

26

Changing Consumer Behaviour

Change is taking place every moment in consumers, in market and we must keep up with the change.

This chapter will give an understanding of:

- *Consumer behaviour changes in the Indian context*
- *New innovative techniques adopted by marketer*
- *Marketeers concern about the changes and effort to solve them*

Changing Consumer Behaviour

■ 26.1 In the Indian Context

“Think of the customer first, if you would have the customer think of you.”

The consumption pattern and the behaviour of the consumer has been changing gradually. Since the last two decades we have seen many changes occurring in the attitude, perception, motivation, spending habits, purchase, and post-purchase behaviour of the consumer.

The consumer of the 80s was austere and bought those things that were needed by him and the household. He was not very adventurous in spending habits. He had the restraint put on him by low income, the non-availability of products and traditional methods of buying. Most of these were for all the classes of consumers—the upper, or lower income groups. Even if they had the money and the willingness to buy, they could not purchase because of the limited choice of product, even after having booked the same a few years earlier (for example the waiting period for Bajaj scooters was almost four years and FIAT Padmin, over a year and a half). Many products were not available in the Indian market due to import restrictions, and the consumer had to depend on the product smuggled in from foreign countries and paying heavy duty on them. Under these conditions the entire definition of consumer behaviour was put to limitations. “Consumer behaviour is a decision-making process and physical activity engaged in while evaluating, acquiring, using and disposing of goods and services.”

Taking the case of Bajaj scooter, as it was the only dependable scooter available in 1900s. There was hardly any decision making as there was no choice for the consumer. The same could apply to cars. When the products available in the market were few there were hardly any physical activity to be performed. By physical activity we mean the effort made to analyse the products and do their comparative study, according to the desired attributes. This led to the evaluation of the product with every few and limited attributes that one could visualise. Even if the mindset for the purchase was positive, it was difficult to purchase as the products were in short supply and there was hardly any competitors. The process of evaluation purchase was reduced or had little to delve upon. Even after the purchase the factor of satisfaction and dissatisfaction had little meaning as you had to be satisfied with the best that was available, and the customer could not aspire for more than what was offered. One could dispose off the product after use with little difficulty.

In the new millennium however, the consumer behaviour has changed much. The consumer of the 80s had less discretionary income and with liberation in 1985 to globalization

taking place since 1991 a whole lot of goods flooded the Indian market. Like refrigerators, washing machines, black & white TV, colour TV, VCRs, cars, scooters, motor cycles, cosmetics, gas cylinders, cellular phones, microwave ovens, internet, ATM cards etc., Marketing through TV and internet became possible. Moreover, fast-food centres with home delivery of snacks, food and drinks gave the consumer options. A lot of avenues were opened for travel and communications, PCO, STD, FAX, photocopy machines were available almost at every crossing.

New innovative marketing techniques, branding the product, suited the Indian style. Branding Maharaja Burger instead of Big Mac, hot sams instead of Samasas and like Indianisation of fast food brands and lowering the price to suit the Indian consumer. The Indian consumer is very price conscious, and to suit the consumer changes in the product (several ranges, models, colours, sizes) as mentioned above were made. There were changes in the price, range of prices, instalment offers, promotion offers (buy 2 take one free). In distribution extra pains are taken to reach the goods to the consumer (free delivery) have been some of the innovations in the marketing techniques. Changes have taken place in the Indian consumer due to innovation in the product, in liberalisation and the marketing mix.

The behaviour of today's customer is changed due to the economic liberalisation and economic crisis. He does not have to buy sub-quality and shoddy products. He can dictate his terms, and as somebody has rightly stated, "The customer is not only the king but also the queen, the prince and the princess." He can choose from a plethora of brands, return the product if not approved. Can take a free trial, negotiate and bargain. He can reject and accommodate. He can use credit cards, buy houses, cars, flats on easy instalments and can even get rebate from taxes, by taking a loan for a home etc.

He can access abundant information through the internet. The marketer is happy to provide service to him free of cost. It is the service that plays an important role in promoting products and brands. Marketeers are all out to differentiate their products with plans of service, price, packaging, branding, promotion etc. Celebrities are being used to promote products. Coco Cola, Pepsi "Yeh Dil Mange more", Maharaja of Air India and other brands have been globalised.

The marketers have adopted a new strategy. They have modified the old strategies, broadened their vision and are aware how they have to provide services. Adjust themselves to the customer and not the customer to them. The marketers are not satisfied with just satisfaction. They are going beyond the expectation of the customer and are delighting the customer and even to make them ecstatic with the product and services offered.

Many of the hotels greet you with the sign on the television as you enter the room. The sign—"Welcome Mr. & Mrs. Singh to our hotel, and have a pleasant stay." Besides this, there are fruits in a tray, and the fridge is full of soft drinks, fresh fruits and eatables.

The millennium is witnessing dramatic changes in the market place, changes in the life style of the consumers and a radical revolution in information technology. The behaviour of the new generation of customers has seen drastic changes. He knows his rights. His expectations have increased, he has become more knowledgeable and is also aware of the multiple options satisfying his needs. He can switch over to new brands to get more value for his money. There are increasing number of competitors, both domestic and global, offering higher value for his money-added products and process through innovation. The customer has more purchasing power and can access information *i.e.*, E-commerce and E-business.

The marketer must take the following points into consideration:

- (i) The customer has become more demanding there is demanding.
- (ii) There is greater liberalisation.
- (iii) There is increasing competition.
- (iv) The overall costs are rising.
- (v) There are lower margins of profits.
- (vi) The customer has more purchasing power.
- (vii) The customer has more information about product, markets, companies, prices etc.

The marketer must act accordingly—

- The marketing effort is directed at the customer.
- The companies allows the customer to dictate their specification and standards.
- The marketers continuously tracks the needs of the customer.
- The marketers adopts the marketing concepts in its entirety.
- The strategy is aimed at delivering greater customer value than their rivals.

This is the age of modern marketing. The age of taking risks. The age to establish your identity through the use of marketing mix. Providing services, giving that little extra to the consumer that created the required differentiation between one product and the other. The age of positioning, the age of providing service. The age of relationship marketing and the age of studying the further expected changes in the behaviour of the consumer. Communicating with the customer is the core of good customer service.

“Coming together is the beginning, keeping together is progress and working together is success.”

Questions

1. What is the reason for the change of the behaviour of consumers of the new generation?
2. Why do we term this decade as an age of Modern Marketing?