

A Study on Changing Buying Behaviour of Indian Customers

Subrato Dey

*Assistant Professor,
ITM University, Raipur.*

Abstract

In the recent years, 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 behavior of Indian consumers has changed dramatically. Urbanization is a constant phenomena in India and is influencing the life style and buying behavior of the consumers. The study is based on the perceptions, buying behavior and satisfaction of the consumers in Indian market.

Keywords: Buying Behaviour of Indian Customers, Urbanization, Perceptions.

INTRODUCTION

The Indian consumer market has higher disposable income the development of modern urban lifestyles. Increase in consumer awareness has affected buyer's behavior in cities, towns and even rural areas. According to a 2010 report by McKinsey & Co., India is set to grow into the fifth largest consumer market in the world by 2025.

Rising incomes in the hands of a young population, a growing economy, expansion in the availability of products and services and easy availability of credit all has given rise to new consumer segments and a rising acceptability of debt, whether it is mobile phones, credit cards, apparel or organized retail, people clearly seem to be spending more, particularly on discretionary items. The credit facility from business houses has been increasing at a rapid rate. This shows the terrific cut-throat competition in the ever changing market.

OBJECTIVES

1. To recognize the different consumer types & communicate accordingly.
2. To know the factors those affect their buying behavior.
3. Understand buying behavior & consumer decision making process.
4. To know what strategies the marketer can adopt to influence the consumer purchasing behavior.

METHODOLOGY

The present study is based on the perceptions, buying behavior and satisfaction of the consumers in Indian market. Sources of the primary and the secondary data are discussed. The Interview schedule is used for the purpose of collecting primary data. As the universe of the study is large to select sample, simple random sampling technique has been adopted .The secondary data have been collected from the companies' bulletins, business magazines, business dailies, text books, annual reports and websites.

The present study involves the use of "Survey Method". For quantitative data collection the personal survey methods is used. Sample size was 50. The nationality of Sample was Indians, mainly residents of Raipur. The Age group of sample from 15 years to 60 years.

LIMITATIONS

The study focuses and emphasizes on a sample size of 50 in and around Raipur due to the time and cost constraint. Since the area of study has only been Raipur and also on a select sample of 50 the results may or may not be applicable to the other cities in India.

Changing Trends in Indian Consumer Behaviour

Purchasing urban products is taking place in India at a tremendous pace and is influencing the life style and buying behavior of the consumers. The working urbanites are depending more on fast and ready-to-serve food, they take less pain in traditional method of cooking and cleaning.

Bulk purchases from hyper stores seem to be the trend these days, rather than frequent visits to the neighborhood market or store or vendor. A large number of consumers are visiting especially to the Malls rather than the plenty of shops available to the next door.

Trendy Life Style

The current urban middle and upper class Indian consumer buying behavior to a large extent has western influence. There is an increase in positive attitude towards western

trends. The Indian consumer has become much more open-minded and experimental in his/her perspective.

Foreign brands have gained wide consumer acceptance in India, they include items such as; Beverages, Packed food, Ready to eat food , Pre-cooked food, Canned food, Personal care products , Audio/video products, Garment and apparel, Footwear , Sportswear, Toys and Gift items .

Spending Behaviour of Consumer

The way Indian consumers are spending their money on various items has changed in recent years. The share being spent on the basis (food and beverages) are falling. For urban India, averagely 30 days consumer expenditure was split up into food, and for nonfood. Food expenditure includes cereals and cereal substitutes, milk, milk products, vegetables, edible oil and others. Non-food expenditure included fuel and light, and rest on clothing, footwear and on other non-food expenditure.

In India, the higher income group spends more amount of their income on luxury goods and trendy products than fact moving consumer products. The middle income group spends more on consumer expendables than the rich.

FINDINGS

The Indian consumers are noted for the high degree of value orientation. Even, luxury brands have to design a unique pricing strategy in order to get a foothold in the Indian market. Indian consumers are also associated with values of nurturing, care and affection. Product which communicate feelings and emotions gel with the Indian consumers. Consumers undertake complex buying behavior when they are highly involved in a purchase and perceive significant differences among brands. Consumers are highly involved when the product is expensive, risky, purchased infrequently, and highly self expressive. Thus buyer will have to pass through a learning process, first developing beliefs about the product, then attitudes, and then making a thoughtful purchase choice.

Marketers of high-involvement products must understand the information-gathering and evaluation behavior of high-involvement consumers. They need to help buyers learn about product-class attributes and their relative importance, and about what the company's brand offers on the important attributes. After the purchase, consumers might experience post purchase dissonance when they notice certain disadvantages of the purchased carpet brand or hear favorable things about brands not purchased. Habitual buying behavior also occurs among the certain group of the population under conditions of low consumer involvement and little significant brand difference.

RECOMMENDATION

On the basis of research I would like to suggest that if the customers are making buying decisions they look what exactly business offers as well as the competitors

which are already existing. In certain categories friends and family play a big part as influencers in buying decisions. The influence of opinion leaders has been around for a long time. And now opinion leaders from other countries can now have an influence on Indian customers. This can occur on social networking sites, comparison shopping sites and reviews for example.

Cultural factors have a significant impact on customer behavior. Culture is the most basic cause of a person's wants and behavior. Growing up, children learn basic values, perception and wants from the family and other important groups. A customer's buying behavior is also influenced by social factors, such as the groups to which the customer belongs and social status.

CONCLUSION

Consumer behavior is complex and very often not considered rational. A further challenge will be consumer personalities which differ across borders and also between and within regions. The vulnerable consumer, who does not always have access to the same number of choices as the average consumer, also needs to be taken into account. From the market perspective, people of India comprise different segments of consumers, based on class, status, and income.

An important and recent development in India's consumerism is the emergence of the rural market and market for eco-friendly products for several consumer goods. Three-fourths of India's population lives in rural areas, and contribute one-third of the national income so it should not be avoided. Lastly, creating value along with delivering delight to the customer is what is most important. We live in a digital age and thus need to keep up with new trends in the social media.

REFERENCE

- [1] Baumgartner, G and Jolibert, A "Consumer Attitudes Towards Indian products", (2008), International Business Studies II (spring).
- [2] Bennett, Rebekah, Rundle - Thiele, Sharyn, "Customer Satisfaction should not be the only Goal", (2004), Journal of Services Marketing, Vol.18 (6&7).
- [3] Bhargava S. C. "Passenger Car Industry: Maruti Maintains the Lead" (2000), Facts for You, April.
- [4] J. S. Panwar, Beyond Consumer Marketing, (Response Books A division of Sage publications, New Delhi 2004)
- [5] Ninawe Arundhati S., Consumer Behaviour, Sai Jyoti Publication , Nagpur, 2011.
- [6] P Kotler, et. al., Marketing Management, Pearson Prentice Hall, New Delhi 2007
- [7] P. Indrasena Reddy, Rural Marketing in India - Problems and Prospects, Indian Journal
- [8] Schiffman, L & L Knauk. Consumer Behaviors 7th ed. Prentice hall, 2000.