

“Parametric Study of Buying Behaviour in India”

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Abstract

In the 21st century the way Indian consumers are spending their money on various items has changed. The penetration of internet and social media has increased; as a result the purchasing behaviour of Indian consumers has changed dramatically. Urbanization is a constant phenomena in India and is influencing the life style and buying behaviour of the consumers. The study is based on the perceptions, buying behaviour and satisfaction of the consumers in Indian market.

The research on factors affecting consumer buying behaviour and their perception or attitude toward purchasing anything. Purchase or Buying Decision is completed when the consumer is

- 1) Ready to pay
- 2) Willingness to purchase
- 3) Ability to Pay

Consumer buying behavior is the result of the attitudes, preferences, intentions and Decisions made by the consumers in a market place before buying a product. Consumer behaviour entails "all activities associated with the purchase, use and disposal of goods and services, by considering the consumer's emotional, mental and behavioral responses that come first or follow these activities."

KEYWORDS: - Consumer Buying Behaviour, Behaviour Factors, Perception, Attitude, Behaviour

I. INTRODUCTION

The study of consumer behaviour not only helps to understand the past but even predict the future. The below underlined factors pertaining to the tendencies, attitude and priorities of people must be given due importance to have a fairly good understanding of the purchasing patterns of consumers.

Consumer behaviour Consumer Buying Behaviour refers to the buying behaviour of the ultimate consumer. It is the process involved when individuals or groups select, use or dispose of products, service, ideas or experience (exchange) to satisfy needs and desires. So buying behaviour is the decision process and acts of people involved in buying and using products.

Factors affecting consumer behaviour

Consumer behaviour refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behaviour. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the consumer makes an estimate of the available money which

he can spend. Lastly, the consumer analyses the prevailing prices of commodities and takes the decision about the commodities he should consume.

Consumer buying behaviour is influenced by four major factors:

1) Cultural 2) Social 3) Personal 4) Psychological

1) Cultural: - Culture is the part of every society and is the important cause of person wants and behavior. • It is the set of basic values, perception, wants and behaviour learned by a member of society from family and other important institutions. • The influence of culture on buying behavior varies from country to country therefore marketers have to be very careful in analysing the culture of different groups, regions or even countries.

2) Social: - Social factors consists of preference groups, family, roles and status. • A persons behaviour is influenced by many small groups such as family. It is the most important consumer buying organization in society and it has been researched extensively. • The position of an individual within his family, his work, his country club and his group of friends etc. all this can be defined interms of role and social status.

3) Personal: - It includes such variables as age and lifecycle stage, occupation, economic circumstances, lifestyle (activities, interests, opinions and demographics), personality and self concept. Decisions and buying behaviour are obviously also influenced by the characteristics of each consumer.

4) Psychological: - Among the factors influencing consumer behaviour, psychological factors can be divided into 4 categories:

1. Motivation
2. Perception
3. Learning

Consumers in in India Consumers in India may be classified in to 4 broad sectors; *Socialites and Upper Class *Working women *Youth *Conservatives (about 70% of consumers)

Consumers in India may be further classified into:

Rural

Urban

The upper- and middle-class need a feel-good experience today and are gravitating towards luxury, experimenting with fashion and technology.

>40% of the consumers in India are between 20 and 49 years of age.

<40% of the consumer in India is under 19 year of age.

<20% of the consumer in India is under 49 years

Majority of consumers are young <30 years of age.

Consumer behavior in India

- Possibly the most challenging concept in every economy is to deal with understanding the buyer behavior.
- Indian consumers are amongst the most discerning consumers in the world.
- The attitude of Indian consumer has undergone a major transformation over the last few years.

The Indian consumers today want to lead a life full of luxury and comfort.

- An important and recent development in India's consumerism is the emergence of rural market for several basic consumer goods. The overall retail market in India has grown from US\$ 310 billion in 2006 to US\$ 470 billion in 2011 and is projected to reach US\$ 675 billion in 2016.
- India is so culturally diverse that it may seem impossible that there exists just one consumer ideal, but it appears that globalization has led to the transcending of this cultural boundary.

Change in pattern of consumer behaviour in India

The Govt. of India introduced economic reforms in various sectors of the economy in July 1991.

- Thereby the consumption expenditure was expected to change after the reforms.
- Before that, India choked under much more bureaucracy than is apparent today.
- In the past decade (2000-2010), India's gross domestic product has grown at an average rate of 7.27%.

Growth of the Communications & IT

Sector

India's IT boom stems from the cheap operating costs of enterprises such as the software development firms which provide software solutions for all intents and purposes under one roof.

- The IT boom provided easy employment for a tech savvy Indian, which created a new generation of young, urban professionals with increased purchasing power.

The advent of smart mobile telephony and the internet- India has 903 million mobile phone users (2nd globally) and 121 million internet users (3rd globally) as of January 2012 (Wikipedia)- has opened up new venues for social marketing.

□ The increased use of social media such as facebook ,youtube etc and use of online shopping sites also have greater influence in consumer choice in India.

Some emerging future trends of buying behavior of Indian consumers are:

- 1) Indian consumers have become value sensitive and are not much price sensitive as was the case earlier. If they feel that a particular product offers them more value and its price is high, even then they are willing to buy the product.
- 2) With the ever-increasing penetration of internet and social media, the purchasing behavior of Indian consumers has changed dramatically.
- 3) The Indian consumer of today gives preference to features of a product rather than its brand name.
- 4) The middle and lower class consumers' buying behavior will change and they may behave as if they are rich.
- 5) Indian consumers are increasingly becoming aware of the importance of health and hygiene. Hence companies are making products to suit their health like low calorie, low fat food.
- 6) The use of credit card for shopping is a new emerging trend in India
- 7) Companies not only aim to sell their products but also aim to provide better after sales services to its consumers.

Conclusion:- parametric study of buying behaviour of Indian consumer are different in nature were Indian consumers' buying behavior and their attitude have changed drastically in the recent few years.

At the same time the consumption pattern of India depends mainly on liberalization of economic policies, buying habits of the younger generation, financial independence at a young age, increase in number of nuclear families and increase in media exposure of the people and so on. So as a producer we have to focus on changing parameters of consumer.

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