

MARKETING

NAME: P.PADMASRI
PROFESSIONAL ADDRESS: NO.32 KAKKAI PADIYAR STREET, BHARATHIDAAN
NAGAR, KANCHIPURAM.

Consumer psychology and pricing
CONSUMER PSYCHOLOGY

DEFINITION:

“Consumer psychology is an impact created by the buyer himself as well as the society and social media regarding the buying of good and services”

INTRODUCTION:

Who are all consumers?

Consumers are the decider of the use of the products in the global markets. Usually buyer in the market differ in enormous way, some consumers are like, if they are satisfied with that particular product then they will use that product until that product line end. Such consumers are called as an customers. Next type is really unique and likes to explore every kind of product that markets have or else until they find the right product which suits them. But now a days the brand loyalty apply only to the basic necessary good like pate, soap, and if we go further there they include make up kits a well as Wifi an basic goods based on nowadays situation. But regarding clothing sections and other section people are losing their fond on particular products a they saw new emerging products market. Though some peoples are really fond of brands, majority I the society refers variety products. Then the question arises, Why people are often getting change I their thoughts o tis how our topic rises in the brain of scientist and researchers.

FACTORS AFFECTING BEHAVIOUR:

Consumer behaviour on buying a product cross a lot of barriers like the following:

Consumer psychology builds on the basis of their surroundings, habit, culture, needs and the amount they earn, social media, advertisement and review.

Culture barrier:

Though the culture kept hanging from time to time in the modern era, as a human we always protect at least a sheer art of our culture safely and follow them so strictly. Culture is always created by the society we live among and we cant break those rules of culture, though we can break small ones like dress codes and removing caste from our society, we are always facing trouble in certain situations. For example: when it comes situations like selling drinks in a public square like department stores and even we are facing troubles in selling in bars as it doesn't suits

our culture, if they are going to sell those products in stores, everyone will show red signal and will be cornered by the society. And a person can't live without the support of the society. If we take some other countries as an example like Korea, drinking alcohol is a part of their culture, they will drink together with family whenever they achieve something or during the feast. They accept that as a part of their culture. As a result of that alcohol is allowed to sell ready ones in departmental stores with this simple example we can clearly understand how cultural barriers taking their part in consumer psychology.

NEED OF THE PEOPLE:

Needs of the people differ on the basis of the money they earn and the geographical area they live in society, and climate that the country has. Need of the people may also depend upon the situation they live. For example: a person who is living in Chicago doesn't need any cotton clothes instead they are in need of fur coats and heater with a hot coffee as a companion. On the opposite side when we look into other country like India they are not in need of any sweaters, fur coats, heater and a hot coffee. As they face hot weather almost in every season except snow, they will for sure be in need of cotton clothes, air conditioner, cool drinks as a companion. This is how needs differ on geographical basis.

And need on the other hand differs on the basis of earning capacity of citizens of the country or the standard of living of the people of that country. For example: every country has its own rich side and people living their lavish life style. In this example we are going to take into account only the major side of the society. Placing branded clothing centres like Louis Vuitton, Gucci in a well revised and rich cities like NYC and Chicago will make a huge amount of profit. Because in those cities we can easily find rich people, even the small apartments there cost lakh\$, so it comes under their need position. But on the other hand what if we are going to put these stores in a place, where people are running on their daily life just with a hope to survive. They don't even know what these brands are and don't even have any idea about its costs. It will become an utter failure for the shops. This is how earning capacity takes place on deciding what need that the consumer can possess.

ADVERTISEMENT:

Advertisement are from our ancient culture. They used to advertise how the king lived wisely and about his perfect ruling capacity and even about natural sceneries. With the advertisement, it has created great impact in our mind that our country would really be gorgeous like an angel and we are forced to believe as it has created a deep impression with its effective lines in the poem or essays. Though we can't go back to that time and see how our country really look like, we are believing that it would have been beautiful. And this is how the advertisement works on our modern 20s.

Advertisement on television:

This type of advertisement is popular all over the world. This advertisement covers not only adults and elderly but also kids. While watching the television we are supposed to watch the same advertisement again and again and again. This will create a great impact on children mind especially. Because of this advertisement we were fooled to buy those products though we know its not good for our health. In a study it has proved that in America every single children facing screen more than 10 hour 15 min daily. With this bulk amount of time they were supposed to see more than 20,000 advertisements per week.

Advertisement on phone:

Using phone has become one of our habits. And it has also become our day to day routine. We always think that our phone as the only source of advertisement. Latest trend in advertisement is converting their wish and wants into a needed product. Searching some products in online is merely an hobby that everyone has. We will not buy every product but we will also not see every product that we don't have interest in. so the products we don't buy will appear in phone screens when we browse and they will also appear even in the apps we use. In every corner where ever they got space. They are called as a popup ads. As we use our screens for a very long time it will really become easy to be attracted even with the picture of those products. a study has concluded that advertisement has created a great impact on children mind greatly than that off adults.

Habits:

Regular routine of a person is called as habits. Habits were created by the consumers themselves and they will follow it until the end. Usually habits have a great influence regarding the regular usage of consumer goods. If marketers are aware of what their regular routine not certain but approximately will pave a clear way to reach their goals. Usually marketers will create according to the peoples demand where they launch their products in. For example: phone market has been taken over by the Chinese mobile company. Because they know that Indian consumers want low price with high quality along with the easy accessibility. This is how habit actually works in the place of consumer psychology.

On other hand, there we see some exceptional cases. Creating habit is one of the toughest job faced by the business owners. We are not fond of our phones and mobile network before 2 years. But it has changed upside down, we are recharging our mobile phones for 4g with a high cost though lot of us know that we are not in a place to manage that expense. This has happened because of one person. He has created this habit among people by introducing a SIM called JIO with a free price and then charged price only for SIM and then gradually increased the price. Now it is not that hard to find a mobile user. This has happened because he created habit of using mobile phones and if we were about to stop that habit we felt like our whole world has stopped and this is how he created a habit of mobile 4g.

PRICING:

A product can be priced only when its creation completed as a whole. Pricing is a ultimate thing in business. Every firms aim is to achieve profit. pricing has barriers like fixing the quality of the product and the place they launch and the demand taste of consumers living there. Apart from this it necessary for a business man to know the consumer psychology. He must know when to discount in their product, let offers, to do stock clearance sales. If a business man is aware of how the consumers are buying and attracted to buy a product in a society where he launches his product then it will become easy for him to price his product as he wishes.

Whenever a consumer sees new product they will want to see that product with low price. Fixing a low price cant be an easy thing. But prices can be raised gradually. Business people must prove consumers that our product are the best one. If consumers get used to our product then it will become easy for us to rise product price. They will not bother 1or 2 rupee rise in their product. But as business sells millions of products a year it will be a huge profit making thing. Rising products price has to be done more carefully. If consumers start to feel that our product doesn't worth of price we charge then there they face a great disaster. Pricing must also be done comparing the competitive companies they are facing in the market. Now a days business people takes consumer psychology into their account. As they play a major part in pricing. A consumer will demand a product only when they need it. And the prices can be raised only when the demand rises. Consumer psychology advises how people are attracted and addicted though it is costly. So business people must mold the consumers mind and make them think that their product is ultimate necessary. Once that foundation is ready we are ready to fix our own price. Offering offers, discounts , one rupee reduction in their prices makes their sales more effective.

And pricing can be differed based on the society. Discounts offers can be applied only for a people those who are struggling for money. On the other hand rich ones will never ever turn their head toward a product with discount parts. They will think buying costly product make them feel more comfortable and branded. In that establishing brand among the public and then fixing the high price in any way you can but it must be explainable to the rich as they investigate in what they buy.

On the other hand creating a great price and great offers can make your stand. Like offering instalment on branded goods worth of some thousand dollars like premier cars, branded hand bags etc., makes you stand in their market. For example: Skoda premier variety cars has increased its sales comparing to its previous year sales by offering reasonable price with offers like low premium. This has forced even the middle class member think of that car which is out of their hand. And prices must be fixed only at their current spending range. Only then the consumers will show their interest in that particular products.

For example: beauty products: offering beauty products at consumers price. Like e118 and also u tube famous sugar cosmetics. They succeeded their consumers with low price but with a good quality though it is not a premier quality range.

Continuous advertisement also helps us to price our product with a good range. As it creates our product as a brand in the mind of the consumer then they will feel no bothered to spend as much money business people want.

Conclusion:

As mentioned earlier pricing a product places a major part on the success of the company. But to achieve the profit we must price considering companies internal barriers as well as the consumer psychological behaviour.

REFERENCE:

MR.C. JAISHANKAR

HEAD OF THE DEPARTMENT OF COMMERCE

SRI SANKARA ARTS AND SCIENCE COLLEGE

KANCHIPURAM