

# Consumer Behavior

## Chapter 1

# Course Outcomes

- Meaning and Definition
- Difference between consumer and Customer
- Nature and characteristics of INDIAN consumer
- Consumer movement in India
- Rights and Responsibilities of consumers
- Consumerism

# Meaning and Definition:

- Consumer behaviour is the study of how individuals or organizations select, buy, use, and dispose of services to satisfy their needs and wants.
- It refers to the actions of the consumers in relation to underlying motives for those actions.

According to Engel, Blackwell, and Mansard,  
the actions and decision processes of people v  
services for personal consumption’.

According to Louden and Bitta, ‘consumer b  
process and physical activity, which indivi  
evaluating, acquiring, using or disposing of goo

# Difference between Customer

BASIS FOR COMPARISON	CUSTOMER
Meaning	The purchaser of goods or services is known as the Customer.
Resell	A customer can be a business entity, who can purchase it for the purpose of resale.
Purchase of goods	Yes
Purpose	Resale or Consumption
Price of product or service	Paid by the customer
Person	Individual or Organization

# Nature and characteristics of Modern Consumers

- Young Demographics
- Aspirational
- Value consciousness
- Networked
- Global Consumers
- Brand switchers
- Social conscious
- Religious diversity
- Rising purchase power



# CONSUMER MOVEMENT IN IN

- **History:**

The consumer movement in India is as old as trade. Even in Kautilya's Arthshastra, there are references to the protection of consumers against the exploitation of short weight and measurements, adulteration, and punishment for these offences.

# CONSUMER MOVEMENT IN IN

- **History:**

There was, however, no organized and systematic safeguarding the interests of the consumers. Consumer interests were considered mainly under Penal Code, Agricultural Production Grading and Drugs and Cosmetics Act, 1940.



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# CONSUMER MOVEMENT IN IN

- **History:**

It is generally believed that the consumer movement today is quite strong when it is compared to the countries in Asia, Africa and Latin America. India has a very large population of which a sizeable percentage is below the poverty line.

# CONSUMER MOVEMENT IN INDIA

- India's history reveals that in various periods kings and dynasties prior to the British rule used to punish the dishonest and unfair traders and
- The laws of Manu and Chanakya's 'Arthashastra' prescribed punishments to be awarded to dishonest traders.
- The British introduced in India laws such as the Weights and Measurements Act which was similar to the one in England.

# CONSUMER MOVEMENT IN IN

- Some organized effort to protect consumers made in the 1940s by eminent freedom fighters like C. V. Ramesh Babu, K. V. Kamath, Prakasam, Sri C. Rajagopalachari, etc. in South India.
- They started consumer co-operative stores to sell essential commodities.
- This became a social movement and the co-operatives spread to different parts of the country.

# CONSUMER MOVEMENT IN IN

- The origin and growth of the consumer movement in India has many similarities to the movements elsewhere. It has gone through three significant stages-
- The first stage constitutes the 1960s in which the Consumer Guidance Society of India (CGSI) was formed to inform and educate consumers on the quality of goods and to conduct simple tests on goods of daily use.

# CONSUMER MOVEMENT IN IN

- During the second phase, 1970-1980, shortages of commodities and the unsatisfactory functioning of the Public Distribution System (PDS) led activists to form consumer organizations at the village and locality levels to ventilate their grievances to the government.
- Several such organizations which were formed during this period were primarily concerned with the problems of inflation and the Public Distribution System.
- These organizations served a very useful purpose in bringing consumer groups in the market place.

# CONSUMER MOVEMENT IN IN

- The third phase of growth covering the period of expansion and consolidation of the consumer movement from 1965 to 1986.
- With the enactment of the Consumer Protection Act, 1986, there was a spurt in the number of new organizations in the country.
- We can certainly say that the consumer movement has grown significantly.
- Beginning with less than 10 organizations in 1965, there are now over 900 consumer organizations across the country.
- This is the largest number of consumer organizations in the country.

- The basic idea behind the consumer protection of the right of consumers.
- It was President Kennedy who declared the first time in his message to the American Congress.
- **They were the right to information, the right to be heard.**
- Later, International Organisation of Consumers declared more rights, viz,
- **the right to redress, the right to consumer education, the right to a healthy environment and the right to basic needs.**
- These rights were incorporated in the Universal Declaration of Human Rights. The Government of India also adopted them later.10



# Features of Consumer Movement

1. It is basically a protest movement.
2. It is a mass movement in the sense that mass of consumers.
3. It is generally a non-official movement. Public consumers, organizations initiate the movement.
4. Though it is not a government-sponsored movement and backed up by the Government.

- 15 March as the National Consumer's Day

# Consumer Groups in India

- aConsumer Forum(CF)
- Consumer Education Centre (CEC)
- Indian Association of Consumer (IAC)
- Bombay Civil Trust (BCT)
- Consumer Guidance Society of India (CGSI)
- Baroda Citizen Council (BCC)
- Surat Consumer Association (SCA)
- Karnataka Consumer Services Society (KCSS)
- Visaka Consumer Council (VCC)
- Trichy District Consumer Council (TDCC) Consum

# Rights of Consumers

- Right to be informed
- Right to choose
- Right to be heard
- Right to be educated
- Right to be healthy Environment
- Right to redress
- Right to healthy environment and the right to
- Right to Safety

# Responsibilities of Consumers

- Responsibility of Self-help
- Proof of Transaction
- Proper claim
- Proper use of product/Services

# Consumerism

- The belief that it is good for people to spend a lot of money on goods and services
- The actions of people who spend a lot of money on goods and services

# Consumerism

- It is a social movement seeking to augment the and powers of the buyers in relation to seller.
- ***Caveat Emptor***

# Benefits of Consumerism

- No unfair Trade-Practices.
- Better relation with Consumer
- Educating customer
- Product rating
- Value for money



# Assignment No 1

- Write a note on Consumer moment in India.
- What is consumerism? What are the advantages and disadvantages?
- Write a note on Nature and Characteristics of Consumer Behaviour.
- How you will develop research objectives and hypotheses using primary and secondary data?
- How will you design primary research , data collection and analysis of consumer behaviour.

Refer these links for more knowledge

- <https://www.youtube.com/watch?v=TRolCp>