

## **A General Study of Consumer Behavior and Digital Technologies on Marketing Strategies: An Analysis**

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### ***Abstract***

*Everybody is trying to lure the customers with lucrative offers, schemes and various marketing strategies. This study is an effort to understand several points about consumer behavior i.e. what is consumer behavior, which factors influencing consumer behavior, and what is impact of digital technologies on marketing strategies, conclusion. The research has been carried out as only secondary sources of information. For Secondary data was collected from various secondary sources and Internet which is mentioned in reference sections.*

***Keywords: consumer behavior, digital technologies, marketing strategies, factors influencing,***

### **INTRODUCTION**

Consumer behavior studies play an important role in framing marketing and in deciding marketing strategies. The “customer is king” philosophy has become one of those marketing fads and fashions that have continued to trail the growth and expansion of the product economy. The term consumer is often used to describe two different kinds of consuming entities personal consumer and organizational consumer. Ultimate consumers are those individuals who purchases for the purpose of individual or household consumption. Organizational consumers are those who buy products and services in order to run their business. Buyer is the individual who actually makes the purchase transaction whereas user is the person most directly involved in the consumption or use of the purchased product.

Consumer behavior has changed dramatically in the past few decades. Today, consumers can order online many customized products ranging from trainers to computers. Many have replaced their daily newspapers with customized, online editions of these media and are increasingly receiving information from online sources. Consumers who want out-of-print books no longer have to visit out-of-the-way shops with hundreds of poorly organized dusty shelves, and those who wish to purchase a book published in another country no longer have to call foreign publishers or deal with the bureaucratic nightmare of overseas delivery; instead, they can visit online stores where they can easily locate and place orders for the books they seek. All of these new ways of selling products and services became available to consumers during the past 15 years and are the result of digital technologies. And they also have another thing in

common: they exist today because they reflect an understanding of consumer needs and consumer behavior.

## **CONSUMER BEHAVIOR**

The term *consumer behavior* is defined as the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchases and how they dispose of it.

The American Marketing Association (AMA) defines consumer behavior as “The dynamic interaction of cognition, behavior and environmental events by which human beings conduct the exchange aspect of their lives.”

### **FACTORS INFLUENCING CONSUMER BEHAVIOR:**

A consumer's buying behavior is influenced by cultural, social, personal and psychological factors.

#### **CULTURAL FACTORS:**

Culture is the fundamental determinant of a person's wants and behavior. The growing child acquires set of values, perception, preferences and behaviors through his or her family and other key institutions. Each culture consists of smaller sub cultures that provide more scientific identification and socialization for their members when subculture grows large and affluent enough, companies often design specialized marketing programs to serve them.

#### **SOCIAL FACTORS:**

In addition to cultural factors, consumer's behavior is influenced by such social factors as reference groups, family and social roles and statuses.

**Reference Group:** A persons' reference group consists of all the groups that have a direct or indirect influence on the person's attitude or behavior. The groups having a direct influence on a person are called Membership groups. Membership groups may be primary (family, friends) or secondary (religious, professional groups). Reference groups expose an individual to new behaviors and lifestyles and influence attitudes and self-concept.

**Family:** The family is the most important consumer-buying organization society; it creates the most influential primary reference group. Even if the buyer no longer interacts with his parents, their influence on the buyers' behavior can be significant..

**Roles and Statuses:** A person participates in many groups such as family, clubs, and organizations. The Persons' position in each group can be defined in terms of role and status. A role consists of activities a person is expected to perform. Each role carries status.

#### **PERSONAL FACTORS:**

Buyer's decisions are also influenced by personal characteristics. These include the buyers' age and stage in life cycle, occupations, economic circumstances, lifestyle and personality and self-concept.

**Age and Stage in Life cycle:** People buy different goods and services over lifetime. The good bought or services used in one stage of life differ from the goods and services bought in the other stage of life.

**Occupation and Economic circumstances:** Occupation also influences consumption pattern. A blue-collar worker will buy work clothes, work shoes and lunch boxes, while the company president will buy executive suits, air travel and country club membership. A company should design its product in such a manner that all classes of consumer could use it.

**Life Style:** Life style is a persons' pattern of living in the world as expressed in activities, interests and opinions. Peoples belonging to different social classes lead different life styles and this life style impact on the buying behavior.

**Personality and Self Concept:** Each person has personality characteristics that influence his or her buying behavior. Personality can be useful in analyzing consumer brand choices as a consumer buys the product, which matches his or her personality.

### **PSYCHOLOGICAL FACTORS:**

A personal buying choice is influenced by four major psychological factors, which are Motivation, Perception, Learning and Beliefs and attitudes.

**Motivation:** Motive is the need that is sufficiently pressing to drive the person to act. Motivation is led by need and a consumer's buying behavior is also derived by the need. Thus marketers should understand the motivation behind a consumer's buying decision.

**Perception:** Perception is the process by which an individual selects, organizes and interprets information, input to create a meaningful meaning of the world. It is very important to understand the consumer's perception towards a product.

**Learning:** Learning involves changes in an individual's behavior arising from experience. Most human behavior is learned. A new company could enter the market by appealing the same drives that competitors use and by providing similar key configurations because buyers are more likely to transfer to similar brands.

**Beliefs or Personality and Attitudes:** Belief is a descriptive thought that a person holds about something. People believe about a product or brand influence their buying decision. People's belief towards a product leads to their decision of either buying or not buying it.

### **IMPACT OF DIGITAL TECHNOLOGIES ON MARKETING STRATEGIES:**

Digital technologies allow much greater customization of products, services and promotional messages than older marketing tools. They enable marketers to adapt the elements of the marketing mix to consumers' needs more quickly and efficiently, and to build and maintain relationships with customers on a much greater scale. By using new technologies, marketers can collect and analyze increasingly complex data on consumers' buying patterns and personal characteristics, and quickly analyze and use this information for targeting smaller and increasingly more focused groups of consumers. On the other hand, the same technologies enable consumers to find more information about products

and services (including prices) more easily, efficiently and, for the most part, from the comfort of their own homes. Therefore, more than ever before, marketers must ensure that their products and services provide the right benefits and value and are positioned effectively to reach consumers.

Online communication and emerging digital technologies have introduced several dramatic changes into the business environment:

- Consumers have more power than ever before. They can use 'intelligent agents' to locate the best prices for products or services, bid on various marketing offerings, bypass distribution outlets and intermediaries, and shop for goods around the globe and around the clock from the convenience of their homes. Therefore, marketers must offer more competitively priced products and more options.
- Consumers have access to more information than ever before. They can easily find reviews for products they are considering buying that have been posted by previous buyers, click a button to compare the features of different product models at the sites of online retailers, and subscribe to 'virtual communities' of people who share the same interests as they do. In turn, marketers must be aware of the limits of their promotional messages and assume that consumers know all of their buying options.

Marketers can and must offer more services and products than ever before. The digitization

of information enables sellers to customize the products and services they are selling and still

sell them at reasonable prices. It also allows marketers to customize the promotional messages directed at many customers. For example, [www.amazon.com](http://www.amazon.com) sends personalized emails to previous book purchasers announcing newly published books; these suggestions are based on a determination of the interests of the targeted consumers derived from their past purchases. Similarly, an online chemist may vary the initial display returning buyers see when they revisit its website. Buyers whose past purchases indicate that they tend to buy national brands will see a display arranged by brand. Past purchasers who bought mostly products that were on sale or generic brands will see a display categorized by price and discounted products.

The exchange between marketers and customers is increasingly interactive and instantaneous. Traditional advertising is a one-way street where the marketer pays a large sum of money to reach a large number of potential buyers via a mass medium, and then assesses (usually after the fact) whether or not the message was effective on the basis of future sales or market studies. On the other hand, digital communication enables a two-way interactive exchange in which consumers can instantly react to the marketer's message by, say, clicking on links within a given website or even by leaving the site. Thus, marketers can quickly gauge the effectiveness of their promotional messages rather than rely on delayed feedback through sales information that is collected after the fact

Marketers can gather more information about consumers more quickly and easily. Marketers can track consumers' online behavior and also gather information by requiring visitors to websites to register and provide some information about them before they get

access the site's features. Thus, marketers can construct and update their consumer database efficiently and inexpensively. As a result, many marketers now employ narrowcasting - a method that enables them to develop and deliver more customized messages to increasingly smaller markets on an ongoing basis.

Impact reaches beyond the PC-based connection to the Web. Currently, most of the digital communications between consumers and marketers take place via a PC connected to the Web through a broadband connection, or wireless technology. However, the digital revolution also gave us cell phones that are rapidly becoming connected to the Web. In most European countries, consumers can already purchase products via their mobile phones. Mobile phones with built-in GPS systems are likely to become a medium that will deliver customized promotional messages to consumers everywhere. In addition, an increasing number of homes now have television cable boxes that enable interactive communication with broadcasters; as we switch to high-definition television, all cable subscribers will have such boxes. Also, as we receive more and more television programming on PCs, some companies are merging the television and the PC into a single device that provides households with hundreds of cable channels, interactive capabilities and high-speed, wireless access to the Web. Supermarket scanners that keep track of purchases and instantly provide personalized coupons at the checkout, and telephone devices that enable us to identify callers without picking up the phone, are two of the many additional products made possible by recently developed technologies.

#### **CHALLENGES MARKETERS FACE:**

The digital revolution in the marketplace, and its impact on consumer behavior, presents many challenges for today's marketers. For example, the specialized digital recorders allow viewers to control what they watch on television, when they watch it and whether or not to view the advertisements on which marketers spend billions a year. The recorders download programming information and allow users to record many hours of television programming onto a hard drive without the hassle of tapes. Users can programme the recorder by topic or keyword, easily play back selected segments, and, to the delight of many viewers, use a single button to skip commercial breaks. Since these devices are shifting the power over viewing behavior from the broadcaster to the viewer, broadcasters are facing a new set of challenges. Should they develop their own systems? Should they try to block the sales of such devices legally on the grounds that they contribute to copyright infringement? Or should they develop business models centered on viewers paying for content? These questions are no longer hypothetical and will have to be addressed relatively soon. As consumers spend more time online and have more technological tools that enable them to avoid exposure to television advertisements, some marketers have begun reducing their advertising expenditures on the major networks and investing their advertising budget in the newer media, such as the Web or email.

#### **IMPACT OF DIGITAL TECHNOLOGIES**

Digital technologies allow much greater customization of products, services and promotional messages than do older marketing tools. They enable marketers to adapt the elements of the marketing mix to consumers' needs more quickly and efficiently, and to build and maintain relationships with customers on a much greater scale. However, these technologies



also represent significant challenges to marketers and to business models that have been used for decades.

- **Consumers have more power and access to information**
- **Marketers can gather more information about consumers**
- **The exchange between marketer and customers is interactive and instantaneous and goes beyond the PC.**
- **Marketers must offer more products and services**

## **CONCLUSION:**

- The study of consumer behavior enables marketers to understand and predict consumer behavior in the marketplace; it is concerned not only with what consumers buy but also with why, when, where, how and how often they buy it.
- **The behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.**
- **The individual who buys goods and services for his or her own use, for household use, for the use of a family member, or for a friend, in a personal consumers.**
- **A business, government agency, or other institution (profit or nonprofit) that buys the goods, services, and/or equipment necessary for the organization to function. Organizational consumers.**
- Consumer behavior has become an integral part of strategic market planning. It is also the basis of the approach to the concept of "*Holistic Marketing*" The belief that ethics and corporate social responsibility should also be integral components of every marketing decision is embodied in a revised marketing concept - the societal marketing concept - which calls on marketers to fulfill the needs of their target markets in ways that improve society as a whole.

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