

CHANGES IN CONSUMER BEHAVIOUR IN INDIA

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Abstract:

Possibly the most challenging concept in marketing is to deal with understanding the buyer behaviour. The attitude of Indian consumer has undergone a major transformation over the last few years. The Indian consumer today wants to lead a life full of luxury and comfort. He wants to live in present and does not believe in savings for the future. An important and recent development in India's consumerism is the emergence of the rural market for the several basic consumer goods. The middleclass has provided a big boost to the consumer culture. During the recent past and it is hoped that their buying behaviour will continue to change in the coming future. Due to the fast growth of the service sector per capita income of people of India is also increasing. The number of middleclass is increasing due to another fact that people are fast shifting from agriculture to the services and industry sector where growth prospects are reasonably high as compared to agriculture sector which is showing slow growth.

KEYWORDS:

challenging , behaviour , growth prospects , agriculture.

INTRODUCTION

The consumption pattern of country depends on liberalization of economic policies, buying habits of younger generation, financial independence at young age, increase in number of nuclear families and increase in media exposure of people. The taste and preferences of the current generation are changing rapidly. The current generation does not mind paying extra for better facilities and ambience. Another factor that leads to consumerism is the growth of credit culture in India. The Indian consumer does not feel shy to purchase product credit and pay tomorrow for what they use or buy today. This tendency has led to a tremendous increase in purchase of homes, cars, two-wheeler and consumer goods. The reason behind this is that the purchasing power of people of India is rising very steeply. The Indian consumer is today highly aware about the product, price, quality and other option available with him. The purchasing is done by keeping all these factors in mind. Today price is not only consideration as it was a few years back when prices played a major role in purchasing. Marketers are buying hard to capture this ever increasing Indian middleclass as they form a bulk of Indian consumers.

FACTORS AFFECTING CONSUMER BEHAVIOUR:-

Consumer behaviour is affected by lot of variable, ranging from personal motivations, needs, attitude and values, personality characteristics, socio-economic, cultural background, age, sex, professional status to social influences of various kinds exerted by family, friends, colleagues, and society as a whole. The combination of these various factors produces different impact on each one of us manifested in our different behaviour as consumers. The various factors that affect the buying behaviour of in rural India are:-

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Environment of consumer:-

The environment or surroundings within which the consumer lives, has a very strong influence on buyer behaviour for e.g.-electrification, water supply affects demand for durables.

Geographic influences:-

The Geographic location in which the consumer is located also speaks about the thought process of consumer. For instance-village in south India accept technology quicker than in other parts of India. Thus, HMT sells more winding watches in north while they sell more quartz watches down south.

Influence of occupation:-

The land owner and services clan buy more of category second and category third durables than agriculture labourers/farmers.

Place of purchase:-

Companies need to assess the influence of retailers on both consumers at village shops and at haats.

Creative use of product:-

Example-godrej hair dye being used as a paint to colour horns of oxen. Washing machine being used for churning lassi. The study of product end provides indicators to the company on the need for education and also for new product ideas.

Cultural factor influencing consumer behaviour:-

Cultural factors exert the broadest and deepest influence on consumer behaviour.the marketer needs to understand the role played by the buyer's culture. Culture is the most basic elements that shape a person's wants and behaviour. In India, there are so many different cultures, which only goes on to make the marketer's job tougher? Some of few cultural factors are:-

Product (colour, size, design shape):-

There are many examples that support this point. For e.g.-TATA Sumo which was launched in rural India in a white color was not well accepted. But when the same sumo was relaunched as spacio and in a bright yellow colour, with large seating capacity and ability to transport good the acceptance was higher. Another good example would be Philips audio system. Urban India looks a technology with viewpoint of smaller the better. However in rural India, the view point is totally opposite. The main reason for large acceptance of big audio system.

Social practices:-

There are so many different cultures and each culture exhibits different social practices. For e.g.-in a few villages they have common bath areas. Villagers used to buy one lifebuoy cake and cut it in to smaller bars. This help lifebuoy to introduce smaller 75 gram soap bars which could be used individually.

Decision making by male head:-

The male in Indian culture has always been given the designation of key decision maker. For e.g.-the mukhiya's option in most cases, is shared with rest of the village. Even in house male is the final decision maker. In rural areas, this trend is very prominent.

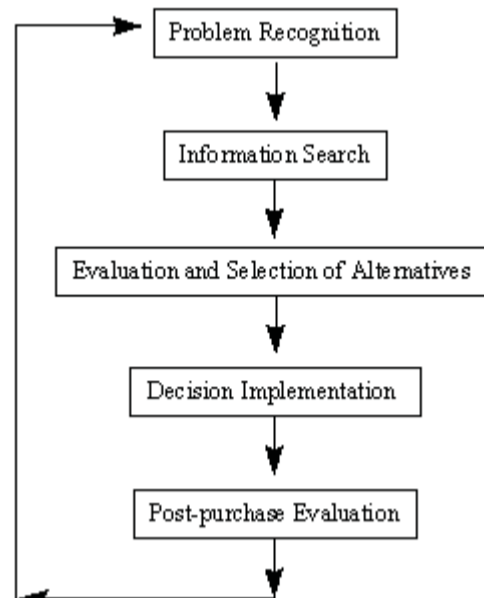
Changes in saving and investment patterns:-

From gold, land, to tractors, VCR's, LCD, TV's etc.

Consumer's decision making process:-

Traditionally, consumer researchers have approached decision making process from a rational perspective. This dominant school of thought views consumers as being cognitive (i.e., problem-solving) and, to some but a lesser degree, emotional. Such a view is reflected in the stage model of a typical buying process (often called the consumer information processing model) depicted in Figure 1.

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In this model, the consumer passes through five stages: problem recognition, information search, evaluation and selection of alternatives, decision implementation, and post-purchase evaluation.

PROBLEM RECOGNITION:-

In this information processing model, the consumer buying process begins when the buyer recognizes a problem or need. For example, Doug may realize that his best suit doesn't look contemporary any more. Or, Kathleen may recognize that her personal computer is not performing as well as she thought it should. These are the kinds of problem that we as consumers encounter all the time. When we found out a difference between the actual state and a desired state, a problem is recognized. When we find a problem, we usually try to solve the problem. We, in other words, recognize the need to solve the problem.

INFORMATION SEARCH:-

When a consumer discovers a problem, he/she is likely to search for more information. Kathleen may simply pay more attention to product information of a personal computer. She becomes more attentive to computer ads, computers purchased by her friends, and peer conversations about computers. Or, she may more actively seek information by visiting stores, talking to friends, or reading computer magazines, among others. Through gathering information, the consumer learns more about some brands that compete in the market and their features and characteristics. Theoretically, there is a total set of brands available to Kathleen, but she will become aware of only a subset of the brands (awareness set) in the market. Some of these brands may satisfy her initial buying criteria, such as price and processing speed (consideration set). As Kathleen proceeds to more information search, only a few will remain as strong candidates (choice set).

EVALUATION AND SELECTION OF ALTERNATIVES:-

How does the consumer process competitive brand information and evaluate the value of the brands? Unfortunately there is no single, simple evaluation process applied by all consumers or by one consumer in all buying situations. One dominant view, however, is to see the evaluation process as being cognitively driven and rational. Under this view, a consumer is trying to solve the problem and ultimately satisfying his/her need. In other words, he/she will look for problem-solving benefits from the product. The consumer, then, looks for products with a certain set of attributes that deliver the benefits. Thus, the consumer sees each product as a bundle of attributes with different levels of ability of delivering the problem solving benefits to satisfy his/her need. The distinctions among the need, benefits, and attributes are very important for evaluation and best one is selected by consumers.

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Decision Implementation:-

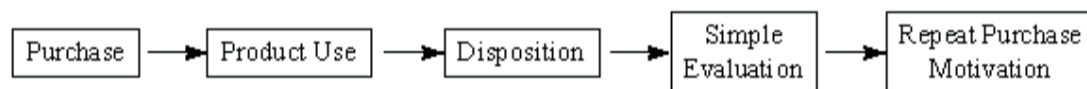
To actually implement the purchase decision, however, a consumer needs to select both specific items (brands) and specific outlets (where to buy) to resolve the problems. There are, in fact, three ways these decisions can be made:

- 1) Simultaneously;
- 2) Item first, outlet second; or
- 3) Outlet first, item second.

In many situations, consumers engage in a simultaneous selection process of stores and brands. For example, in our Kathleen's personal computer case, she may select a set of brands based on both the product's technical features (attributes) and availability of brands in the computer stores and mail-order catalogs she knows well. It is also possible, that she decides where to buy (e.g., CompUSA in her neighborhood) and then chooses one or two brands the store carries. Once the brand and outlet have been decided, the consumer moves on to the transaction ("buying").

Post-purchase Evaluation:-

Post-purchase evaluation processes are directly influenced by the type of preceding decision-making process. Directly relevant here is the level of purchase involvement of the consumer. Purchase involvement is often referred to as "the level of concern for or interest in the purchase" situation, and it determines how extensively the consumer searches information in making a purchase decision. Although purchase involvement is viewed as a continuum (from low to high), it is useful to consider two extreme cases here. Suppose one buys a certain brand of product (e.g., Diet Pepsi) as a matter of habit (habitual purchase). For him/her, buying a cola drink is a very low purchase involvement situation, and he/she is not likely to search and evaluate product information extensively. In such a case, the consumer would simply purchase, consume and/or dispose of the product with very limited post-purchase evaluation, and generally maintain a high level of repeat purchase motivation.



CONCLUSION:-

From above analysis it is very clear that Indian consumers buying behavior and their attitude have changed drastically in the recent past. With changing economic situation of India, it is not that only the rich are spending more and more but in fact it is the great Indian middle class that's thrown caution to the winds and enjoying themselves like ever before and are on a spending juggernaut. Brand India is riding high. It's a new mindset at play. Living for the day is the new motto. This translates into spending on a new home, a new car, the latest digital camera, appliances for the kitchen, home decor etc. The change is drastic compared to a generation back where saving for a rainy day was the usual practice. There was a clear line drawn between necessities, which could be counted on the fingertips of one hand, and luxuries. Loans were not forthcoming. Never borrow, never lend was the favorites theme. Banks and credit card companies are vying with each other in offering loans to customers. The credit card business is booming. Indians were sold 45,000 credit cards a day last year and together they spent Rs 120 crore a day through credit cards during the year. The face of changing India is reflected as Airlines, hotels, FMCG companies, auto giants, retail chains; mobile phone companies are all reworking strategies and slashing prices to reach the low-end consumer in rural areas. The success-driven Indians don't have to wait for opportunity to knock at their doors. It is all around them and in plenty. With a job scene that is booming a host of avenues are open to even college students. A slew of industries that had almost no presence in the country a few moons back are dishing out jobs in plenty. Call centers, retail chains, mobile phone companies, data processing firms have all contributed to the job explosion. But that's not the whole story. Even as high-tech gadgets have invaded the Indian consumer market with the liberalization of the economy, finding two square meals a day is a daunting task for some. It is this broad spectrum of people perhaps that makes India keep its head on its shoulders and not get carried away. One thing is for sure that the pace of change in the needs, desires and wants of the Indian consumers will be even steeper and will further change drastically in the near future.

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