

inner urge that motivates a person to decide and take purchase action to satisfy two kinds of wants, viz. core wants and secondary wants.¹

Consumer behaviour is the study of the individuals, organizations or groups and the processes they use to select, use, and bestow products, services, or experiences to satisfy their requirements. Individually, the characteristics of the consumers vary with change in demographics, lifestyles, personality and behavioural variables such as rate of usage, occasion of usage, brand loyalty, product/service referrals (Adhikari 2017; Adhikari et al. 2017).²

Consumer behaviour helps in identifying the target segments, target market, target population, methodology to target, when to reach the consumers, and what message is to be given to reach the target audience to buy the product/service (Adhikari 2015).³

The determinants of consumer buying behaviour are as follows (Fig. 2.1).

Consumer Behaviour—Emerging Issues

With the emergence of technology, consumers have access to every information regarding all available products and services they want to avail. Presently, consumers have become more smarter, the requirements and preferences have changed. The luxuries of life in past have now become necessities. The consumers now have variety of options, and the competition in the market has increased to a great extent with advancement of technology and people overall.

Consumer Behaviour—Yesterday and Today

Consumer behaviour in the past: consumers in the early days had very limited awareness of the options of the products. The economy and affordability were very less, and hence, the market had local shops to cater to their basic needs. The shops were highly unorganized and had less marketing communications. The market was not segmented in an appropriate manner, and the target segments were not well defined. The promotional offers were targeted only the influencers of the consumers. The consumers had to go to different shops or outlets to fulfil their needs or requirements. The focus was to fulfil the basic needs of the consumers (Fig. 2.2).

¹www.yourarticlelibrary.com.

²<https://deepblue.lib.umich.edu/bitstream/handle/2027.42/39704/wp320.pdf>.

³<https://www.slideshare.net/BBAdvisor/bb-chapter-one-consumer-behavior-and-marketing-strategy>.

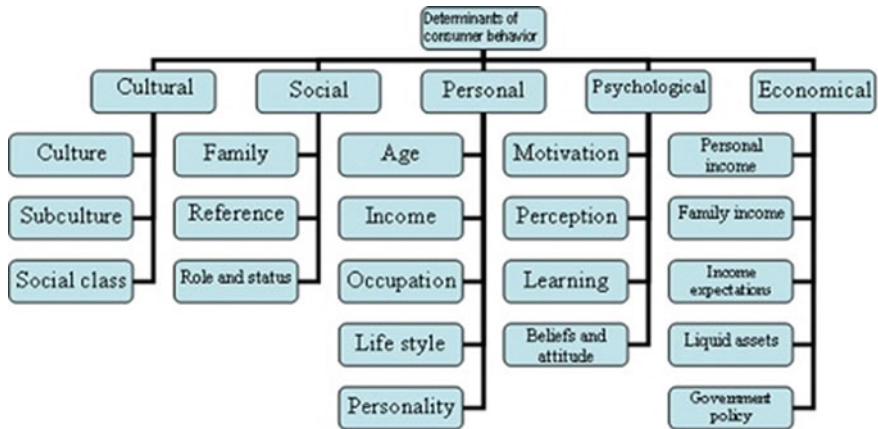


Fig. 2.1 Determinants of consumer behaviour (https://www.tutorialspoint.com/consumer_behavior/images/determinants_of_consumer_behavior.jpg)

Fig. 2.2 Consumer purchase behaviour in the past.
Prepared by author



Consumer Behaviour in the Present

After industrial revolution, the market is very well placed to target the consumers as per their demands. The consumer's knowledge and awareness about various products in the same category influence the market to expand. The stores are well organized and give number of options for any given product line under one roof. The consumers now have the privilege to choose a product from the variety of products available. The products and buying behaviour are more towards luxury and impress others (Adhikari and Roy 2017) (Fig. 2.3).

The root cause of the emerging issues in consumer behaviour has been identified as consumerism. Consumerism is the advancement of consumer-oriented tendencies which is marked by variety of products available and active advertising of the products through various communication channels.⁴ The marketers today have identified the factors that influence the buying behaviour. The factors are as follows:

- Quality of products and/or services:

The consumers prefer the products that are long lasting and reliable to use. The consumers rely on heuristics to judge the product quality across all competitive products in the market prior to purchase. The consumers lack expertise in assessing, and hence, the quality of any product or service is very subjective in the vision of the consumers (Adhikari and Bhattacharya 2016).⁵

The consumers studies various reviews, looks for the brand name, warranties or guarantees, advertisements, etc., to assess quality of the product. With increase in competition and availability of variety of options, it becomes very challenging for the marketers to approach the consumers.

The marketers look for constant change in their branding of the products which includes change in packaging, use of various colours and shapes, change in taglines, celebrity endorsements, sales promotions, etc., in order to be in the vicinity of the target customers (Lakshman et al. 2017) (See Footnote 7).⁶

Experience of the customers with respect to use of product or service plays a very important role in perception of the quality. Marketers always look for providing good experience to the customers and focus more on increasing the brand equity in order to prove best quality product in the market compared to the competitors (See Footnote 8).

Thus, marketing strategy has to gain more acute knowledge about the meanings that consumers give to various attributes to perceive product or service quality.

- Innovation in value proposition of the product/service:

Customers are more inclined towards having experience of something new every time, and they look for any product which they have already experienced

⁴https://www.tutorialspoint.com/consumer_behavior/consumer_behavior_quick_guide.htm.

⁵<http://ijecm.co.uk/wp-content/uploads/2016/04/4445.pdf>.

⁶https://mpira.unimuenchen.de/11142/1/Consumer_Behavior_Product_Characteristics_and_Quality_Perception.pdf.

Fig. 2.3 Consumer purchase behaviour in the present.
Prepared by author



in the past. Customers feel motivated to purchase any product when they see up gradation and added features in an innovative way for any product/service. The marketers need to keep themselves updated with the taste and expectation of the customers towards their products. With every new element that is added to any product, the marketer needs to promote it extensively so that the customers are motivated to purchase the product.

Sales promotions and various discounts offer great impact on the purchase decisions. Heavy discounts on festive seasons and special occasions do affect the decisions of the influencer, decider as well as the buyer. Attractive promotional offers lead to change the perceived decision-making capability of the consumers. Consumers are most likely to purchase more if they are aware of some social cause and/or environment-friendly product.⁷

The marketers should also have sales promotions for their value proposition in order to increase their sales and penetration of the brand and the product into the market. The marketer should strategise to enter into every segment of the market

⁷<http://sloanreview.mit.edu/article/developing-new-products-in-emerging-markets/>.

so that the target group population is increased which in turn would help the company with better return on investments (ROI).⁸

Constant innovations in products or value propositions help the company to maintain its competitive advantages and thus increase the growth of business. Innovation in value proposition can influence purchase decisions among the consumers in two different ways. It either would create demand for the product or influence the decider to purchase the product. This in turn increases brand equity in the market.⁹

- Technology influence on the purchase:

Customers are becoming technology friendly more nowadays and that is the demand of the hour nowadays. Gadgets such as smartphones evolving in the market and with development of various applications, consumers find the purchase of products more convenient. Smartphones create another venue for the customers to surf the Internet, shop, bank, etc. Customers expect that the comfortability to live and lead a day-to-day life should be within their palm. This has led to increase in customer's convenience wherein they can shop from anywhere in the world (Jha and Adhikari 2016).¹⁰

Social media including social networking sites, blogs, professional networking, photograph and video sharing sites are also becoming essential channels of communication among Internet users. Online education also accounts for maximum slab of e-learning. Payments over mobile phone through various applications have become a potent method of transferring money to point of sale (POS) outlets. Mobile applications have a huge potential due to its vast diversity and variety of offerings to serve the customers. Internet of things (IOT) has a great potential to relate various stimuli from different consumers and from multiple resources and that relocates the data over a network wherein human to human interaction or human to computer interaction do not exist.¹¹

Consumers are more comfortable in shopping online through apps and do not feel the requirement of tradition touch and feel method to buy any product. Consumers rely more on the reviews published in the Websites rather than using their own judgements. This leads to the presence of online platform rather than a virtual one. The traditional marketers and the smaller retailers find this to be very challenging to reach out to the desired customers in order to continue their business.¹²

⁸http://www.qmtmag.com/display_edo.cfm?edno=5981555.

⁹<https://www.slideshare.net/kaushikdeb89/innovation-adoption-process-consumer-behavior>.

¹⁰<http://www.business2community.com/business-innovation/technologys-influence-on-consumer-behavior-0585685>.

¹¹<https://www.linkedin.com/pulse/20140618125231-6298117-technology-innovation-that-will-change-consumer-behaviour>.

¹²Adopting television as a new channel for e-commerce. The influence of interactive technologies on consumer behaviour, Lorena Blasco-Arcas·Blanca Hernandez-Ortega· Julio Jimenez-Martinez.

- Cross-culture influence:

Culture among the buyers' influences the pattern of consumptions and pattern of decision-making of purchase behaviour considerably. Culture is passed on from one group to another and in particular is passed down from one generation to the next generation and is therefore subjective and arbitrary (See Footnote 3).¹³

While cultural generalities are interesting and useful, it would be intimidating to make assumptions about consumers from other countries. Individuals from same culture differ more than the individuals who belong to different cultures. Generalisations are useful while approaching mass markets and are widely used when planning mass advertising campaigns (See Footnote 3).¹⁴

Consumers of Generation Y is more inclined and influenced by the Western countries. Consumers have an attitude to buy a particular product being made in a specific country. Consumer's level of exposure towards foreign brands may influence their buying decisions and hence affect purchase behaviour. This becomes very critical for multinational marketers. It becomes more feasible for them if the similarity between the nations is greater.¹⁵

It is challenging for the marketers to assess cultural changes, and they are likely to face issues when they try to understand, appreciate and reflect cultural values. Culture makes difference in problem identification and in recommending solutions to the problems.¹⁶

The marketer needs a frame of references to understand and evaluate the range of cultural values that may be encountered throughout the process. Social relations, research, time sense, marketing activities, etc., would help the marketer to evaluate and assess the issue and understand the solution to the problem statements. Strategically understanding the difference in values and priorities is essential for the marketer to combat this issue (See Footnote 18).

- Economic factors:

There is a growth in affluent global young adults and teenagers with good disposable income. The young generation along with their peer group spends their disposable income on luxury and shopping goods. The consumers perceive this buying behaviour as a trend to modernization and define their social class.^{17,18}

Disposable income increases the purchasing or buying power of the consumers. Facility of credit available to the consumers also increases the demand to

¹³<http://www.dypatil.edu/schools/management/wp-content/uploads/2015/11/THE-IMPACT-OF-CROSS-CULTURE-ON-CONSUMER-CONSUMPTION-BEHAVIOR-A-STUDY-OF-SELECTED-DISTRICTS-OF-MAHARASHTRA-Gagandeep-Nagra.pdf>.

<http://ijecm.co.uk/wp-content/uploads/2016/04/4445.pdf>.

¹⁴<http://www.citeman.com/8214-cross-cultural-understanding-of-consumer-behavior.html>.

¹⁵https://www.slideshare.net/kumaravinash23/chapter-14-cross-cultural-consumer-behavior?next_slideshow=1.

¹⁶https://www.tutorialspoint.com/consumer_behavior/consumer_behavior_cross_culture.htm.

¹⁷<http://www.gktoday.in/economical-factors-affecting-buyers-behavior/>.

¹⁸<https://www.scribd.com/document/87306962/A-study-of-influence-of-consumer-s-disposable-income-on-buying-decision>.

purchase. Liquid assets including cash in hand, securities, bank balance, etc., lead to buying comforts and luxuries of life apart from satisfying the basic needs of the consumer. Savings and family income of any individual lead to purchase of a bigger asset (Lakshman et al. 2017).¹⁹

Social status also creates patterns of decision-making of purchase. In high socio-economic status families, the tendency to make the decisions is greater among the male members of the family, and the norms of purchase tend to be well established and therefore, any discussion further is considered to be unnecessary. Lower socio-economic status families tend to be more matriarchal. The wives of the families often handle the financial decisions such as rent, grocery, food bills other miscellaneous expenses without reference to the husbands. Mid-socio-economic status families tend to show greater democratic involvement in decision-making. These social status distinctions are now gradually breaking down, as a result of increasing wealth, mass awareness and education (Adhikari and Rao 2013) (See Footnote 15).

Udell found that high-income small appliance buyers reduced visits to stores and in-store information-seeking by making purchase decisions before visiting stores and purchasing in the first store visited. Cox and Rich found that high-income shoppers did more shopping by phone than did those with lower income.²⁰

In India, with demonization impacting in short negative run in the market, the small vendors and marketers have been impacted due to shortage of funds. Effect of demonetizing on these small retailers as the transaction of hard cash has resulted in lower income and is now compelling them to use either plastic money or technology for survival.²¹

Issues in the Context of Emerging and Developed Countries

In developing countries, consumers tend to be more ethnocentric in comparison with those in the developed countries. Developing countries see the products from the West, as carrying Western values that might harm their society as well as the regional labour force, whereas in developed countries, quality of the product, durability, price and other product-related aspects are the major factors that influence the buying decisions of the consumers.²²

¹⁹<http://businessjargons.com/economic-factors-influencing-consumer-behavior.html>.

²⁰Economic factors which influence consumer search for price information, Linda K Zimmermann and Loren V. Geistfeld, Vol 18, No. 1.

²¹http://www.nipfp.org.in/media/medialibrary/2016/11/WP_2016_182.pdf.

²²<https://wearedevelopment.net/2011/11/01/10-consumer-behavior-differences-between-developed-and-developing-countries/>.

Akam and Muller (2013), referred developing countries, as nations that are characterized by a lower level of development compared to industrialized developed countries with respect to economy, politics and sociocultural issues. Statistically, gross national income (GNI) per capital defines the country as developed or developing. In developing countries, gross national income (GNI) per capital is currently \$11,905 or less (ISI, 2015). Studies on business cycles in developing countries by Rand and Tarp (2002), noted that the output is about 20% more volatile in developing countries in comparison with industrialized nations in most of the cases. Broadly, there is an argument that developing countries have susceptibility towards consumerism and consumer protection activities which include high inflation rates and declining standards of living, and variations in the quality of products between the local stores and the products from the exports (Kaynak et al. 1992). Lysonski et al. (1996) view that there is no universal instrument that gives an accurate methodology to decide the superiority among wide domain of cultures. Hence, as we specifically explore consumption issues in developing countries, which we should be more focused on the view of this phenomenon than if we consider a more wider platform. There are a number of reasons that primary aspects of these are the population growth and the associated market potential for products. For example, numerous studies show that the young populations are approximately 70% in developing nations (UN 2009), and about 200 million Generation Y consumers are for China and 210 million for India (Durvasula and Lysonski 2008). A study by Mckinsey et al. (2010) shows that average spending on food per household in India is expected to rise from ₹ 34,552 in 2005 to ₹ 61,560 by 2025. It is not astonishing that interest levels in consumer behaviour in developing countries are growing ranging from consumption of products of fast-moving consumer goods (FMCG), luxury commodities, to several other contemporary issues in consumer behaviour.²³

The credibility of any product is highly valued as a positive attribute by the consumers. It has been observed many a times that developing countries' value attributes more than developed countries. However, the relationship between the attributes and important factors responsible for the attributes showed differences across the markets around the globe.²⁴

The consumers of the developing countries have lesser understanding of marketing concepts which have led to the use of absolute models, making the exchange process less potent. This leads to attainment of lower market response as desired resulting from intuitive judgement rather than a self-driven and deliberative process. In developing countries, given that the marketing concept does not seem to be applicable and there is scarcity of products, the relevance of brand loyalty might be

²³<http://www.igi-global.com/chapter/consumer-behaviour-in-developing-nations/154447>.

²⁴<http://ageconsearch.umn.edu/bitstream/202722/2/173.pdf>.

questioned as the connection between brand loyalty and marketing concept is yet to be understood by the consumers.²⁵

Kotler and Levy (1971) further suggested that there is always a risk in overemphasizing price of a product as that would result in under-utilization of the other elements of the marketing mix which would have otherwise yielded overall superior results for the firm. A consumer has her/his small budget, and insisting on price can result in receiving a smaller quantity and inferior product. This in turn would lead the consumers to use choice tactics and hence would result in buying the cheapest brand because consumers have limited discretionary income because of inflation (See Footnote 27).

In developing countries such as India and China, it has been observed that the judgment of purchasing domestic products and conspicuous consumption (CC) by a consumer is less inclined towards ethnocentrism and willingness to buy domestic products (WBD). This hypothetically supports that the consumers judge the products on lower quality of the domestic products (WBD) or hold CC values higher resulting in the impact of ethnocentrism.²⁶

It is often found that the products originated from developed countries such as Japan, Turkey and USA are perceived to be associated with very higher attributes of marketing mix such as well-known brand names, brand loyalty, technologically advanced, higher price, luxurious goods, fashionable and unique in appearance, and the products were perceived to be heavily advertised. On the other hand, products from developing countries such as Russia, China, India and Hong Kong are perceived to have some negative image of product being imitation and lower quality, to be less satisfactory in durability, reliability and service. However, some consumers also perceive that the products from Hong Kong provide a wide variety of choice of sizes and models, although the perceptions were not as strong as in products from Japan, Turkey and USA.²⁷

Recommendations

- Constant changes and modifications in the existing products, marketing mix, promotional activities and other marketing strategies to appeal the market culture.
- Positioning the product or services in the market in such a manner that would influence the decision of purchasing by the consumers of any target group.

²⁵file:///C:/Users/Rima/Downloads/Bbenkele%20(1986)%20Understanding%20Consumer%20Behaviour%20in%20the%20Less%20Developed%20Countries%2020An%20Empirical%20Investigation%20of%20Brand%20Loyalty%20in%20Zambia.pdf.

²⁶<http://www.emeraldinsight.com/doi/abs/10.1108/07363760410558663>.

²⁷Consumer Ethnocentrism and Lifestyle Orientations in an Emerging Market Economy, Erdener Kaynak and Ali Kara.

- Global marketing—standard marketing of a product or service essentially in a similar way everywhere in the world.
- Strategic changes to be developed to influence the culture directly.
- Marketers must learn and adapt everything that is relevant to the use of their products across the globe.
- Value propositions and sale promotions are easily perceived by the target audiences to increase sales and increase return on investments.
- Products should be manufactured, packaged and positioned in the market in the similar way globally.
- Effective use of cashless transactions would help in increasing the economy in near future which would help in increasing return on investments (ROI).
- Strategically, the purchase behaviour of the consumers can be influenced if the services can be provided at the consumer's home or if the products can be available on mobile vans.
- Extensive integrated marketing communications using various channels of communications, social media, sales campaigns, etc., should be done to strategise the profitability of the company.
- Marketers should focus on making the consumers decide based on explicit assumptions, research and sound knowledge about the product or service rather than the decisions which are based on intuitions.
- Strategically, the marketers should make the consumers aware and help in increasing knowledge about their products or services which would have a competitive advantage and greatly reduce market failures.
- Actively participating in social marketing would also help the companies to understand the consumers need and expectations about the product or service and in turn can strategically position their product into the market.

Conclusion

Human beings are deeply same and obviously different. Strategic marketing plays a vital role in proving this concept. Strategic marketing seeks to provide the consumers more than what the competition is providing while being profitable to the company. Strategic marketing is devised in terms of marketing mix involving products features, value propositions, price, integrated marketing communications, sales and distribution management and services that would provide the consumers superior value than the competitors in the market.

Strategic marketing should be focussed not only on the five senses of the consumers (touch, smell, taste, sight and hear) but also on the sense of direction, sense of balance and an accurate knowledge of the product and the market. Strategic marketing should target the brain of the consumers.

Strategic marketing leads many firms to wrap the experiences around the traditional products and or services in order to increase sales. Small vendors and retailers are moving to lifestyle centres and malls which would have better target population for their products.

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