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B.Com Honours | Semester II | Calicut University

Consumer Behaviour

Course Code: COM2MN107 • Module 1 Notes

1. Introduction to Consumer Behaviour: Decision-Making Processes

Consumer Behaviour is the study of how individual customers, groups, or organizations select, buy, use, and dispose of ideas, goods, and services to satisfy their needs and wants. Understanding consumer actions is the foundation of all marketing strategies, from product positioning to brand loyalty management. This module covers the definition, scope, and importance of consumer behavior, and details the five-stage consumer decision-making process.

Why Study Consumer Behaviour?

For modern marketing professionals, analyzing customer choices provides critical strategic advantages:

- **Product Design:** Aligning product features with the unmet needs and desires of target buyers.
- **Market Segmentation:** Dividing a heterogeneous market into smaller, homogeneous clusters based on buying habits.
- **Pricing Policies:** Adjusting pricing points according to consumer price sensitivity and value perception.
- **Distribution Setup:** Determining whether customers prefer buying online, in retail stores, or via direct sales.

The Five-Stage Consumer Decision-Making Process

Before purchasing a product, consumers pass through a predictable sequence of psychological and operational stages:

1. **Need Recognition:** The process starts when the consumer senses a difference between their actual state and a desired state, triggered by internal stimuli (hunger, thirst) or external stimuli (advertisements, social circles).
2. **Information Search:** The consumer searches for ways to resolve the recognized need. Sources include personal (family, friends), commercial (ads, websites), public (mass media, reviews), and experiential (handling, using the product) sources.
3. **Evaluation of Alternatives:** The consumer processes information to evaluate competing brands within their choice set, comparing product attributes, benefits, prices, and reliability.

4. **Purchase Decision:** The consumer forms a purchase intention and executes the transaction, choosing the specific brand, retailer, purchase timing, and payment method.
5. **Post-Purchase Behavior:** The consumer evaluates their satisfaction level. If performance matches expectations, they are satisfied; if not, they experience **Cognitive Dissonance** (post-purchase doubt).