



A Study on Buying Behavior of Indian Consumers: A Dynamic View

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Abstract: *In this dynamic world the behavior of consumers varying day to day. This research study is based on the consumer's perceptions, buying behaviour and satisfaction of the consumers in Indian market. The Indian consumers are known for the high degree of value orientation. India is an attractive market however, the per capita income in India is low and it remains a huge market, even for luxurious products. Consumer behaviour is difficult and very often not considered rational. The recent trends which are found in the Indian market are celebrity influence, online shopping, free gifts and discounts and also for popularity of eco-friendly products.*

Keywords: *Dynamic, Behavior, Consumer, per capita, Discount, Eco-friendly*

I. INTRODUCTION

With the increased penetration of internet i.e. e-trading, e-shopping, online buying and social media, the buying behaviour of Indian consumers has changed drastically. According to a **2007 report by McKinsey & Co.**, India is set to grow into the fifth largest consumer market in the world by 2025. In this scenario, creating consumer loyalty is now a biggest challenge. These demographic shifts have also created the need for leaders who can keep pace with change and identify with and predict future products demand. The Indian consumer scenario is one that has caught the attention of the rest of the world. What has emerged in this consumer scenario is the fact that there is much more homogeneity in the market than ever before; for the first time some patterns have begun to emerge in consumer behaviour. The Indian consumer is also maturing fast and is upgrading within product segments at a pace that consumer companies are struggling to keep up with. The mobile phone category is a classic example, where individuals across segments are constantly moving to the next price level as soon as they master the technology of their current cell phone. There is a growing realization today that it is easier to compete in the smaller towns because many of the big brands and their marketing managers and sales teams don't make the effort to travel there. Another shift has been the changing dynamics of rural migration to urban.

II. OBJECTIVES OF THE STUDY

The major purpose of this study is to recognize the different consumer types & communicate accordingly. Studying factors influencing consumer's buying behavior was one of the major objectives. To understand buying behaviour & consumer decision making process and besides these identifying what strategies the marketer can adopt to influence the consumer buying behaviour.

III. RESEARCH METHODOLOGY

This research study is based on the consumer's perceptions, consumer buying behaviour and satisfaction of the consumers in Indian market. It involves the use of "Survey Method" for the collection of quantitative data. The standard structured questionnaire was used to conduct this study. The questionnaire consisting questions measured general consumers' knowledge about different brands, awareness of eco-friendly products, trust in performance of products they buy and their willingness to pay more for those products. The second part of the questionnaire consisted of a 5-point scale, used to explore and assess factors influencing consumer buying behaviour and consumer buying decision process. The survey scale consisted of eleven items. Scores on the scale items varied from a low of 1 i.e. strongly disagree to a high of 5 i.e. strongly agree, with disagree, neutral, and agree as interval points. The questionnaire also included general demographic questions such as age, gender education. The age group of sample from 15 years to 60 years. Sample size was 80, questionnaires were distributed to a conveniently generated sample and 69 total questionnaires were returned with a response rate of 87.25 per cent. The nationality of Sample was Indians, mainly residents of Ahmedabad Gujarat.



IV. PRESENT TRENDS IN MARKETING STRATEGIES

ONLINE BUYING:

Presently, the most suitable marketing strategies applicable is online marketing through internet because it has been seen that the Indian consumers are purchasing products online through various online vendors for example ; clothes, CDs/VCDs/DVDs, cassettes, books, magazines, medicine and educational material. The popular online shops in India include: www.flipkart.com, www.mitra.com, www.homesshop18.com etc.

IMPACT OF CELEBRITY:

Today increasing the use of the visual media becoming more popular the use of celebrities in the TV media has increased. It is not surprising so that using celebrities in advertisements has become common practice. Consumers like advertisements more if they are admirers of the celebrities in the advertisements. Celebrities may also help reposition products.

QUALITY ORIENTED BRAND STORES:

Indian consumers looking for quality choose expensive brands as they feel that price is an indicator of quality. However, in the absence of well known brands in selected product range, consumers are likely to take cues from well established retail outlets hoping that these outlets carry quality products. Qualitative outlets play an important role in influencing consumer buying behavior.

FREE GIFTS, SAMPLES AND DISCOUNTS:

Indian consumer purchasing behaviour is affected by freebies. Freebies are consumer products given free as gifts for purchasing selected products above a certain value. To increase the sales volume the sellers use these strategies i.e. providing discounts, free other products, guarantees, warranty, discount coupons etc. TVs, washing machines, refrigerators, and readymade clothes are some of the product categories in which freebies are given to Indian consumers.

GREEN PRODUCTS:

The environmental awareness in India has started affecting marketing of products based upon their eco-friendliness or green products. In general, Indian consumers are likely to purchase environmentally responsible products and packs. Consumers in India are taking lead in prompting manufacturers to adopt technologies to produce eco-friendly products or green products.

DYNAMIC LIFE STYLE:

The Indian consumers have become much more open-minded and experimental in their perspective. There is now an exponential growth of western trend reaching the Indian consumer by way of the media and Indians working abroad. Foreign brands have gained wide consumer acceptance in India, they include items such as; Beverages, Packed food, Ready to eat food , Precooked food, Canned food, Personal care products , Audio/video products, Garment and apparel, Footwear , Sportswear, Toys and Gift items .

V. CONSUMER MARKET: A TRENDY VIEW

Now with the changing consumer perceptions and evolution of technology, the seller's market is slowly moving towards becoming the buyers' market. Since, India's economic liberalization policies were initiated in 1991, due to this many new enterprises with new product offerings have entered the Indian market and product variety has also increased manifold. Import licensing restrictions are being eliminated and tariffs significantly reduced and this has led to large range of consumer goods made available in India. Indian consumers have always preferred foreign goods and with the liberalization, they now have a choice of foreign products.



VI. CONSUMER BEHAVIOR WITH RESPECT TO SPENDING ON BUYING

The way Indian consumers are spending their money on various items has changed in recent time. For urban India, per capita 30 days' consumer expenditure was split up into food, and for non-food. Food expenditure includes cereals and cereal substitutes, milk, milk products, vegetables, edible oil and others. Non-food expenditure included fuel and light, and clothing, footwear and on other non-food expenditure. In India, the higher income group spends more amount of their income on luxury goods and trendy products than fact moving consumer products. The middle income group spends more on consumer expendables than the rich.

VII. FINDINGS AND SUGGESTIONS

Consumers undertake difficult buying behavior when they are highly involved in a purchase and perceive significant differences among brands. Consumers are highly involved when the product is expensive, risky, purchased infrequently, and highly self expressive. Thus consumer will have to pass through a process of learning, first developing beliefs about the product, then attitudes, and then making a thoughtful purchase choice. They need to help consumers learn about product-class attributes and their relative importance, and about what the company's brand offers on the important attributes. They must motivate store personnel and the consumer's associates to influence the final brand choice. After the purchase, consumers might experience post purchase dissonance when they notice certain limitations of the purchased carpet brand or hear favorable things about brands not purchased. To counter such dissonance, the marketer's after-sale communications should provide evidence and support to help consumers feel good about their brand choices. Television is usually more effective than print media because it is a low-involvement medium suitable for passive learning. Marketers can try to convert low-involvement products into higher involvement ones by linking them to some involving issue.

VIII. CONCLUSION

From the view point of market, people of India comprise different segments of consumers, based on class, status, and income. An important and recent development in India's consumerism is the emergence of the rural market and market for eco-friendly products for various consumer goods. India is a beneficial market even though the per capita income in India is low and it remains a huge market, even for luxurious products. The retailers should spend on extensive marketing strategies during recession. They should also indulge in cost cutting, reach their customers, target markets, build long term relationships, available at all hours, low cost for inventory, and increase sales promotion schemes. Lastly, creating value along with delivering delight to the customer is what is most important. We live in a digital era and thus need to keep pace with new trends in the social media. The Internet has become the first medium in history to allow for complex interaction between networks of people via Facebook and YouTube, amongst many more. In a frequently varying society where citizens are more proactive and have better access to information, and where new norms are created over time, many challenges evolve that we need to keep up with for understanding our citizens.

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