

The Role of Consumer Behavior in the Reference of Recent Trend of Market in India

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Abstract— Consumers have so many choices to make compared to ten or even twenty years ago. Today as always, business growth depends heavily on loyal customers who return because they are satisfied with the product and/or service they have received. But first companies have to bring consumers into the stores. The companies bring consumers into the store by marketing their product. The average consumer would probably define marketing as a combination of advertising and selling. It actually includes a good deal more. Modern marketing is most simply defined as directing the flow of goods from producers to customers. In order to answer this question fully we must define consumer goods which means goods that are used or bought for use primarily for personal, family, or household purposes. The essay outlines the contributions of marketing through fast moving consumer goods.

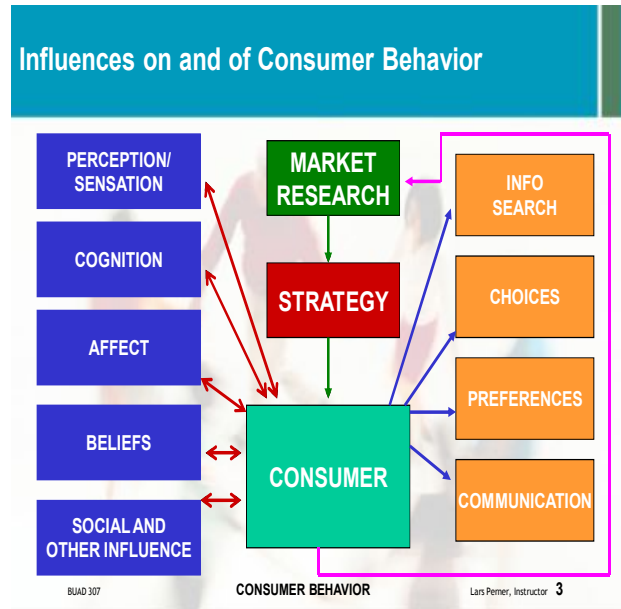
Index Terms—Consumers, Market,
Sub-Area : Consumer Behavior
Broad Area : Business Management

I. INTRODUCTION

Promotion, which works hand in hand with marketing a product, allows the product to be relayed to the right consumer through campaigns. Market research must be completed to find a target audience which is used for promotional and advertising reasons. The last part of the scheme is the actual advertising of the good which pulls the consumer into the store. Marketing has had an influential impact on fast moving consumer goods through a broad range of activities including, promotion, market research, and advertising. Promotion is used to communicate information about goods and services to target market audiences thereby facilitating the exchange process. Promotion plays an important role in informing, educating, persuading and reminding customers. The promotional mix is adjusted according to the organizations promotional objectives and its marketing situation. Generally, in consumer's services, marketing and advertising will be by far the main component and the most expensive.

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Consumer Intentions are very important aspects of a marketer's career. It is better said that if a marketer understands a consumer's intention or intentions he or she has the "key to the city". The reason being is how a consumer feels about some things can really determine how they may act. And these possible feelings can answer important questions to the marketers like how much of [an] existing product should be produced to meet [a] demand. And "how much demand will there be for a product. These are fundamental questions for a marketer because they can determine further forecasting situations. Since many businesses go under because they lose money either underestimating or overestimating demand. It is important for a company to take consumer intention into major considerations. Marketing research is a tool that helps marketers better understand Consumer Intentions because with research a company can get a better grip on how consumers might react to their product. When, where and how are a few predictions marketers would love to have answered by intentions. And with research this can be answered. To better understand an intention it first must be defined. According to Roger Blackwell, author of Consumer Behavior, and intention is "[a] subjective judgment about how individuals will behave in the future. Asking Consumers what they plan to do into the future is one of the approaches to forecasting future behavior. The other is just relying on past instances.

Here's something to think about next time you're in the queue at the bank. What is the strongest force in consumer behaviour? You'll have plenty of time to ponder, with the dozen or so people in front of you, and just the single teller at the grille. The rest have all gone to lunch, even though the

bank managers know from long experience that this is the busiest time of the day.

As you shuffle forward an inch, you silently vow to switch banks — but you won't, because the strongest force in consumer behaviour is precisely what will keep you where you are. It is inertia; the dead-weight pull that dampens decisiveness, and masquerades, to anyone foolish enough to interpret it this way, as customer loyalty.

UK bank bosses must sit back in wonderment at the power of this mysterious force. The big four give the impression of trying to do everything they can to lose their tiresome retail customers, so that they can concentrate on the profitable business of investment banking.

Yet they can't shake them off. It's like the plot of the classic Mel Brooks film, *The Producers*, where the theatre needs a sure-fire flop to avoid an audit, and mounts a musical production of the tackiest script it can find, only to see the crowds flock in.

In the banks' recent scripts are some absolute shockers. They are accused of maintaining 'secret' accounts for high-profit savers only. They have fought their customers and the Office of Fair Trading (OFT) in the Supreme Court to retain the right to charge £20 for sending a letter.

Most recently they have been hauled over the coals for mis-selling PPI. Small wonder that net promoter scores for two of our biggest banks are negative, which means that people are more likely to damn their bank than recommend it. Yet these same customers stay put. According to a 2008 OFT study, the mean average time that people stay with the same bank in the UK is more than 10 years, with churn rates among the lowest in Europe. Meanwhile, management consultancy Bain & Company, in a recent briefing report, described British retail bank consumers as 'disgruntled hostages'.

How bad do the banks have to get before people finally overcome the force of inertia and seek out better service elsewhere?

One person interested in the answer is Vernon Hill, who is seeking to revolutionise British high-street banking with his Metro Bank formula, blasting through category norms as he did with his hugely successful Commerce Bank in the US.

Hill's approach is to create attractive retail environments where the product happens to be banking. Premises are called 'stores', and are open seven days a week. Accounts can be created in 15 minutes, bank cards and PINs are provided straight away and loans are approved on the spot. To reduce queues, the stores have coin-counting machines, so traders don't hold up everyone behind them with their heaps of small change.

Just six Metro Bank stores are operational so far, so Hill won't have made a dent on the likes of Lloyds and HSBC just yet — but the ambition is for 200 by 2020. With a little help from technological advances that could make account-switching a simpler process, and a bit more self-inflicted damage by the big four, who knows, maybe Metro Bank will be the one that jolts us out of our stubborn passivity.

"Understanding consumer behaviour and preferences at point of purchase is very critical. The moment the consumer picks the product from the shelf is in many ways the moment of truth for the brand," said 53-year-old Mehta, adding that it helps to not only better understand consumers, but also enrich their perspective as marketers.

Although the idea of CEOs visiting markets, stores and even customer homes isn't new, with the consumer products

industry growing at a decade low, top bosses of companies including HUL, Godrej Consumer, L'Oreal, Coca-Cola and PepsiCo are increasingly shunning their comfortable corner offices and boardrooms to seek insights at Ground Zero.

"Modern trade represents the consumption story of the Indian consumer spend. Meeting the modern trade leaders is an educative experience and the aisles of modern trade are a great intersection of company ideas, the retailers' focus and the consumers' wants and desires," said D Shivakumar, chairman at PepsiCo India, who has visited a modern store outlet every week in the past two months.

Such trips have also gone beyond the air-conditioned aisles of supermarkets to the sweltering heat of the hinterland. With rural FMCG customers going up to 35% of the market from 30% five years ago, companies are widening their reach in the smaller towns and getting to understand consumers there is more the norm than the exception. L'Oreal India managing director Jean-Christophe Letellier could have been mistaken for a backpacker when he travelled from Varanasi to Lucknow in a train and visited hairdressers in Uttar Pradesh over a month ago. "A road trip mindset always wins over office headquarters as the macro-picture is never enough. It brings us down to earth and the insights can be used to develop new products," said Letellier. Sales of consumer goods climbed at about 7% in the year ended March 2015, according to Nielsen, the slowest pace in about a decade, suggesting that Indians have cut spending, especially on discretionary products, amid sluggish economic growth.

"This has become increasingly important over the past couple of years, given the volatility in macroeconomic scenario and its consequent impact on FMCG demand," said Sunil Kataria, business head for India & SAARC at Godrej Consumer, who visited Bengaluru, Ahmedabad and places in the northeast such as Guwahati over the past few weeks. "This enables us to act much quicker and respond to emerging consumer needs by bringing better innovations, tailored especially for them, to the market."

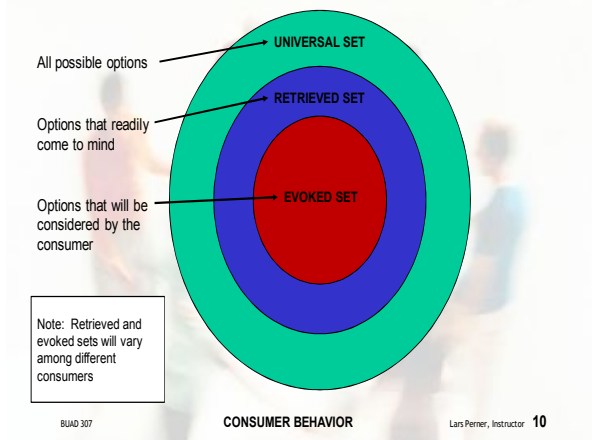
New products, developed after trip insights, have already been launched — from Garnier's Oil-in-Cream to Coca-Cola's innovations such as solar coolers for rural areas with poor or no electricity and the introduction of 350 ml and 1.25 litre fridge packs for its beverages. Companies maintain that after their numerous visits across India, the sense they get is that demand is gradually picking up.

Consumer behavior is the study of the way individuals, groups or organizations make decisions with respect to the purchase, consumption and disposal of goods and services. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. Consumer behavior study also tries to assess influences on the consumer from groups such as family, friends and society in general.

The term consumer behavior describes two different kinds of consuming entities: personal consumers and organizational consumers. The personal consumers buy goods and services for final consumption that can be their own use, for the use of the household or as a gift. Personal consumers are also called end-users or ultimate consumers.

Organizational consumers include companies and charity organizations, government agencies and various institutions (including schools and hospitals). All these organizations must buy products, equipment and services necessary for their functions.

Options Identified and Considered



[6] Sagar Malviya & Ratna Bhushan , The Economic Times
Sept.3, 2015

CONCLUSION

The most common way to define what the potential clients want is by conducting market research. It can be done through a survey, focus groups, personal interviews, projective techniques, observations, online research and scanner data. Surveys are used when the market researchers want to get specific information, while focus groups are useful when the marketer wants to launch a new product or modify an existing one. Personal interviews help researchers to get in-depth information. Projective techniques are used when a consumer may feel embarrassed to admit to certain opinions, feelings or preferences. Observation of consumers helps to understand how they make decisions. Online research is becoming more popular as most people have computers and access to the Internet. The scanner data method shows the exact behavior of specific consumers.

BIOGRAPHY



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