

Department of Commerce (CA)

Principles of Marketing

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III B.Com.(CA)

Semester 5

UNIT III

Consumer Behaviour - Meaning - Need
for studying consumer behaviour - Factors
influencing consumer behaviour - Market
segmentation - Customer relations marketing
Consumer Protection Act.

Reference Book

Modern Marketing
Principles and Practices

RSN PILLAI & BAGAVATHI

Prepared by Dr. T. KALPANA
Associate Professor & Head

UNIT 3

Consumer Behaviour

Meaning: It is the study of individuals, groups of organisations and all the activities associated with the purchase, use and disposal of goods and services and how the consumer's emotions, attitudes and preferences affect buying behaviour

Need for Studying Consumer behaviour

- ① To satisfy the need of customers
- ② To understand consumer psychology
- ③ To understand consumer motives
- ④ To understand consumer choices
- ⑤ To understand consumer preferences

Factors influencing consumer behaviour① Psychological Factors

- ① motivation ② perception ③ learning
④ beliefs ⑤ Attitude

② Personal Factors

- ① age ② life cycle stage, ③ occupation
④ economic circumstances ⑤ life style
⑥ personality ⑦ self concept

③ Social Factors

- ① Reference groups ② Family ③ Roles ④ Status

④ Cultural Factors

- ① culture ② subculture ③ social class system

Market Segmentation

Meaning: It is a process of dividing a heterogeneous market into relatively more homogeneous segments based on certain parameters like geographic, demographic, psychographic and behavioural.

Basis of market Segmentation

- ① Demographic
 - ① Age group
 - ② Gender
 - ③ Income
 - ④ Marital Status
 - ⑤ Occupation
- ② Seasonal Segmentation - Buying different products in different period
- ③ Psychographic
 - ① Life Style of individuals
 - ② Attitude
 - ③ Interest
 - ④ Values
- ④ Life Stage where they are in their lives
- ⑤ Behaviouralistic
 - ① Loyalty of customers towards a brand
 - ② Shopping habits
 - ③ Benefits sought
 - ④ Usage rate
- ⑥ Geographic
On the basis of geographical area
- ⑦ Firmographic To divide up a business in market

Benefits of market Segmentation

- ① Improves Campaign performance
- ② Informs product development
- ③ Reveals areas to expand
- ④ Improves business focus
- ⑤ Informs other business decisions

Customer Relationship Marketing (CRM)

Meaning: It is the technology used to manage interactions with customers and potential customers.

It helps organisations build customer relationship and streamline processes so they can increase sales, improve customer service and increase profitability.

Benefits of CRM

- ① Improved informational Organisation
- ② CRM for enhanced Communication
- ③ CRM improves customer service
- ④ Automation of everyday tasks
- ⑤ Greater efficiency for multiple teams
- ⑥ Improved analytical data and reporting
- ⑦ Trustworthy reporting
- ⑧ Simplified collaboration

Need for CRM for sales persons

- ① Enjoy a safe storage space
- ② Plan and time management
- ③ Easy targeting
- ④ Stay up-to-date on what's happening
- ⑤ Rationalise sales moves
- ⑥ To know customers' needs
- ⑦ Save money ⑧ cut down on admin tasks

CONSUMER PROTECTION ACT

This act was passed in 1986 and it came into force from 1st July 1987

Objectives

- ① To provide better and all round protection to consumer
- ② To provide machinery for the speedy redressal of grievances
- ③ To create frame work for consumers to seek redressal
- ④ To provide rights to consumers
- ⑤ To safeguard rights of consumers

Redressal System under the Consumer Act:

- ① District forum
- ② State Commission
- ③ National commission

Rights of Consumers as per this Act.

- ① Right to information
- ② Right to choose
- ③ Right to be heard
- ④ Right to redress
- ⑤ Right to consumer education
- ⑥ Right to a healthy environment

Features of Consumer Protection Act

① Establishment of the Central Consumer Protection Authority (COPRA)

② Rights of consumer → Act provides 6 rights of consumers

③ Prohibition and penalty for a misleading advertisement

④ Consumer dispute Redressal Commission

⑤ It applies to all goods and services

⑥ It covers all sectors whether private or public

The law of Consumer protection act articulates, spans various jurisdictions and can be constantly changing but ultimately beneficial to consumers.