

# Predict the Consumer Behaviour and Impact of Social Media on Consumer Behaviour

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## ABSTRACT

*This paper aims to study how to predict consumers behaviour and impact of social media on consumer behaviour. It is observed that the aim of the marketing is to meet and satisfy the target customer's need and wants better than competitors. So the study of the consumer behaviour is essential for satisfying the customer needs in a effective and efficient manner. Many factors, specifications and characteristics influence the individual in what he is and consumer in his decision making process, shopping habits, purchasing behaviour, the brands he buy, the retail he goes. There are various problem in studying consumers behaviour. So , in this paper we discussed need , obstacles, how to predict consumers behaviour and impact of social media on consumer behaviour.*

**KEYWORD** -Consumer behaviour, needs, techniques and social media

## INTRODUCTION

Consumer behaviour is the study of how individual, group, and organisations select, buy , use and dispose of goods and services, idea or experience to satisfy their needs and wants. It is the study of how individual make decisions to spend their available reserve, time, and efforts while doing purchase. It is engaged of all human behaviour that in making decision. It is the process by which individual decide whether, what, when, where, how and from whom purchase goods and services. A purchase decision is the result of each and

every factors like social, cultural , personal, economic and psychological factor of consumer. In other words, consumer behaviour comprises of numbers of uses and is diverted to answer the questions. For understanding and studying consumers behaviour, there are effective model known as stimuli -response model. Consumer goods and retail marketers spend a lot of time, money, effort on four P's product ,price, promotion and place.

However, no matter how refined a product is or how much testing is done before launching a promotion, the 4 P's cannot help companies accurately anticipate consumer behaviour. Without being able to predicting the consumer behaviour it becomes challenges to pinpoint forecast demand .

## OBJECTIVES OF STUDY

- What is consumer behaviour.
- Needs to study consumer behaviour.
- How to predict consumers behaviour.
- Does social media influenced consumer Behaviour.

## NEED FOR STUDYING CONSUMER BEHAVIOUR

Buyer behaviour is the studied to predict buyers reaction in market .the success of any business is based on understanding the consumer and providing the kinds of things

that the consumer wants. Studying consumers behaviour is very much Emphasis for the following reasons :-

- (1) **Help to understand consumer psychology** -consumer psychology is based on his knowledge, attitude, intention and motives. The psychology of customer develop on the bases of knowledge he has.
- (2) **Help to understand what are the motives of consumer** -A motives is an urge for which an individual seeks satisfaction. In other words, a motive is an inner urge that moves and prompts person to action. Consumer have several motives. All these motives may not have the same intensity of purchase. The study of consumer behaviour involved both motive and purchase.
- (3) **Help to understand consumer choice** -It is important for the marketer to understand consumer make their choice. Human being are usually very rational. They make systematic use of information available to them before they buy. A marketer according to consumers behaviour alter his presentation.
- (4) **Understand consumer preferences** -consumption is the sole end and purpose of all production. So a firm must plan it's production and distribution to suit the needs of consumer.

**After discussing the need of studying consumers behaviour we come on the next point that is how to predict consumers behaviour.**

## **HOW TO PREDICT CONSUMER BEHAVIOUR**

There are 5 questions that support any understanding of consumer behaviour :-

- (1) Who is the market?
- (2) What do they buy?
- (3) Why do they buy?
- (4) How do they buy?
- (5) When do they buy?
- (6) Where do they buy?

The answer of these questions provide the understanding of the way in which buyers are most likely to respond to marketing stimuli. According to this, stimuli in the form of both the external environment and element of the marketing mix enter the buyer's black box and interact with the buyer's characteristics and decision processes to produce a series of output in the former of purchase decision. The task faced by the marketing planner involves understanding how black box operates.

Predicting the consumer behaviour is a core responsibility for most marketer. Market research can help reveal consumer intention, but penetrating the veil that protects actual consumer motivations from close scrutiny can be a tall order for even the best designed research project. With the advent of big data, marketer are accessing increasingly more sophisticated predictive and analytic tools to forecast consumer behaviour. Following are technique in which marketer predict the behaviour of the consumer.

### **Data-driven Predicting**

Big data are proving to be a valuable analytical resource thanks in part to retail transaction data from credit card purchase and from digital footprint, called 'cookies', that user create as they browse the Web.

The power of big data is well illustrated in the often -cited story of target and the pregnant teenager. As reported in ‘Forbes’ the retailer apparently sent the teenager coupons for newborn gear which was intercepted by the unknowing father. When her dad confronted the retailer, it was revealed that target had been tracking the daughter’s purchase and conclude she was pregnant based on the item she has bought there, which tracked closely with what other newly -pregnant women had purchased .While her father initially denied that was the case, her later confirmed that the information was correct and that he simply has not yet been told.

### **Problem Hunting Solution**

Scott identified three solutions -oriented steps in predicting consumer behaviour in “The little black book of innovation :How it works, how to use it. ”

First, marketer should get to the context – the cues that govern how consumer respond to questions. Second, marketer should be alert for consumer “workaround .” Third marketer should focus on non buyers. Your product may not provide a solution to the problems many non buyers have , Which keeps them out of your franchise. Providing a solution could open up a whole new market segment.

### **Cultivate Promoters**

The management consultancy, Bain & Company, realized that consumer satisfaction and market share were not reliable predictors of consumer behaviour. Researchers found that consumer response to a simple question produced more accurate results. The question is “how likely are you to recommend this product to a friend or a colleague? ” On a 1-10 scale, scores less than 6 are “detractors” score of

9 and more are “promoter ”Promoters are highly reliable predictors of consumer behaviour. The challenges for marketer, therefore, is to convert into promoters by developing a deep understanding of your customers, via precise customization of products to align the right products with the right customers and by delivering customer satisfaction.

### **Small Business Workaround**

Big data analytic are likely to be a permanent tool in the toolkit of marketer with deep pocket. As the cost of technology continues downward spiral , this tool will become increasingly more accessible to small business operators for predicting consumer behaviour. Several available low tech tools for predicting consumer behaviour are easy to execute and could likely produce some very useful data.

## **IMPACT OF SOCIAL MEDIA ON CONSUMER BEHAVIOUR**

Average people think of social media as a leisure activity. They think social media exists so that they can connect with their friends and family and share what is important to them. That is exactly what it is from a consumer point of view. It is a free service that allows them to connect with their loved ones for free. Social media is prevalent and meaningful for all demographic.

However, nothing in the world is free. Social media also a serious business. It is a multi billion dollar industry that is fuelling the next Generation of corporate giants. Surely their is more to social media than meets the eye of an average individual.

Social media is no longer just about conversation its about commerce .Social factor have always played a part in consumer buying habit, but the ubiquity of smart phone and social network have taken word -of-mouth in new heights. Most consumer around the world now carry purchasing power around in their pockets them in every day. Whether you are going to inspire and engage social audience and propel purchase online and in store, there are 12 stats your brand should not ignore.

### **12 stats shows social media influenced consumer behaviour -**

1. 81% of customer's purchasing decision are influenced by their friends social media post .(Forbes )
2. Consumer are 71% more likely to purchase based on social media referral. (Hubspot)
3. Facebook account for 50% of the total social referral and 64% of the social revenue. (Business insider )
4. 31% of the consumer say they are using social media to browse for new item to purchase. (Aimia)
5. Millennial are 1.6x more likely to use digital channels to learn about new products. (Facebook insight )
6. 84% of the millennials say user generated content from stranger has atleast some influence on what they buy.(Gartner)
7. 53% of the consumer recommend company and products in tweets with 48% following through to purchase those products and services. (Sproutsocial)
8. 78% of the consumer say company 's social media post influence their purchase decision. (Forbes )
9. Consumer are 6x more likely to purchase a product if the page includes picture from social media. (Adweek)
10. Conversation increase 133% when mobile shoppers see positive reviews before buying. (Bazaarvoice)7
11. In 2015 , Facebook influenced 52% of the consumer's online and offline purchase. (DigitasLBi commerce )
12. Global social commerce revenue reached \$30 million in 2015.(Statista)

## **CONCLUSION**

In conclusion we can say that studying and understanding of consumer behaviour is essential for better target serving. Understanding of the consumer behaviour can help in targeting and positioning of the product and service in the mind of target. A business firm which is ignorant of consumer behaviour can't succeed in the market place. Here are various techniques to predict the consumer behaviour. Stimuli-response model also help in better understanding of consumer behaviour. But consumer ignorance, consumer's hesitation in recommending, difficulty in identifying buying motives, dynamic nature of buying motives and inappropriate techniques to used to study consumer behaviour are the obstacles faced by a marketer in studying consumers behaviour. Social media likes WhatsApp, Facebook and Twitter etc are most likely to influence the consumer behaviour.

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