

Consumer Behavior

A 'Consumer behaviour' is the behaviour that consumers display in seeking, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their personal needs. The study of consumer behaviour is the study of how individuals make decisions to spend their available resources (money, time and effort) on products and services. Consumer behaviour includes both mental decisions and the physical actions that result from those decisions. Although some social scientists limit their understanding of 'behaviour' to observable actions, it is apparent that the reasons and decisions behind the actions involved in human (and consumer) behaviour are as important to investigate as the actions themselves.

B People engage in activities for many purposes other than consumption but, when acting as a customer, individuals have just one goal in mind – to obtain goods and services that meet their needs and wants. All consumers face varying problems associated with acquiring products to sustain life and provide for some comforts. Because solutions to these problems are vital to the existence of most people, and the economic well-being of all, they are usually not taken lightly. The process is complex, as choices must be made regarding what, why, how, when, where and how often to buy an item.

C Take, for instance, the product bottled water – a multimillion-dollar industry. A study of consumption behaviour in this area would investigate what kinds of consumers buy bottled water, and why, when and where they buy it. The study might find that, among some consumers, the growing use of bottled water is tied to concerns with fitness; and, among others, with the quality of tap water. It might find that domestic brands have a totally different image from imported brands, and that the reasons and occasions for usage vary among consumers. By contrast, a more durable product such as a document scanner would have a very different target market. What kinds of consumers buy, or would buy, a scanner for home use? What features do they look for? How much are they willing to pay? How many will wait for prices to come down? The answers to these questions can be found through consumer research, and would provide scanner manufacturers with important input for product design modification and marketing strategy.

D The word 'consumer' is often used to describe two different kinds of consuming entities; the personal consumer and the organisational consumer. The personal consumer buys goods and services for his or her own use (e.g. shaving cream), for the use of the whole household (television set), for another member of the household (a shirt or electronic game) or as a gift for a friend (a book). In all these contexts, the goods are bought for final use by individuals who are referred to as 'end-users' or 'ultimate consumers'.

E The second category of consumer includes profit and non-profit businesses, public sector agencies (local and national) and institutions (schools, churches, prisons), all of which buy products, equipment and services in order to run their organisations. Manufacturing companies must buy the raw materials and other components to manufacture and sell their products; service companies must buy the equipment necessary to render the services they sell; government agencies buy the office products needed to operate agencies; institutions must buy the materials they need to maintain themselves and their populations.

F The person who purchases a product is not always the sole user of the product. Nor is the purchaser necessarily the person who makes the decision or pays for the product. Thus the marketplace activities of individuals entail three functions, or roles, as part of the processes involved in consumer behaviour. The three functions are the consumer, the person who consumes or uses the product or service; the purchaser, the person who undertakes the activities to obtain the product or service; and the payer, the person who provides the money or other object of value to obtain the product or service. Marketers must decide whom to direct their marketing efforts toward. For some products or services, they must identify the person who is most likely to influence the decision. Some marketers believe that the buyer of the products is the best prospect, others believe it is the user of the product, while still others play it safe by directing their promotional efforts to both buyers and users. For example, some toy manufacturers advertise their products on children's television shows

to reach the users, others advertise in magazines to reach the buyers, and others run dual campaigns designed to reach both children and their parents.

G In addition to studying how consumers use the products they buy, consumer researchers are also interested in how individuals dispose of their once-new purchases when they are finished with them. The answer to this question is important to marketers, as they must match production to the frequency with which consumers buy replacements. It is also important to society as a whole, as solid waste disposal has become a major environmental problem that marketers must address in their development of products and packaging. Recycling is no longer a sufficient response to the problem. Many manufacturers have begun to remanufacture old components to install in new products, because remanufacturing is often cheaper, easier and more efficient than recycling.