

An Exploratory Study on Consumer Behaviour

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ABSTRACT

Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behaviour, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc., and is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

INTRODUCTION:

Consumer Behavior

Consumer Behavior Involves the process by which people determine whether, what, when, where, how, from whom, and how often to purchase goods and services [1].

The traditional view point has been to define consumer strictly in terms of economic goods and services.

This position holds the consumers are potential purchasers of product and services offered for sale. The view has been broadened overtime so that at least some scholars now do not consider a monetary exchange to the definition of consumers. This change implies that

potential adopters of free services or even philosophies or ideas can also be encompassed by the definition.

So ultimately Consumers are those individuals who purchase for the purpose of individual or household consumption.

(OR)

The individual who consumes or uses a product, which may or may not be purchased by him. So, after getting into these terms we need to get into the details of "Consumer Behavior".

Consumer Behavior can be said to be the study of how individuals make decision on how to spend their available resources (time, money, efforts) on various consumption related items.

(OR)

Consumer Behavior may be defined as the decision process and physical activity individuals engage in when evaluating, acquiring, using or disposing of goods or services [2].

The Consumer Behaviour research goes far beyond the facts of consumer preferences and encompasses all of the behaviours that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect would satisfy their need.

The detailed study of Consumer Behaviour or Consumer Preferences focuses on-

- Who Buys products or services?
- How do they buy products or services?
- Where do they buy them?
- How often do they buy them?
- When do they buy them?

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- Why do they buy them?
- How often do they use them?

These questions will help in understanding the factors that influence the decision making process of the consumers. It generally assumed that consumer decision making is based on limited information that the consumer has [3].

CONSUMER DECISION MAKING

It refers to the set of activities that would lead an individual to perform some specified tasks. In case of consumer preferences it would refer to the set of factors that make an individual prefer one product over another. The preference for the products mainly lies in the answer of the following important questions-

- How well the product suits the consumer?
- Till what extent it satisfies the needs of the consumers and what are the shortcomings?
- Does the product suit the budget/purchasing power of the consumer?
- How readily and easily the product is available in the market?

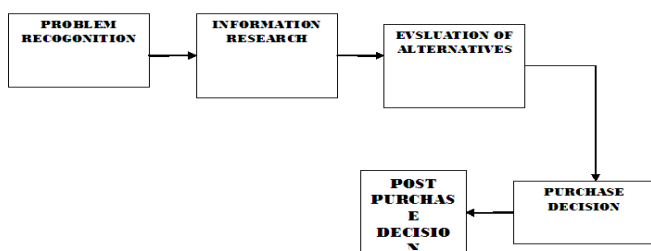
POST PURCHASE BEHAVIOUR:

The output portion of the Consumer Behaviour model states that the consumer evaluates the various brands of the products he is interested in buying and then chooses a specified brand.

The purchase can be –

- Repeated Purchase i.e. buying the same product again.
- Trail i.e. going for the new product just because the earlier similar product was not satisfying or because the consumer likes to try new product.

CONSUMER DECISION MAKING PROCESS



Understanding consumer behavior and ‘knowing customers’ is never simple. Customers may say one thing but do not say another. They may not be in touch with their deeper motivations. They may respond to influences that change their mind at the last minute.....According to Alberto Culver Philosophy Business organizations do not only sell.

They also buy vast quantities of raw materials, manufactured components, plant & equipment, supplies & business services. Seller needs to understand these organization’s needs, resources, policies & buying procedures [4].

RESEARCH METHODOLOGY AND SAMPLING DESIGN

The nature of the research is both empirical and theoretical .Research inculcates scientific and inductive thinking and it promotes the development of logical habits of thinking and observation. There are two basic approaches to research, quantitative approach and the qualitative approach. The former involves the generation of data in quantitative form, which can be subjected to rigorous quantitative analysis in a formal and rigid manner. This approach is further sub-divide into inferential approach is to form a database form which to infer characteristics or relationship of a population. This usually means survey research where a sample of population is studied to determine its characteristics and it is then inferred that the population has the same characteristics [5]. Qualitative approach to research is concerned with subjective assessment of attitudes, opinions and behavior. Research in such a situation is a function of researchers in sight and impression. Such an approach to research generates results either in non-quantitative form or in the form, which are not subjected to rigorous quantitative analysis.

This research follows both the inferential quantitative and qualitative approach. The questionnaires circulated to collect the relevant information have been analyzed on the basis of rating given to each question and then, aggregate of the rating of all questions of a group has been taken to find out the percentage of the group.

DETERMINING SAMPLE DESIGN:

A sample design is a definite plan for obtaining a sample from the given population. It is determined before the data is collected.

Steps in Sampling design:

- Population: All items under consideration in the field of enquiry, in this case, the employees of ECIL.
- Sample: The respondents that have been selected for the purpose of the study
- Sampling unit: The individual unit of the selected sample
- Sample frame: This contains the list of all the items of the universe. For the project, the employee lists of ECIL are the sample frame.
- Size of the sample: This refers to the number of items selected from the universe to constitute the sample. For the purpose of this study, a sample size of 30 was taken which is approximately 20% of the study.

DATABASE OF THE STUDY:

The database of the study is done on the basis of two common data such as Primary data and Secondary data Primary data is collected through distribution of questionnaire to the top management, middle management and lower management who have undergone training from various departments Secondary data is collected by manuals of ECIL, journals, books, magazines and internet.

PERIOD OF THE STUDY

The period of the study is 45 days as per the academic schedule 30 days for primary data collection and 15 days for secondary data collection.

SAMPLING TECHNIQUES

The sampling techniques used for research methodology are non-random sampling, random sampling. Non-random sampling is the sampling which does not offer any basis for estimating the probability that each item in the populations has of being included in the sample deliberately, his or her choice remains supreme. The organizer of the study deliberately chooses the particular units of the universe for constituting a sample on the

basis that the mass that they so select out of huge one will be typical or representative of the whole. Probability sampling is in which every sample equal chance of inclusion has in the sample.

JUSTIFICATION OF UNIVERSE

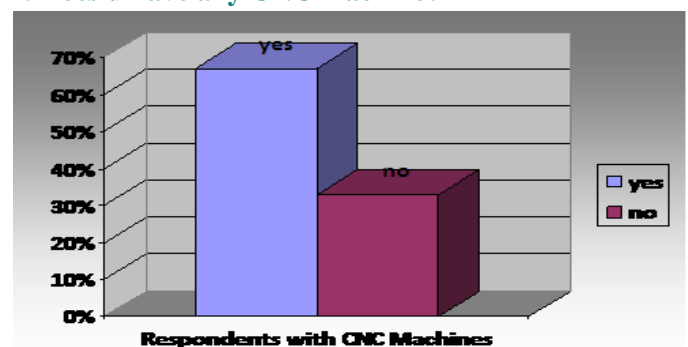
The universe selected for the study is ECIL which is a single organization which consists of various departments. The respondents are from various departments of different cadets or posts

LIMITATIONS:

- 1) Consumers wants and needs are, in total unlimited and therefore cannot be fully satisfied.
- 2) Given a limited budget, consumer's goals are to allocate available purchasing dollars in a way that maximizes satisfaction of their wants and needs
- 3) Consumers independently develops their own preferences without the influence of others and these preferences are consistent over time.
- 4) Consumers have perfect knowledge of the utility of an item that is they know exactly how much satisfaction the product can give them.
- 5) As additional units of a given product or service are required the marginal (additional) satisfaction or utility provided by the next unit will be less than the marginal satisfaction or utility provided by previously purchased units. This is referred to as the law of diminishing marginal utility.
- 6) Consumers use the price of a good as the sole measure of the sacrifice involved in obtaining it. Price plays no other role in the purchase decision.

DATA ANALYSIS AND INTERPRETATION

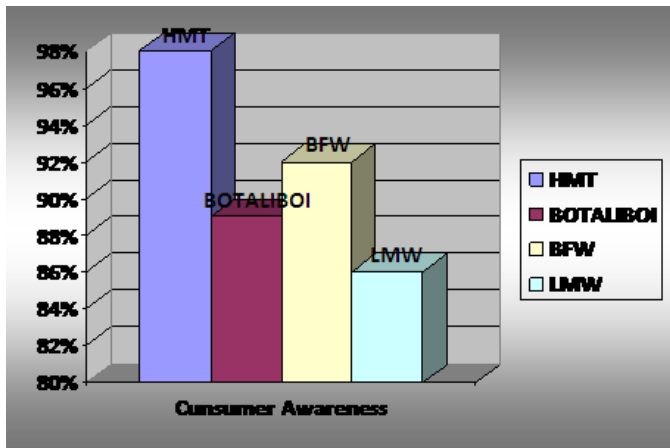
1. Does u have any CNC machine?



Interpretation

- This was a straight forward question the answer to it was that about 67% of the respondents had CNC machine and the rest are still using GPM machines.
- Most of the companies have adopted the new technology but the remaining who are not using CNC machines may be due to the high prices of this type of machines.

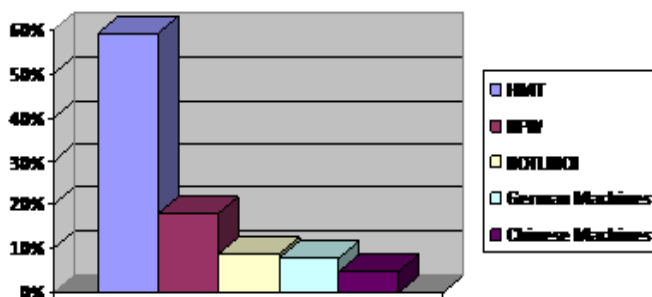
2. Are you aware of all the Major Market Players of Machine Tools?



Interpretation

- Customers in particular area seem to be having good knowledge about all machines. They are very much aware about most of the companies.
- HMT and BFW are more familiar among the customers as compared to other companies like BOTALIBOI, LMW.
- About 90% of customers were aware of BOTALIBOI, 86.33% each of LMW and others.
- All of the customers were aware about HMT.

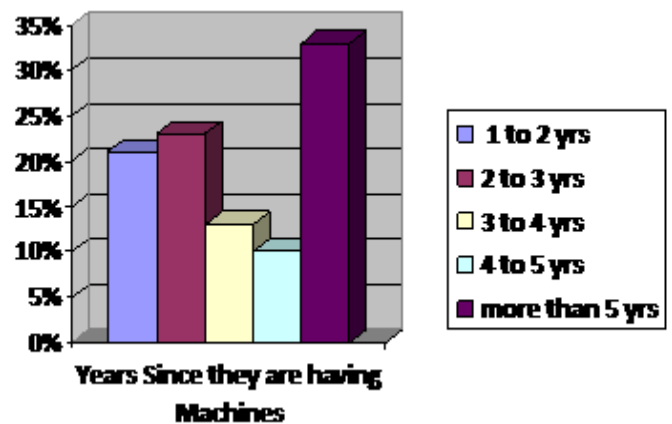
3. Which Brand/Companies Machine does u own?



Interpretation

- Out of samples surveyed, 59% were responding for HMT.
- 18% customers were having BFW Machines.
- 9% were having Botaliboi.
- 8% were having Germany made Machines.
- 5% person had the low quality Chinese Machines.

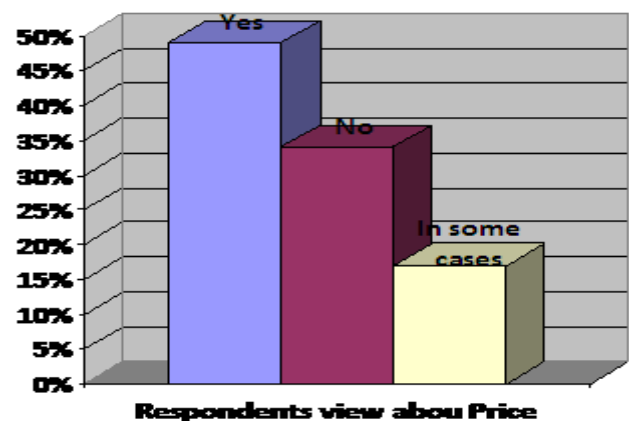
4. For how long does u have that Machine?



Interpretation

- On this question the response came out to be that 21% of the respondents were having CNC machine for the past 1-2 year only.
- 23% were having it from the last 2-3 year, 13% had it from 3-4 year.
- 10% had it from 4-5 year and the well established companies had it before the last 5 years.

5. Does price bothers you before purchasing any Machine?





Interpretation

- Most of the people about 50% of the people said yes Price bothers them before purchasing any machine , cause the cost of mostly all the CNC machines is so high that people have to think before buying it.
- 34% of the respondents said no price don't bother them because they want just the best at any price.
- 17% replied that in some cases price is a major factor for them.

CONCLUSION:

Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. Many factors, specificities and characteristics influence the individual in what he is and the consumer in his decision making process, shopping habits, purchasing behavior, the brands he buys or the retailers he goes. A purchase decision is the result of each and every one of these factors. An individual and a consumer is led by his culture, his subculture, his social class, his membership groups, his family, his personality, his psychological factors, etc., and is influenced by cultural trends as well as his social and societal environment. By identifying and understanding the factors that influence their customers, brands have the opportunity to develop a strategy, a marketing message (Unique Value Proposition) and advertising campaigns more efficient and more in line with the needs and ways of thinking of their target consumers, a real asset to better meet the needs of its customers and increase sales.

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