents are vulnerable to social influence so that answers are not independent
In-depth interviews	Able to explore consumer feelings in depth; more independent than focus groups	Expensive; small sample size; unable to generalize

Market research is often needed to ensure that we produce what customers really want and not what we think they want.