

# Understanding consumer behaviour in business

Psychology, Behaviorism



## **INTRODUCTION**

The question of how understanding consumer behaviour informs business success is a vital issue. According to Parkinson (1982) with the analysis of 16 British and German machine tool manufacturer and 129 of their customer, the consumer behaviour in Germany determine the business success of the German machine tool industry. This suggests that the study of consumer helps a firm or organisation improve their strategies in order to provide the best services for them. The customers are the major determining factor of a business. They need to be satisfied in order to keep patronising which brings about the growth and development of a business. After all, it is a consumer who decides what a business is. When you understand the behaviour of consumers, you can create products and services that provide the consumers with more value. And then you can market those products and services in ways that the consumers' understand. The entire idea of reviewing consumer behaviour is to persuade customers' to purchase.

The purpose of this essay is to discuss the connection between consumer behaviour and business success. To achieve this certain factors needs to be considered and they are; the consumer buying process which are problem recognition, information research, evaluation of alternative, final purchase decision and post purchase behaviour. Also, personality, lifestyle, culture, emotions and satisfaction to mention a few needs to be put into consideration because the customers are from different geographical locations with different perspectives. Having considered all this, a business can then build a connection with the consumer which will bring about sales

and development which is the aim of all business. This composition will concentrate on how the satisfaction and emotion of the consumers improves the success of a business.

The essay argues that the understanding consumer behaviour through satisfaction and emotion informs business success. To understand your consumer; research are made which is the emotional and satisfaction research. The emotional brings about hidden attitudes, motivation and feelings while satisfaction tells us about the future needs and ideas for a new product. Firstly, a definition of terms will be presented; next, examples will be analysed . Then, the arguments against how understanding consumer behaviour informs business success.

Understanding of consumer behaviour involves gathering of information from Economics, Marketing, Psychology and sociology.

## **CONSUMERS**

According to Loudon D. L and Della Bitta A. J, A consumer is anyone who involves in physical activities of evaluating, acquiring, using or disposing of goods and services. A consumer is one who purchases a product or services from a particular organisation or firm. A customer is always defined in terms of a specific product or company. Customers may explain their satisfaction with a product or service in terms of specific aspects such as the product qualities, price, customer service, or a combination of these features. In order words, the consumer needs to be motivated and satisfied with the product or a service for them to patronize which brings about sales and growth between specific aspects of satisfaction and overall satisfaction.

## **CONSUMER BEHAVIOUR**

Consumer behaviour is useful to distinguish the outcome of a business.

Consumer behaviour teaches companies of all sizes about the consumption patterns of their consumers as well as the internal and external influences that can affect the customers.

Consumer behaviour reflects the totality of consumer's decision with respect to the purchase, consumption and disposition of goods, services, time and ideas over time.

Recognise consumer behaviour, you create products and services that provide the consumers with more value. Studying consumer behaviour is to motivate customers to purchase goods and services and to meet consumer emotions.

Recognize consumer behaviour and explain the usefulness to better the marketability of an organisation or firm, explain your values, and increase your sales.

## **BUSINESS SUCCESS**

The business is advised to identify and build a relationship with the customers. Understanding the consumers brings about growth and development. The business success requires the ability to know the weakness and strength. An organisation is advised to work on the strength instead of fixing the weakness. They should be able to adapt to all condition in order words tackle all problems as they come. In Conclusion, the organisations to meet the demand of their customers, they are advised to be

productive which can be achieved through technology, automation, outsourcing and improving business sources. Having done all the above-mentioned, there will be an increase in purchase which helps in the success of the business.

## **CONSUMER SATISFACTION**

Customer satisfaction has received considerable attention in the marketing literature and practice in recent years (Oliver, Westbrook and Oliver, Price et al). The cooperating with customers serves as a strategy in order to gain access to getting information on their needs and wants.

Customer satisfaction can be described as a thinking process where customers consider whether their products, services and process needs are considered.

Consumer satisfaction is defined as a post-consumption evaluation that a chosen alternative at least meets or exceed the expectations.

According to Anderson, Satisfaction is a generally evaluation of performance based on all prior experiences with a firm. Customer satisfaction surveys can generate valuable information that enables an organisation to compare performance in different time period. Satisfaction measurement can make customers more satisfied as they receive position attention that they feel they are listened to. In order words, attention is given to customer satisfaction as a corporate goal. Szymanski, Spiro and Weitz suggests that The business plays a vital role in diagnosing and addressing customers'

needs and in sharpening the overall evaluation of the way in which the discrete exchange level.

Hegebarth similarly argued that if contact centre capture and analyse customer interactions and share them throughout the organisation, as enormous opportunity exists in understanding customer needs and expectation, identifying opportunities and proactively addressing improvement areas.

Aderson and Sullivan suggest that customers' satisfaction is the overall or global judgement regarding the extent to which products and services performance match expectations.

When a business has a close contact with the consumers, this influences the customers experience and creates a relationship satisfaction because consumer related information can only be obtained from consumers themselves. According to Beatty et al Customer-oriented business with customer understanding, proper customer care with trustworthy behaviour and reliable personal service are liable to building long term relationship with the customers. Winsted, Price et al recommend the important dimension of business that helps consumers perspective. They are mutual understanding, authenticity, extra attention, competence and meeting minimum standards of the consumers. With this, positive association between social regard and customer satisfaction are expected. Furthermore, several actions which are closely related to social regard increases customer satisfaction. According to Gremler and Gwinner (2000) an enjoyable interaction and personal connection on satisfaction with the company yield an encouraging outcome.

The former variables included aspects such as “ this employee relates well to me” or “ this person has taken a personal interest in me”. Similarly, Van Dolen et al. (2002) found a positive effect of the “ social competence” perceived by the customer on the customer’s encounter satisfaction, where social competence included aspects such as “ the employee pays special attention to me”. On the other hand, recent results from Butcher et al. (2003) suggest a positive relationship between social regard and service satisfaction. Based on previous findings and taking into account that in a service context employees’ actions are an important driver of customer satisfaction (e. g., Price et al., 1995; Winsted, 1997; Van Dolen et al., 2002; Maxham and Netemeywer, 2003). The interaction with consumers as regards satisfaction has an impact on the business because working on the information increases organizational effectiveness and also performance.

With reference to Cisco, they used three types of data for customer satisfaction practice which were

The Annual customers Satisfaction Survey

Interviews with the targeted customer segments coupled with the internal brainstorming sessions.

Records of individual transaction data.

The survey indicated a broad problem, the detailed interviews showed the problem in detail and the transactional data indicates whether actions have achieved desired outcome. The brainstorming session help to identify the new opportunities. This has not only lead to customerloyaltybut also profitability.

## CONSUMER EMOTION

Customers attitude reveal the softer code of the business. Much of customers attitude about a brand are based on emotional connection they have formed with the company. Winkielman and Berridge (2004) argues that emotions, even if genuinely unconscious, may drive behaviour and reactions. Consumer use emotion in making good decision and to take effective action. Emotions play a highly motivating role in consumer behaviour. Emotions give us deeper understanding of the experimental aspects of consumption and are associated with the degree of consumer satisfaction by a strongly influential relationship. Consumers are typically and highly emotional about some brands and products while others are incompletely attached and indifferent about others. Consumers emotional connections have a specific and fairly simple structure regardless of the nature of the particular emotions involved.

Bagozzi et al (1999) define emotions as mental states of readiness that arises from cognitive appraisals of events or one's own thought. Furthermore Oliver (1997) suggests that emotion coexist with various thinking judgement which produces satisfaction and is important in understanding consumers consumption experiences. Emotion tends to have an influence on quality perception and customer behaviour (Liljander and Strandvik, 1997). Positive emotions leads to positive word-of-mouth behaviour, while negative emotions may result to complaining behaviour. Customers respond to an event in certain ways in order to maintain positive emotion and to avoid negative emotions(Stauss and Neuhaus). An emotional reaction is part of the favourable experience (Cronin 2003, Sherry 1998). Oliver (1997) claims that



the role of emotions is gaining attention as a central element in service quality management. Consumer emotion such as pleasure and sorrow are simple, primitive motivations in the consumer situation, and they are also critical factors in our choice of products and services. Consumer emotion shows that customer's feelings of enjoyment serves as the best predictor of customers' loyalty, while feelings of happiness serve as the best predictor of relationship quality. The business plays an important role in the delivery of service quality as well as the formation of the satisfaction. People remember emotional experience better than most other element of a brand experience. However, satisfaction influences the customers behavioural responses in form of customer loyalty, word -of-mouth, or switching behaviour.

Oliver suggests that the role of emotion is to gain attention as a central element in service quality management. Consumer begin to form a strong emotional bond with an organisation after they experience multiple episode of helpful and enjoyable service. As customers become more confident in their relationship with companies, additional helpful experiences stimulate even stronger and more enduring emotional attachment toward the company. Furthermore, emotional connections are not only the province of certain 'emotional' categories or brands. Consumers are emotional about checking accounts and discount merchandise, not just about soft drinks and expensive fountain pens. Bank of America and Wal-Mart create emotional connections just as surely as Jeblue and Ipod. They do it in different ways depending on the people than the product but the result is the same.

In conclusion, customers use emotion to make good decision and act effectively.

## **THE LINK BETWEEN CONSUMER SATISFACTION AND CONSUMER EMOTION**

Emotions may be classified as a core component of satisfaction, since there is a positive relationship between customer satisfaction and brand loyalty, and customer satisfaction incorporates cognitive and emotional component because emotion influence behaviour, therefore positive emotions would increase the emotional satisfaction of clients with any service industry.

Decision making process of customers is also affected by emotions, as positive would result in a positive attitude or behaviour towards a brand. The emotional satisfaction of the consumers can be increased by providing unique services to the consumers. Jacoby and Chestnut (1987) suggests that Services or products provided by an organisation must be unique in order to meet the satisfaction of the consumers. Bagozzi (1999) found that when customers are provided with unique products or services to meet their needs they show greater willingness to pay more in the future due to the positive emotions they have with the brand. When a high quality of service is rendered to customers, they are comfortable and therefore customers who are emotionally satisfied are likely to recommend the services to others Hui (2007). Satisfying the psychological needs of the customers, their promotes positive attitude towards the organisation while the emotional satisfaction leads to an increase in customers appreciation towards the firm. Consumer satisfaction and emotion encourages the consumers to be loyal to the firms with respect to goods or services provided. The business needs to be

responsive to the consumers needs and wants which makes them happy. Understanding the consumer is vital in order to provide better, faster and more services. The determinant of getting customers involved so as to enhance their awareness, exception and assurance through active participation has been a common policy to obtain reasonable level of quality of and satisfaction with the organisation. With reference to global competition advance in technology has improved what create a standard level of service.

Volvo started with a companywideeducationprogramme to boost customer satisfaction awareness. The company combined qualitative research on customer motivation with customer satisfaction research. It also organises direct customer contact by production and design teams meeting with the customers and the senior managers visiting dealers and the consumers regularly. Besides, Volvo does additional qualitative customer research to track consumers shifting perceptions about key product attributes.

## **ARGUMENT AGAINST**

Consumer behaviour measurement has both benefits and limitations. This part of the essay will describe the limitations of consumer satisfaction and consumer behaviour which simply means the negative emotions and dissatisfaction. This is linked the opposite decision of the consumers to leave or discontinue with a particular firm or organisation. This may result to complaining behaviour from the consumers. According to Andreasen(1999) suggest that negative consumer behaviour caused by the business results in

consumer exit which creates a state of tension that affects the success of the business.

It affects several desirable outcomes like customer loyalty, word of mouth promotion and purchases (Fornell, Oliver and Swan)

Mihelis et al argues that customers satisfaction is a dynamic parameter of business organisation and is affected by the changes in customer's preference and expectations. Poor treatment towards the customers leads to lack of satisfaction will leads the customer to other organisation where they will be satisfied. This could lead to image tarnish when the customers complain to friends and partners. Concentration of business on solving financial issues makes them neglect their customers. This causes negative impact on a brand which makes the customers seek for better services from other organisations. If firms fail to develop strategies for managing consumer reaction, they face alienating and losing customer. Customers often only contact customer service or help line when something has gone wrong or they need problem solved, when such happens they are already in negative mood. This negative mood tends to fuel the negative perception of dealing with organisation's customer service personnel and reduce the customer's zone of tolerance. It is therefore important for organisations to be willing to listen to the consumers and show understanding with empathy to customers' predicament rather than leaving them unattended to. However, analysis seems to imply that emotions are brands that either inspire or does not, sports cars and perfumes are emotional while office supplies and households are not. The company faces major problem when it seeks to understand how

the customers connect with the brands emotionally because emotions are treated as what can be sensed but not measured scientifically. When measures emotions are proposed, they are complex and difficult to administer. The organisations rely on strategies that are not always easy to replicate, like nonverbal photosorts or deep psychological projective probing. In addition, while these measures may correlate with consumers stated intention, they may fail to provide sort of evidence that is demanded in the boardroom. The problem of lengthy and complex questionnaire which are time consuming and difficult to develop consist of complex data which may be useful in improving quality shortfall but rarely shed light on customers expectation and delights. The consumers have problem understanding the questionnaire and therefore hard to interpret.

## **RECOMMENDATION**

To ensure that all customers are satisfied, the service provider should avoid biasness, prejudice or discrimination against some customers. Developing a genuine desire and passion to serve others with skills and knowledge to serve their customers excellently. The business should engage in collection of customers opinion on services they render. The personnel dealing directly with the customers improves their satisfaction , training and seminar should be conducted so that the best quality of service is delivered. High quality of services leads to customer satisfaction. The immediate response to customers complain increases emotional satisfaction as assurance that problems are solved on time which helps them retain their customers which increases loyalty(Hofstede 1994). According to Patterson (1999) customers express brand association through behaviour. Brand associations are

represented as emotional impression in the memory such that customers are emotionally satisfied by services received which gives no room considering an alternative. Supphellen suggests emotional brand association increases brand loyalty by becoming the dominating determinant of choices. Retaining customers is cheaper compared to attracting new ones. A business usually puts emphasis on the relationship between the consumers perceptions about the quality of the service they receive. Information of data from consumers promotes the improvement of services which inturn increase brand loyalty. Customer loyalty to a certain brand varies in industries and markets(Quelch and Harding, 1996). The relationship between a customer and the brand determines the loyalty of the customer to brand(Bluestein 2003). Personalization, friendliness , flexibility , efforts and respect helps organisation increase their brand loyalty so as to have long-term relationship with them.

## **CONCLUSION**

It is a challenge for the organisations to ensure that clients are provided with the best quality services. This promotes the psychological, physical and emotional satisfaction of the clients. All customers' aim at getting value for their money when they purchase a product or on service rendered. Research established the relationship between consumer emotion and consumer satisfaction in organisation show that high levels of satisfaction increases brand loyalty. Consumers are faced with an array of product selection and competition is fierce among companies. This is why your understanding of consumer behaviour is vital to the success of your business. When you understand your consumer better than the competition you have a greater

chance of winning their business. Understanding of life satisfaction including the emotional aspects and their relationship to consumption should enable a business to target consumer in a more meaningful way. Companies that have created successful emotional connection with their customers benefit in cash flow, make profit and improve market share. Emotional connection can be measured, enhanced and managed. The investigation into how customer survey should take account of emotional satisfaction of customers in order to have a better understanding of how to monitor and improve upon the psychological and emotional aspects providing a quality service in any organisation.

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