311-CONSUMER BEHAVIOUR

1. What is meant by Consumer Behaviour? Explain Decision Making Process of consumer behaviour?

The study of consumer behaviour assumes that the consumers are actors in the marketplace. The perspective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

The roles also vary in different consumption situations; for example, a mother plays the role of an influencer in a child's purchase process, whereas she plays the role of a disposer for the products consumed by the family.

Definition:

According to Engel, Blackwell, and Mansard, 'consumer behaviour is the actions and decision processes of people who purchase goods and services for personal consumption'.

Nature of Consumer Behaviour

1. Influenced by various factors
2. Undergoes a constant change
3. Varies from consumer to consumer
4. Varies from region to region and country to county
5. Information on consumer behaviour is important to the marketers
6. Leads to purchase decision
7. Varies from product to product
8. Improves standard of living

Decision Making Process:

Need Recognition
The first step in the consumer decision-making process is identifying the need. The need is the most important element which leads towards the actual buying of the product or service. Need is the trigger point of all the buying decisions.

Searching and gathering information
The potential consumer after identifying his needs moves on to the second stage i.e. searching & gathering information. When it comes to choosing between alternatives humans tend to be skeptical, therefore they need all the information before spending their money.

Evaluating the Alternatives
Consumers begin to search out for the best deals or options available once he has identified the Need and the source to satisfy that need. The Consumer at this stage evaluates different options based upon product price, product quality, product quantity, and value-added features of a product or other important factors.

Actual Purchase of the Product or the Service
In this stage, the customer decides what to buy, where to buy after going through all the above stages. After proper assessment of all the facts, the consumer makes a logical decision to buy a product based upon his needs and wants.

Post Purchase Evaluation
In the final stage of the consumer decision-making process the consumer evaluates or analysis the purchased product, the usefulness of the product, satisfaction delivered from the product, Value of the product with respect to the need fulfillment of the consumer.

2. Explain Consumer Behaviour Models in detail?

Consumer behavior models are instrumental for understanding how, when, and why your customers buy. By applying the models to your customer acquisition efforts, you can accurately predict who will buy your product and target the right customers at the right time.

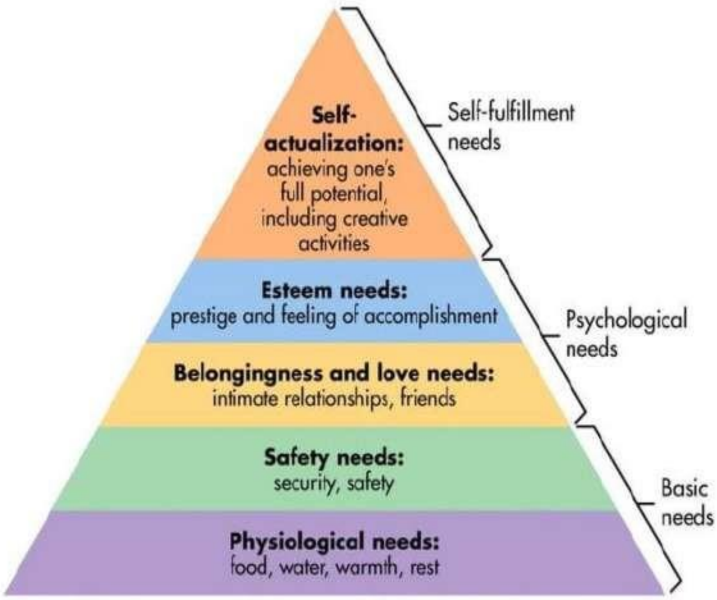
Consumer Behavior Models

Customer behavior models help you understand your unique customer base and more effectively attract, engage, and retain them. These models are either traditional or contemporary.

Traditional Consumer Behaviour Models	Contemporary Consumer Behaviour Models
Learning Model	Engel-Kollat-Blackwell (EKB) Model
Psychoanalytical Model	Black Box Model
Sociological Model	Hawkins Stern Model
Economic Model	Howard Sheth Model
	Nicosia Model
	Webster and Wind Model

1. Learning Model of Consumer Behavior

The Learning Model of customer behavior theorizes that buyer behavior responds to the desire to satisfy basic needs required for survival, like food, and learned needs that arise from lived experiences, like fear or guilt. This model takes influence from psychologist Abraham Maslow's Hierarchy of Needs (pictured below).



2. Psychoanalytical Model of Consumer Behavior

Sigmund Freud is the father of psychoanalysis. The psychoanalytical model draws from his theories and says that individual consumers have deep-rooted motives, both conscious and unconscious, that drive them to make a purchase. These motives can be hidden fears, suppressed desires, or personal longings.

3. Sociological Model

The Sociological Model of consumer behavior says that purchases are influenced by an individual's place within different societal groups: family, friends, and workgroups, as well as less-defined groups like Millennials or people who like yoga. An individual will essentially purchase items based on what is appropriate or typical of the groups they're in.

4. Economic Model of Consumer Behavior

The economic model of consumer behavior is the most straightforward of the traditional models. This model argues that consumers try to meet their needs while spending as few resources (e.g. money) as possible.
That means that businesses and manufacturers can predict sales based on their customers' income and their products' price. If companies offer the lowest-priced product, they may feel that they're guaranteed a consistent level of profit.

Contemporary Models

Contemporary models of consumer behavior focus on rational and deliberate decision-making processes rather than emotions or unconscious desires. The contemporary models include:

- Engel-Kollat-Blackwell (EKB) Model
- Black Box Model
- Hawkins Stern Model
- Howard Sheth Model
- Nicosia Model
- Webster and Wind Model

1. Engel-Kollat-Blackwell (EKB) Model of Consumer Behavior

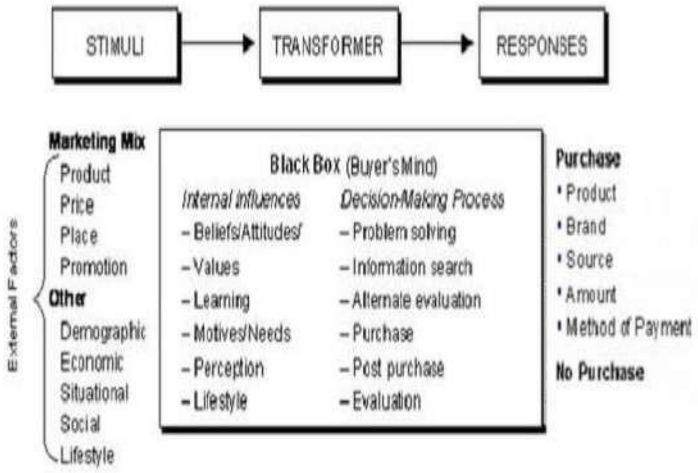
The Engel-Kollat-Blackwell model of consumer behavior outlines a five-stage decision process that consumers go through before purchasing a product or service.

- **Awareness**
- **Information Processing**
- **Evaluation**

- **Purchasing Decision**
- **Outcome Analysis**

2. Black Box Model of Consumer Behavior

The Black Box model, sometimes called the Stimulus-Response model, says that customers are individual thinkers that process internal and external stimuli to make purchase decisions. The graphic below illustrates the decision process.



3. Hawkins Stern Impulse Buying Model

The Impulse Buying theory is an alternative to the Learning Model and EKB, as it claims that purchases aren't always a result of rational thought. When we think of impulse buying, we typically imagine picking up a candy bar or a pack of gum right before checking out. These are certainly impulse purchases, but Hawkins Stern categorizes them into four different types:

- **Escape Purchase**
- **Reminder Purchase**
- **Suggested Purchase**
- **Planned Purchase**

4. Howard Sheth Model of Buying Behavior

The Howard Sheth model of consumer behavior posits that the buyer's journey is a highly rational and methodical decision-making process. In this model, customers put on a "problem-solving" hat every step of the way — with different variables influencing the course of the journey.

5. Nicosia Model

The Nicosia Model places emphasis on the business first and the consumer second. It argues that the company's marketing messages determines whether customers will buy. Simple, right?

While it's an attractive model because it places all the power on businesses, it's unwise to ignore the customer's internal factors that lead to a purchase decision. In other words, while you may offer the wittiest and most effective marketing copy ever, a customer's internal attributes may have more sway in some instances over others.

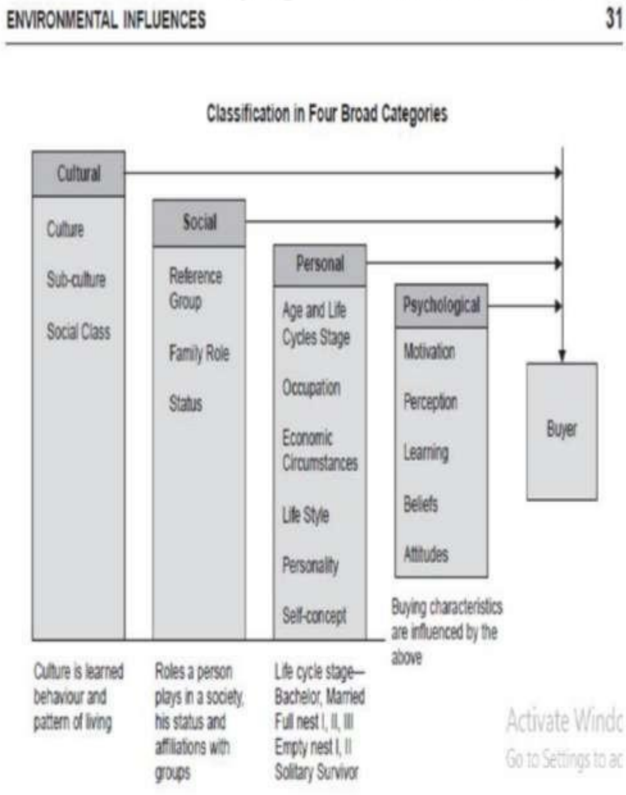
6. Webster and Wind Model of Organizational Buying Behavior

The Webster and Wind Model is a B2B buying behavior model that argues there are four major variables that affect whether an organization makes a purchase decision. Those are:

- **Environmental Variables**
- **Organizational Variables**
- **Buying Center Variables**
- **Individual Variables**

3. Explain Environmental Influences of Consumer Behaviour?

Behaviour of an individual consumer is not only influenced by his internal factors, but also by factors external to him and beyond his control .Major external factors that influence the buying decisions are as follows.



Cultural Influences

It is defined as a complex sum total of knowledge, belief, traditions, customs, art, moral law or any other habit acquired by people as members of society. Our consumer behaviour, that is the things we buy are influenced by our background or culture. Different emphasis is given by different cultures for the buying, use, and disposing of products. People in South India have a certain style of consumption of food, clothing, savings, etc. This differs from the people in the North of India. Different cultures and habits are predominant in different parts of the world. Japanese have a different culture from that of USA, England or Arabian countries. Therefore, in consumer behaviour culture plays a very important part.

Sub-cultural Influences

Within a culture, there are many groups or segments of people with distinct customs, traditions and behaviour. In the Indian culture itself, we have many subcultures, the culture of the South, the North, East and the West. Hindu culture, Muslim culture, Hindus of the South differs in culture from the Hindus of the North and so on. Products are designed to suit a target group of customers which have similar cultural background and are homogeneous in many respects.

Social Group Influences

A group is a collection of individuals who share some consumer relationship, attitudes and have the same interest. Such groups are prevalent in societies. These groups could be primary where interaction takes place frequently and, consists of family groups. These groups have a lot of interaction amongst themselves and are well knit. Secondary groups are a collection of individuals where relationship is more formal and less personal in nature. These could be political groups, work group and study groups, service organisations like the Lions, Rotary, etc. The behaviour of a group is influenced by other member of the group. An individual can be a member of various groups and can have varied influences by different members of groups in his consumption behaviour. An individual can be an executive in a company, can be a member of a political party. He may be a member of a service organisation and of entertainment clubs and study circles. These exert different influences on his consumption.

Family Influence

As has already been said, the family is the most important of the primary group and is the strongest source of influence on consumer behaviour. The family tradition and customs are learnt by children, and they imbibe many behavioural patterns from their family members, both consciously and unconsciously. These behaviour patterns become a part of children's lives. In a joint family, many decisions are jointly made which also leave an impression on the members of the family. These days the structure of the family is changing and people are going in more for nucleus families which consists of parent, and dependent children. The other type of family is the joint family where mother, father, grandparents and relatives also living together.

Personal Influences

Each individual processes the information received in different ways and evaluates the products in his own personal way. This is irrespective of the influence of the family, social class, cultural heritage, etc. His own personality ultimately influences his decision. He can have his personal reasons for likes, dislikes, price, convenience or status. Some individuals may lay greater emphasis on price, others on quality, still others on status, symbol, convenience of the product, etc. Personal influences go a long way in the purchase of a product.

4. Explain Opinion Leadership and the diffusion of innovations?

OPINION LEADERSHIP

An issue of considerable importance to consumers and marketers alike- the informal influence that others have on consumers' behavior and the dynamic processes that impact consumers' behavior is the nature and dynamics of the influence that friends, neighbors, and the acquaintances have on our-consumer related decisions. This influence is often called word-of-mouth communications or the opinion leadership process. We also consider the personality and motivations of those who influence, i.e., opinion leaders and those who are influenced, i.e., opinion receivers.

What is opinion Leadership?

Opinion Leadership is the process by which one person (opinion leader)minformally influences the actions or attitudes of others, who may be opinion seekers or merely opinion recipients. The definition of opinion leadership emphasizes on informal influence. This informal flow of opinion related influence between two or more people is referred to as word-of-mouth communication.

Characteristics of Opinion Leaders

Let us now take a look at the main characteristics of opinion leaders. Some of the main features that all opinion leaders have are: Characteristics of Opinion Leaders

Opinion leaders are more knowledgeable, and have a keen level of interest.

- More involved in the product category
- Have local friendship and social interaction
- Can disseminate information
-Have high credibility
- Have more self-confidence, are more sociable and cosmopolitan, can take risks.

DIFFUSION OF INNOVATIONS

We as consumers always find a new innovation-idea or product or even new service attractive. However, for the firm which is trying its hand at the new innovation, there is always a question hanging around 'How fast will the diffusion of the innovation take place?" This is to say that any innovation has got an element of risk involved. The firm will introduce a new concept or a new product after intensive research is carried out by it. Thus, we see that the process of diffusion of innovation is very critical to a firm. innovation from its source to the consuming public. Adoption is a micro process that focuses on the stages through which an individual consumer passes when deciding to accept or reject a new product. Diffusion of innovations is the process by which acceptance of an innovation (new products or new service or new idea) is spread by communication (mass media, sales people, informal conversation) to members of the target market over a period of time.

The Diffusion Process

The diffusion process follows a similar pattern, overtime, irrespective of the social group or innovation. The typical diffusion process shows a slow growth or adoption. It later rises rapidly, and then a period of slow growth is noticed. In fast diffusion process, the product clicks immediately. The spread of innovation is very quick. People patronize the product immediately, and later on there is again slow diffusion. In slow diffusion process, the product takes a lot of time to diffuse or spread, and the consumer follows a pattern of adoption slowly by getting acquainted with the product. Diffusion is the process by which the acceptance of an innovation (a new product, a new service, new idea or new practice) is spread by communication(mass media, salespeople, or informal conversations) to members of a social system (a target market) over a period of time. The four basic elements of this process are:

1. The Innovation
2. The channels of Communication
3. The Social System
4. Time

5. What is meant by consumer buying behaviour? Explain market implications?

Consumer buying behaviour is a set of actions, steps or processes followed by the consumers in a marketplace before (and after) buying a product or a service. These actions are the result of the attitudes, preferences, intentions and decisions. These actions or steps can be both online and offline given the modern business paradigm.

Consumer Buying Behaviour just not only covers the purchase part but also covers the usability and even the disposal of the products or services. This is part of the Post Purchase Evaluation but is a critical part of the buying behaviour.

Consumer Buying Behaviour Process

The consumer buying behaviour can be broken down into a series of tasks.

Let us see them one by one:

1. Problem recognition

During this stage, the consumer becomes aware of an unfulfilled need or want. For example, his old laptop may be broken and a need arises for a new laptop.

2. Information search

In this stage, the consumer gathers information relevant to solving his problem. Example, collection of information about various laptop models.

3. Evaluation

The various alternatives are evaluated against the consumer's wants needs, preferences, financial resources etc.

4. Purchase

In this stage, the consumer will commit to a particular choice and make the final decision. The choice maybe influenced by price and availability.

5. Post purchase evaluation

In this stage, the consumer evaluates whether the purchase actually satisfied her need or not.

Types of Consumer Buying Behaviour

Following are the types:

1. Complex

High degree of consumer involvement with significant brand differences.

Example - Cars.

2. Dissonance Reducing

High degree of involvement with little brand differences.

Example - Carpeting

3. Habitual

Low involvement with little brand difference.

Example - Salt

4. Variety seeking

Low involvement with significant perceived brand difference.

Example -Chocolates

Factors influencing Consumer Buying Behavior

Various factors influence the consumer's buying behaviour. They can be broadly categorized as below:

External factors

1. Influence of a group

This includes the influence of culture, family and reference groups on the buying behaviour of the consumer

2. Environmental/situational

Factors like season, time of day, temperature and humidity etc. also affect the decision making process.

3. Economic conditions

Internal factors

Lifestyle, Personality, Motivation etc.

These factors hold different level of importance for different kinds of products. For example, consider a cold drink brand, Pepsi. The sales of Pepsi will be majorly influenced by the environmental factors like season and temperature. The influence of group is minimal in this case. On the other hand, while purchasing a car, the consumer's decision majorly rests on group influence and his internal factors. The environmental factors have almost no role in this purchase.

Market implications:

Once you know how consumers make choices, how does that apply to your marketing efforts? The answer is multifaceted. You need to know how your core demographic makes these choices, not the general process that consumers go through. The most effective answer to your questions involves marketing research.

There is a wide variety of available marketing research strategies, including:

- Online surveys
- Proctored testing
- Diary studies
- Focus groups

Online Surveys in Marketing

Online surveys are the easiest and cheapest way to get customer data quickly. To properly create a survey, you must focus on one major task at a time. You won't get clear data if you aren't focused on an online survey, and your questions need to be easy to read and should be able to be answered simply.

Proctored Testing in Marketing

In this case, proctored testing isn't the same as the testing done by schools. Instead, it focuses on having a researcher present while the customer is testing out a feature or product. For example, if you want to know how your online application is functioning, you should watch customers shopping on their phones.

What is most important in this scenario is the ability to get customer feedback in real-time. Encourage your participants to think aloud while they are working through whatever task you choose to give them. Your customer's thought process is debatably more valuable to you as a marketer than how the tested application or product performs.

Diary Studies in Marketing

While much more time-consuming and intricate than either surveys or proctored testing, diary studies can be invaluable to a marketer. Your participants will either do a video daily or record specific tasks related to your product during a given timeframe. Typically a week is a reasonable request for participant time; more than that will increase your risk of drop-off significantly.

Focus Groups in Marketing

Focus groups used to be a major part of any marketing research; however, they are extremely ineffective and shouldn't be used often. There have been numerous tests on the effectiveness of focus groups. One such test used a pair of jeans as the item being discussed. The researcher brought out a pair of jeans and asked for them to be passed around and checked out, and then the participants were invited to discuss.

After they had finished with the first pair of jeans, the researcher took the pants out of the room, waited a bit and then returned with the same pair of jeans. Almost immediately, it became apparent that at least one participant knew that they were the same pair, but they didn't vocalize that opinion because everyone else was agreeing with either the first or the most self-assured participant.

Focus groups also tend to skew in the way that a company "wants" them to. This isn't true research because of the confirmation bias. To get a true understanding of how to study consumers, you must talk to them individually to avoid the cult of personality.

6. Explain Consumer Perceptions? Describe Learning and attitudes?

Customer perception is the customer's overall opinion, thought, awareness and feelings about a company and its product and service offerings. Customer perception is also referred to as Consumer perception. Customer perception refers to the process by which a customer selects, organizes, and interprets information/stimuli inputs to create a meaningful picture of the brand or the product through various stages.

4 Stages of Customer Perception

Customer Perception is a three stage process that translates raw stimuli into meaningful information.

Each individual interprets the meaning of stimulus in a manner consistent with his/her own unique biases, needs and expectations. Three stages of perception are exposure, attention , interpretation and memory

1. Exposure

Exposure includes the elements like colors, logo, sound, ambience which a customer experiences when they interact with a brand or a product. When we see a particular color and taste a unique flavor it can get our attention which forms the second stage.

2. Attention

Attention comes into picture when the exposure stage completes and the customer takes notice of the message and product being marketed. If the attention results in positive experience, it may get into the interpretation stage.

3. Interpretation

Interpretation is how a customer assigns meaning or some value to the inputs and experience in the first 2 stages of customer perception. It can lead to comparison with another similar product or some similar experience from the past. Overall the customer assigns some meaning to the overall experience with the product.

4. Retention

Now the final stage is when the customer remembers the interaction for future references by storing it in the memory. This means that the customer perception is now formed. It may be positive or it may be negative as well.

Importance of Customer Perception

Customer Perception is very important for companies or brands as it tells them how their potential customers think about them. It is very important because if the customer form a negative perception then no amount of work on brand or product will improve sales. The companies need to know at all times how customer perceive them so as to tweak the positioning or offers to make sure that the brand image and identity are in sync.

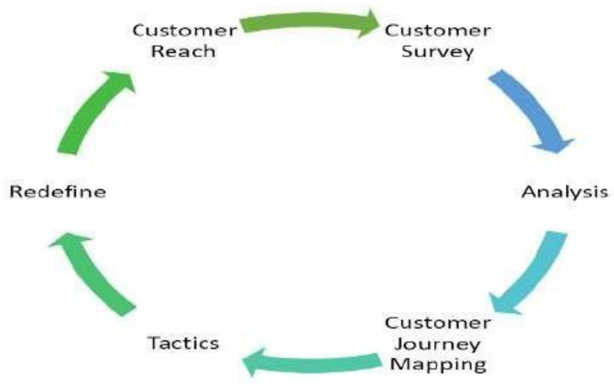
Also, it is very important as many a times the customer perception stays for a long time in the minds of the consumers and sometimes it can be permanent as well. Initial Customer Perceptions needs to be positive as that will lead to the future scope of the brand. The negative image of the brand affects the overall customer perception affecting the bottom line. The customer perception can be improved by following the customer perception cycle as stated below as a fresh start listing to what the customers perceive and expect from the product/service offered by the organization.

Customer Perception is equally valid in pre-sales as well as after-sales customer journey. Sometimes poor customer service after the sales can affect the perception and cause reduced repeat business. Ineffective sales and marketing can cause negative perception even before sale is made. Managing Customer Perception is one of the most critical tasks for a company looking to launch and maintain a big brand.

Creating & Improving Customer Perception

Creating customer perception is a careful process which is conducted with customers to create the desired customer perception

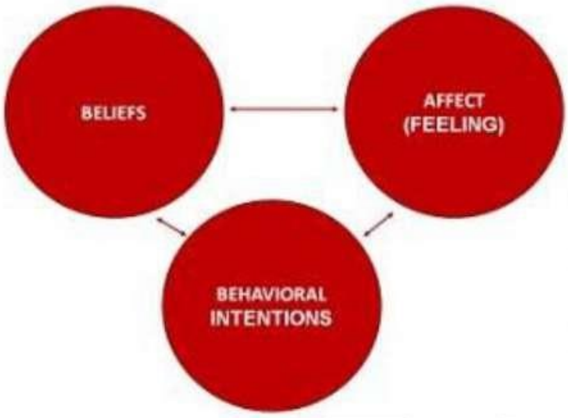
1. Customer Survey
2. Response Analysis and Customer Journey Mapping
3. Formulation of tactics to create perception
4. Reach to Customers with redefined/tweaked messaging



Learning and Attitudes:

Consumer attitude may be defined as a feeling of favorableness or unfavorableness that an individual has towards an object. As we, all know that an individual with a positive attitude is more likely to buy a product and this results in the possibility of liking or disliking a product.

Consumer attitude basically comprises of beliefs towards, feelings towards and behavioral intentions towards some objects.



Belief plays a vital role for consumers because, it can be either positive or negative towards an object. For example, some may say tea is good and relieves tension, others may say too much of tea is not good for health. Human beliefs are not accurate and can change according to situations.

Consumers have certain specific **feelings** towards some products or brands. Sometimes these feelings are based on certain beliefs and sometimes they are not. For example, an individual feels uneasy when he thinks about cheese burst pizza, because of the tremendous amount of cheese or fat it has.

Behavioral intentions show the plans of consumers with respect to the products. This is sometimes a logical result of beliefs or feelings, but not always. For example, an individual personally might not like a restaurant, but may visit it because it is the hangout place for his friends.

Functions of Attitudes

The following are the functions of attitudes

- **Adjustment Function** − Attitudes helps people to adjust to different situations and circumstances.
- **Ego Defensive Function** − Attitudes are formed to protect the ego. We all are bothered about our self-esteem and image so the product boosting our ego is the target of such a kind of attitude.
- **Value Expression Function** − Attitudes usually represent the values the individual posses. We gain values, though our upbringing and training. Our value system encourages or discourages us to buy certain products. For example, our value system allows or disallows us to purchase products such as cigarettes, alcohol, drugs, etc.
- **Knowledge Function** − Individuals' continuously seeks knowledge and information. When an individual gets information about a particular product, he creates and modifies his attitude towards that product.

Models of Attitude

The following are the models of attitude

- **Tri-component Model** − According to tri-component model, attitude consists of the following three components.
- **Cognitive Component** − The first component is cognitive component. It consists of an individual's knowledge or perception towards few products or services through personal experience or related information from various sources. This knowledge, usually results in beliefs, which a consumer has, and specific behavior.
- **Affective Component** − The second part is the affective component. This consists of a person's feelings, sentiments, and emotions for a particular brand or product. They treat them as the primary criteria for the purpose of evaluation. The state of mind also plays a major role, like the sadness, happiness, anger, or stress, which also affects the attitude of a consumer.
- **Conative Component** − The last component is conative component, which consists of a person's intention or likelihood towards a particular

product. It usually means the actual behavior of the person or his intention.

7. Explain strategic marketing applications? What is meant by market segmentation strategy?

Strategic marketing relates to the action plans used by a company when allocating its resources to implement competitive strategies, which is the way it competes to strengthen its market position. In a market-focused business culture, the aim is to increase competitive advantages and profitability. This involves continuous adaptation to customer needs and expectations. Core elements include matters related to customer and competitor analysis, distribution methodologies, pricing, brand management and marketing communication.

Marketing Plan

Strategic marketing is the tactical methods used to implement the goals and objectives of a formal, written marketing plan. Here, the company's mission and vision statements are tied to activities and tasks that fulfill specific needs of the organization's target market. The typical marketing plan includes an executive summary; situational analysis; SWOT analysis -- strengths, weaknesses, opportunities and threats; objectives; strategy; action plans; financial forecast; and performance controls.

Strategic Planning

The methodologies used to implement a marketing plan include planned and unplanned actions that both anticipate and adapt to changes in internal and external business environments. Action plans might cover an assortment of cultural, economic, ethical, legal, political and technological issues that arise in implementing the marketing plan. Distribution issues, for example, might be a major factor in implementing marketing strategies. Marketing strategies might address issues related to physical logistics, geographical coverage and distribution channels.

Customer Analysis

Strategic marketing should ultimately fulfill the business goal to enhance quality customer service. It is primarily a customer-centric marketing framework that involves an ongoing evaluation of customer preferences, which can be derived from qualitative and quantitative tools like focus groups, surveys and sales data. By understanding a customer's buying decision process, a marketing manager is able to better understand the needs of prospective customers and gain insights on customer values.

Competitor Analysis

Managers must know how competitors are both performing and addressing marketing needs. Competitive marketing strategies require a close evaluation and comparison of industry benchmark data for key competitors against internal business data to assess market position. Here, strategic planning techniques like SWOT analysis helps elucidate prospective strategies. Strengths and weaknesses relate to a company's internal assessment, while opportunities and threats relates to external factors like competitors.

Market Segmentation Strategy:

Market segmentation is a process of dividing a heterogeneous market into relatively more homogenous segments base on certain parameters like geographic, demographic, psychographic, and behavioral. It is the activity of dividing a broad consumer or business market, normally consisting of existing and potential customers, into sub-groups of consumers (known as segments) based on some type of shared characteristics.

In dividing or segmenting markets, researchers typically look for common characteristics such as shared needs, common interests, similar lifestyles, or even similar demographic profiles. The overall aim of segmentation is to identify high yield segments- that is, those segments that are likely to be the most profitable or that have growth potential – so that these can be selected for special attention (i.e. become target markets).

Four Types Of Market Segmentation

Geographic Segmentation– This can be as general as a country or as specific as a particular neighborhood.

Demographic Segmentation– This type of information includes age, ethnicity, gender, occupation, etc.

Behavioral Segmentation– This includes buying patterns, attitudes, and knowledge towards products, brands, and services.

Psychographic Segmentation– Honing in on more psychological aspects, this segmentation includes lifestyle, values, social class, and personality patterns.

HOW TO IMPLEMENT THE RIGHT MARKET SEGMENTATION STRATEGIES

It is time to put what you have learned to use. Here are five steps that lay the process out. However, before getting started, consider using marketing CRM software solutions to streamline and measure your efforts effectively. Since as your strategy becomes more complex and your campaigns grow larger, you will be happy with the amount of time and resources you were able to save from having everything automated from the very beginning.

Define your market

Where does your brand fit within the current market landscape? Is there a need for the solution you promise to provide? How large is the market? These are all important questions to consider when starting this step.

Segment your market

This is where it gets fun. Decide which of the four segmentation methods you are going to use, but do not feel confined by one segmentation method.

It is common for brands to implement more than one segmentation technique and take a combination approach, so play around with each and find the perfect mix for your brand.

Understand your market

Ask your target market the questions that relate to the segmentation categories you chose. You should get to know your target market through and through at this step. You can use surveys, focus groups, polls, and more to obtain your answers. Make sure you are asking questions that will provide quantifiable answers.

Build your customer segments

Interpret the responses you received to create dynamic customer segments that are unique to your brand. Make sure that you are focusing on the buying power of the segments and not creating any that are too small. Look over the common mistakes one last time to ensure you are not making any of the above-stated mistakes.

Test your strategy

Ensure that you have interpreted your responses accurately by testing it on your target market. Implement conversion tracking early. It is one of the best ways to determine the effectiveness of your strategy.

If you are not relating to your customers with the segments you have created, then you will need to relook at your survey methods and analysis. Be sure that the strategy you choose has unique characteristics from others in the marketplace so you can stand out among the crowd.

8. What are consumer rights and marketers responsibilities?

Consumer rights are a set of rights governed by the law that gives allows customers to have the necessary information about goods and services while purchasing. Similarly, consumer responsibilities indicate that customers have a specific responsibility towards the society and other consumers and help them to fight against the unfair practice or at least be aware of it. These rights and responsibilities are registered under the *Consumer Protection Act* 1986.

Consumer Rights

- **Right to Safety**- Before buying, a consumer can insist on the quality and guarantee of the goods. They should ideally purchase a certified product like ISI or AGMARK.
- **Right to Choose**- Consumer should have the right to choose from a variety of goods and in a competitive price
- **Right to be informed**- The buyers should be informed with all the necessary details of the product, make her/him act wise, and change the buying decision.
- **Right to Consumer Education**- Consumer should be aware of his/her rights and avoid exploitation. Ignorance can cost them more.
- **Right to be heard**- This means the consumer will get due attention to express their grievances at a suitable forum.
- **Right to seek compensation**- The defines that the consumer has the right to seek redress against unfair and cruel practices or exploitation of the consumer.

Consumer Responsibilities

- **Responsibility to be aware –** A consumer has to be mindful of the safety and quality of products and services before purchasing.
- **Responsibility to think independently**– Consumer should be well concerned about what they want and need and therefore make independent choices.
- **Responsibility to speak out**- Buyer should be fearless to speak out their grievances and tell traders what they exactly want
- **Responsibility to complain**- It's consumer responsibility to express and file a complaint about their dissatisfaction with goods or services in a sincere and fair manner.
- **Responsibility to be an Ethical Consumer**- They should be fair and not engage themselves with any deceptive practice.

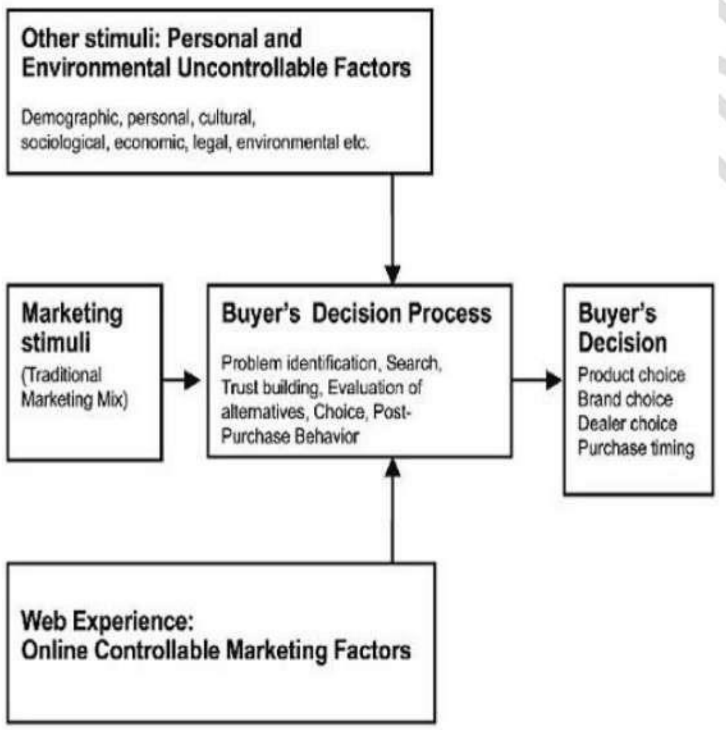
Meaning of Consumer Awareness

Consumer awareness is a process of making an individual or consumer awareness of their rights and responsibilities when purchasing goods and services. Awareness is essential for all customers so that they take the right decision and make the right choice about the products and services being sold and sold. One of the examples of Consumer Awareness Example in India is "Jago Grahak Jago'.

9. Explain global consumer behaviour and online buying behaviour?

With the evolution of online communication through internet, customers now see online advertisements of various brands. It is fast catching up with the buying behavior of consumers and is a major source of publicity for niche segments and also for established brands. This is the new way of digital revolution and businesses worldwide have realized their worth.

Examples − Online catalogues, Websites, or Search engines. When customers have sufficient information, they will need to compare with the choices of products or services.



Online Customer Behavior Process

According to the above figure, in the search stage, they might look for the product reviews or customer comments. They will find out which brand or company offers them the best fit to their expectation.

During this stage, well-organized web site structure and attractive design are important things to persuade consumers to be interested in buying product or service.

Stage 1

The most useful characteristic of internet is that it supports the pre-purchase stage as it helps customers compare different options.

Stage 2

During the purchasing stage, product assortment, sale services and information quality seem to be the most important point to help consumers decide what product they should select, or what seller they should buy from.

Stage 3

Post-purchase behavior will become more important after their online purchase. Consumers sometimes have a difficulty or concern about the product, or they might want to change or return the product that they have bought. Thus, return and exchange services become more important at this stage.

Factors of Online Customer Behavior

The first elements to identify are factors that motivate customers to buy products or services online. They are divided into two categories − external factors and internal factors.

- **The External Factors** are the ones beyond the control of the customers. They can divide into five sectors namely demographic, socio-economic, technology and public policy; culture; sub- culture; reference groups; and marketing.
- **Internal Factors** are the personal traits or behaviors which include attitudes, learning, perception, motivation, self image.
- **The Functional Motives** is related to the consumer needs and include things like time, convenience of shopping online, price, the environment of shopping place, selection of products etc.
- **The Non-Functional Motives** related to the culture or social values like the brand of the store or product.

Filtering Elements

Customers use these three factors to filter their buying choices and decide on the final selection of stores they are willing to purchase from. They use the knowledge to filter their purchase options by three factors −

- Security
- Privacy
- Trust and Trustworthiness

10. Explain the issues of privacy and ethics in consumer behaviour ?

Marketing ethics serve as moral principles and values that should be followed during marketing communication. They are the guidelines that let companies decide about their new marketing strategies. But also keep in mind that it depends on one's judgment of 'right' and 'wrong.' Any unethical behaviour is not necessarily unlawful. For example, if a company makes any claims about its products and cannot live up to those claims, it may be called unethical behaviour.

Marketing ethics fosters fairness and honesty in all advertisements. Any fraudulent claims to the customers, intruding on consumers' privacy, stereotyping, and targeting the vulnerable audience (like children and elderly) are deemed unethical. Even trying to damage the competitor's image is considered immoral.

Role of Ethics in Marketing

Ethical marketing refers to a marketer's obligation to ensure all marketing activities stick to core ethics principles, involving integrity, humility, and honesty — both internally and externally.

Our economic system has become adequate at providing wants and needs for the public with time.

This has turned the market's primary focus toward ethical values while serving customers' needs. This is mainly due to two reasons: When there is ethical behaviour from the organization's side, there is a more powerful positive public attitude to different services and goods. However, to make their efforts valid to the general public, they must stick to specific marketing standards.

In addition, ethical bodies and organizations manage to pressurize and hold organizations and companies responsible for their actions. As a result, there is a lot of inquiry and sets of guidelines, which have to be strictly followed.

Ethics in marketing plays a crucial role in ethical decision-making for a product or service's optimized presence in its target niche. An ethical marketing technique is liable for paying heed to different factors such as-

- Organizational aspects such as culture, norms, values, and opportunity
- Individual factors such as righteous philosophies and values
- Stakeholder interests and concerns
- The intensity of ethical issues in marketing and organization setup
- Ethical decision making
- Evaluation of ethical outcomes

For instance, your marketing team hires a design agency for a new marketing campaign. However, halfway through the campaign, your team finds the agency doesn't treat its workers lawfully and doesn't align well with your values in terms of environmental and social responsibility.

It's in your best interest to stop working with the agency as soon as possible and re-align yourself with agents that uphold the same standards you've established for your team internally.

Equally important, of course, is the public-facing element of ethical marketing.

Additionally, ethical marketing also implies treating workers reasonably, employing sustainable materials, and doing your part to help environmental or social causes that feel vital to your brand.

What Makes Marketing Ethics Important?

According to reports by Forbes, Over 90% of millennial customers like buying products from ethical companies. Also, over 80% of those users believe that ethical brands beat other market players that follow ethical marketing.

Ethical marketing is important to an organization's overall growth and development over time.

The involved set of guidelines and rules leads to a purely good, organized roadmap for everyone to follow. These sometimes overlap with media ethics since they are closely connected with definition and functioning.

Here are the reasons why ethical marketing is an integral part of the life of an organization.

1. Customer Loyalty

It is one of the most critical factors for ethical marketing. With the proper adoption of ethics in business and operation, the company can earn its consumers' loyalty, trust, and confidence that can serve in the long run.

The natural human inclination to go after the genuine brand will surely give them promising gains, both in the present and future.

2. Long-term gains

The company or organization's foundation is based not only on its ability to survive the present but also on planning a bright future. By adopting appropriate marketing ethics, brands can engage prospects with high credibility, customer loyalty, significant market share, improved brand value, better sales, and better revenue.

These ethical practices will place their right towards achieving both short-term and long-term goals with perfection.

3. Improved credibility

When the organization looks forward to keeping its commitments surrounding its services and products on a constant and consistent basis, it slowly and steadily goes towards the path of cutting itself into an authentic and genuine brand in the market and customers' minds.

It is not just limited to these two, and a good process can even make good respect in front of investors, counterparts, competitors, stakeholders, etc.

4. Advanced Leadership qualities

When a company pursues ethical practices for an extended period, it gradually presents itself as a leader who can benchmark its policies and strategies that surround its structure and functioning.

This eventually leads to numerous benefits like enhanced share in the market, higher sales, inspiration for others, respect, mutual benefits, etc.

5. Display of a rich culture

This structure offers a positive outlook when seen from the outside, but it also leads to a good structure and environment within the hierarchy internally. It gives rise to higher production owing to a confident and highly motivated staff.

6. The attraction of the right talent at the right place

Once the company can build brand value in the market, it becomes a beacon for prominent individuals for the association.

Various people like prospective employees, consultants, vendors, etc., look forward to associating and working with the ethical brands that encourage them exponentially. This further let them achieve their goals in a short period successfully.

7. The satisfaction of basic human wants and needs

Once an organization is on route to the appropriate marketing ethics, it solves its customers' basic requirements and desires in the form of integrity, trust, and honesty. When this is displayed for a long time, various other benefits follow.

8. Reaching financial goals

To function smoothly for long periods, the company has to have good financial partners that allow them to grow and make significant strides in the market. Moreover, it helps them earn the moral ground necessary to entice such people.

9. Enhancement of brand value in the market

Once a proper code concerning ethical marketing i followed by the organization, the public in the form o consumers, competitors, stakeholders, etc., look up t such organizations. They pursue such brands wit religious dedication, providing a sufficient boost to mar the market.