

Consumer Behavior
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Lecture - 3
Market Research and Consumer Behavior

We have completed with module 1, which comprised two hours and we studied the introduction to consumer behavior.

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MODULE 2:
MARKET RESEARCH AND CONSUMER BEHAVIOR
(2 hours)

- 2.1 Relevance of Market Research with Consumer Behavior**
- 2.2 Approaches to Consumer Behavior Research**
- 2.3 Research Perspectives on Consumer Behavior**
- 2.4 Research Paradigms in Consumer Behavior**
- 2.5 Consumer Research Process**

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Now we will move on to module 2, which is a market, where we speaking of market research and consumer behavior. This particular module will be completed in two hours, and we will cover the following topics. One: The relevance of market research with consumer behavior. Two: Approaches to consumer behavior research. Three: Research perspectives on consumer behavior. Four: Research paradigms in consumer behavior, and five: The consumer research process. So, we shall be completing these five topics in 2 hours and this is a part of module 2 which is market research and consumer behavior.

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Today I shall be doing the first hour with you and we will be speaking about the following four topics. We will start with discussion on relevance of market research with consumer behavior. Then we will speak about approaches to consumer behavior research. We will speak about research perspectives on consumer behavior and we shall sum it up with the various research paradigms in consumer behavior.

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So, let us start with this particular module and we will first talk about relevance of market research with consumer behavior. Now I am sure you are aware that both

consumer behavior and market research are broad subject areas in marketing itself. They are two separate elective papers, which are two separate papers I must say, which are from a part of the syllabus of the postgraduate MBA programs running across the country.

Now while the two of them are separate papers and important in their own selves; they basically contribute to each other. Market research contributes to the study of consumer behavior and without the support having been provided by market research, we would not be able to actually move on to understand the consumer or predict him or influence him and be able to attain our objectives of profit and success.

So it is very important that as a marketer, we focus on the study of the market and how do we focus on the study of the market; it is through market research that you will be able to study and have a focus to study the market, the segments in the market, and identify threats and opportunities. So, let us start with the relevance of market research in consumer behavior. Now each individual is unique in himself. He or she has his own needs and wants, and these needs and wants vary from person to person.

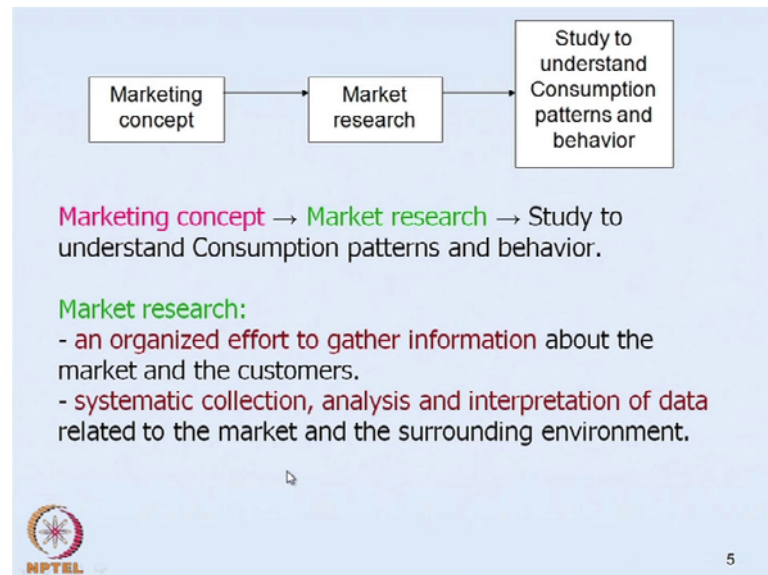
We have already discussed previously that marketers identify segments. They identify such segments, they target one of you of them, and they position their offerings according. We have also discussed the marketing concept, which said that the basic objective of any marketer should be to be able to identify customer needs and wants and deliver the product and service offerings, so as to satisfy customers more efficiently and effectively than the competitor. So, here we will see whatever we have done in the first module will help us now in the second module.

So, we have already spoken about the customer. We have already spoken about how consumers are unique on themselves. We have already spoken about how segments are identified, how they are targeted, how they are few of them are selected, how the products are positioned. We have also spoken about the marketing concept, which is the edifice to the study of consumer behavior.

Now if you put all of these together, we will be able to sum it up in just one sentence; that in order to understand and predict consumption patterns and market behavior within such segments, market's research becomes extremely essential. So, basically in order to understand and predict consumption patterns and consumption behaviors within a

segment, within the market, it is very important that you basically have a study or have a proper understanding of market research.

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So if you see here, we have something to illustrate. You have the marketing concept which acts as an edifice for market research as well as consumer behavior. So, we start market research with the objective of identifying customer needs and wants, providing the desired satisfaction more effectively and efficiently than the competitor. We also study, go in for market research to identify opportunities and threats. So, marketing concept gives in a kind of a queue to marketing research and through the study of marketing research, we will be able to study and understand consumption patterns and consumption behavior.

So the marketing concept says, identify customer needs, give them the desired want, satisfaction in terms of goods and services, and satisfy their needs and wants. So, market research helps us do that better; market research will help us identify the needs and wants. It will help us identify the rival segments. It will help us how we should be able to provide the right kind of product or service offering, what should be the marketing strategy, what should be the marketing mix. So, all this input will come to us through market research and ultimately market research will help us study and understand consumption patterns and behavior.

Now what is market research? Market research basically is an organized effort to gather information about the market and the customers which exist in the market place. So, an organized effort to gather information, to gather knowledge about the consumers, about market segments or about the market as a whole is what market research helps us in. It is the systematic collection analysis and interpretation of data. Selection it basically helps us in terms of collection, analyzing and interpreting data related to the marketing and related to the surrounding environment.

So, market research basically helps us gather information about the market, about the market segments, about the customers; it is a systematic collection analysis and interpretation of information related to the market and to the surrounding environment. So, this is what market research is. Now we have spoken about this surrounding environment; now what is this environment, what is the environment facing a company. As I said, market research will help us understand market, understand market segments, understand this consumers as a whole, and it is going to be related to collection, analyzing and interpretation of data with related to the environment facing a company.

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Environment surrounding a Company may be grouped as:

- micro-environment
- macro environment

a) Micro-environment:

- forces in the environment that are close to the company and affect the company directly;
- examples, company's internal environment, customers, competitors, suppliers, and channel intermediaries.

b) Macro environment:

- forces in the environment that first affect the micro environment and through that they affect the company; in other words they affect the company indirectly.
- examples, demographic factors, socio-economic factors, political factors, technological factors, cultural factors, natural factors.

The forces in the macro environment affect all the companies operating in a same industry in a similar manner.

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Now, what is this environment facing the company. When we are speak about environment facing the company, we are talking about two kinds of environment; the micro environment and the macro environment. What is the micro environment? Now forces that are close to the company and affect the company directly, comprise what we

call as the micro environment. So, the environmental forces which are immediate to the company, closest to the company and affect the company directly is comprised what we call as the micro environment. This will include the company's internal environment, its customers, its competitors, its suppliers, its dealers, and the various other channel intermediates. So, all of them put together comprise what we call as the micro environment.

The environment surrounding the organization can also be the macro environment. What is this macro environment? Now macro environment are forces in the environment that first affect the micro environment and through that they affect the company; in other words they affect the company indirectly. So, macro forces surrounding the organization or surrounding the company, they first impact the micro forces and after having impacted the micro forces, they impact the company.

So in other words, they have an effect on the company in an indirect manner. Now what are the examples or what is basically that comprises the macro environment; the demographic factors, socio-economic factors or technological factors, cultural factors political factors, natural factors, legal environment, all of these actually comprises what we call as the macro environment. Now the forces in the macro environment affect all the companies operating in a particular industry in the same manner. Please do remember that we have two kinds of environments, a micro and a macro.

The micro affects the company directly and the macro affects the company indirectly via the micro. Now all the different companies in a particular industry will be impacted by the macro environment in a similar manner. So, this is what is the environment of a surrounding a company. Now we just said that market research helps us in collection, analyzing, and interpreting data which respect to the market and the surrounding environment of a company. So, the surrounding environment of the company as I said could be the micro and the macro.

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Market research helps:

- understand the specific marketing situation facing a company.
- identify the needs and wants of customer segment(s)
- identify viable target segment(s)
- serve them better through formulation of **appropriate marketing strategies** (the appropriate mix: 4Ps)

Appropriate marketing strategies (the appropriate mix: 4Ps):

- Starting with segmentation, targeting and positioning the marketing strategy of a firm designs a perfect blend of the marketing mix: the 4 Ps.
- Decisions regarding the product and service mix, pricing, distribution and promotion are taken, keeping in mind the marketing environment on one hand, and the resource constraints on the other.
- The goal is to achieve maximum efficiency and effectiveness.

The ultimate goal is to meet customer needs and wants and derive customer satisfaction.

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Now to be specific, market research help us understand the specific marketing situation facing a company, identify the needs and wants of customer segments, identify the most viable segment, and provide inputs through formulation of appropriate marketing strategies through the design of appropriate marketing mix or the 4Ps. So, a market research helps us understand specific market situations facing a company, identify needs and wants of the customer, identify viable segments, and serve these segments better through appropriate marketing strategies in the form of the 4Ps. Now when we talk about appropriate marketing strategies, we also actually talk of the appropriate marketing mix or the 4Ps.

So what do we do? We start with segmenting, targeting, and positioning, and then we move on to designing a perfect blend of the marketing mix or the 4Ps. Decisions with respect to product and service makes pricing, distribution, and promotion taken, keeping in mind the environment on the one hand and organizational resources and the constrains on another. The goal is to achieve maximum efficiency, the goal is to achieve maximum effectiveness, and ultimate goal is basically to meet the needs and the wants of the customer and derive, so that the customer may derive total customer satisfaction.

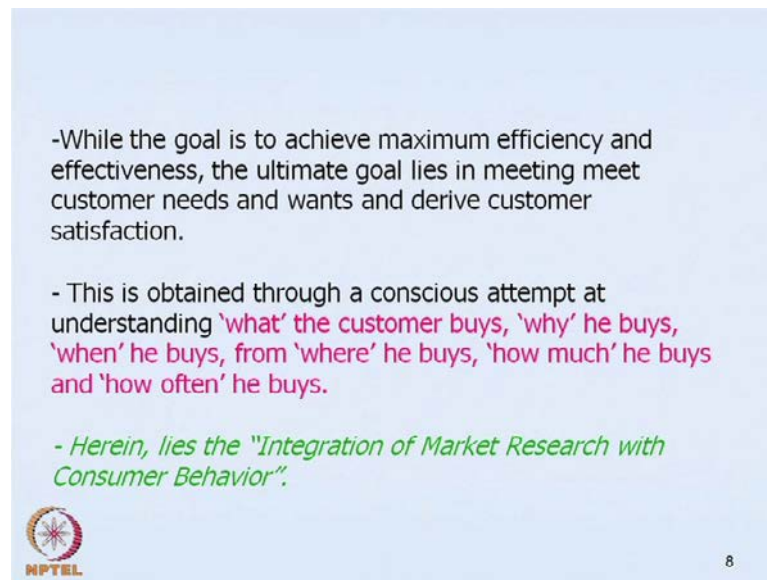
So, when we talk of market research helping us in formulating appropriating marketing strategies, we are starting first of beginning the STP or the segmentation, targeting, and positioning. Then blending the 4Ps in the best possible manner, so as to be able to gel

with the customer segment that you want him to get in to, decisions with regard to the product and service makes, pricing, distribution, promotion should be taken by the marketer; keeping in mind the environment on the one hand and organizational resources and constraints on the other.

Now when we are talking of environment as I just said, we are speaking of macro and micro environment. But also remember in the previous session, I spoke about the complexity and dynamism of the environment. So, when you are formulating your marketing mix and your strategies, you have to keep in mind that these strategies all you have mixed have to be flexible and they have to be changing with time, as and when environment possesses uncertainty or as and when because your environment is very complex and very dynamic, you cannot afford to have your 4Ps in a static state; you will have to keep evolving them.

So, market research will help you basically to not only to design your 4Ps, but also to change them or modify them or kind of reorient them, so that they can benefit the both the customer through customer satisfaction and delight, as well as the seller or as well as the marketer through greater success, greater survival, and greater competitive edge, then others. So, basically the goal here for any marketer would be to gain effectiveness and efficiency and ultimately of course to be able to reach customer objectives, customer needs and wants, and provide the desired satisfaction. So, market research here will help you basically in understanding the environment better, formulating strategies in a better manner, especially when we are talking of complexity and dynamism in the environment.


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-While the goal is to achieve maximum efficiency and effectiveness, the ultimate goal lies in meeting meet customer needs and wants and derive customer satisfaction.

- This is obtained through a conscious attempt at understanding 'what' the customer buys, 'why' he buys, 'when' he buys, from 'where' he buys, 'how much' he buys and 'how often' he buys.

- Herein, lies the "Integration of Market Research with Consumer Behavior".



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Now market research will also help us understand through a conscious attempt, what does the customer buy, why does he buy, when does he buy, where does he buy from, how much does he buy, how often does he buy. So, with ready answers with respect to all of these, actually come from market research. So, issues with respect to the consumer decisions or consumer purchase decisions or what does he buy, why does he buy, when does he buy, where does he buy it from, how much does he buy, how often does he buy; all of these answers actually we will be able get through research or through marketing research and with a ready answer to any on all of these questions gives us great input into how to device our marketing strategies and how to adopt our 4Ps.

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-“Integration of Market Research with Consumer Behavior”

Marketing Research → understand and predict **Consumer Behavior**

Consumer Research → process and tools used to study **Consumer Behavior**

Marketing research → **Consumer Research**




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So, here in lies the integration of market research with consumer behavior. So you can see here, market research basically, aims at understanding and predicting consumers better, basically understand and predict consumer behavior. Consumer research will involve processes and tools, which will be used to study consumer behavior and ultimately through understanding and predicting consumer behavior by the application of processes and tools used in the study, we will be able to move towards consumer research. So, marketing research actually moves or contributes immensely to consumer research.

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Table 1: Relationship between Marketing Research and Consumer Research

Marketing research → Consumer Research (From Market Research evolved the subset Consumer Research)	
Marketing Research	Consumer Research
Objective - To study the marketing environment and the customers who are a part of it.	Objective - To study consumers as individuals or as groups.
Focus -To establish trends, and identify opportunities and threats in the environment. - To study the market and forecast potential -To predict buying patterns based on modeling and simulation	Focus - To understand consumption behavior and consumption patterns
End result -Customer connect with company - Individual marketing and customization	End result -Customer connect with company - Individual marketing and customization



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Now we will speak off or discuss the relationship between marketing research and consumer research through this particular table. So, as I just said market research contributes immensely to consumer research. In fact, marketing research leads to consumer research. Marketing research could be very broad and macro, but consumer research becomes very narrow and micro very specific. So, market research has involved the subset of consumer research. As I have said, market research is broad, very macro; consumer research is narrow, very specific, very micro. In fact, consumer research is a subset of market research and it is from market research that this particular subset has evolved.

Now let us compare both marketing research and consumer research on three parameters; the objective, the focus, and the end result. Talking of the objective, the objective of marketing research is to study the marketing environment and the customers who are a part of it. But the objective of consumer research is to study consumers as individuals or as groups. So, here we are going to focus on the consumer as a person or as a family or as a social group; we are not going study him as a group operating in an environment. Yes, the person will operate in the environment, but that part of the study will be taken care of by marketing research.

When you are talking about consumer research, we are going only confine our retention to study of consumers as individuals or as in groups. So, we are not going to study the consumer with a broader background, but we are going him with a narrower focus. Now let us come to focus. In marketing research, the objective is to identify opportunities and threads, established trends to study market, and forecast potential or to predict buying patterns either based on modeling or simulation techniques.

But in consumer research, the focus is to understand consumption behavior and consumption patterns. So, again if you see market research is much broader. You are trying to study the entire market; you are trying to study the company surrounded by an environment; and you are trying to establish or identify opportunities and threads; you are trying to study the market in terms of market growth, market potential, market forecast, trying to study demand, trying to study sales forecast or demand forecast; you are trying to study or buying patterns based on data and based on some form of modeling and simulation. But in the case of consumer research, your focus is basically to understand consumer behavior and consumption pattern.

So you have moved narrow, you are more specific to the consumer, to his behavior, to his consumption patterns. Now the end result of a market research will be in terms of customer connect with the company, individual marketing and customization, and the end result of a consumer research will also be customer connect with a company, individual marketing and customization. So, if you see the end result for both of them is the same, but the objective with which they start and the focus with which they move ahead through research is very different. The end result of course for both, whether you are in to market research or whether you are studying consumers and you are into consumer research, the end result is a customer connect with the company talking of marketing at individual levels, one-to-one market and customization. So, this is how we basically form a relationship between marketing research and consumer research.

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2.2 Approaches to Consumer Behavior Research:
2 approaches

- a) Traditional approach: 2 approaches
 - Positivist
 - Interpretivist
- b) Current approach: 'Dialectical': 4 approaches
 - Materialism
 - Change
 - Totality
 - Contradiction

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Now let us come to the second component or second constituent of this particular module, where we will be studying about the approaches of consumer behavior research and we will be speaking about two kinds of broad approaches that have been used in the study of consumer behavior. So, approaches to consumer behavior research essentially frame themselves through two approaches. The first approach is the traditional approach and the second approach is the current approach. As far as the first approach is concerned or the traditional approach is concerned, it manifests itself through two sub approaches called positivism and interpretivism.

We have already discussed, I made mention of positivism and interpretivism in the previous session, but we elaborate on them a little much more. As far as the modern approaches or the current approaches are concerned, it is also called dialectical approach and it has four sub approaches in the form of materialism, change, totality, and contradiction. So, the approaches to consumer behavior research are of two kinds; traditional and current. Traditional is further manifested in the form of positivism and interpretivism and the modern or the current or the dialectical approach manifest itself in the form of four sub approaches which are materialism, change, totality and contradiction.

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a) Traditional approach:

- i) **Positivist**: also known as **modernism**
 - earliest approach to studying consumer behavior.
 - treats the study of Consumer Behavior as an **applied science**.
 - lays **emphasis on the causes of consumer behavior; these causes are directly related to effects**.
 - treats consumers as "**rational**"; and consumer decision making as one of "**rationality**" or "**rational decision making and problem solving**"; consumers make purchase decisions after collecting information and weighing all alternatives.

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So, let us start first with the traditional approaches. Talking about the traditional approaches as we said, we will first speak about positivist approach. The positivist approach is also called as modernism and it is the earliest approach to the study of consumer behavior. So, this particular approach treats consumer behavior as an applied science and tries to basically focus on the causes of consumer behavior. Of course these causes would be related to effects as well, but the focus here is a cause and effect as an applied science, as an earliest approach to studying the discipline and with the focus on the cause and effect, this approach has an academicians or the researchers who have followed this approach have contributed immensely to the field of consumer behavior.

They considered the consumer to be very, very rational. He behaves very rational in the market place. He is a problem solver, he is a rational decision maker, and he will make a purchase decision based on collecting information, evaluating all the possible alternatives, and then deciding on the best one based on his rationality and based on his logic; based on logic, based on rationality, and based on his cognition, he would assess all the varied alternatives and decide on a one particular alternative after having given too much of a thought. So, this approach basically treats consumers as very, very, very rational and the focus again is why do consumers behave like this? So, we are going to speak of the causes of behavior and the effects of such behavior; however, this particular approach called the positivist approach was based on certain assumptions.

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- Assumptions:

- a) consumer actions based on cause and effect relationship can be *generalized; they can be objectively measured and empirically tested;*
- b) if a marketer/researcher could identify the reasons behind consumption behavior; he would be able to *predict* it; and if they could *predict* consumer behavior, they could *influence* it.

- Focus: *to predict consumer behavior.*

- Methodology:
Quantitative (Use of techniques like surveys, observation, experiments)
Focus on Large samples.



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The assumption on which the particular approach is based is that consumer actions are based on cause and effect relationship can be generalized; they can be objectively measured and empirically tested. So, consumer action based on a cause and an effect can be generalized, and they can be objectively measured, they can be empirically tested. Now if a marketer or for a researcher could identify the reasons behind consumer behavior; he would be able to predict it; and if they could predict consumer behavior, they would be able to influence it. So, the focus here was to predict consumer behavior. The methodology, which they were going to use was essentially quantitative, use of techniques like surveys, observations, and experiments and the focus was on large samples.

So in a nutshell, I would like to just sum up. Here we have the positivist approach which is one of the earliest approaches to studying consumer behavior. It treats consumer behavior as an applied science. It says that consumer behavior consumption patterns are basically a cause and an effect relationship and it is also said that a man or a consumer is highly rational, highly logical and takes decisions after much thought, much effort and decides on the best possible alternative.

The assumption with which this model moved on was that, consumer actions are based on cause and effect, they can be generalized, they can be objectively measured, and they can be empirically tested. The focus here was that if a marketer, if a researcher could basically identify the reasons behind or understand the reasons behind how the consumers behave and why they behave in that manner, they will be able to predict it and once they will be able to predict consumer behavior, they would be able to influence it.

So, with this logic they wanted to conduct research based on this logic and based on these assumptions, focus here was basically to predict consumer behavior, the approach used quantitative techniques and focused on large samples. So, our quantitative techniques in the form of service, questionnaires, observation, and experiments and the focus were on large samples, why? Because it was based on these large samples, that they could test this cause and effect relationship, generalize their findings, and come up with robust models or robust analysis. So, this was the positivist approach to understanding consumer behavior.

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ii) **Interpretivist**: also called **post-modernism** or **experientialists**

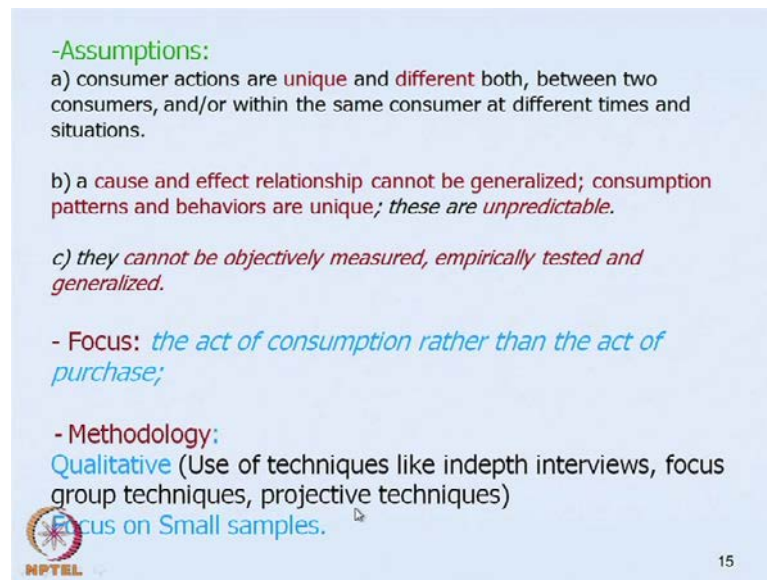
- gradually there was a shift in the approach towards the study; new approach came to be called **post-modernism**.
- lays emphasis on **understanding the customer better**.
- treats consumer decision making process as one which is "subjective."
- yet the *researchers following this approach try to identify common patterns.*

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The second approach which came about was the interpretivist approach, which was also called the post-modernism or the experientialist approach. So, gradually what happened; there was a shift in the approach from a positivist approach to more better and more advanced approach, in terms of not only understanding the reasons of behavior, but understanding the customer as such as a whole in totality per se. So, this particular approach came to be known as post-modernism or experientialism and here the focus was on the main objective of this kind of a study was to understand the customer better.

Here consumer decision-making was not something which was considered to be very objective and rational; rather it was regarded as something which is very subjective. So, people behave differently and consumer decision-making is something which is very very subjective. Yet they said that we could identify common threads or we could identify common patterns, but nevertheless consumer behavior across consumers, across segments or something, which was very different and consumer decision-making was something which was very subjective and while we could make generalizations, but it was something which was a complex and a difficult task.

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-Assumptions:

- a) consumer actions are **unique** and **different** both, between two consumers, and/or within the same consumer at different times and situations.
- b) a **cause and effect relationship cannot be generalized**; **consumption patterns and behaviors are unique; these are unpredictable.**
- c) **they cannot be objectively measured, empirically tested and generalized.**

- Focus: *the act of consumption rather than the act of purchase;*

- Methodology:
Qualitative (Use of techniques like indepth interviews, focus group techniques, projective techniques)
Focus on Small samples.

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Let us talk about the assumptions of this particular approach. The assumption behind this approach was that consumers are very unique and different both between customers and within the same customer at different times and different situations. So, cause and effect behavior could not be generalized. Consumption behaviors are very unique, they are unpredictable, they cannot be measured, they cannot be empirically tested, and they cannot be generalized.

The focus here was the act of consumption rather than the act of purchase and the methodology which the experientialist or the post-modernist used was especially qualitative in terms of in-depth interviews, focus group techniques, and other projective techniques. Focus was essentially one small sample. So, if you see the approach undertaken by positivist and interpretivist were entirely different. The assumptions on which they had formed or framed their theory, it was also totally different.

The interpretivist believed that consumers are unique and because they are unique, there will be a difference between two consumers or between one consumer behaving in a particular situation and the same consumer behaving differently in another situation. Now I also said that cause and effect cannot be generalized and consumption pattern and consumption behaviors cannot be empirically tested, they cannot be objectively measured, they are something which is unpredictable; they cannot be generalized. And if

you see, the focus here was not to understand the reasons why they behave, why they purchase.

Here the focus was the act of consumption rather than the act of purchase. In the positivist view, the objective was to study the act of purchase, why do they buy and how do they buy. But here the focus was the consumption pattern, the act of consumption, the act of purchase, usage, consumption and re-purchase. So, the focus was totally different and the tools and techniques used were also very different. This research was essentially qualitative in nature with a focus on techniques like focus group interviews, projective techniques, in-depth interviews and focus here was not on large samples, but on very small samples.

Because unlike the positivist approach, the interpretivist believed that findings in consumer behavior cannot be generalized. So, they did not find or did not consider the need for larger samples, they were ready to basically identify common threads in consumption, act of consumption based on by small samples. So, this is the difference between the two of them. Now let us illustrate the differences between the two in the form of a table.

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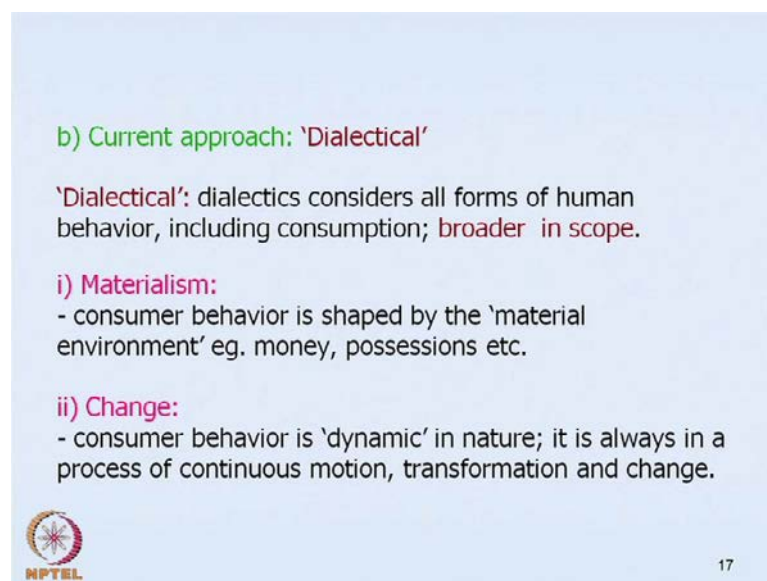
Table 2: The Positivist and Interpretivist Approach	
POSITIVIST	INTERPRETIVIST
Consumer actions based on cause and effect relationship can be generalized	A cause and effect relationship cannot be generalized; consumption patterns and behaviors are unique; <i>these are unpredictable.</i>
Consumer actions can be objectively measured and empirically tested	Consumer actions are unique and different both, between two consumers, and/or within the same consumer at different times and situations. <i>Cannot be objectively measured, empirically tested and generalized.</i>
Focus: <i>to predict consumer behavior</i>	Focus: <i>the act of understanding the consumption rather than predicting the act of purchase</i>
Methodology: Quantitative	Methodology: Qualitative
Large samples	Small samples

So, here we have the positivist and the interpretivist approach. The positivist approach when the consumer actions are based on cause and effect relationships and they can be generalized. But the interpretivist said that the cause and effect relationship cannot be

generalized; consumption patterns are unique and they are unpredictable. Positivist believed that consumer actions can be objectively measured and empirically tested, but interpretivist believed that consumer actions are unique; they are different both between two consumers and within the same consumer at different times. So, consumption act cannot be objectively measured, empirically tested or generalized.

In the positivist approach the focus was to predict consumer behavior, but here the focus was to understand the act of consumption rather than predicting the act of purchase. So, there while the positivist believed in predicting the consumer action and consumer behavior, interpretivist believed in focusing on the act of understanding the consumption process rather than the act of purchase. Methodology used by a positivist was quantitative, while the one used by interpretivist was qualitative, and while the positivist believed in large samples, interpretivist believed in having very small samples.

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b) Current approach: 'Dialectical'


'Dialectical': dialectics considers all forms of human behavior, including consumption; **broader in scope.**

i) Materialism:

- consumer behavior is shaped by the 'material environment' eg. money, possessions etc.

ii) Change:

- consumer behavior is 'dynamic' in nature; it is always in a process of continuous motion, transformation and change.

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So, now let us move to the current approach. We are done with traditional approaches, which had two sub approaches in the form of the positivist and the interpretivist. Now let us come to the current approach of studying consumer behavior which is also called the dialectical approach and it is more relevant to our current times. Now what is dialectical? Dialectical basically comes from the word dialectics and this is something which means to consider all forms of human behavior, including consumption. So, if you are talking about being dialectic in consumer, in the context of consumer behavior, we are actually

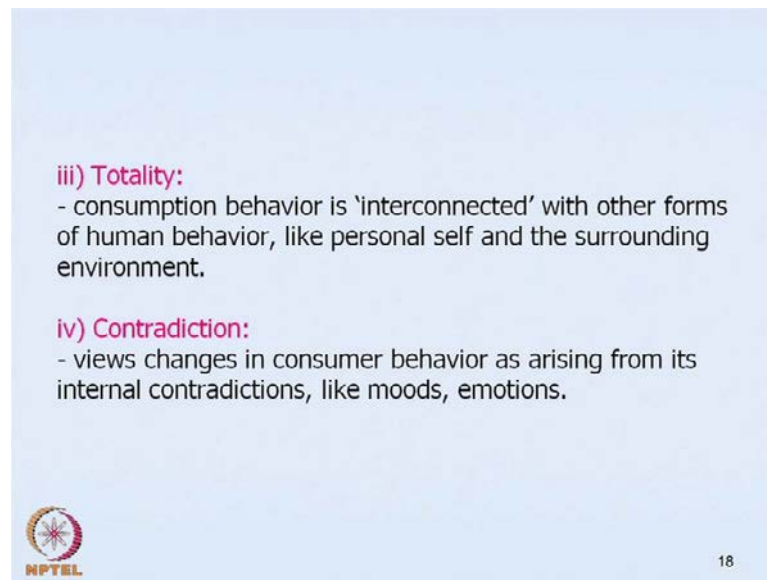
trying to say that you should consider all forms of human behavior, whether it is pre purchase or it is purchase or it is usage or it is consumption or it is post-purchase.

So, we have to consider at the entire human behavior in the market place. So, it is much broader in scope and lot more in understanding the customer by giving him a holistic view rather than talking of him in a very parochial manner, we are talking of him and studying him in the holistic context rather than studying him in a parochial context. So, when we talk about current approach or dialectics, there are four sub approaches in the form of materialism, change, totality, and contradiction. So, let us see what each of these means and how each of these is relevant to us.

Starting with materialism; according to this particular approach, our consumer behavior is shaped by material environment. What do you mean by material environment? Material environment implies that consumers are essentially very materialistic in nature. Consumers are highly materialistic in nature and their behavior, their consumption patterns, their act of purchase, usage, and overall consumption is shaped by the material environment, is shaped by money, is shaped by positions, and essentially consumers are looked upon as some people who are very materialistic, give a lot of importance to money, and give a lot of importance to holding on to position.


So, this is one approach of studying this particular approach called the current approach. The second approach to studying consumer behavior current approach is the change. Consumer behavior is something which is regarded as something very dynamic. It is always in a process of transformation, it is always in a process of change, it is always in a process of motion. So, consumer behavior is essentially very dynamic, changing all the time. So, this is another sub approach towards studying the current approach called dialectics.

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iii) **Totality:**
- consumption behavior is 'interconnected' with other forms of human behavior, like personal self and the surrounding environment.

iv) **Contradiction:**
- views changes in consumer behavior as arising from its internal contradictions, like moods, emotions.



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The third sub approach, which we speak of is totality. So, consumer behavior is 'interconnected' with other forms of human behavior. So, as I just told you the current approach or dialectic deals with and studies the consumer with the holistic purpose. So, while they are studying the consumer or studying the human being or studying the consumer in a holistic view or giving him a holistic picture, so they say that human beings essentially do not live in isolations. Similarly consumers do not leave in isolation; they are surrounded by other forms of behavior, other forms of environment either in the form of psychographics or in the form of socio graphics.

So, when we have to study human behavior or when we have to study consumer behavior; for example, more relevant to us is consumer behavior. So, when you have study consumer behavior, we have to study the consumer as a whole. We have to study him against environment both in terms of psychographics, his own internal self, as well as an external environment in the form of the sociographic or the situation influences that he or she is exposed to. And finally, contradiction which is another sub approach of the current approach which says that changes in consumer behavior actually arise from contradictions and such contradictions actually happen because of changes in internal changes like mood states or emotions or feelings.

So, because of many changes that takes place, either because of changes in the effect or because of changes in the feeling component, because of changes in mood state, because

of changes in emotions. So, consumer behavior also gets impacted by all of these. The manner in which a consumer will react or act in the market place will also be determined by a subjective factor in the form of effect, feeling, mood states and the so forth. So, this is as far as the approaches to consumer behavior are concerned.

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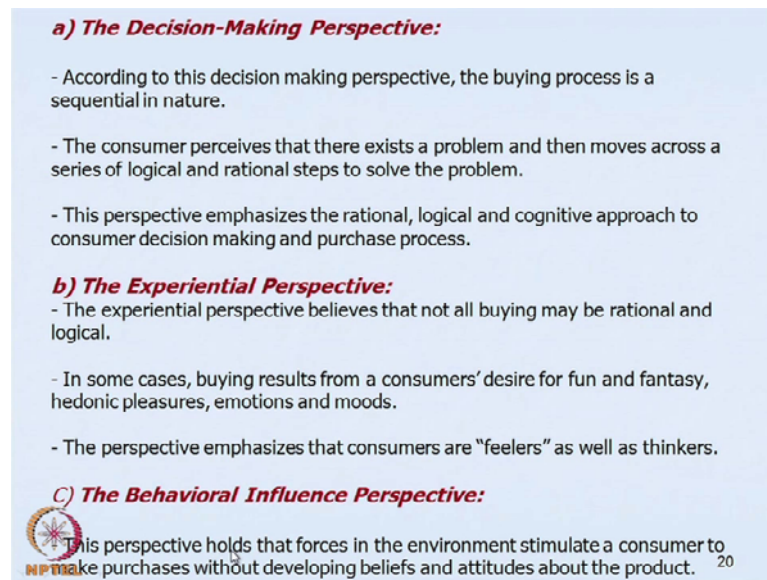
2.3 RESEARCH PERSPECTIVES ON CONSUMER BEHAVIOR:

- Three broad research perspectives in consumer behavior.
- They are:
 - a) The Decision-Making perspective
 - b) The Experiential perspective
 - c) The Behavioral-Influence perspective.

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Now we will now move to the research perspectives on consumer behavior. So, we have if you see what are the research perspectives on consumer behavior? There are three broad research perspectives in consumer behavior. They are the decision-making perspective, the experiential perspective, and the behavioral-influence perspective. So, these are broad orientations towards which researchers and academicians have used basically, to study these particular disciplines. They have either used a decision-making perspective or they have used an experiential perspective or they have used a behavioral-influence perspective.

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a) The Decision-Making Perspective:


- According to this decision making perspective, the buying process is a sequential in nature.
- The consumer perceives that there exists a problem and then moves across a series of logical and rational steps to solve the problem.
- This perspective emphasizes the rational, logical and cognitive approach to consumer decision making and purchase process.

b) The Experiential Perspective:

- The experiential perspective believes that not all buying may be rational and logical.
- In some cases, buying results from a consumers' desire for fun and fantasy, hedonic pleasures, emotions and moods.
- The perspective emphasizes that consumers are "feelers" as well as thinkers.

c) The Behavioral Influence Perspective:

This perspective holds that forces in the environment stimulate a consumer to make purchases without developing beliefs and attitudes about the product.

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So, let us see each one of them means. When we talk of the decision-making perspective, the buying we say that the buying process is sequential in nature. A consumer perceives there is a problem and then he moves through a series of steps to solve that particular problem. So, this particular approach to studying consumer behavior emphasizes the rational, logical and cognitive approach to consumer decision-making and the purchase process. So, this is the first approach or this is the first perspective of studying consumer behavior.

The second perspective to studying consumer behavior is the experiential perspective which says that not all buying decisions can be rational, not all buying decisions can be logical. In some cases, buying happens because of a consumer's desire for happiness, for pleasure, for fun, for fantasy for emotional states, mood states, lot of buying takes place because of the mood states or the effect or the feeling component, which underlies the consumer and his reactions. So, this particular approach says that consumers are 'feelers' as well as thinkers. They are not only thinkers, but they are also feelers.

And the third approach basically is the behavioral-influence approach which says that forces in the environment stimulate a consumer to make purchases without developing beliefs and attitudes of the product. So, what we are trying to say is lot of situational factors, lots of environmental factors stimulates a person to make a purchase without him having developed, feeling for the product, or an attitude towards the product. So, many a

time people buy not out of rationality or because of feeling, but because of environmental situational forces that stimulate a consumer to make a purchase.

So if you see the three of them, the decision-making perspective basically treats consumers as rational human beings who go through the five stage decision-making process in a very logical, rational manner. A need is identified and then these consumers move through successive stages of information search, evaluation of alternatives, purchase and post-purchase behavior and they complete the purchase process and post-purchase. So the approach here, kind of looks at the consumers are extremely rational, extremely cognitive in nature, and this particular process of consumer decision-making is something which is very logical, very rational, very scientific with consumers at being thinkers.

So, consumers are looked upon as thinkers and the buying process is regarded as something very sequential in nature. On the other hand, the experiential perspective looks upon consumers not only as thinkers, but also as feelers. They say a lot many purchases actually happen because consumers have experienced positive emotions or positive mood states or experienced fun, fantasy, and hedonic pleasures. So, not all buying can be rational, not all buying can be logical. Sometimes people are actually moved to act of purchase, out of fun, fantasy, happiness, pleasure and different kinds of mood states. So, they are essentially not only thinkers but also feelers.

And then we have the third view which is the behavioral-influence perspective which says many a time that consumers are neither thinkers nor feelers. They basically act out of situational forces or environmental forces. So because of these environmental forces, they are compelled to make certain kinds of purchases without having developed attitudes for it or believe for it or without having developed any emotional and mood states for it. So, these are the three approaches to the study of consumer behavior. These are the three research perspectives to the study of consumer behavior.

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2.4 RESEARCH PARADIGMS IN CONSUMER BEHAVIOR:

- Two Approaches:

- a) Quantitative research: used by the positivists
- b) Qualitative research: used by the interpretivists.

Current Approaches to studying Consumer Behavior use both the approaches.

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Now let us come to the research paradigms. So, we are here going to speak of the approaches which are used by researchers and consumer behavior. When we talk about the two approaches, we have spoken of quantitative approach and qualitative approach. The quantitative approach as we have just mentioned basically, it was used by the positivists, and qualitative research has been used by the interpretivist. Both positivist and interpretivist were the traditional approaches.

So traditional approach when we talked about positivists, they use quantitative techniques and when we use when we spoke of the interpretivist, they use the qualitative approach. But today the current approach or the dialectic approach which speaks of totality, contradiction, and materialism, and change. Here in the four of them, we use both quantitative and qualitative techniques. So, when we are studying the consumer holistically as per the current approach or as per the dialectic approach, we are studying him, analyzing him, both in terms of qualitative techniques and through quantitative techniques.

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a) Quantitative Research in Consumer Behavior:

- The approach makes application of quantitative research techniques to the study of Consumer Behavior.
- It comprises:
 - (i) *research techniques* that are used to gather *quantitative* data over large samples randomly
 - (ii) *statistical tools and techniques*, inclusive of survey techniques, observation and experiments.
- This type of research is *descriptive and empirical* in nature.
- It is primarily used by the *positivists* while studying consumer behavior, with a *focus* on prediction of consumer behavior.
- The *findings can be generalized* to marketing situations.

 The quantitative techniques are *also used by "dialectics"*.

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Now, let us speak a little bit about quantitative techniques or and qualitative research in consumer behavior. So, quantitative research in consumer behavior makes use of quantitative research techniques. So, it comprises research techniques that are used to gather quantitative data over large samples. Statistical tools and technique are used like survey techniques or through questionnaires or through observation or through experiments.

The research is very descriptive in nature, highly empirical, very analytical used preliminary by a positivist, focus on consumption behavior, predicting consumption behavior and the findings something which can be generalized over large samples. So, this particular technique of course is also used by dialectics, but was essentially initially used by the positivist. So, as I said use of quantitative techniques in the form of service, instruments or observation or experiments conduct over large samples with the focus to generalize the findings and the objective is to predict consumer behavior, and generalize these findings to broad marketing situations.

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b) Qualitative Research in Consumer Behavior:

- The approach makes application of *qualitative* research techniques to the study of Consumer Behavior.
- It comprises:
 - (i) *research techniques* that are used to gather *qualitative* data over small samples randomly.
 - (ii) *non-statistical tools and techniques*, inclusive of indepth interviews, focus group, projective techniques and even observation.
- The type of study is *subjective and non-empirical* in nature.
- It lays emphasis on the holistic "*what, where, when, why and how*" of *human behavior*".




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So, this was the quantitative research in consumer behavior. If you come to qualitative research, it comprises research techniques which are used together qualitative data. So, we basically collect qualitative data, non-statistical tools are used like in-depth interviews, focus group interviews, projective techniques, also observation. Observation is also used as a technique to collect qualitative data. So, we make use of focus group interviews or observation or projective techniques to basically collect qualitative data.

This data is collected over smaller samples; objectives to understand the consumer better the subject. The approach is highly subjective in nature, non-empirical in nature and the basic focus is "what, where, how, when, how often". So, these are questions what does a consumer buy, when, how, where often, how often. So, these are the various issues which should be actually addressed by qualitatively through qualitative research.

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- The *focus* is on understanding consumption behavior and consumption patterns.
- The *objective* is to gain an understanding of consumer behavior and the underlying causes that govern such behavior.
- The approach assumes that all marketing situations are unique; and, hence the *findings cannot be generalized* to marketing situations.
- This approach is primarily used by the *interpretivists* while studying consumer behavior.
- The qualitative techniques are *also used by "dialectics"*.




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So, the focus again was on understanding consumer behavior and consumption patterns. Objective is to gain understanding of consumer behavior. Of course the findings could not be generalized and as we have discussed earlier this particular approach was used by interpretivist and it is again today being used by dialectic. So, these are the two research paradigms in consumer behavior. Now consumer behavior basically makes use of both the approaches.

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Combining the two approaches:

- the two approaches are used in combination to study consumer behavior.
- *qualitative research is very often a prelude to quantitative research*; the findings from qualitative research are used to prepare scales for surveys and experiments.
- in some cases *quantitative research may also act as a precursor to qualitative research*; the findings from quantitative research are corroborated through case studies and other qualitative measures.



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So, both the approaches are used in combination. They are used in conjunction with each other. Qualitative research is very often a prelude to quantitative research; finding some qualitative research is used to prepare scales for surveys and for experiments. So, we start with qualitative research, we try to gain insides into consumers, into consumer segments, into market segments, through focus group interviews, through observation through projective techniques; thereafter once we have assessed the market qualitatively, we formulate or we device scales which are further used for service and for experiments.

In some cases of course, quantitative data may also act as a precursor to qualitative research and the findings from quantitative are corroborative by qualitative research. So, they both help each other, they often use in conjunction. While we say that it is the qualitative and then we move from qualitative to quantitative, but the other way round also works and very often the findings from quantitative data are corroborated through the use of qualitative research.

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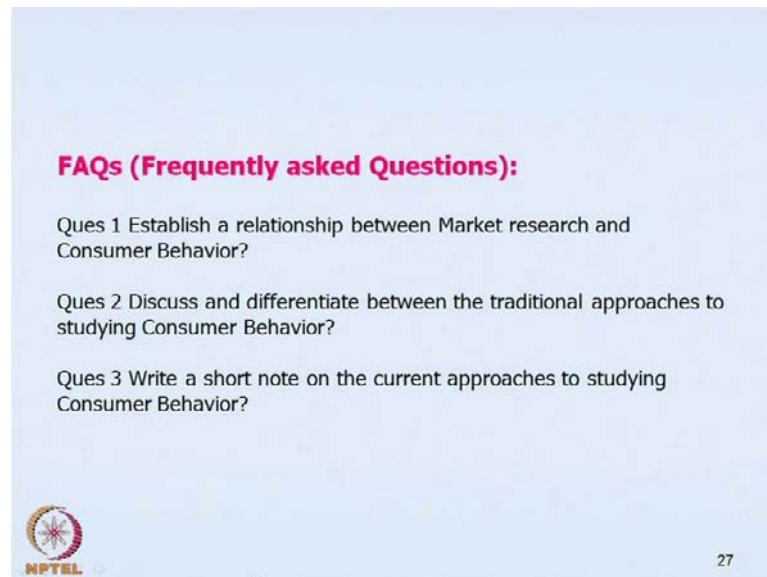


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So, this brings us to the conclusion of the session one of module 2, but before we come up with the conclusion let us mention some references for further reading. You have Loudon and D.L. and Bitta, which is a book on consumer behavior from Tata McGraw-Hill. There is Peter and Olson, again consumer behavior and marketing strategy from McGraw-Hill. We have Schiffman and Kanuk from as consumer behavior from Prentice Hall. We have Wells and Prensky from John Wiley. There is a very nice article which

you would like to read probably which is by Marsden and Littler and it speaks of, “A Dialectical Approach to Consumer Research: Beyond Positivism and post-modernism.” This was published actually; it was edited in a book called European advances on consumer research, Volume 4 and so this particular article is a nice one.

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FAQs (Frequently asked Questions):

Ques 1 Establish a relationship between Market research and Consumer Behavior?

Ques 2 Discuss and differentiate between the traditional approaches to studying Consumer Behavior?

Ques 3 Write a short note on the current approaches to studying Consumer Behavior?

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Now let us come to some frequently asked questions. So, what are the various questions which are or which can be asked from this particular session? The first question that can be asked is, establish a relationship between market research and consumer behavior. Well, we have already discussed this in detail about how both market research and consumer behavior, they start with the marketing concept. So, if we look at the marketing concept which is the edifice of the consumer behavior and which is contributed. Market research helps and contributes greatly to consumer behavior. It is through market research that we will be able to understand consumers better. Market research will give us insights into the customer needs and wants, the environment facing a company and forces in the environment, for micro forces, macro forces. It will tell us about the viability of segments and so it will basically help us advice proper strategy. So, a market research contributes immensely to the study of consumer behavior.

The second question that can be asked is; discuss and differentiate between the traditional approaches to studying consumer behavior. So, we have the two traditional approaches, the positivist approach and the interpretivist approach. The positivist

approach basically spoke about predicting consumer behavior; focus on large samples. Objective was to generalize these findings, use of quantitative tools and techniques. As other side we have interpretivists who basically did not focus on predicting consumer behavior, but understanding the act of purchase and consumption. They used qualitative tools, the focus was on small samples and they said that any kind of generalization was not possible. So, this is the difference between the two of them.

Then the third question is, write a short note on the current approaches to studying consumer behavior. When we speak about the current approaches to studying consumer behavior, we are essentially speaking about the dialectics or the current approach. As we just said, dialectics or the current approach has four sub approaches in the form of the materialism, change, totality, and contradiction. So, materialism says consumers are highly materialistic in nature. Change says that consumer behavior is something which is very dynamic, because the consumer operates in an environment which is essentially dynamic and very very complex.


Totality says it is essential to study the consumer holistically, study him against a backdrop of individual and determinants or psychographic determinants as well as external environment or the sociographic components and the situational influences. And then of course, the contradiction says that lot of consumer behavior actually arises from internal contradictions in the form of moods and effect and feeling; cognitively your mind may say that yes, buy a product x because of better functionality. But you end up buying product y or brand y because you like it much better; it is aesthetically more appealing. So, the internal contradictions and moods and emotions have a big role to play. So, these are the four sub approaches to studying the current approach of study of consumer behavior.

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Self Evaluation Tests/Quizzes:

Section A True/false:

1. The positivist approach to studying Consumer Behavior treats consumer decision making process as one which is "subjective."
2. According to the interpretivist approach, consumer actions cannot be objectively measured, empirically tested and generalized.
3. The positivist approach to studying Consumer Behavior relies on qualitative research methods.



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Now, let us come to some self evaluation tests. For example we will start with some state true and false statements and the first statement is that the positivist approach to studying consumer behavior treats consumer decision-making process as one of "subjective". So, the answer to this is no. It is the interpretivist approach which says consumer decision-making is something which is subjective. So, the answer to the first question is 'false'. The positivist approach to studying consumer behavior treats consumer decision-making process as one which is subjective; this is false.

The second question, according to the interpretivist approach, consumer actions cannot be objectively measured, empirically tested and generalized. So according to the interpretivist approach, consumer actions cannot be objectively measured, empirically tested and generalized. The answer to this is 'true'. So, you cannot basically generalize or empirically test consumer action and consumer behavior. The third statement is positivist approach to studying consumer behavior relies on qualitative research methods. So, this again is a 'false' statement. The positivist approach to studying consumer behavior relies on quantitative research methods.

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Section B Multiple choice questions:

1. Which of the following is not one of the current approaches to studying consumer behavior?
a) Post modernism
b) Change
c) Materialism
d) Totality
2. Which of the following is true about post modernism:
a) consumer actions cannot be objectively measured, empirically tested and generalized.
b) focus lies in predicting consumer behavior
c) methodology is quantitative
d) none of the above.



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Some of the multiple choice questions: So, which of the following is not one of the current approaches to studying consumer behavior? a) Post-modernism b) Change c) Materialism d) Totality. So, the answer to this is a) post-modernism; it is not one of the current approaches of studying consumer behavior. Before current approaches are change, materialism, totality, and contradiction.

Second question, which of the following is true about post-modernism: a) consumer actions cannot be objectively measured, empirically tested and generalized; b) focus lies in predicting consumer behavior; c) methodology is quantitative; d) none of the above. So, a) consumer actions cannot be objectively measured, empirically tested and generalized; b) focus lies in predicting consumer behavior; c) methodology is quantitative and d) none of the above. So answer to this is, answer to this is, well you guessed it right. It is 'a'. So, consumer actions cannot be objectively measured, empirically tested and generalized this is a true statement about post-modernism.

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Section C Fill up the blanks:

1. _____ is the systematic collection, analysis and interpretation of data related to the market and the surrounding environment.
2. _____ treat the study of Consumer Behavior as an applied science.
3. Forces in the environment that affect the company indirectly comprise the _____ environment.
4. The focus of the _____ approach is to predict consumer behavior.

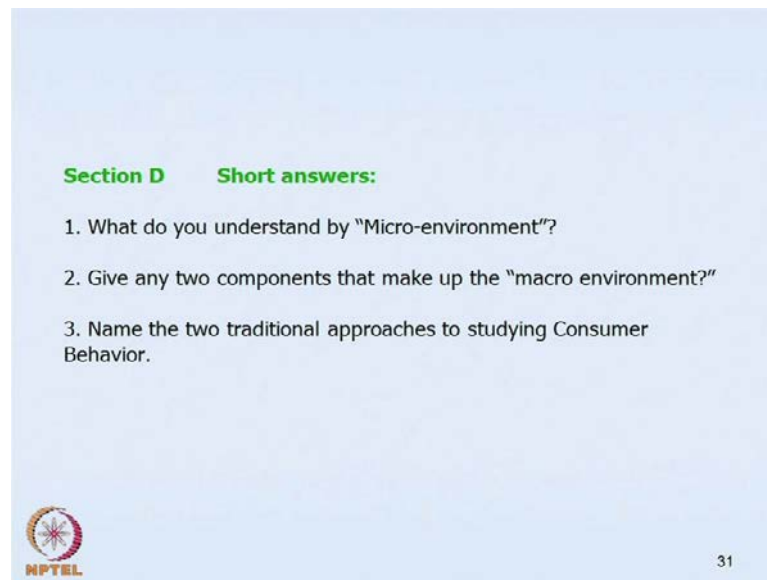


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Fill in blanks: Dash is the systematic collection, analysis and interpretation of data related to the market and to the surrounding environment. So, what are the systematic collection, analysis and interpretation of data related to the market and to the environment? This is market research. Market research is the systematic collection, analysis and interpretation of data related to the market and to the environmental forces. dash treats the study of consumer behavior as an applied science. So, who treats study of consumer behavior as an applied science; the positivists. It is the positivist who treats the study of consumer behavior as an applied science. So, answer to this particular fill in the blank is 'positivist'.


Forces in the environment that affect the company indirectly comprise the dash environment. Forces in the environment that affect the company directly comprise the dash environment. The answer to this is macro environment; answer to this is macro environment. The focus of the dash approach is to predict consumer behavior. The focus of the dash approach is to predict consumer behavior. The focus of the, focus of the positivist approach is to predict consumer behavior. So, you have forces in the environment that affect company indirectly, comprise the macro environment and the focus of the positivist approach is to predict consumer behavior.

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Section D Short answers:

1. What do you understand by "Micro-environment"?
2. Give any two components that make up the "macro environment"?
3. Name the two traditional approaches to studying Consumer Behavior.

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So the last question, what do you understand by the micro environment? The micro environment is all the force in the environments that are close to the company and impact the company directly. So, it is the company's internal environment, its customers, its competitors, its suppliers, its vendors, its dealers, its distributors; all of these comprise what we call as the micro environment. They are forces, which impact the organization directly.

Give any components that makeup the macro environment? So, the macro environment as we have just said is the environment surrounding a company which affects the company indirectly via the micro environment. So, what are the various forces in that macro environment? They could be many; demographic, legal, technological, political cultural, national, natural, environmental; all of these are forces which surround the company and surround the organization and have an impact on the organization indirectly via the micro environment.

Name the two traditional approaches to studying consumer behavior? So, the two traditional approaches to studying consumer behavior are the positivist and the interpretivist. So, these are the two approaches of studying consumer behavior in the traditional form. This brings us to the end of session one of module 2. So in the next session, we shall be speaking about the consumer research process. So, I hope you

benefited from this session, and we will be moving with this module again in the next session.