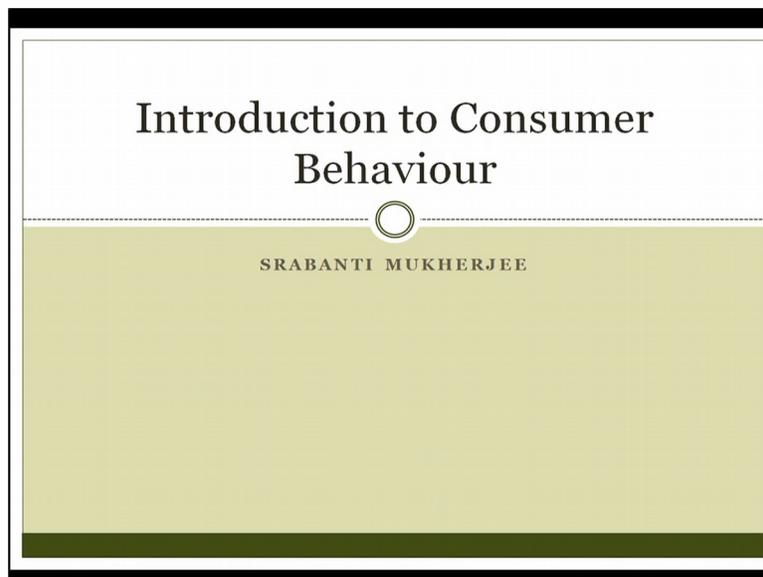


Consumer Behaviour
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Module No. #01
Lecture No. #01
Introduction to Consumer Behaviour

Welcome to the course of, Consumer Behaviour. On behalf of IIT Kharagpur, me, Dr Srabanti Mukherjee, will be offering you this course.

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So, today is the introductory module, of Consumer Behaviour. And, so therefore, this module, is known as, Introduction to Consumer Behaviour.

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Learning Objectives

- Nature and scope of consumer behaviour
- Application of consumer behaviour principles to strategic marketing
- Characteristics of worldwide consumers
- Special characteristics of Indian consumers
- Distinctive characteristics of Indian rural customers
- Simple five-stage consumer decision process

And, we have six specific learning objectives here. First one, understand the nature and scope of Consumer Behaviour. What it means? And, then the application of Consumer Behaviour Principles, to Strategic Marketing. Characteristics of Worldwide Customers. Special characteristics of Indian Consumers. Distinctive characteristics of Indian Rural Customers. And, simple five-stage, decision-making process.

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Who is a Consumer?

- A consumer is a person or an organizational unit that plays a role in the consumption of a transaction with the marketer or an entity. The term consumer refers to both the household and the business markets.
- The five main buying roles are as follows:
 - a. The initiator – the person who decides to start the buying process.
 - b. The influencer – the person who tries to convince others that they need the product.
 - c. The decider – the person who makes the final decision to purchase.
 - d. The buyer – the person who is going to pay
 - e. The user – the person who ends up using your product, whether he had a say in the buying process or not



So, to begin with, we first try to define, who is a Consumer? Consumer is basically a person, or an organisational unit, that plays a role in the consumption of a transaction, with the marketer, or an entity. So, Consumer is not only the buyer, not only the payer, it is he or she is also the user, he or she also maybe a decision maker. The term Consumer, refers to, both the households, and

the business units. The five major roles, which the Consumers usually undergo or perform, are the roles of Initiator, Influencer, Decider, Buyer, and User

So, the first role Initiator is, who brings the information to the house, about any product, or any brand. If the person, for actually, performs the role of a gatekeeper. For example, in Ravi's house, Ravi's Brother is bringing an information about, different kind of mobile handsets, in the house. And, says that, the mother has to buy one, or he needs a mobile phone, of any particular brand. He is first bringing the information. Then, he can influence the Mother or the Father that, certain brand is good.

Finally, it is the Decider, it may be the Father, who is taking the decision, which brand he is going to buy. It may be, Ravi's Brother himself is the Decider, that which brand he is going to buy. So, Decider is the person, who takes the final call, of which brand, or which product, to purchase. Similarly, the Buyer is the person, who is going to pay the cheque, for this particular purchase. For example, in this case, Ravi's Brother wants a mobile phone, but maybe, Ravi's Father is paying the cheque.

So therefore, in this case, the buyer or the payer, is the Ravi's Father. And, the user is the end user, who is finally using this product. Whether or not, that person was involved in the, as an Initiator, or Influencer, or a Decider, the person may be the User. For example, in a family, if any home theatre is bought, the entire family is going to use it, whether or not, all family members have taken part, during the purchase process or not. Similarly, one single person can actually perform, all this kind of roles.

When a person, feels the need, to buy a packet of cigarette. And, he only decides, which brand to buy. He only initiates his purchasing thing. He decides, which brand, he will finally buy. He buys it. And, he consumes it. So therefore, he actually plays all the roles, all the five roles, in the buying decision-making process. So, an individual may play, only a single role also. Individual may play, multiple buying roles. Or, an individual may play, all the roles, as well.

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What is Consumer Behaviour?

- Consumer behaviour has traditionally been thought of as the study of “why people buy”, with the premise that it becomes easier to develop strategies to influence consumers once a marketer knows why people buy certain products or brands.
- Engel et al.(1995) defined consumer behaviour as “those acts of individuals directly involved in obtaining, using, and disposing of economic goods and services including the decision process that precedes and determines those acts”.
- Schiffman and Kanuk(2004) defined consumer behaviour as the behaviour that a consumer displays in searching for, purchasing, using, evaluating, and disposing of products, services, and ideas which they expect will satisfy their needs.
- In short, the study of consumer behaviour provides an eye opening lesson regarding individual's decision making to optimize utility from consumption with their available resources (money, time, and effort).
- In other words, the study of consumer behaviour answers the following questions about the consumers– what they buy, why they buy it, how they buy it, when they buy it, where they buy it, and how often they buy it.



So, now coming to, what is Consumer Behaviour. Traditionally, it has been said that, Consumer Behaviour is the study, where we try to understand, why people buy, any product. Now, Engel in 1995, has formally define it, in a very nice and lucid way. Here, he had said, that Consumer Behaviour, are those acts of individuals, directly involving of training, using disposing of economic goods and services, including the decision process, that precedes and determines the acts.

In this case, precedes means, whatever activities like evaluation of brand, searching of the information about a particular brand. So, this kind of decisions precede and, what kind of decisions after consumption also, how do we dispose the product, that also comes under, the purview of the behaviour of the Customer. For example, if you have a bottle of Mineral Water in India, even after consumption of that Mineral Water, we use it as a Water Dispenser.

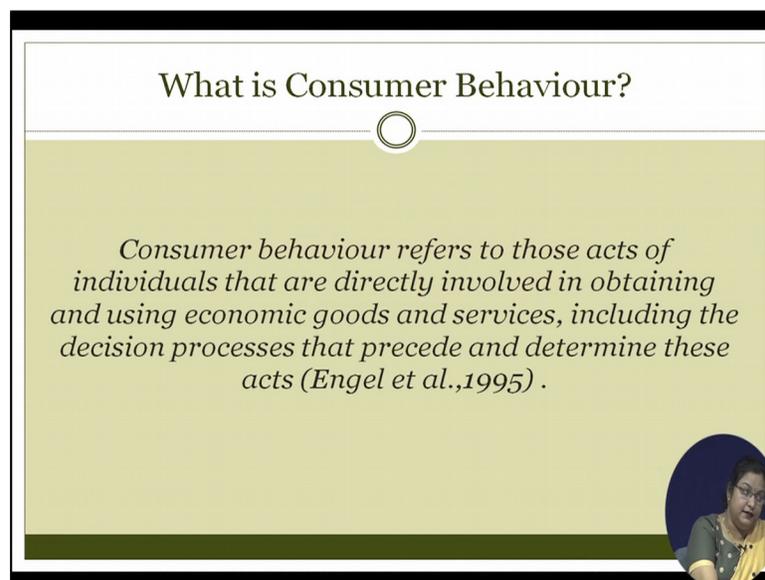
So this, how do we dispose the product, is also the purview of Consumer Behaviour, nowadays. So, that is how we feel that, Engel’s definition, is quite all-encompassing kind of. Schiffman and Kanuk in 2004, has defined Consumer Behaviour, as the behaviour, that a Consumer displays in searching for purchasing, using, evaluating and disposing a product services and ideas, which they expect, will satisfy their needs.

So, in short, the study of Consumer Behaviour, provides an eye-opening lesson, regarding the

individuals decision-making, to optimise utility from consumption, with their available resources. Now, what are the available resources, to the customer. Their money, which they are going to forego, to get the products. The time, which this paint, to take a purchase decision. And, effort, that is the effort for searching about the product, and effort for evaluating the product, and effort for going and acquiring the product.

So, these are the things from the customer side, which they are spending actually, to get the product. So, they try to optimise their utility, from any consumption, given their available resources. So, in other words, or to cut it short, we can say, that the study of Consumer Behaviour, answers the following questions. What are those? What the customers are buying? Why they are buying it? How they are buying it? When they buy it? Where they buy it from? And, how often, they buy it?

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So, the most acceptable definition, probably of Consumer Behaviour, or the most lucid one, is probably the one, we have already said, it is the definition of Engel. So, for the purpose of this course, we will be following the definition, which has been given by Engel. That is, Consumer Behaviour refers to, those acts of individuals, that are directly involved, in obtaining and using economic goods and services, including the decision process, that precedes and determine this acts.

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Nature and Scope of Consumer Behaviour

- The knowledge of consumer's needs, wants, attitude, and beliefs helps firms to improvise their marketing strategies by understanding issues such as:
 - ✓ how the consumers think, feel, comprehend, and select amongst various competing brands;
 - ✓ how they are influenced by their environment (e.g., culture, family, signs, media);
 - ✓ what is the pattern of shopping behaviour they are exposed to;
 - ✓ what are their motivational parameters;
 - ✓ how their decision strategies differ between products that differ in their perceived level of importance.
- These understandings help the marketers to adapt and improve their marketing campaigns and strategies to more efficiently reach the consumer.



So therefore, if you talk about the nature and scope of Consumer Behaviour, we say that, it is the knowledge of Consumer's, particularly needs, their wants, their attitudes, their beliefs, which they form me to know, to improvise their marketing strategies, by understanding some issues like, how the customers are feeling, thinking, and selecting, among various competing brands. For example, if I say BMW, some customer may per say, by the name BMW, that it is a pricey product.

Sometimes, if we say that Parle Marigold Biscuit, so by the name Parle Marigold, or the previous experience, the customer perceives that, it might be a kind of affordable brand. So, these are different kinds of beliefs, or the different ways of comprehending, about different brand. So, second one is, how they are influenced by the Environmental Stimuli. Environmental Stimuli refers to like, how my culture, influences my decision-making? How my subculture, influences my decision-making?

For example, Bengali's celebrate the Durga Pooja. So, they are going to buy the dresses. They are going to buy, different kind of cosmetics and all, during or just before the Durga Pooja begins. Similarly, in Northern India, we find that the, purchasing of this kind of Jewellery, and Dresses, and all this, will go in up search, during the time of Diwali. So therefore, culture influences the Consumers decision-making. Similarly, family members also have considerable influence, on any decision-making.

Now, it is even the children, are influencing the decision making, and while the families going to purchase a car, or even a kind of mobile phones. Then, maybe whatever science, we get from the media, or whatever science the marketers are giving to us, the Promotional Offers, the Distribution Offers, the Discounts, these are also some Environmental Stimuli, by which the customers get influenced.

Then, what is the pattern of shopping behaviour, they are exposed to? Do they want, to go to the shopping mall, for purchasing? Or, do you want to buy, from the kirana stores? So, and why? What are the motivational parameters of the purchase? Am I buying it, for my regular use? For example, I am a customer, who is buying a dress for my regular use, may be around 500 to 1000 Rupees. But, whenever I am going for a wedding ceremony, I, me the same customer, is buying a dress of say, 2000 or 3000 Rupees.

So therefore, what are my motivation to purchase? What is the purpose of my purchase? So, that is also to some extent, important parameter, to understand with. And then, how the decision strategies differ between products, which are like, if the product is important to me, then probably, I will be more involved, in the decision making. If the product is not so important to me, my involvement about the product, will be much less. For example, when I am seeking a Cardiac Care, maybe my involvement with that is very high, because that is related to my health.

And but, whenever I am seeking, say for example, I want to buy a packet of biscuits, my involvement will be much lower. Because, one packet of biscuit will be depleted, within a week, may be. So therefore, these understandings help the Marketers, to adopt and adhere to, whatever is happening to the environment, Customer's needs. And accordingly, they can improve their marketing campaigns or strategies, to more efficiently reach to the Customers.

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Important changes in the nature of the modern consumers

- Movement from collectivism to individualism
- Trade up and trade down and value vaulters
- Focus on health and fitness
- Increased consumer assertiveness
- Boom in online shopping



Now, we talk about, what are the important changes, in the nature of modern customers, which is being undergone. First one is, the moment from collectivism to the individualism. The first sign is precisely; the joint family systems are breaking. So, mostly the families, are very much concentrated. And, nuclear families, there are single parent households. And, as an individual house, there are a lot of single individuals, those who are staying in different cities, for their work and all.

So, purchase pattern has become, much more individualistic, rather than collective one. Trade up and trade down, by the same customer. I have already told that, that me as a customer, when the purchase, which is not so significant for me, maybe, I am just settling down, with a very cheaper brand in that. For example, when I am buying a sandal, to wear in my house. So, that time, I may be, I am buying a very cheaper one. But, when I am going for a party, so therefore, that time maybe, I am buying a very expensive sandals, or may be expensive shoes.

So therefore, me the same customer, trade up and trade down, in different situations. And, the concept of Value Vaulters, are also coming up, particularly in the context of India, where socio-economic pyramidal structure, has now become a diamond structure. Where, the aspirers, or the middle-class segments, is in the upsurge. So, this kind of customers, they are novelty seekers. They want premium brands. They are ready to pay for that.

But, they also simultaneously, they look for the value, they are getting from it. And also, they look for whatever discounts, they can get from it. They look for kind of volume discount. They look, kind of value discount. For example, in terms of monetary discounts, like 10% off, or 20% off. Regarding quantitative discount, buy one get one free kind of. And, they also look for some kind of, kind discount, which means, some freebies, or some other kind of gifts, which is being offered.

So, this kind of customers, are known as Value Vaulters. And, giving the rise of the aspirers, we can see the number of Value Vaulters, are also increasing in the developing economies. Focus on Health and Fitness, is also on the upsurge. Because, Obesity, Pulmonary diseases, Cardiac diseases, all these things are, and several other and small and many other diseases, are actually now on the rise. And therefore, people are very much, health conscious.

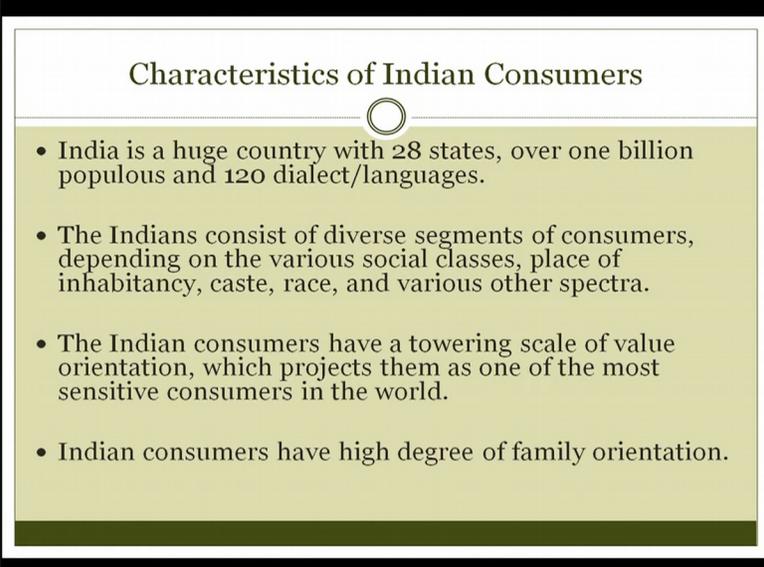
So, there we can find that, there are mushrooming of multi genes, mushrooming of several slimming products, and several healthcare products, spa, and other kind of beauty care things also. And, cosmetic surgery, of course. And, the customer's assertiveness about their choice, has also been increased. Finally, we will talk about the boom, in online shopping. Now, just because of working woman, just because of the busy lifestyle, the vast lifestyle of the customer, we can see that, there is a boom of online shopping.

Because, people avoid to go to the shop, in many cases. They try to go for an online shopping, buy from the online platforms. And there, they get different kind of discounts also. Now, we find, even in Flipkart, Amazon, lot of EMI offers are also coming up. So, that also attracts the aspirer section, to buy the product from online. Also, along with this, there is another tendency of, Web rooming, and Showrooming.

Web rooming refers like, sometimes, we see the attributes, we check the attributes, search for the information, from the internet. And then, we select the product, and go and purchase it from the shops. I mean, the off-line shops. And, the reverse is also true. Like, we find out the attributes, we see the product from the Showroom. And, just because, we get a different kind of discounts, from the online purchase, we select the product from the Showrooms, and then we buy the

product, from online or shopping sites.

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Characteristics of Indian Consumers

- India is a huge country with 28 states, over one billion populous and 120 dialect/languages.
- The Indians consist of diverse segments of consumers, depending on the various social classes, place of inhabitanacy, caste, race, and various other spectra.
- The Indian consumers have a towering scale of value orientation, which projects them as one of the most sensitive consumers in the world.
- Indian consumers have high degree of family orientation.

So, these are different trains, which are coming up. To look at India particularly, we see that, it is a huge Country, with 28 States, over one billion of Population, and 120 Dialects and Languages. So, it is a very diverse country, with several Subculture, Social Classes, Caste, Race, and various kind of Religion. So therefore, the marketer has immense scope actually, if they really understand the needs of different subculture. And accordingly, they can actually frame their entire supply chain, to supply in different regions, at different time.

They can understand, the occasions of different regions, different festivals, of different regions. And, then accordingly, they can plan the supply of their offers. So, the Indian Customers otherwise also, they have a towering scale of Value Orientation, which projects them as, one of the most sensitive customers, in the world. Particularly, when it comes to the consumption of Alcohol, Cigarette, and other, this kind of products. And, they have a very high degree of Family Orientation.

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Different Segments of Indian Consumers(MARTRADE
Chennai, October, 2005)

- ***The Socialites***
- ***The Conservatives***
- ***The Working Women***
- ***Indian Rich***
 - (a) *The rich*
 - (b) *The super rich*
 - (c) *The ultra rich*
 - (d) *The sheer rich*
 - (e) *The Obscenely rich*



Now, we talk about different segment, in different customers, which has been given by, MARKTRADE Chennai, in October 2005. So, that time, they have divided the entire Indian society, into some segments. The first segment, we see here, is the segment of Socialites. These people, are quite rich people, affluent people. They buy, usually from the Shopping Malls, Showrooms. And, they look for the premium brands, in most of the cases. Coming to the Conservatives.

Conservatives, are basically the Value Vaulters, those who, and they also preserve the tradition of the country. They belong to the Middle-Class Customers. They want premium brands. But, at the same time, they are very, very, much value conscious. So, they look for value for money. And, they are little bit slow, in defusing a product. Then, the another class, which market has identified, was the class of Working Woman. Since 1980's, we have seen, there is an upsurge of the number of Working Woman, in the country India.

And there, it is several consequences. Because, the increase in the number of working ladies, results in the time crunch of the ladies, at home. So, that has made them identify, the kind of products, they want, like Dishwasher, Crèche for the children, first food for the children, and all these things are coming up. And, the final one, was the Indian Rich. Depending on the income level, in US Dollars, the Indian Rich, has also been segregated, into five different segments. The Rich, Super Rich, Ultra Rich, Sheer Rich, and Obscenely Rich.

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Indian Rural Consumers of 21st Century

Change in Purchasing Pattern

- ✓ The rural market grown in quantitative as well as qualitatively too it has undergone a significant change.
- ✓ Trends indicate that the rural markets are coming up in a big way and growing twice as fast as the urban markets, witnessing a rise in sales of hitherto typical urban kitchen gadgets such as refrigerators, mixer-grinders, and pressure cookers.
- ✓ Even in lifestyle products, rural India shows a trend significant over the next five years.



Another important parameter to note, of the characteristics of Indian customer, we can say is, we cannot actually these days, ignore the rural customers. So therefore, it is actually very important segment, to look into. So, and there is a change, in rural customers. They are quantitatively and qualitatively, has undergone a sea change. They are becoming, brand conscious. They are becoming aware of different brands, because of media exposure. They are buying, different kind of Kitchen gadgets, Refrigerators, Mixer, Grinders, and Pressure Cookers, of this kind of products. Even, several lifestyle products also, it has been found, that they are buying.

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Reasons for Changing Purchase Patterns in Rural India

- *Increase in the agricultural output*
- *Growth in Education*
- *Exposure to Mass Media*
- *Innovative pricing and non-conventional distribution*
- *Growing interaction with the urban consumers*



And precisely, the reason identified, is the increase in agricultural output, growth in education.

Then, exposure to, more and more exposure, rather to mass media. Because, television has penetrated, even in the rural segment. Innovative pricing, for example, like with their coming up with, pouch packs of several products. Several good brands also, coming up in pouch packs, which has made the products affordable, by the rural customers, even. And, non-conventional mode of distribution. In this case, we can talk about ITC Choupal, Choupal Sagar.

We can talk about, Hindustan Unilever's project Shakti initiative, which is a very unconventional way of distributing the product, in the rural premises. And, they are now, just because of the rural urban boundary is becoming very thin. And, people for several purposes, they are working in banks in the cities, they are working in the schools in the cities, are coming to the car. The students are coming to the colleges in the towns and cities. So, the demarcation of the urban and rural lifestyle, is becoming thinner, day by day. And therefore, they try to adopt in many cases, the brands, which the urban customers are using.

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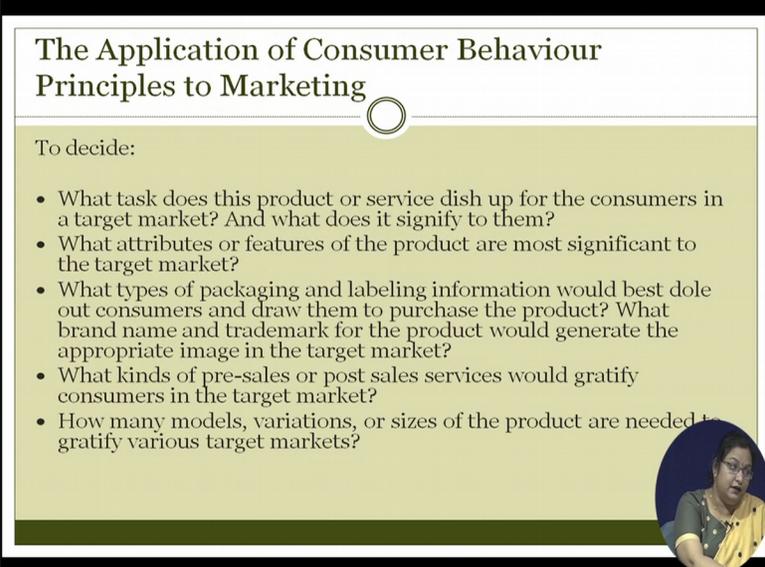
Impact of Change in Consumers Profile on the Marketing Decisions

- Increase in online marketing
- Increasing celebrity endorsements
- More quality oriented outlets
- More sales promotion offers
- Inclination towards eco-friendly and herbal products

And, the impact of such changes of Consumer profile, in the marketing decisions, are first and foremost, is the increase in the online marketing, and also the importance of the electronic word of mouth. Product reviews, are also coming in the online platform. Customers are seeking opinion, from other Friends, Peers, from Social Media. And then, they are taking a decision of purchase, maybe. Then, since the customers are becoming more brand conscious, use of Celebrity endorsement, has also gone up.

Quality oriented outlets, shopping malls, are also coming up, more and more. And, they are really, really, with a very good infrastructure, they are coming up. More sales promotion offers, and a very distinctive, very unique, sales promotion offers are also coming up. Then, eco-friendly and herbal products for example, Shahnaz Husain's herbal products, Sciacca's beauty care products. These are all coming up, as a different herbal product. Because, customers are becoming very, very, eco-friendly, and health-conscious.

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The Application of Consumer Behaviour Principles to Marketing

To decide:

- What task does this product or service dish up for the consumers in a target market? And what does it signify to them?
- What attributes or features of the product are most significant to the target market?
- What types of packaging and labeling information would best dole out consumers and draw them to purchase the product? What brand name and trademark for the product would generate the appropriate image in the target market?
- What kinds of pre-sales or post sales services would gratify consumers in the target market?
- How many models, variations, or sizes of the product are needed to gratify various target markets?

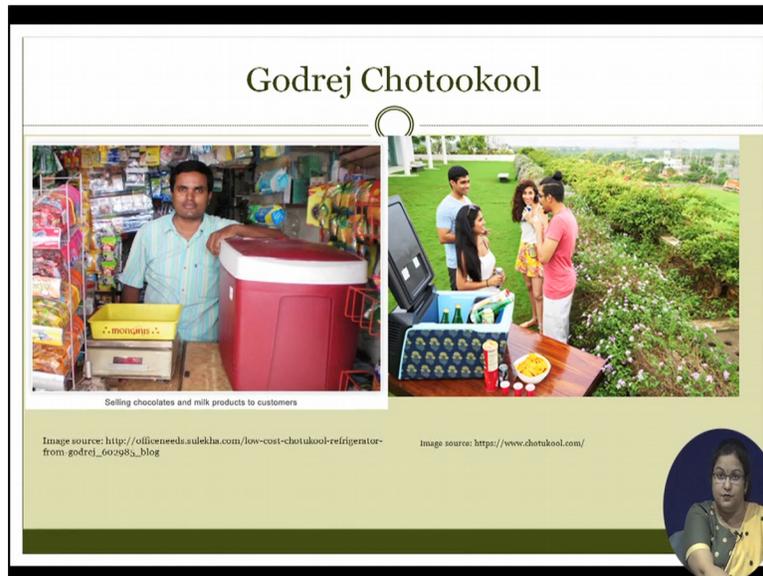
So, now we come that, so far, what we were discussing is, how the customer behaviour is changing. Now, what are the application of such changes, to the principles of marketing? Where do we use it, really? Now, we use it, first of all, to decide mainly, the four P's of marketing. See, the first one is, what kind of product, are we going to design about? Are we going to design, a very premium product? For example, Tanishq. They have designed, initially they came with a very elite kind of sleek Jewelleries. And, initially, with 18 carat gold.

Then, they understood, that the Indian Jewellery market, is mostly concentrated in the wedding sector. So therefore, they position themselves as a wedding Jeweller. Then, they position themselves as different kind of weddings, they are going to get in to like, Punjabi wedding, South Indian wedding, and like that. And, they started positioning themselves, as your wedding Jeweller. So, that is how, they were customising the design of Jewelleries, based on the

subcultural needs.

Like, in the North, they want, more of stone studded Jewellery. In the South, they will look for, more of solid and heavy Jewelleries. So, this kind of concepts, has been taken care of. And then, obviously, what should be the specific attributes? What kind of Packaging and Labelling, the customers will like? Then, what kind of Pre and Post Sales service, the Customers will look for? What kind of Models? How many variations, the Customers are seeking for?

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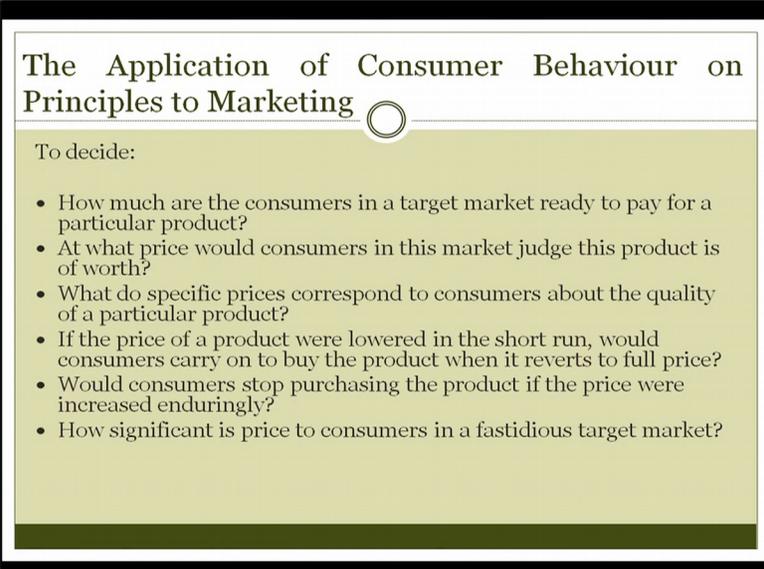
I will just show you two pictures, where which, you can see here. Obviously, I have taken it from, some sources. And, the sources, are mentioned here. Where, this is the Godrej Chotookool, a 9 Kg refrigerator, which was first developed, to cater to the need of the Indian rural and customers, mainly. Because, this can work, where this is a battery driven product, which can be charged. But obviously, it can run with battery set, for hours together. And particularly, in a rural India, where electricity connection, is sometimes very erratic.

So, they are, this kind of products. And, is a very low cost product. So therefore, the customers can afford it for. Obviously, is not as costly as any refrigerator, or any low price refrigerator. Even, it is much, much cheaper, and it can help the rural customers, to store their brands. So, that is one way. But, after the success in the rural India, Godrej started placing it rather, to the urban India, as well. And, in the urban India, the positioning is like you know, you can take it in the

travel. Because, it is a very lightweight refrigerator.

You can carry your soft drinks, whatever things, which you want to be chilled. You can carry it. You can go for a party. You can go for a long ride. And, you can just carry this 9 Kg refrigerator, in your car. So, the same product, is actually kept in to two different needs, of two different sectors, of the society. Similarly, the washing machine, which will be used for washing clothes, in many places like in Punjab Highways, we can see that, those are also used as Lassi Makers.

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The Application of Consumer Behaviour on Principles to Marketing

To decide:

- How much are the consumers in a target market ready to pay for a particular product?
- At what price would consumers in this market judge this product is of worth?
- What do specific prices correspond to consumers about the quality of a particular product?
- If the price of a product were lowered in the short run, would consumers carry on to buy the product when it reverts to full price?
- Would consumers stop purchasing the product if the price were increased enduringly?
- How significant is price to consumers in a fastidious target market?

The second one, so as a marketer, we need to identify, what could be the possible uses of the product? Similarly, we should also identify, what kind of prices, the target market is ready to pay? Flipkart, Amazon, they are offering, even EMI's for buying mobile handsets and all. Why? Because, they have identified, that the customers have fire, to buy premium brands. But, they do not always have the paying capacity, in one single go rather, they do not have the willingness also, to pay in the one single go.

So, easy EMI schemes, could help to address this problem. And, that can help the products, to penetrate in the middle income segment also. So therefore, what should be the appropriate price, was specific price, quality assumption, the customers are having? How much the price, should be lowered? What kind of price discount, should be given? So, all these things, should be understood, actually.

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The Application of Consumer Behaviour on Principles to Marketing

To decide:

- What are the finest media for reaching a target market for a particular product?
- What image should advertising try to craft about a product?
- What types of sales promotions would be most effectual for getting customers to buy a product?
- What should be the salespeople's approach to match consumers' needs and wants with particular products?
- What task should publicity perform in communicating with customers about a product?

And then, of course, our Consumer Behaviour is having a very close need, in the promotion strategy. Because, what message, they should portray with the customer? Will they portray, that Godrej Chotookool, is a product for upper-class. Or, should they portray in a particular message, the product is for the rural India. So, that decision, or they will actually design, two different sequels of ad, for like, Tanishq has done.

Tanishq has done, one for wedding Jeweller. And, the other one, they are doing for Tanishq Mia, which is specifically made for the working ladies. Those are very slick Jewelleries. And, those two campaigns, are very different. So, whether to go by two different campaigns. Whether to use a single campaign. So, this kind of things, need to be understood. Then, who should be the Celebrity, to promote it.

What could be the salesperson's approach, to sell any product? What kind of Publicity Platform, should be used? Then, what kind of Media, should be there? For example, if I want to sell Pesticides, of course, the Radio would be the best Media. Because, I have to reach to the Farmers, who throughout the day, will be working in the fields.

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The Application of Consumer Behaviour on Principles to Marketing

To decide:

- Would consumers have a preference to purchase a product in stores or from different channels, such as mail-order catalogs or store sales people?
- What reflection does various stores and chains have that might influence consumer preference and purchase behaviour for various products?
- Do various stores have particular environment that might influence consumer purchase of a product?



And, then finally, from where the customer, can buy the product? So, that shows, my Distribution Channel. Do they want to buy it, from Mail? Do they want to buy it, from Online Platform? Do they want to buy it, from Shopping Malls? So, from where, they want to buy it? So, are they want to buy it, from Personal Salespeople? So, these are the decisions, they need to take.

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The Simple Five Stage Consumer Decision Process

Need recognition

Information search

Evaluation of alternatives

Purchase decision

Post-purchase behaviour



Now finally, for this session, this is our final touch. That is, we just want to introduce, obviously as the course progresses, i will introduce you with the more complex consumer buying decision-making models. But, this is the simplest one. That is, the five stage decision-making process. The first one, is the need recognition. Which means, i will give you a very simple example that, i carry my products like, i carry my daily use items like, say my Tiffin Box, like my Papers, and

all this, in a Plastic Folder, and carry it to my Office, in a crowded Bus.

Every time, in a crowded bus, my products get spoiled. Because, that falls in the crowded gates of the papers, get papers, get crunched, and all this. So therefore, in the office, I am seeing that, many people are bringing their attaché's, they are bringing their vanity bags, they are bringing several other kids bags, and all these things. So, I get an idea that, I can have some solution, for my everyday problem. And, that solution could be, as I think, is could be an attaché. Now, what are different attaché's I have, since. I start searching information.

So, there could be two kind of information search. One is searching information, from my own memory. Another one is the external search, which is deliberately, I am asking my peers, or I am looking at different advertisements, I am looking at different journals, to see magazines, what kind of advertisements has come up, and deliberately searching information, about different brands. So, after that, I have boiled down to an evoked set, that is my choice set, based on my affordability, and maybe some of the choice criteria, which I have set.

May be my choice criteria, are spaciousness, the locking system, the security, the style of the product, the material, which has been used, to prepare the product, the leather, or Bakelite, or any other products, which has been used to prepare it. So, based on all this, I have selected for example, Samsonite, Aristocrat, VIP. Maybe, this three brands are there, in my evoke. Now, I can choose any of this. So, I am going to evaluate the alternatives, based on certain criteria. So, I will make a permutation combination, I will try to give scores.

And, I will make permutation combination, which brand is good. Is the price of this brand, is better? The spaciousness of the other brand, is better. So, in this way, finally I will rank the brand, as my most preferred brand, second preferred brand, and third preferred brand. And then, I will go to the shop, to purchase it. And, the purchase moment also, I may go and purchase, whatever brand I wanted. But, it may be changed also. Because, may be my first prefer brand was VIP, second was Samsonite, but in the shopping point, I have seen that Samsonite is giving me some better offers. So therefore, I may switch also.

So, the task of the marketer, at the purchase point is actually, to be very careful about, offering the discounts, offering any kind of offers, and the kind of promotion, they make in the point of purchase. Whereas, in terms of need recognition, information search, and evaluation of alternatives, it was mostly the advertisement, and any other promotion forms, which the marketer should be focussing on. And, finally comes, after I have consumed the product, I will have three kinds of behaviour mainly, that is known as Post Purchase Behaviour.

The first one, relates to the satisfaction, of course. The second one is, when I am dissatisfied. And then, I will have a kind of Cognitive Dissonance. Cognitive Dissonance means, I am very dissatisfied. So, I keep on searching more information, about the brand. Or, I keep on seeing, what the brands, my peers are using. What are the complaints of this brands? So, this kind of disturbance, I will continuously have, and the state is note as Cognitive Dissonance.

And, the third stage is of course, my neutral stage. When I am not too happy, not to unhappy. The concern for the marketer mostly, is the negative part. That is the, when the customers are dissatisfied, because that can spread a negative word of mouth. And, studies have portrayed, that the negative word of mouth, spreads much faster, than the positive word of mouth.

So therefore, it is very important for the marketers. But, at this moment, how do you go for the, recovery of the customers. Particularly, if you are in the service sector, there are several service recovery mechanisms, to bring back the dissatisfied customers, in your service scape. So, this was Today's Module, and Module One. So, thank you so much. And, we will meet you in Module Two, with the changing trends of the Consumers. Thank You.