

A guide to consumer behavior for business success

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Consumer behavior is the study behind why customers buy products. What peaks their interest? What causes them to choose one product over another? Why is one product killed off while another rises to take its place?

It's not a simple principle. Each person and their needs are different. But many buying behaviors fit into categories. And if you're in business — which you are — then it's important to learn about consumer behavior. It'll help you understand your target customer and the purpose of your product.

To buy or not to buy — why?

The reasons customers buy products can be broken down into a few categories:

- Gift giving
- Necessity
- Entertainment
- Social status
- Social proof
- Comfort

Consumers are interested in products for a mixture of the above reasons. For example, a necessity is toilet paper. But an expensive brand of toilet paper promising softness is also a comfort. So toilet paper can be a necessity and comfort.

Every customer requires that something to buy a product. Necessity and comfort are two. But it can go much deeper. Someone buying a new computer may need plenty of RAM or storage — but they don't care about

the price. Someone else may need their computer just to take notes but need a strong battery life.

In the same breath, consumers have reasons to not buy a product. It can be...

- Price/budget
- Personal taste/style
- Availability
- Exclusivity

It only takes one small thing to stop a customer from buying. Think about when you're walking in a grocery store. You might find bread sitting in the baby food aisle. Why? Because someone changed their mind on buying it. Maybe they couldn't afford baby food and bread. Maybe they realized they don't want this bread. Or maybe they just said "Nope!" and walked away from it all.

Why does this matter to you?

You don't want a customer to change their mind last minute. To prevent people from leaving your bread in the baby aisle, you need to understand purchasing power. Why would a customer buy your product?

And why wouldn't they?

You can start with the product. For this, analysis may help you. SWOT analysis, specifically the strengths and weaknesses section, is a good starting point.

With an objective eye, you want to examine what people love about your product. What is (or will cause) customers to buy your product over the competition? No answer is too trivial.

Gather this information as...

- Online reviews
- Customer responses (surveys, inquiries, criticism)
- Comments on product pages

Then examine the weaknesses in your product. You may need to compare your competition (reviews and comments). Or ask for criticism from past customers or strangers who gain nothing from lying to you (check out online business forums for critiques).

Marketing methods are important

But it's just not just the product/service that prevents customers from buying. Your marketing method might fall flat. The design, price, appearance, shipping costs, and positioning can hold you (and the customer) back.

Your marketing approach is based on your target market. You should know where your customer hangs out and the best way to reach them. You should know what their core problem is and how your product solves that problem. And you should be able to clearly highlight the benefits of your product to sway their attention your way.

If you can't show the benefits, the consumer won't buy. Knowing your customer is more than half the battle for understanding their consumer behavior.

And if you haven't developed a product yet? You still have a customer. So what makes them pull the trigger and buy products like yours? What makes them shy away? Because obviously, we don't want to make a product no one will buy.

How do you use this?

To start, pinpoint one reason your customer should buy your product. It needs to be one or two words like, "comfort" or "luxury" or "social proof".

Coca Cola's bottled name campaign was great for "social proof". Customers bought bottles with their names on it and posted photos on social media. The drink itself was an enjoyable "luxury" and brought attention (social proof) to the poster.

Was it gimmicky? Yes. Did it work wonderfully? Yes.

It was a simple premise of "attention", "social proof", and "gimmick".

If you can narrow down, in one word, why people will buy your product — you can understand their consumer behavior and use it to your advantage.

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