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## Understanding consumer psychology: A necessity to attain competitive advantage

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### **Abstract**

The consumer is the most elemental basis for any business organization nowadays hence, there is a need rises to understand their psychology behind purchase for a successful marketing experience and financial affluence. Consumer buying behaviour has been attracting the studies and interest of a large amount of commercial and academic group for a long time. The level of complexity of the process where the consumer buying can relate to has made the trend greatly difficult to be predicted and managed. The proposed research has carried out to find the complexity arises while product choice & consumption.

**Keywords:** Understanding consumer psychology, consumption, elemental, competitive advantage

### **Introduction**

#### **Objectives**

Objective of the Proposed Research: The objective of the research is to understand the psychology of consumers to consume the product & Product choice.

#### **Consumer Psychology**

Products and services are developed or reinvented every day. How do people measure, or know or how these goods will be accepted? Consumer psychology is the “study of how people relate to the goods and services they use in their daily lives”. Consumer psychology studies people and by doing so provides what factors are important in the decision making of purchases and the value of services. By having this knowledge of consumer’s organizations, businesses and retailers improve their marketing. In a way people are being studied to be told what to buy and influenced.

#### **Marketing and Consumer Psychology**

Consumers referred to all those individuals who buy products and services either for themselves or on behalf of their households. They can be either users of products or services, or responsible for the welfare and wellbeing of those who use them. Consumers buy products or services in order to meet the physical demands of life, apart from using, purchases to indicate their roles in the society, to express their personalities, communicate their attitudes and opinions, stress on the values held by them and also to demonstrate their wealth. This means that the products and services purchased by consumers not only satisfy their physiological needs but also their psychological and sociological needs.

The marketer therefore tries to understand the needs of different consumers and having understood his different behaviours which require an in-depth study of their internal and external environment, they formulate their plans for marketing. It was during the 1950s, that marketing concept developed, and thus the need to study the behaviour of consumers was recognised. Marketing starts with the needs of the customer and ends with his satisfaction. When everything revolves round the customer, then the study of consumer becomes a necessity. It starts with the buying of goods. Goods can be bought individually, or in groups. Goods can be bought under stress to satisfy an immediate need, for comfort and luxury in small quantities or in bulk. For all this, exchange is required. This exchange is usually between the seller and the buyer. It can also be between consumers. Consumer Buyer Understanding why the consumer buys in the place. Is it for a need or a want or is it to fulfill something?

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The buying process can be very basic or very complex and have many influences from external to internal reasoning. There are many facets.

### Factors influence on Product Choice & Consumption Pattern

1. **Emotions:** Decisions to buy can be emotional. Emotions can lead a person to shop. A marketer only has a chance to contend with commercials and ads to penetrate the feelings of the consumer. Companies also use positive and negative emotional appeals to reach their intended audience in advertising. When that is the intent, the message is typically that “something good will happen to you if you use the product or that something unpleasant will happen if you don’t use the produce” (Schultz, 2010) <sup>[5]</sup>.
2. **Culture and family influence:** Consumer personal behavior is influenced by many, family, culture, environment, competition and social attitudes (peer). These are factors to be evaluated and how they are used for persuasion. Friends and family influence the clothes one wears. Culture and family are a persons or peoples area of up bring that can influences the way services are done and the way products are purchased. Often, we take cultural influences for granted, but they are significant. An American will usually not bargain with a store owner. This, however, is a common practice in much of the World.
3. **Motivation:** A number of factors involve consumer choices. In some cases, consumers will be more motivated. For example, one may be more careful choosing a gift for an in-law than when buying the same thing for one self. Some consumers are also more motivated to comparison shop for the best prices, while others are more convenience oriented.
4. **Personality:** Personality impacts decisions. Some like variety more than others, and some are more receptive to stimulation and excitement in trying new stores.
5. **Perception:** Perception influences decisions. Some people, for example, can taste the difference between generic and name brand foods while many cannot. Selective perception occurs when a person is paying attention only to information of interest. For example, when looking for a new car, the consumer may pay more attention to car ads than when this is not in the horizon. Some consumers are put off by perceived risk. Thus, many marketers offer a money back guarantee. Consumers will tend to change their behavior through learning e.g., they will avoid restaurants they have found to be crowded and will settle on brands that best meet their tastes. Consumers differ in the values they hold (e.g., some people are more committed to recycling than others who will not want to go through the hassle). We will consider the issue of lifestyle under segmentation.
6. **Attitudes:** Consumer attitudes are a composite of a consumer’s (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some “object” within the context of marketing, usually a brand, product category, or retail store. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object.
  - **Beliefs:** The first component is beliefs. A consumer may hold both positive beliefs toward an object (e.g.,

coffee tastes good) as well as negative beliefs (e.g., coffee is easily spilled and stains papers). In addition, some beliefs may be neutral (coffee is black), and some may differ in valance depending on the person or the situation (e.g., coffee is hot and stimulates-good on a cold morning, but not well on a hot summer evening when one wants to sleep). Note also that the beliefs that consumers hold need not be accurate (e.g., that pork contains little fat), and some beliefs may, upon closer examination, be contradictory.

- **Feeling:** Consumers also hold certain feelings toward brands or other objects. Sometimes these feelings are based on the beliefs (e.g., a person feels nauseated when thinking about a hamburger because of the tremendous amount of fat it contains), but there may also be feelings which are relatively independent of beliefs. For example, an extreme environmentalist may believe that cutting down trees is morally wrong, but may have positive affect toward Christmas trees because he or she unconsciously associates these trees with the experience that he or she had at Christmas as a child.
- **Behavioral intention:** The behavioral intention is what the consumer plans to do with respect to the object (e.g., buy or not buy the brand). As with affect, this is sometimes a logical consequence of beliefs (or affect), but may sometimes reflect other circumstances--e.g., although a consumer does not really like a restaurant, he or she will go there because it is a hangout for his or her friends.

### Two interesting issues in decisions are

- Variety seeking (where consumers seek to try new brands not because these brands are expected to be “better” in any way, but rather because the consumer wants a “change of pace,” and
- “Impulse” purchases unplanned buys. This represents a somewhat “fuzzy” group. For example, a shopper may plan to buy vegetables but only decide in the store to actually buy broccoli and corn. Alternatively, a person may buy an item which is currently on sale, or one that he or she remembers that is needed only once inside the store.

### Organization & Consumer Psychology

Consumer psychology, particularly in relation to Organisation, has recently become a major topic to Focus. In fact, companies pay an incredible amount of money for market research that will help them better reach their customers; sometimes upwards of \$200 per person involved in the study (MultiMastery, 2008) <sup>[3]</sup>. Information gathered in this market research usually explores consumer awareness, advertising and its effectiveness, and consumer behavior and motivation behind purchasing. At this point, it has actually enabled companies and organizations to advertise to us, at times even without our knowledge. Information gathered in this market research usually explores consumer awareness, advertising and its effectiveness, and consumer behavior and motivation behind purchasing. Companies are constantly using this information to reach us in advertisements, and we are sometimes even unaware. Consumer Psychology has enabled all of this, and as we see with Old Spice, it can be an extremely worthwhile study for companies and organizations to invest in. From a marketing point of view, Advertising & Sales

Promotion is one of the most important forms & is aimed to create consumer awareness. The sort of advertising & Promotion is typically used to raise awareness of a new or improved product or service, or a price change in an existing product or service. All companies have to start by creating awareness, and can then work on developing a brand. So, how do companies reach customers to build this awareness and brand? After a general awareness is established, they must create a product image.

Product image is defined as the different images, terms, symbols, or feelings associated with a product or brand (Schultz, 2010) [5]. The consumer is subconsciously shopping for a product that will make them feel or appear younger, sportier, more attractive, or wealthier, and that is what companies have to advertise past just the product its self. It is not only what the product is, but what it promises to do for Consumer.

Some companies will use this approach to make a person feel guilty for not buying a product. An example of a negative emotional appeal would be for an anti-drinking organization to show graphic pictures of alcohol induced car accidents. This particular example actually lies on the verge of shock appeal; advertisements that deliberately startle or offend the audience. These shock appeal ads are risky, as they could call attention and realization as they intend, or they may offend the audience. Advertising is a sensitive art. Consumer Psychologists work to determine the qualities that will best attract potential buyers when creating a new product. These are the qualities they then use to create a symbol to represent that product.

Not only does packaging impact the purchase, but also the perceived quality. Packaging must be attractive, but it must also reinforce the intention of the advertising aim or campaign. The Packaging its self-accounts for more than one third of the cost in many items.

## Conclusion

Consumer Psychology is defined as the study of how and why people purchase goods and services. There are many different aspects within consumer psychology, including but not limited to market research, consumer decision making, and consumer judgment based on many different demographical categorizations. Because my personal education has had an emphasis in the business world, I will be focusing on marketing and advertising efforts, as these are all products and applications of consumer psychology. More specifically, this essay will be focused on consumer awareness, advertising, consumer behavior and motivation, and how they are all intertwined. Although at times, the study of consumer psychology may seem like a purely.

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