

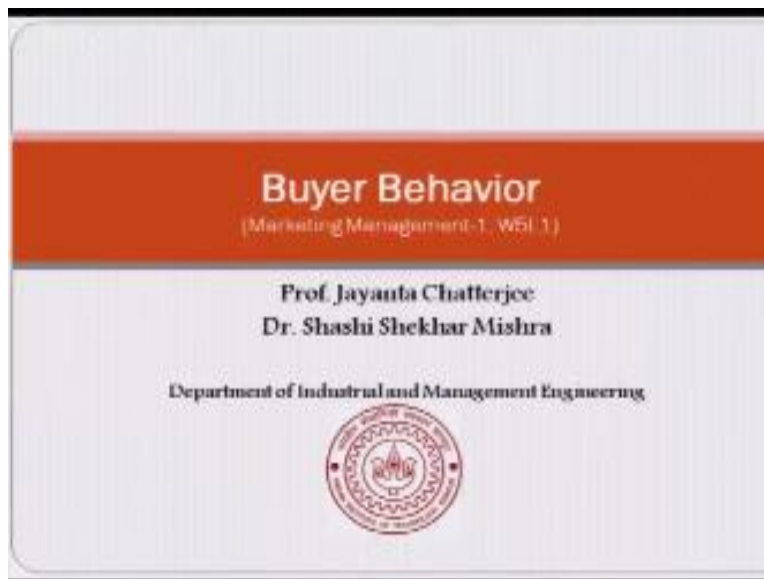
**Indian Institute of Technology Kanpur**  
**National Programme on Technology Enhanced Learning (NPTEL)**  
**Course Title**  
**Marketing Management – 1**

**Lecture: W5-L1**  
**Analyzing the Buyer Behavior**

**by**  
**Prof. Jayanta Chatterjee**  
**Dr. Shashi Shekhar Mishra**  
**Dept. of Industrial Management and Engineering**  
**I.I.T. Kanpur**

Dr. Shashi Shekhar Mishra: Hello, and welcome to our another session on this course marketing management part 1. We are in week 5 and we are going to start a new module that is buyer behavior.

(Refer Slide Time: 00:27)



Dr. Shashi Shekhar Mishra: Now if I have to give an introduction about this model buyer behavior I would say that if it is the course is Indian curry probably the spices is that buyer behavior. So this is one of the most interesting parts of this course which is marketing management. And as you will go through this module you will understand why this is -- why I

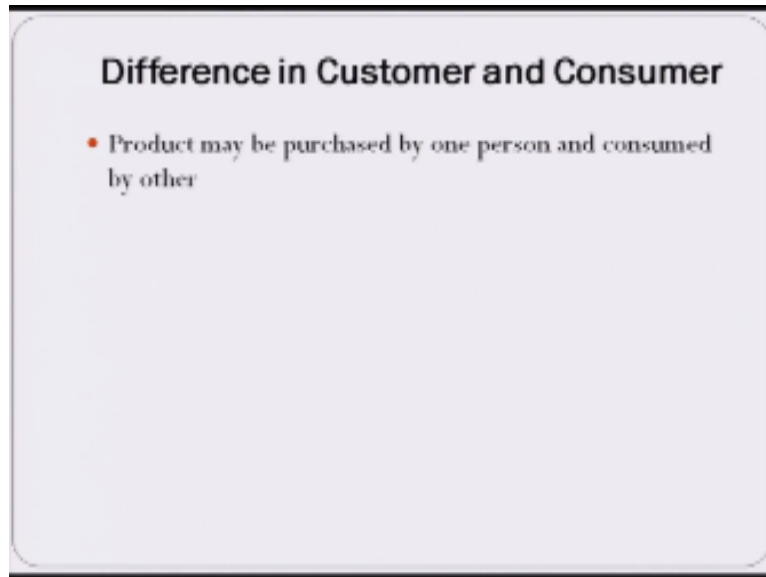
am saying this is to be most important thing. I am Shashi Shekhar Mishra and I have with me my senior colleague Prof. Jayanta Chatterjee. So going into this buyer behavior part we have to understand how this originates.

(Refer Slide Time: 01:08)



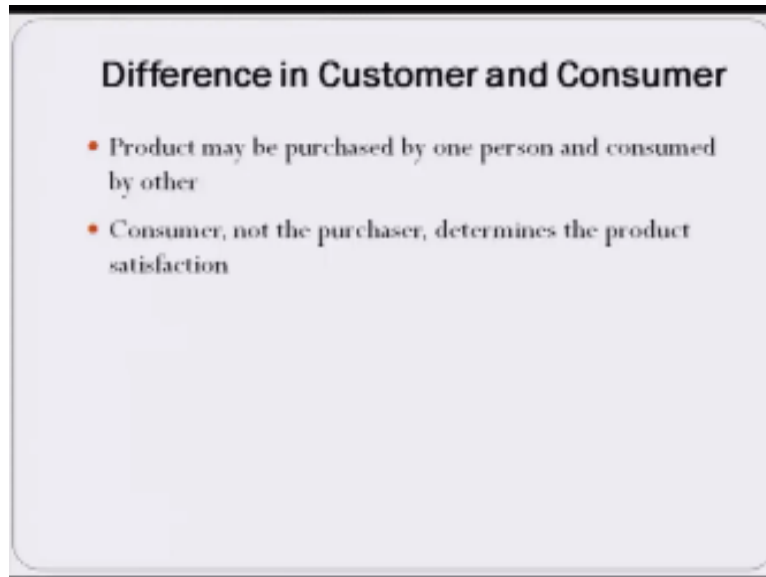
Dr. Shashi Shekhar Mishra: So this comes from the thought that there are two types of market basically we classify there are various classification, but one of the most important classification of the market is that the market which is called business to consumer market were firms offerings are targeted for individuals consumptions, their own consumption are their families consumption. On the other side the offerings are targeted for the consumption of another form for their production processes, for their various activities in their business operations, though that is an industrial market.

(Refer Slide Time: 01:49)



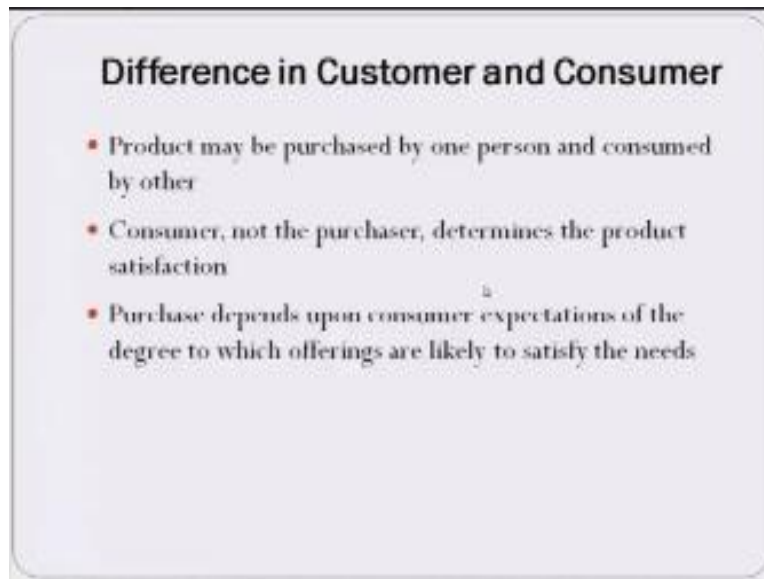
Dr. Shashi Shekhar Mishra: So how this basically, when we going to in-depth about consumer behavior we need to understand one important difference between -- that is between customer and the consumer, that product may be purchased by one person and consumed by the other person. So I may purchase a candy, but the candy will be most probably consumed by my son, Prof. Chatterjee might purchase a car, but most of the time he is busy in his work, in his office, and in doing research, his family might be using car more than him.

(Refer Slide Time: 02:20)



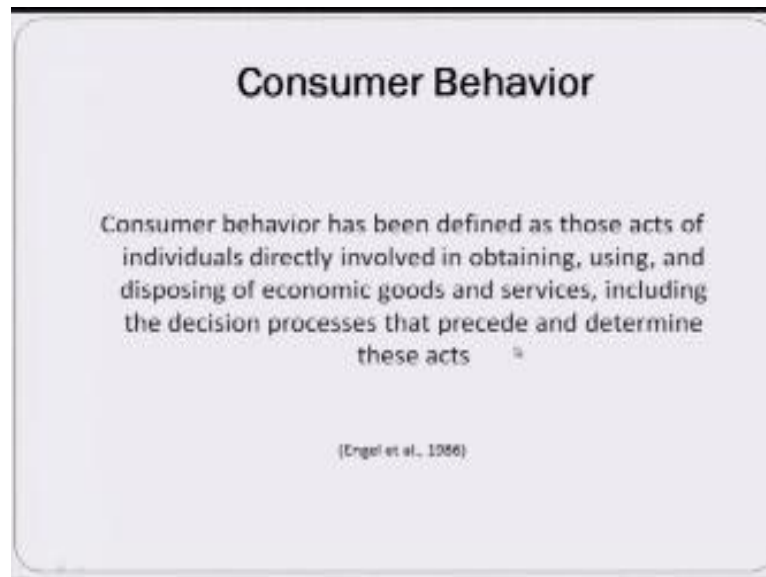
Dr. Shashi Shekhar Mishra: Consumer not the purchaser's determines the product satisfaction, so the offering satisfaction is being determined by the person who is consuming it, not the person who is purchasing it. However the person who is purchasing will be the person at the front end of the purchasing process and his concerns have to also be understood.

(Refer Slide Time: 02:43)



Dr. Shashi Shekhar Mishra: Purchase depends upon consumers expectation of the degree to which offering or likely to satisfy the needs. So purchase depends on how likely offering is going to satisfy the need of the consumer, the consumption determines whether these expectations are conformed are not. So actual consumption by the consumer will determine whether the offering has actually satisfied the needs or not, and if that is satisfied and not satisfied will determine the future purchases.

(Refer Slide Time: 03:13)



Prof. Jayanta Chatterjee: So according to this consumer I like a subclass of customers.

Dr. Shashi Shekhar Mishra: Yes.

Prof. Jayanta Chatterjee: Because normally we say consumer goods, because these goods are purchased and consumed by the same person or may be purchased and consumed by the person's family.

Dr. Shashi Shekhar Mishra: Family.

Prof. Jayanta Chatterjee: Immediately.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: Whereas customer is a broader term.

Dr. Shashi Shekhar Mishra: Broader term.

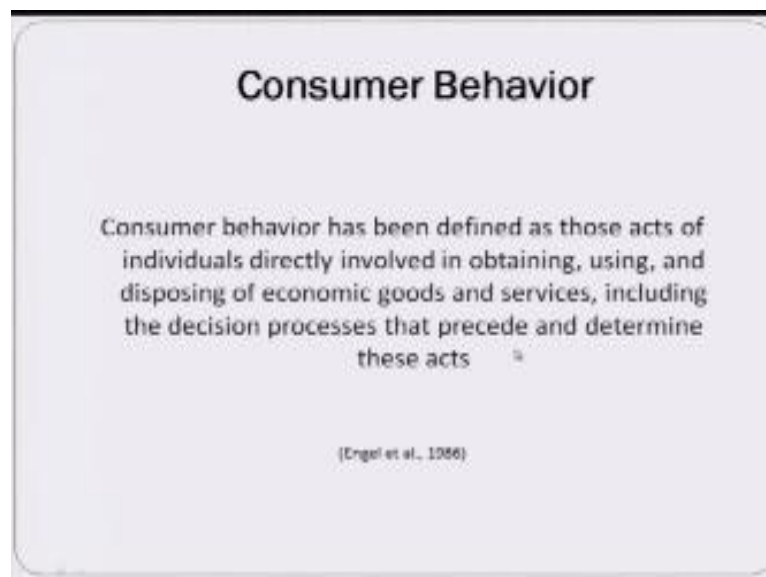
Prof. Jayanta Chatterjee: It may mean somebody who is buying something for his or her own needs, family needs, or it may also mean that for the organization.

Dr. Shashi Shekhar Mishra: Yeah, so a purchasing manager purchasing all the things for his organization of which most of the thing he himself will not be using.

Prof. Jayanta Chatterjee: Will be a customer?

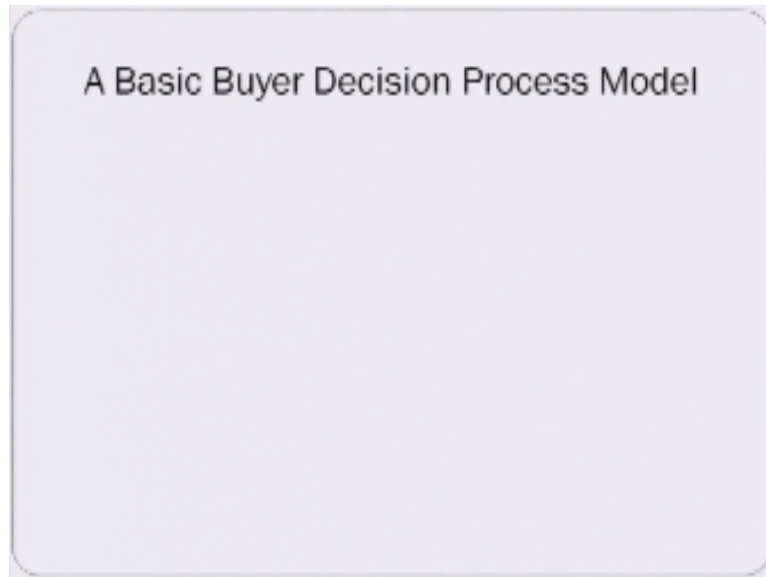
Prof. Jayanta Chatterjee: Will be a customer yeah.

(Refer Slide Time: 04:07)



Dr. Shashi Shekhar Mishra: Okay, okay now moving to the next thing which is a definition of consumer behavior as you can see on the slide consumer behavior has been defined as those acts of individuals directly involved in obtaining, using and disposing of economic goods and services, including the decision process that precede and determines these acts. So the consumer behavior in a precise manner you can understand is related with the obtaining, using and disposing of the offerings offered by the different firms.

(Refer Slide Time: 04:37)



Dr. Shashi Shekhar Mishra: Now going into the important aspect of this consumer behavior is, there is a basic buyer design models which has been proposed by debated by lot of researchers, but most of the people will agree that there might be a disagreement among researcher, but basically all people will agree that all purchases will broadly include these steps.



(Refer Slide Time: 05:05)



Dr. Shashi Shekhar Mishra: So basic buying model will include five step which starts with need recognition where a customers are where a consumers understand our feels that he needs to have a offering he needs to have a product or service to basically satisfy a certain needs. And this is these need recognition is a basically a state felt of deprivation for something. Now once he understand that he need -- he has a and he needs to satisfy that needs the next thing is that he or she will look into the means to satisfy that needs. So he will go into that next stage of this buying decision process.

Prof. Jayanta Chatterjee: I was saying that this need is could be a different classes or could be a different levels.

Dr. Shashi Shekhar Mishra: Yes.

Prof. Jayanta Chatterjee: Sometimes they can be triggered by a problem.

Dr. Shashi Shekhar Mishra: Yes.

Prof. Jayanta Chatterjee: For example if you know you had a picture hanging on your wall.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: And for some reason it has fallen off.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: And you need to refix it, then you feel the need of a.

Dr. Shashi Shekhar Mishra: Yeah we so.

Prof. Jayanta Chatterjee: Something to make the hole and put the nail right.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: So that this is created by a problem there is a need.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: And then we go in search of that what can fulfill that particular needs then we think of the drill machine or the nailing machine and so on.

Dr. Shashi Shekhar Mishra: Yeah so basically need recognition step is also termed as a problem solving or problem recognition by some of the.

Prof. Jayanta Chatterjee: Correct.

Dr. Shashi Shekhar Mishra: Author's or the researchers as you have mentioned.

Prof. Jayanta Chatterjee: Yes.

Dr. Shashi Shekhar Mishra: The next step is basically information search there, there you look into your problem or the need and then you look for the alternatives, basically looking to the information how you can satisfy or you can fulfill that need within probably your resource constraint then once you collect the information and this is one area where lot of basically exciting changes are happening in the market in that information search part we will talk about much more detail on this -- about this stage of the purchasing process.

The next step is that once you have collected the information about the different alternatives. The next step is that you go and evaluate the alternatives. So again we will talk about different models basically which consumer deployed to evaluate the alternatives, and then based on their evaluation consumer purchases make the purchase decision, the purchase decision could be yes or no sometimes consumers will not purchase something or they will be delay the purchase or if they go for the purchase then, then there is a post purchase behavior like what was -- they will reassess like what they have purchase.

It has met their expectations are not and how it is going to affect their future purchases and how they are going to recommend it to the others. So I will talked about -- I will ask Professor Chatterjee to talk about his first car purchase probably.

Prof. Jayanta Chatterjee: Yeah I think, you know when I purchased my first car then the --as I was my need was driven not so much by my internal feelings, but more by my family's needs and my children's needs. So you know the car made several trips, the car was driven by the driver because as you mentioned I was in the office and car was doing many odd jobs for the family taking the children to the school, bringing them back, or taking my wife to office and in between you know look see that some purchases if it was necessary the driver did that.

So obviously at that time I looked more for you know the fuel efficiency, the car that could hold the whole family together including the dog, if we had gone -- if we wanted to go for an outing and so I would say that so called utilitarian.

Dr. Shashi Shekhar Mishra: Prospective was dominant.

Prof. Jayanta Chatterjee: Was dominant right at that time therefore more I was driven more by logical meets.

Dr. Shashi Shekhar Mishra: Yeah it did.

Prof. Jayanta Chatterjee: It did not matter that much you know and the children were much younger so they did not much of a say. So they know they were not looking for different colors or maybe I consulted my wife definitely, but definitely she was also at that time more driven by the problems to be solved.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: And so accordingly when we search information, now I will talk also about my second car. So the thing is that when I bought purchased my first car which I think maybe 40 years back, at that time getting the information about what are the different types of cars, was a very -- because there are only a few limited choices, right? So the information was mostly provided by the sales people, the car sales people.

Or all the intermediaries, you know they provided to me okay these are the three choices and these are the alternatives etc. But today you just look at this information search, it is on one hand it has become wide, it has become deep, it has become complex. And as a result now there are so many different types of applications so many different types of web-based advisors musical world advisors. Which I am sure you will talk about.

Dr. Shashi Shekhar Mishra: Yeah, informing.

Prof. Jayanta Chatterjee: So that the information has become -- if there is an information deluge I would say and therefore new types of a service providers have come up in that field, you know and evaluation of alternatives now is earlier to so simple, you know if I wanted the most fuel-

efficient the thing and this is the size it was not very difficult, today evaluation of alternative means, you know almost like solving a matrix equation, you know looking at so many columns and so many different types of alternatives.

Dr. Shashi Shekhar Mishra: Within a brand within a variant offered by a particular company you have so many variants.

Prof. Jayanta Chatterjee: Absolute, absolutely.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: But so the second car purchase was also I would say dominated not only by problem solving but also maybe, you know influenced by my emotional needs by my need to, you know at that time I was not only looking for utilitarian value as your picture shows I was looking for, you know making trips to various places, I was looking for not only office use but also weekend use a lot more holiday use long drives. So and at that point of time I would say that utilitarian needs took a sort of second place, I think my, you know whims and fancies or emotional needs.

Dr. Shashi Shekhar Mishra: Yes.

Prof. Jayanta Chatterjee: In academic terms those dominated. So I think these five stages they are relative importance changes.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: With the consumers I mean taking my own example here my life stage, and my age, my preferences my income level all these impact the relative importance of these five stages, I think.

Dr. Shashi Shekhar Mishra: I have couple of questions basically as basically a consumer like what is the influence of your relatives or your parents or if your child have purchase a car later on, what was your influence and then basically when we talk about purchase like -- you purchase you fixed a brand but you, you have two dealers from which you can purchase. So how that store choice versus brand choice and all those things that comes?

Prof. Jayanta Chatterjee: I think, You know if, taking specifically cars in the Indian context if we look at, definitely my first car at that time the children were quite young, they did not have that much of opinion or they were not, not that much concerned. But that same car you know seven years later, they were my children wanted you know a different color, they were conscious about styling or the model and, and so I think in the first stage maybe the decision was taken mostly by me, maybe a little bit input from my wife.

But second car, you know this picture is of my maybe fourth or fifth car, but the my second car definitely there was a lot of inputs from my family, and at that stage also, since there were so many different alternatives, I not only went by what was provided to me by the sales people of car companies. But I also asked my relatives, I asked my friends about their experience. So when as my -- as I started narrowing down my choice from a white set I came to a narrower set. At that stage I continuously took inputs from friends and relatives and people I trusted and people I knew well.

And, and I think again after today, you know when my children have grown up and they have their own cars and they are, you know I mean they have their own families. Today again I think, I am back to like sort of the first stage, where maybe I am now choosing the car more by my choice and my wife's choice. But there is a difference at that time my choice was dominated by as I was saying utilitarian, today my choice maybe dominated by different other kinds of emotional or psychological factors.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: And definitely, you know in the Indian context to be put at least I put a lot of emphasis on after purchase service.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: Because you know if I am using a car for weekend trips, long trips going for you know long drives I would like to be secure that if my car has a problem and a remote place I will be able to get some support or even in the city, you know if I have a problem I should be able to get very prompt. So service is and the reliability of the distributor come service operation, these have become a lot more important. I am not so much now influenced by what the car sales people say, because you know the information is also available.

Dr. Shashi Shekhar Mishra: Absolutely.

Prof. Jayanta Chatterjee: So I think more than the distributors roll the distributors service role.

Dr. Shashi Shekhar Mishra: Yeah.

Prof. Jayanta Chatterjee: Is today a much more important.

Dr. Shashi Shekhar Mishra: And what is being we talked by the other car users or the other who have purchased the car.

Prof. Jayanta Chatterjee: Yes.

Dr. Shashi Shekhar Mishra: That has more references..

Prof. Jayanta Chatterjee: References.

Dr. Shashi Shekhar Mishra: Reference, so you are talking about the credibility of the information sources actually.

Prof. Jayanta Chatterjee: Absolutely.

Dr. Shashi Shekhar Mishra: So we are going to, I mean I think this, this discussion is very beneficial in the sense, I will go back and forth with this interview during this module, because you can see what Professor. Chatterjee has shared as a consumer or as a customer about his car purchases is very important that his needs have evolved over the period of time.

His ways of information search has change over the period of time as he is talking about the role of sales people and the information generated from the company originated sources has come down probably, he is looking more from the other customers and the other experts in fact which is available these days on the social media, and also like the plenty of choices which are available, and then he has also talked about the various factors that influence basically that his purchase or consumption and he since he has a long instinctive outside India.

So he is talked about the cultural things so we will look into as a whole basically this interview and probably take a reference when we will be discussing about the various concept in this module

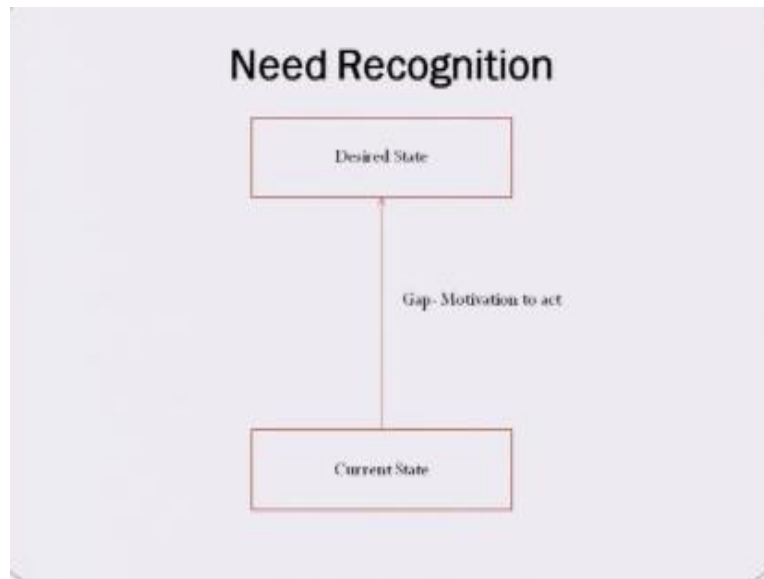


(Refer Slide Time: 18:39)



Dr. Shashi Shekhar Mishra: So going into the first step which is about need recognition.

(Refer Slide Time: 18:46)



Dr. Shashi Shekhar Mishra: Need Recognition as I said as you can also see on the slide it is like it is a gap basically between your current state of or your current position to the basically the desired level is a state felt of deprivations and the more there is a potential difference between these two stages that will also determine that you also shape you are -- the probably the way the need is and probably your motivation to act for that need. Now elaborating further on this.

(Refer Slide Time: 19:21)



Dr. Shashi Shekhar Mishra: Now elaborating further on this need recognition you will find out there are is need recognition is basically it can be a stimulated by two types of variables internal variables or external variables. So and possibly these internal and external variables can come from these five different types of input variables like consumers.

(Refer Slide Time: 19:44)



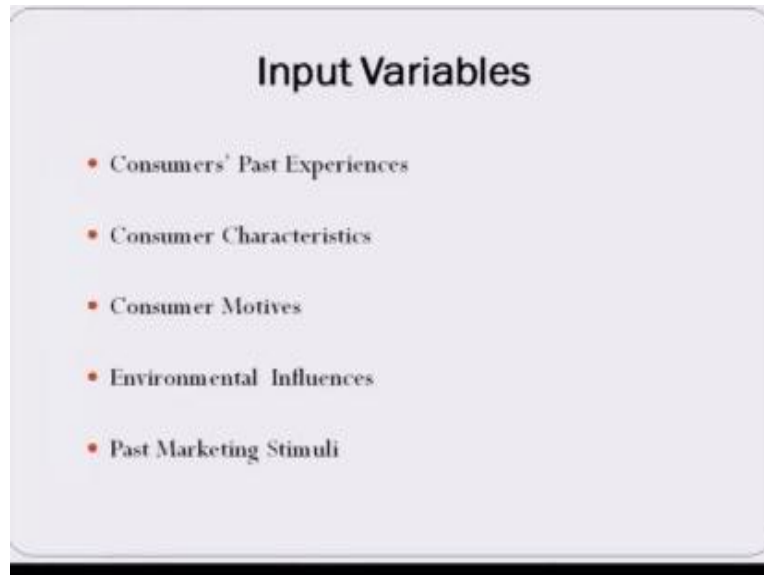
Dr. Shashi Shekhar Mishra: Past experience when you go and purchase your second car obviously your first car purchase will come into the picture, I mean what was your experience and based on your experience you will probably definitely would like to modify probably certain things in your requirements and probably the importance given to different sort of attributes in a car purchased and then probably about consumer characteristics.

(Refer Slide Time: 20:11)



Dr Shashi Shekhar Mishra: Which is very important you will see that each consumer or each customer is different from the other customers various factors, cultural factors, social factors, personal factors affect basically the choice of individual customer then consume motives like how they process information then environmental influences.

(Refer Slide Time: 20:37)



Dr. Shashi Shekhar Mishra: And also in the last we talked about the past marketing stimuli like what is company's advertising what is company sales promotion all those things also affect the company individuals and need recognition or need arousal stage of buying process. So with this I concluded session here, when we will meet in the next session we will start from here and we will look into the various things that shape the consumers purchase decision process we will look into the various factors that affects the choice of the customer, thank you very much.

Prof. Jayanta Chatterjee: Thank you.

**Acknowledgement**  
**Ministry of Human Resource & Development**

**Prof. Satyaki Roy**  
**Co-ordinator, NPTEL IIT Kanpur**

**NPTEL Team**  
**Sanjay Pal**  
**Ashish Singh**  
**Badal Pradhan**  
**Tapobrata Das**  
**Ram Chandra**  
**Dilip Tripathi**  
**Manoj Shrivastava**  
**Padam Shukla**  
**Sanjay Mishra**  
**Shubham Rawat**  
**Shikha Gupta**  
**K. K. Mishra**  
**Aradhana Singh**  
**Sweta**  
**Ashutosh Gairola**  
**Dilip Katiyar**  
**Sharwan**  
**Hari Ram**  
**Bhadra Rao**  
**Puneet Kumar Bajpai**  
**Lalty Dutta**  
**Ajay Kanaujia**  
**Shivendra Kumar Tiwari**

**an IIT Kanpur Production**

**©copyright reserved**