



FACULTY OF JURIDICAL SCIENCES

COURSE: B.B.A.LL.B. IInd Semester

SUBJECT: CONSUMER BEHAVIOUR

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Lecture-2



Scope and Relevance of Consumer Behavior Studies

Consumer:

A Consumer is an individual who buys products or services for personal use and not for manufacture or resale . A Consumer may be a person or group of people such as a household and similar needs, not directly related to entrepreneurial or business activities who are the final users of products or services. Consumers are the basic economic entities of an economy. All the consumers consume goods and services directly and indirectly to maximise satisfaction and utility.

Types of Consumer:

- (i) Personal Consumer/ Individual consumer: Buy the Product and services for his family and own or family.
- (ii) Organizational Consumers/Commercial consumers: Buy the product or services for manufacturing or reselling

Importance of Studying Consumer Behaviour:

1. Modern Philosophy: It concerns with modern marketing philosophy – identify consumers’ needs and satisfy them more effectively than competitors. It makes marketing consumer-oriented. It is the key to succeed.

2. Achievement of Goals: The key to a company’s survival, profitability, and growth in a highly competitive marketing environment is its ability to identify and satisfy unfulfilled consumer needs better and sooner than the competitors. Thus, consumer Behaviour helps in achieving marketing goals.

3. Useful for Dealers and Salesmen: The study of consumer Behaviour is not useful for the company alone. Knowledge of consumer Behaviour is equally useful for middlemen and

salesmen to perform their tasks effectively in meeting consumers needs and wants successfully. Consumer Behaviour, thus, improves performance of the entire distribution system.

4. More Relevant Marketing Programme: Marketing programme, consisting of product, price, promotion, and distribution decisions, can be prepared more objectively. The programme can be more relevant if it is based on the study of consumer Behaviour. Meaningful marketing programme is instrumental in realizing marketing goals.

5. Adjusting Marketing Programme over Time: Consumer Behaviour studies the consumer response pattern on a continuous basis. So, a marketer can easily come to know the changes taking place in the market. Based on the current market trend, the marketer can make necessary changes in marketing programme to adjust with the market.

6. Predicting Market Trend: Consumer Behaviour can also aid in projecting the future market trends. Marketer finds enough time to prepare for exploiting the emerging opportunities, and/or facing challenges and threats.

7. Consumer Differentiation: Market exhibits considerable differentiations. Each segment needs and wants different products. For every segment, a separate marketing programme is needed. Knowledge of consumer differentiation is a key to fit marketing offers with different groups of buyers. Consumer Behaviour study supplies the details about consumer differentiations.

8. Creation and Retention of Consumers: Marketers who base their offerings on a recognition of consumer needs find a the same way, the company, due to continuous study of consumer Behaviour and attempts to meet changing expectations of the buyers, can retain its consumers for a long period.

9. Competition: Consumer Behaviour study assists in facing competition, too. Based on consumers' expectations, more competitive advantages can be offered. It is useful in improving competitive strengths of the company.

10. Developing New Products: New product is developed in respect of needs and wants of the target market. In order to develop the best-fit product, a marketer must know adequately about

the market. Thus, the study of consumer Behaviour is the base for developing a new product successfully.

11. Dynamic Nature of Market: Consumer Behaviour focuses on dynamic nature of the market. It helps the manager to be dynamic, alert, and active in satisfying consumers better and sooner than competitors. Consumer Behaviour is indispensable to watch movements of the markets.

12. Effective Use of Productive Resources: The study of consumer Behaviour assists the manager to make the organisational efforts consumer-oriented. It ensures an exact use of resources for achieving maximum efficiency. Each unit of resources can contribute maximum to objectives. ready market for their products. Company finds it easy to sell its products. In