

INSTITUTE OF DEVELOPMENT STUDIES, LUCKNOW
UNIVERSITY

Consumer Behaviour Assignment

Case Studies

Case I

Case I Factors Affecting Consumer Behaviour

Martin Incorp. was a company carrying on business in cosmetics and perfumes. They were not following the marketing concept and were catering to a target market which was using their products. In other words, they only concentrated on what they would make, and did not bother about changes in preferences of their target market.

They were later joined by Mr. Ash, a marketing graduate who advised the company regarding the changing consumer preferences, and the changes that were necessary to be incorporated in the product. He emphasised upon the income factors, and social factors only. He modernised the products to a great extent, and invested about 30 lakhs on new packing, etc. Even after six months of these changes brought about by him, the company did not seem to have a proportionate increase in sales.

The assistant manager and the product manager were not very happy with the changes, and thought that although an effort has been made in the right direction, some important factors concerning consumer behaviour had been neglected.

Questions

1. Do you agree with the assistant and product managers, and why?
2. What other factors, if any, could have been considered? Elaborate in detail.

Consumer Behaviour - Matin Khan – Case I

Explanation of the case:

Martin Incorporation was involved in the cosmetics and perfume business. The company was following the product concept of marketing and catered only to their existing customers, while paying no attention to the changing needs and demands of the consumers.

A marketing graduate, named Ash, joined the company and advised the company about necessary changes that must be made in the product on the basis of changing taste and preferences of consumers to successfully sell the company's products.

Mr Ash modernised the products and spent about 30 lakhs on packaging etc. on the basis of relevant income and social factors that affect the consumers.

The product manager and assistant manager were not happy with the efforts made by Mr Ash as even after 6 months of implementation of suggested changes the company was not able to achieve effective growth in sales.

The product manager and Assistant manager were of the opinion that although some progress was made by Mr Ash, yet many important factors affecting consumer behaviour were also neglected by him.

Relevant Theory:

In a Market, different consumers have different needs. As all consumers are unique they exhibit different behaviour while making a purchase decision due to various factors influencing consumer behaviour. Therefore it is important to understand the various factors influencing consumer behaviour.

Factors Influencing Consumer Behaviour

The Various factors influencing Consumer Behaviour can be classified into 4 categories:

- Economic Factors
- Personal Factors
- Cultural and Social Factors
- Psychological Factors

Economic Factors influencing consumer behaviour:

- **Personal Income** – Total Income of the consumer
- **Discretionary Income** – Income available to a consumer after deducting taxes and basic cost of living.
- **Disposable Income** – Income available with consumer to spend according to his wishes
- **Family Income** – Income of the family. Lower income families have less demand than prosperous families.
- **Consumer Expectations Regarding Future Income**
- **Availability of Liquid Assets with the consumer**
- **Consumer Credit** – Availability of consumer credit, Credit policies
- **Level of Standard of Living**

A consumer demands more and spends more with increase in his income or expectations of future profits or availability of liquid cash or availability of credit but saves and demands less in its absence. The nature of consumption and buying pattern of a consumer is also affected by the income of the family and the level of standard of living.

Personal Factors influencing Consumer Behaviour:

- **Age** – People of different ages have different needs.
- **Occupation** – Professionals, businessman, salaried-workers have different demands.
- **Life Cycle Stage** – Newly born, Teenager, Bachelor, Married, Parent, Grand Parent
- **Lifestyle** – Achievers, Strugglers, Strivers, Makers
- **Personality** – Aggressive, Shy, Introvert, Extrovert, Conservative, Experimental
- **Self-Concept** – One`s perceptions towards themselves.

Cultural Factors affecting Consumer Behaviour

- **Culture** – Culture is basically the way of living and thinking pattern that is followed from generation to generation in a society. It includes knowledge, belief, traditions, morals, values, customs and other such habits that are acquired by people as members of a society.

E.g. Indian culture is entirely different from cultures of other Asian, Arabic and Western countries.

- **Sub-culture** – Sub-culture is a segment of culture which helps a marketer to know another person's culture either psychologically, socially or through mass identification. Sub-culture consists of a group of people within a culture who exhibit similar buying behaviour and have similar beliefs.

E.g. Within India, buying behaviour of muslims of the north India can be differentiated from the muslims of the south India

- **Social class** – Social class segments the market on the basis income criteria and standard of living. It refers to divisions of members of a society on the basis of education, occupation, income etc. Usually people belonging to the same social class have similar preferences in case of choice of residence, entertainment, luxury products etc.

E.g. Buying behaviour of the upper class can be easily differentiated from the middle and lower class.

Social Factors influencing Consumer Behaviour

Social Group – A group is any collection of individuals with similar interests, opinions and activities. An individual draws cues regarding consumption and disposal of products from various social groups he belongs to. The various social groups an individual forms a part of are:

- **Reference Group** – It refers to all those people which directly affect the purchase pattern and decision of a consumer as they serve as a point of reference or comparison for the consumer while making a purchase decision.
- **Contractual Group** – It includes friends, family, peers who have a direct and daily face to face interaction with an individual. They are the most important source of influence on consumer behaviour.
- **Avoidance Group** – A group of people that have a negative impact on a consumer. A consumer disassociates himself from such a group and avoid using products and services used, recommended or promoted by the avoidance group.
- **Aspirational Group** – It includes film stars, TV celebrities, Sport stars etc. whom a consumer aspires to be. A consumer wants to associate himself with people he aspires and uses products and services used, recommended and promoted by them.

Opinion Leaders – It refers to a key individual in a group which influences the behaviour of members of the group by providing them relevant information about new trends and products in the market.

Role and Status – Every person plays many roles in the society i.e. employee to his boss, parent to his children, referrer for young ones, advisor to peers etc. and their buying pattern depends upon the role they play in the society. People also select and buy products according to their status in the society. Social status of a person refers to his/her position in the society depending upon his income, occupation, education etc.

E.g. CEO of a company would prefer to buy branded products from big stores, while a worker in the same company may prefer value for money products from nearby stores.

Psychological Factors affecting Consumer Behaviour:

Customers behave differently towards the same marketing mix (product) due to their respective psychological makeup. The psychological factors that affect consumer behaviour are:

- **Motivation** – A motive is an internal force that drives a person to do something i.e. fulfill a need, achieve a goal, solve a problem. Different motives of a consumer can be understood through Maslow Hierarchy of needs. All consumers react differently towards a product depending upon their position in the hierarchy. i.e. an individual will first satisfy his basic needs and then move upward in the hierarchy with satisfaction of each want.
- **Involvement** – It refers to the amount of interest or importance a consumers shows towards a product. A consumer may have high or low involvement in a product.

For e.g. a cricketer will give very high importance and will be highly involved while purchasing a cricket bat while he may have very low involvement and interest when purchasing luggage bags.

- **Perception** – It is a process of selecting, organizing, and interpreting information from our internal and external environment to form a meaningful picture. All consumers perceive the same product differently according to their own perceptions.

For e.g. Wrestling is perceived differently by different people, some perceive it a meaning less fighting while some consider it a sport.

- **Learning** – It is a process which brings a permanent change in the behaviour of a person. People generally learn through past experiences and develop a certain behaviour towards a product or service.
- **Personality** – It refers to the total of all physical, mental and moral characteristics of a person. Customers buy products that suit their personality, for example some people prefer wearing formal clothes some like to wear casual clothes depending upon what suits their personality.

- **Lifestyle** – A person`s lifestyle is made up of his activities, opinions and interests. Lifestyle of a person also depends upon his position in the life cycle stage i.e. Teenager, Bachelor, Married etc.

E.g. while teenagers or children are care free and majorly spend on recreation activities and Parents are more money conscious and majorly spend on consumer durables.

- **Attitude** – Attitude is a person`s predisposition to act favourably or unfavourably towards a product, service, event, people etc. It is the way a person thinks or feels about an object. Consumers develop a positive or negative attitude towards a product or service due to a marketing stimuli, situational variables, experience or advertising and then decide upon an intended action for that product or service.

For E.g. entrepreneurs attitude towards risk, some are risk takers some like to play it safe

Determinants of Consumer Behaviour

Factors influencing consumer behaviour can also be classified into Individual Determinants and External Determinants. The individual determinants shape and determine the needs and motives of a consumer and direct him towards a purchase, while the external determinants indirectly influence the purchase process by filtering through individual determinants.

Individual Determinants affecting Consumer Behaviour	External Determinants affecting Consumer Behaviour
Motivation	Culture
Perception	Sub-culture
Attitude	Social Class
Personality and Self Concept	Social Group
Learning and Memory	Family and Other Influences

Consumer Decision Making Process

Consumer Decision making is a process through which the customer selects the most appropriate product out the several alternatives.

The Consumer decision making process consists of a series of steps that a buyer goes through in order to solve a problem or satisfy a need. They are as follows:

(1) Need/Problem Recognition – A purchase process starts with a need, a problem or a motive within a consumer`s mind. Any internal or external stimulus may drive a customer to believe that he lacks something and motivates him to look for something that will satisfy his need or solve his problem.

(2) Information Search – When a need/problem receives heightened attention from a buyer, he become more receptive about information that may solve his problem and starts gathering data about products/services that will satisfy this need. He uses his personal sources (friends, family, peers etc.) and commercial sources (radio, T.V., newspapers, internet etc.) to look for relevant information.

(3) Evaluation of Alternatives – After collecting information from various sources, the customer evaluates the benefits and disadvantages of various product alternatives and develops a set of choices regarding the product attributes, brand, store etc. that suit his/her needs, taste & preference, personality, lifestyle etc.

(4) Selection and Trial – After keeping a set of choices in mind the customer makes the first product trial. He may buy different products in small quantities (1 kg, 1 packet, 1 bottle) or actually use products individually for some time (tasting food, inspecting phones, taking a test drive) to form an opinion and develop an attitude towards the product.

(5) Purchase Decision – When the customer believes that a product or service offers the best solution to his need or problem, he makes the actual purchase. This includes making a product choice, choosing a brand, a dealer and deciding the amount and time of purchase.

(6) Post Purchase Dissonance/Behaviour – A person seeks reassurance after making a purchase. A purchase generally has the following three outcomes:

- **Actual Performance is equal to expected performance** – Customer`s behaviour is natural as the product performed according to his expectations. This leads to repeat purchases.
- **Actual Performance is less than expected performance** – The customer is dissatisfied as the product did not meet his expectations and hence he rejects the product.
- **Actual Performance is more than expected performance** – This leads to customer delight/satisfaction as the product performance is better than his expectations. This leads to customer loyalty.

Solution:

Focus: New Product Development to increase sales of cosmetics and perfume products

Yes, I agree with the product manager and assistant manager that efforts were made in the right direction, but many factors affecting consumer behaviour were ignored. The reasons being the following:

- I. The company was using the product concept of marketing which is out dated in today`s era as now producers manufacture products that match consumer`s demand, tastes and preferences. Therefore, Mr Ash should have focused on the Marketing concept to produce and market products accordingly.
- II. The target audience was limited to the existing customers of the company. Various new markets must be explored to increase sales. Effective target marketing is essential to promote and position the product effectively in the market. For example:
 - Grooming products for men
 - Safe and chemical free cosmetics for babies
 - Organic and herbal cosmetics for women
- III. The market for cosmetics was not effectively segmented by Mr Ash. Cosmetics market can be segmented effectively by dividing the market into groups which are homogenous within and heterogeneous among themselves on the basis of their age, gender, occupation etc. For e.g. Market can be segmented into:
 - Working women, Housewife, Teenage girls
 - Daily consumers, Beauty Parlours, Film Industry
 - Rich people, Middle class people, Low income group
- IV. While attention was paid to income and social factors many personal factors such as Age, Occupation, Lifestyle, personality of a consumer were neglected. For e.g.
 - **Age:** Working women, elderly women, Teenage girls all have different needs.
 - **Income:** The rich pay more attention to how they look than people with less income.
 - **Occupation:** A Housewife has simple beauty needs as she stays at home most of the time while a working lady has more intensive beauty needs as she goes out of the home every day and has to look presentable in the office.
 - **Personality:** Traditional women and Modern women both have different needs. Some prefer expensive perfumes while some use natural fragrances like 'itra'.
 - **Attitude:** People have different attitude towards chemicals in beauty products. Some prefer it while some dislike it and prefer herbal and organic products.
 - **Lifestyle:** While urban people make use of deodorants and perfumes to smell good, rural population prefers use of soaps, sandalwood and itr to smell good.
- V. Keeping the income factors in mind no changes were made in product quantities i.e. small units of previous products. Keeping in mind the social factors no efforts were

made to use opinion leaders like celebrities or doctors which would have been more effective in influencing sales than change in product packaging.

- VI. Existing products were modernised while no attention was paid to new product development for new potential markets in cosmetics industries. For e.g. Grooming products for men
- VII. No efforts were made to advertise the products to targeted audience or reposition the brand according to the changing customer taste and preferences. No offers, discounts or sales promotion activities were carried out by Mr Ash to boost sales.

Other Factors that should have been considered are:

- I. **Age** – Babies, Teenagers, Middle aged people and elderly all have different needs and requirements related to cosmetics and beauty products. Therefore the target audience could have been segmented on the basis of age of consumers.
- II. **Occupation** – Working ladies v/s Housewife, Clerical staff v/s Top management, Daily consumer v/s consumers from Fashion Industry
While a housewife, a normal clerk and daily consumer may have nominal needs and demand basic products, working ladies, Directors and CEO`s of a company, make-up artists, beauticians, film stars may have specific needs and high demand for beauty products. Products could have been designed and developed for one or few segments on the basis of their occupation.
- III. **Standard of Living** – Rural v/s Urban People, Low income group v/s High income group
While rural people and low income groups may make use of soaps and traditional products, urban people and the high income group are more inclined towards expensive beauty products. Different products could have been developed for both the segments and different pricing strategies could have been followed.
- IV. **Perception & Attitude** – Chemicals v/s Organic/Herbal products
While some people perceive beauty products negatively due to chemical ingredients in them some people recommend them. Market share for both chemicals and organic products could have been analysed and the more profitable market could have been targeted.
- V. **Involvement** – Normal consumers v/s Film Industry
Consumer segments like make-up artists, beauticians, film stars will have a high involvement in buying beauty products than normal consumers. Therefore depending upon the target market packaging and labelling strategies should have been made.
- VI. **Culture** – Due to different cultural norms regarding appearances laid down by different religions, men and women of a particular religion dress up and make use of specific cosmetic products. For e.g. Hindu, Jain and Bengali women use ‘sindoor’ and ‘Bindi’ while Muslim women do not, Sikh men don’t use shaving products as they are not allowed to cut hair, Many Jain men and women use white tikka.

- VII. Opinion Leaders** – Celebrities and Doctors act as effective opinion leaders for cosmetics and beauty products which could have been used and their impact on the sales, brand value and price could have been analysed.
- VIII. Personality and Self-concept** – Alpha Males v/s Passive males, Feminine v/s Tomboyish girls

While alpha males and feminine girls may use and encourage use of beauty products while passive males and tomboyish girls may like to stay raw and refrain from using beauty products.

Case IV

Case IV Health Conscious Consumer

Consumers are becoming health conscious and would like to consume foods which are balanced, and have all the required nutrients, in proper quantities. These ingredients are cholesterol, salt, sugar, fibre, calories and additives. The consumers are not only concerned about such goods for themselves, but also their families.

A survey was made by a company to find out the food attitudes of consumers. This was done to find out how products could be designed, advertised and positioned, to attract health conscious consumers. The survey of food attitude was carried out as food related items. These attitudes were food conscious, cooking attitudes, brand loyalty, instant foods, price sensitivity, value, etc. The analysis revealed that basically customers could be classified into three categories.

Category I: Older consumers

These were health conscious older people, who because of medical consideration, had little choice, and these people were concerned about sugar, salt, greasy foods, etc. They ate meals regularly, at regular timings, and took great precautions for their food. They used branded products, and played very safe in eating outside and not consuming food not prescribed for them.

Category II: Buyers of convenience food

These are younger consumers keeping busy mostly outside the house, who skip lunch or breakfast. They rely on convenience food and fast foods. They have a hectic lifestyle. They are upwardly mobile, use ready to eat and frozen foods. They work mostly outside the house and are pressed for time. They have an irregular schedule for meals. They also dislike cooking and want to utilise time for leisure and other activities rather than for cooking. They are not very concerned about a balanced diet, and would have greasy burgers or any other fast foods to suit their convenience. They can also be categorised under impulse buyers, rather than careful shoppers. If the product has appeal, it will be bought, and the price and brand name are not the main considerations.

Category III: Cooking own food

They like to cook their own food and get involved in the kitchen. They love to make an assortment of dishes. This is also done to cut costs. They like to buy their own groceries and cooking stuff, and do not want to waste money on fancy packings. They do not try new products, i.e. they are not innovators, but try to be a late majority, and buy a thing, when it has established itself in the market. They tend to have a big family, and have to economise, as well.

Questions

1. What inferences can be drawn by marketers from the above study? How does it help them to formulate strategies for advertisement, positioning, etc?
2. Do you require any other information and why?

Explanation of the case:

A company in the food industry wants to formulate an effective marketing strategy to attract health conscious consumers. For this purpose a survey was conducted as more and more consumers are becoming health conscious and prefer to consume foods that are healthy and nutritious. The goal of the survey was to collect information about food habits and attitude of the consumers towards different food items.

On the basis of the survey the consumers were divided into three categories:-

- Old Consumers (elderly people)
- Young Consumers (teenagers, unmarried, working singles)
- Middle Aged Consumers (Big Families, Married Couples)

And the following information was found:

Old Consumers: They were health conscious, Brand loyal and highly involved in buying food items. This is due to their medical considerations, restricted choice of food and fixed eating schedules. They do not prefer to eat outside and are very cautious while buying new products.

Young Consumers: They are less health conscious and less brand loyal than older people and have less involvement in buying food items. They prefer food on-the-go and like convenience/fast food more than cooking for themselves. They are more influenced by product appeals than the brand name or price of the product.

Families and Households: They are moderately health conscious, moderate brand loyal and are very particular about their purchases of food items. They prefer to cook their own food and their purchases are restricted by a fixed budget. They focus more on the brand, quality, quantity and price of a product rather than product appeals. This segment usually consists of big families and married couples with kids who look for value of money products.

Relevant Theory:

Diffusion of innovation is a theory that seeks to explain how, why, and at what rate new ideas and technology spread. Diffusion is the process by which an innovation is communicated over time among the participants in a social system. The origins of the diffusion of innovations theory are varied and span multiple disciplines.

Rogers proposes that four main elements influence the spread of a new idea: the innovation itself, communication channels, time, and a social system. This process relies heavily on human capital. The innovation must be widely adopted in order to self-sustain. Within the rate of adoption, there is a point at which an innovation reaches critical mass.

The categories of adopters are innovators, early adopters, early majority, late majority, and laggards. Diffusion manifests itself in different ways and is highly subject to the type of adopters and innovation-decision process. The criterion for the adopter categorization is innovativeness, defined as the degree to which an individual adopts a new idea.

Consumer Adoption

Consumer adoption deals with the purchase behaviour of consumers relating to a product after they have become aware of it. When a new product is introduced in a market, some consumers buy (adopt) it very quickly, some consumers wait for assurances from early users to make their first purchase, while a majority of consumers buy it only when the product is tried and tested in the market or only when it is necessary for them to buy it.

Markets constantly try to influence customers to adopt new products and services, therefore it is necessary for them to identify and understand the behaviour of various groups of customers on the basis of how slow or fast do they adopt a product or service or how much time do they take to adopt a new product or service.

Classification of Adopters

Consumers may be divided into five groups on the basis on time taken by them to adopt a new product or service during its life cycle. They are:

- **Innovators (2.5%)** – Innovators amount for only 2.5% of the consumers. Innovators are early buyers and risk takers, they are the first to purchase the product at the beginning of its life cycle. They are adventurous people, who like to try new products and stay updated with the latest products and trends, they do not hesitate to pay a premium price for the benefit and are always eager to learn more about latest products from magazines, T.V., internet.
- **Early Adopters (13.5%)** – The next 13.5% purchasers are early adopters who take calculated risks before buying a new product. They are generally opinion leaders of a group and the success of the product greatly lies upon their adoption of the product. Early adopts weighs the pros and cons of the product before buying it and upon satisfaction help the product to become socially acceptable by providing information to their social groups.

- **Early Majority (34%)** – The early majority are cautious people who only buy a product when it has been accepted by the early adopters and innovators. They are well-educated buyers who do not have the time or resources to research a product and rely on personal sources for information regarding products and services. They do not buy the product until it is socially acceptable and successful.
- **Late Majority (34%)** – It consists of 34% of the late consumers who adopt a new product only due to social pressures or non-availability. These consumers are less educated and therefore are very skeptical in nature. They rely on informal sources for information and make a purchase only after the majority has already purchased it.
- **Laggards (16%)** – The last 16% of the buyers are traditional or elderly people with little or no social interaction, who show great resistance towards adopting a new product. Some laggards never purchase a product while others purchase it at the end of its life cycle. They are uneducated people with low status and earnings and they purchase a product only when the existing product is out of use (broken and cannot be repaired).

Conclusion:

Marketers aim to identify and focus on innovators and early adopters and offer price promotions or free trials or samples backed by extensive advertisement for these groups. Early adopters work as change agents for the product and help to overcome resistance from the public and influence other consumers to adopt or buy the product. Therefore marketers first focus on early adopters capable of becoming opinion leaders whom other groups will follow. Special care must be taken in identifying these groups as an innovator for cars may be a laggard for bikes.

After the early majority has been satisfied, special strategies are formed for late majority and laggards offering huge discounts, guarantees and other marketing tactics.

Family Influence on Consumer Behaviour

A **family** is an important element that affects the consumption and disposal of products by an individual. A family may be defined as two or more people living together, related by blood or marriage who share a common house, common income and similar status and values.

A family is a social group and all members of a family influence and get influenced by each other. Family bonds are stronger than bonds in any other group and all members of the family form a single decision unit in case of purchase of products and services for common consumption. Each member influences and gets influenced by a family member depending upon his/her role, life cycle stage and relationship dynamics in the family.

Therefore, family influence on consumer behaviour can be understood by studying the buying roles, family dynamics and life cycle stage of a family member.

Buying Roles of a Family - The various roles played by members of a family while making a purchase decision are:

- **Influencer** – The family member or family members who provide information about a product or service to other family members
- **Gate Keeper** – Family members who controls the flow and direction of the contents of information
- **Decider** – The one with the power to select the product whether individually or jointly
- **Buyer** – The one who makes the actual purchase
- **Preparer** – The family member or family members who prepare the product for family consumption
- **User** – The consumers of the product or service
- **Maintainer** – The members who maintain the product for continued use and satisfaction
- **Disposer** – The member who disposes the product.

Family Dynamics - Family influence on consumer behaviour exists due to the relationship dynamics between family members. The buying behaviour of a family and its members basically depend upon the dynamics of husband-wife in decision making. There may be the following types of decisions on the basis of husband-wife influences –

- Wife Dominant Decisions, E.g. grocery, food, home decoration
- Husband Dominant Decisions, E.g. phone, cars, insurance
- Joint Decisions, E.g. vacations, schools for children
- Autonomic or Unilateral decisions, E.g. milk, newspaper

Family Life Cycle stages - The buying behaviour of a family member is also influenced by his position in the family life cycle stage. Different stages in the life cycle show family influence on consumer behaviour with respect to a family member's position in the life cycle stage. The family life cycle stages and consumption patterns of each stage can be understood with the table below:

Family Life cycle Stages	Characteristics of Members	Consumption Interests
Bachelorhood	Young Singles	Games, toys, sports, fashion, clothing, recreation and entertainment
Honeymooners	Young married with no Children	Life Insurance, home furnishings, home appliances, vacations, consumer durables
Parenthood – Full nest 1	Young Married with children	Baby food, clothing and furniture, real estate, medical services, automobiles, bank loans
Parenthood – Full nest 2	Middle-aged with dependent children	Children Education, increased spending on food, clothing, recreation and entertainment, Child Insurance
Post Parenthood – Full nest 3	Old Parents with dependent children	Servants and helpers, higher education, Luxury products, International vacations, social contributions
Empty Nest	Old Parents with independent children	Healthcare services, home security services, basic necessities, value for money products
Solitary Survivor	Old and retired singles	Legal Services, Old age homes, easy to use appliances, Increased expenses on health and security

Solution:

Focus: Effective Marketing Strategy for Healthy food products

The following points can be inferred from the study:

- Consumers are more aware now, they do not simply buy what is available but demand specific products
- The user may not always be the buyer
- Different consumers may perceive the same products differently
- Different Consumers adopt the same product at different stages of product life-cycle

FACTS ABOUT ELDERLY CONSUMERS:

- Older people are more health conscious due to medical and health considerations
- They have a restricted diet and they do not change their taste and preference towards food frequently
- They are more brand conscious and brand loyal than other segments
- Older people have high involvement in buying food products as some food may be harmful to them therefore they check all product attributes before buying
- They are regular consumers and will prefer home delivery than purchasing food from outside
- They are Late Majority and Laggards in the product life-cycle stage, rarely try new products
- They have a negative attitude towards canned/packed food and fast-food
- The user may not be the actual buyer

FACTS ABOUT YOUNG CONSUMERS:

- Young consumers are less health conscious than other segments and prefer outside food
- They are less involved in buying food products as they have a hectic work schedule and dynamic lifestyle and like to try new products
- They are early adopters therefore they can be used as innovators and opinion leaders to influence the early and late majority consumers
- They prefer to eat outside and shop outside
- They are impulsive buyers and buy at convenience, their purchase decision is highly influenced by attractiveness of the product
- They are less brand loyal and focus more on product appeals than price or brand of the product
- The user is the actual buyer

FACTS ABOUT MIDDLE-AGED CONSUMERS:

- They are less brand loyal but very health conscious
- This segment usually consists of big families, Married people with kids
- They too like elderly have a negative attitude towards canned/packed food and are sceptical towards outside food
- They resort to traditional products and do not try new and innovative products
- They lie in the late majority and laggards i.e. they only buy a product when it is successful in the market
- Due to large number of end users (family members) they have a restricted budget and they like to store product in large quantities
- The user may not be the actual buyer

The above information can be used in the following ways to formulate an effective marketing strategy –

- On the basis of the above information Older and Middle aged segment can prove to be a better market than young consumers. Therefore marketing efforts must be directed towards elderly people, big and small families and married couples.
- Health conscious consumers will prefer healthy products like fresh and toned milk, clean chicken, fresh vegetables, healthy oil rather than packed products which are healthy like healthy biscuits, healthy chocolates, canned energy drinks etc. as they like to cook their own food.
- Consumers of Healthy food products will focus more on Brand name and Price of the product than fancy product appeals. Therefore efforts must be made to position the products as high performing and authentic food products.
- Value for money pricing must be used to attract customers as both the elderly and middle aged people have a restricted budget. Most elderly people are either dependant on their children or live on their pension. The buyer for Big and small families has a limited budget due large number of end users. Therefore Value for money pricing must be used to attract customers as both the elderly and middle aged people have a restricted budget.
- Consumers of Healthy food products are highly involved in buying food products. Therefore products attributes such as freshness, health benefits, high calorie, low fat, zero sugar, zero cholesterol etc. must be clearly showcased through efficient product packaging and labelling.
- Celebrities and Doctors must be used for advertising to influence early purchases at the initial stage. Housewife and Head of the Family must be used as opinion leaders at the subsequent stages to influence the late majority and laggards.
- As both the elderly and middle aged like to store products. Therefore discounts on bulk buying of products must be offered and sturdy and big containers must be used for packaging.
- The products must be readily available at all small and big retail stores with a Home delivery option. Street vending must be avoided as it will have a negative impact on brand value of the product.

- Free samples must be used to attract the elderly and middle aged as both customer segments are sceptical towards new products and rarely try them at early stages of its product lifecycle.
- Elderly people may not frequently visit stores while middle aged usually shop at small and big retail stores. Therefore Door to Door sales for the elderly and Point of sale promotion efforts for the middle aged must be used.

Information on the following points can be used to make an effective marketing strategy for healthy and nutritious food products:

- I. Market Share and Market Size of each category/segment** – Information about the market share and size of each segment namely older consumers, middle aged consumers and young consumers will help the marketer to streamline the target audience and select the most potential market for healthy products.
For e.g. Older and middle aged consumers are more health conscious than younger consumers and are therefore inclined towards buying healthy products. Therefore they are profitable segment and have more potential than young consumers in case of health products.
- II. Perception and Attitude of different consumer segments towards existing and new proposed products of the company** – Perception of different consumer segments towards existing and new products of the company will help the marketer to estimate the brand value and loyalty of customers towards company`s products and understand how consumers perceive their products. Consumer`s perceptions can be used to make improvements in the new products to be developed.
For e.g. Retaining existing consumers is easier than making new one. Therefore by understanding the needs of the existing customers and gathering their opinions on company`s products will provide valuable insights regarding what is to be made.
- III. Perception and Attitude towards competitor`s products** – Understanding consumer`s perception and attitude towards competitor`s products will help a marketer to determine what is demanded in the market?, what products are successful? How do competitors tackle this demand and where their weaknesses lie? And what is liked and disliked by consumers. This information will help him to formulate effective strategies to tackle the competition and create synergies.
For e.g. Efforts must be made to fill the gap left by major players in the industry and develop unique selling points for the company`s products.

IV. Type of Media each segment is susceptible to/influenced by - By understanding how different consumers respond to different media the marketer will be able to use an effective mix of print, radio, t.v., internet to target potential consumers and influence trials or purchases.

For e.g. If consumers respond positively to opinion leaders such as celebrities and doctors, they must be used to promote the products. Ineffective media channels must be avoided and popular channels such as health blogs, T.V. ads with celebrities and doctors must be used.

V. Product attributes that health conscious people look for: Freshness, Health effects, calories – By understanding the product attributes that health conscious consumers look for the marketer will be able to develop better products and showcase the demanded product attributes through effective packaging and labelling techniques.

For e.g. Health conscious consumers can be influenced by boasting specific traits of the product such as freshness, health benefits, high calorie, Low fat, zero cholesterol etc.

VI. Who buys, Where do they Buy and How much do they buy: Gym, Parks, Big or Small retail stores – These basic questions will help the marketer to formulate effective marketing strategies. The marketer will know who the actual buyer of the product is. By knowing where and how much do consumers buy, better packaging and distribution strategies can be formulated for the products.

For e.g. If the user is not the actual buyer marketing efforts must be directed towards the actual buyer. (Housewife in case of middle aged people)

Gyms, parks, fitness centres are the best places to attract health conscious consumers. If product is purchased in huge quantities, sturdy and big containers must be used for packaging but if the product is purchased in small quantities, mini packs and easily disposable packaging options must be explored.

VII. What do health conscious people eat daily/frequently (eating habits of the consumers) – By knowing the eating habits of the consumers, new products suiting their daily needs can be produced. This will help the marketer to determine what is considered healthy by its target audience.

For e.g. While some people consider milk, chicken, fruits as healthy food, some consider healthy biscuits, healthy oil, fresh vegetables as healthy food. Both are different segments and demand differently.