

UNIT 2(A) CONSUMER BEHAVIOUR

❖ SIGNIFICANCE OF CONSUMER BEHAVIOUR

The importance of consumer behaviour in marketing management is also known as the significance of consumer behaviour. It includes various points such as:

1. To design production policies
2. Know the effect of price on buying
3. Exploit the market opportunities
4. Design marketing mix
5. Implement STP strategies
6. Helps in understanding diversified preference
7. Understanding of various roles played by consumer
8. Results in consumer satisfaction

1. To design production policies-

This is the first importance of consumer behaviour and it means that all the production policies have designed taking into consideration the consumer preference so that product can be successful in the market.

In every business, the main motive is to enhance the production and as well as sales of the company and to do all these, any company or business has to win the trust of its customers and studying about their tastes, likings, and preferences

2. Know the effect of price on buying-

This is the second consumer behaviour importance and it means that consumer behaviour can help in understanding the effect of price on buying. Whenever the price is moderate or cheap more and more customer will buy the product.

After the time of production, there comes a time in which the company has to decide what the price of our product will be because it helps to divide the categories of the customer and also helps to attain more sales.

3. Exploit the market opportunities-

This is the third importance or significance of consumer behaviour and it means that the change in consumer preference can be a good opportunity for the mark to bring something which cannot as a revaluation in the market. **For Example**– When palm pops introduced in the market, it was successful due to the stylish and sleek design.

4. Design marketing mix-

This is the fourth importance of consumer behaviour and it means that consumer behavior is very much vital in designing and approaching marketing mix to be chosen (product, price, place, and promotion).

The product should be valuable, the price should be moderate, place and distribution should be intensive and appropriate. Promotion mechanism should be there.

5. Implement STP Strategies-

This is the fifth importance of consumer behaviour and it means that the segmentation, targeting, and positioning strategies are implemented by understanding the behaviour of consumers towards the various brands.

The products are targeted grouping the customers having common taste and preference and finally positioned in the market. Thus, building a positive image of the product of a company related to the competitors and as well as help to beat them also.

6. Helps in understanding diversified preferences-

This is the sixth importance of consumer behaviour and it means that the consumer preferences are diversified in nature and their keep on changing over a particular period of time. Nowadays consumers are more value conscious and they want to extract the maximum benefits from a particular product of a brand.

7. Understanding of various roles played by consumers-

This is the seventh importance and it means that there are various roles played by the consumers in the consumer decision-making process. These roles are initiators, influencers, decider, users, buyers, and gatekeeper. The steps of the consumer decision-making process can be described as follows:-

1. Need Recognition,
2. Information Search,
3. Evaluation of Alternatives,
4. Purchase Decisions,
5. Post Purchase Behaviour.

8. Results in customers satisfaction-

This is the eighth importance of consumer behaviour and it means when the designed product is matching the expectations of the customer then they result in customer satisfaction. In case the product is exceeding the expectations of the customer then its result in customer delight.

In an organization, there are various departments like purchase, personnel, finance, production, marketing and all departments have a motive to satisfy the customer needs and wants.