



CUSTOMER BEHAVIOR IN MARKET - WHAT MAKES CUSTOMERS SAY “YES” ?

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ABSTRACT

Although highly specialized knowledge is certainly desirable in many areas, it's the expertise that comes from a mastery of the fundamental laws of human psychology that's likely to be much more valuable in understanding, predicting and shaping human behavior.

It is important to understand the fundamental, psychological laws by which humans are changed, are motivated to try something new, and are led to say “yes” in a variety of situation. Social psychology supports volumes of literature on why and how people are persuaded. Hundreds of tactics and scores of theories are now part of the social scientist's storehouse of knowledge.

Principles that influence human psychology can be useful in a variety of situation, such as business dealings, societal interactions, and personal relationships. For marketers, they can be most valuable for motivating consumer purchasing decisions. Robert B. Cialdini and Kelton v. L. Rhoads' analysis has uncovered six basic psychological principles that underlie successful influence tactics: reciprocity, scarcity, authority, consistency, liking, and consensus. Having a firm grasp of these rules of persuasion can help marketing professionals confidently predict and influence consumer behavior.

INTRODUCTION:

Consumer India has always been pretty tricky to double guess. Just when we believed that consumer spending was firmly on a high growth trajectory – based on the wonder years of 1993-98 – it spluttered and slowed to a crawl. For the next few years, marketers tried everything they knew to speed it up again. They dropped prices while improving product and service quality. They ran buy one-get-one-free schemes. But that only helped them get volume growth at the expense of operating margins. The FMCG sector had a terrible time with some product categories actually shrinking in size while consumer durable makers struggled to reconcile capacity with demand.

The aim of marketing is to meet and satisfy target customers' need and wants better than competitors. Consumer Behavior is the study, of how individuals, groups, and organization select, buy, use and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

Firms that choose not to understand their customers' purchasing behavior often lose out. An excellently engineered product may fail just because the customer does not identify himself or herself with it. Although it is important for the firm to understand the buyer and accordingly evolve its marketing strategy, the buyer or consumer continues to be an enigma- sometimes responding the way the marketer wants and on other occasions just refusing to buy the product from the same marketer. For this reason, the buyers' mind has been termed as a black box. The marketer provides stimuli but he is uncertain of buyer's response.

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persuaded. Hundreds of tactics and scores of theories are now part of the social scientist's storehouse of knowledge.

One of the authors has set about to identify the most robust influence principles – those that work in a variety of situations, for a variety of practitioners, on a variety of topics, for a variety of prospects. Surprisingly, just six basic psychological principles appear to underlie the majority of successful influence tactics. These six principles govern business dealings, societal involvement and personal relationships, which can make a working knowledge of the rules of persuasion truly empowering.

PRINCIPLES OF PERSUASION:

1. RECIPROCITY:

Societies worldwide abide by the norms of reciprocity, which obligates people to return in kind what they have received from others. Supporting this universal rule, market researchers have found that including a few dollars along with a mail survey questionnaire increases compliance significantly. A meta-analysis conducted in 1993 by A.H.Church determined such gift generated an average 65% increase in return rate (19 percentage points) over mail survey request that included no gifts.

The desire to return perceived debts runs deep even among researchers who pride themselves on objectivity. Pharmaceutical companies spend millions of dollars every year to support medical researchers and also to provide gifts to individual physicians. It's possible these activities could subtly influence researcher's findings and physicians' recommendations.

2. SACRCITY:

Items and opportunities become more attractive as they become less available. This often holds true even when those items or opportunities aren't desirable on their own. A consumer preference test performed by researchers in North Carolina provides insight into how the scarcity principle works. Study participants were given a jar of chocolate chip cookies to taste and rate. Some of them received 10 cookies in a jar; others received a jar that contained only two cookies. All the cookies came from the same Nabisco box in the back room, but people who got only two cookies

rated them as more attractive and able to command a higher price at the store that did people who received an abundant supply of the identical cookies (even though they did not rate them as tastier). For these cookie consuming critics, fewer meant better, even when taste was rated equivalently.

Popular items quickly pulled from the marketplace can create interesting consumer reactions. Witness, for example, what Time magazine called “one of the worst hundred ideas of the century,” Coca-Cola’s decision to change its classic cola formula in the mid-1980s. You probably remember the outrage that New Coke drew from angry consumers, who demanded their old Coke back. You may also remember that many of the people demanding their beloved beverage back could not distinguish it from New Coke, or any other cola, in blind taste tests. Even Gay Mullins, the founder of the Old Cola Drinkers of America society – who worked tirelessly to get the traditional formula back into the marketplace by any civil, judicial, or legislative means possible – preferred the New Coke to the old in two separate blind taste tests. It’s noteworthy that the thing Mullins liked more was less valuable to him than the thing he was being denied.

This sort of response is typical of individuals who have lost an established freedom. When our freedom to have something is limited, we experience an increased desire for it. It is for this reason that “limited time only” and “limited supply” appeals are so effective for marketers. Additional research demonstrates that people are especially attracted to scarce items when they are in competition for them with other individuals. The implication is that “limited supply” appeals, which carry inherent social competition, will be more effective than “limited time” appeals.

3. AUTHORITY:

Legitimate authorities are particularly influential sources. Whether they have acquired their positions through superior training, talent, or experience, we look to authorities for information and guidance. For example, a single expert opinion news story printed in the New York Times is associated with an average 2% shift in public opinion nationwide.

Researchers have discovered that credibility is the key to successful, influential authority. Credible authorities can bring about an almost automatic compliance with their recommendations and directives. A credible source is one who is both expert and trustworthy. The business world routinely attempts to capitalize on expertise, experience, and scientific credentials in order to harness the power of credible authority: “Babies are our business, our only business...” “Serving the public since 1895...” “Four out of five doctors recommend...” and so on. There is nothing wrong with such claims when the opinions of true and established authorities. Their insights help people choose quickly and well.

Expertise refers to a communicator’s knowledge and experience while trustworthiness refers to the communicator’s honesty and lack of bias. Credible communicators possess both expertise and trustworthiness, but without trustworthiness even experts won’t be very persuasive. This is why marketers should seek evaluations from independent testing laboratories whenever possible. When those evaluations are positive, they can be highly successful spurs to action.

4. CONSISTENCY:

Public commitments – even seemingly minor ones – prompt consistent future action because they tap into a potent human motivation to be, or at least to appear, consistent with previous commitments, attitudes, and actions. For example, Joseph Schwarzwald of Bar-Ilan University in Israel and his co-workers were able to nearly double contributions for the handicapped in certain neighborhoods. They were able to do so by harnessing the consistency principle: two weeks before asking for contributions, they asked residents to sign a petition supporting the handicapped, thus making

a public commitment to that same cause. Many people were willing to sign the petition, which seemingly cost them nothing. But the implication of that small pro-social behavior caused residents to be unusually generous several weeks later when the opportunity arose to remain consistent with that initial commitment (by giving money to the cause).

However, a vast amount of influence stems not from establishing new commitments, but from tapping into commitments already in place. Drawing connections between products and pre-existing commitments within the consumer is one of the most powerful and efficient techniques used by savvy marketing professionals. If existing commitments can be made more salient to the customer, the motivation to maintain consistency can then direct behavior accordingly. For example, insurance agents are often taught to stress to new homeowners that the purchase of an expensive house reflects an enormous personal commitment to home and family. Consequently, they argue effectively, it would only be consistent with such a commitment to home and family to purchase home and life insurance in amounts that befit the size of this commitment.

5. LIKING:

It comes as no surprise that people prefer to say yes to those they like and are prone to like those who display certain congenial characteristics. One of these attributes is physical attractiveness. Good-looking fundraisers for the American Heart Association have been found that voters in Canadian federal elections gave physically attractive candidates several times as many votes as unattractive ones. Yet, when asked, those same voters insisted their ballots could never be influenced by anything as superficial as appearance.

A comparable effect has been found in hiring situation. In one study, good grooming in a simulated employment interview accounted for more favorable hiring decisions than did job qualifications. Subsequent questioning of interviewers by researchers Mack and Rainey revealed that interviewers claimed appearance played only a minor role in their choices. The advantage given to attractive workers even extends to payday. Economists examining U.S. and Canadian samples have found that attractive individuals get paid an average of 12% to 14% more than their unattractive coworkers.

6. CONSENSUS:

Psychologists Susan Fiske and Shelly Taylor identify humans as “cognitive misers” – beings burdened with processing demand that far exceed out time frames and mental capacities. Because of this, we are forever seeking ways to arrive at correct solutions without employing a great deal of thought. Cognitive misers everywhere can breathe a sigh of relief that the next principle of influence, consensus, exists. Through a cursory examination of what others (especially others like us) are doing, we can usually make quick and satisfactory decisions. If all our friends are raving about a new best-selling book, travel agent, or piece of software, we will probably like those things, too. We can use the actions of others to locate and validate correct choices.

Taking advantage of social validation, a marketer can stimulate compliance by demonstrating that others just like the target audience have already complied. For example, a study found that a fundraiser who showed homeowners a list of neighbors who had donated to a local charity significantly increased the frequency of contribution. The longer the list, the greater the effect. Marketers, therefore, should never fail to inform customers of the popularity of their largest-selling or fastest-growing model or product line.

CONCLUSION:

A study of Burson-Marsteller and Roper Starch Worldwide found that one influential person’s word of mouth tends to affect the buying attitudes of two other people, on average. That circle of influence, however, jumps to eight online. Professor Gita Johar

researched at Columbia Business School, examines why people with ambivalent attitudes are more open to influence and shows that getting a glut of information to potential supporters can be very effective.

Marketers and advertisers who use these principles honestly do everyone a favor. If an advertising agency, for instance, focused an ad campaign on the weight of genuine authoritative research evidence favoring its client's headache product, all the right people would profit – the agency, the manufacture, and the audience. If that same agency, finding no particular scientific merit in its analgesic, tried to counterfeit the authority principle in its ad by using actors wearing lab coats, it would have used the principle unethically. By recognizing and employing this fundamental distinction, practitioners of the persuasive arts can powerfully and legitimately commission the six principles of influence of genuine expertise, true consensus, long-standing commitments, or real opportunities for cooperation, we serve the interests of both parties and enhance the quality of the social fabric in the bargain.

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