

THE IMPACT OF CONSUMER BEHAVIOUR ON MARKETING STRATEGY AND MANUFACTURING IN THE CURRENT SCENARIO

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KEYWORDS

**CONSUMER
BEHAVIOUR,
MARKET
STRATEGIES,
MANUFACTURING,
DIGITAL
MARKETPLACE,
TRADITIONAL
MARKET**

ABSTRACT

Understanding customer behaviour has become essential to developing successful marketing strategies and influencing manufacturing processes in the quickly changing market environment of today. The intricate relationships between customer behaviour, marketing tactics, and product manufacture are examined in this paper, which also looks at how companies are adjusting to the always shifting needs of their clientele. It talks on how customer preferences are changing, how digital involvement is growing, how sustainability is an issue, and how customization is becoming more popular. This research describes how businesses are using these behavioural insights into their marketing strategies and production procedures by examining real-time case studies. The conclusion emphasizes how crucial consumer-driven tactics are for companies looking to stay competitive in a market that is increasingly connected and socially conscious.

1. INTRODUCTION

Understanding consumer behavior is crucial for businesses hoping to succeed in the modern business climate, which is dominated by technical advancements, global interconnection, and environmental consciousness. Because of increased awareness, evolving lifestyles, and easier access to information, consumer preferences are changing more quickly than they have in the past. In order to meet these changing expectations, companies must continuously modify their manufacturing procedures and marketing plans. The paper examines how important consumer behavior is in shaping industrial choices and marketing tactics. It explores the current environment, which is marked by heightened digitization, sustainability demands, and customized experiences, demonstrating how these elements are changing how businesses operate in many industries.

2. LITERATURE SURVEY

Product, price, place, and promotion are the four "Four Ps" of the marketing mix, and businesses use past, present, and (perhaps) future consumer behavior to construct their strategies for product, pricing, distribution, and messaging. According to the researcher, even small organizations may utilize consumer research to identify the planning, strategies, and tactics that will help them adapt to changing markets and maintain their distinctive selling proposition. Product Strategies Are Affected by Consumer Behavior When consumer behavior shifts, it may indicate that they are spending more or less on a particular category or that they are looking for something new and different.

Recent years have seen the emergence of new consumption patterns brought about by network, information systems, and Internet technologies (Corcoran and Andrae, 2013). People's conceptions of consumption and their consumption patterns have changed as a result of these advancements. We are now in the media period of Web 3.0, following the web portal era of Web 1.0 and the social media era of Web 2.0 (Zhang, 2020).

The advent of internet purchasing has significantly enhanced the shopping experience for customers (Helm et al., 2020). Time, place, or mode of conveyance are not barriers for online shoppers. Consumers that shop online "traditionally," however, only get information from text, photos, and pre-recorded videos (Wongkitrungrueng and Assarut, 2020). Accordingly, the growth of e-commerce has reached a snag in the Web 3.0 era (Wu Q. et al., 2020).

Overly aestheticized product photos and purposefully created advertising videos make it hard for customers to find accurate information. Customers' mistrust and skepticism when making purchases are exacerbated by this "asymmetry of information" between online shoppers and retailers (Demaj and Manjani, 2020; Lamr and Dostál, 2022; Utz et al., 2022). Online buying is made even more frustrating by slow customer support (Othman et al., 2020). Innovation that prioritizes a positive customer experience across the board is therefore required.

Companies must examine their product lines to decide whether to discontinue outdated models, introduce new models, or modify their characteristics. For instance, a junk food company wouldn't increase its advertising budget to promote their sugary snacks in response to consumers' growing choices for healthier options. The business may switch from artificial sweeteners to natural honey or introduce baked or sugar-free snacks. Pricing Strategies Are Affected by Consumer Behavior Price is a factor in some changes in consumer behavior. For instance, customers spend a larger portion of their budget on necessities like food, clothing, and utilities during a recession and have less money available for discretionary expenditures.

During the crisis, companies that produce discretionary goods try to cut their prices, give discounts, free delivery, rebates, sales, coupons, or downsizing. In prosperous times, people frequently spend their additional cash on things they previously couldn't afford. Companies may choose to raise their pricing, discontinue coupon or discount campaigns, or introduce a more expensive product into their portfolios. Distribution Is Affected by Consumer Behavior Businesses started selling online, integrating a third-party e-commerce solution onto their websites, or utilizing third-party seller platforms like Amazon, eBay, Etsy, or Shopify as customer preferences shifted from driving to a store to placing an online order.

Marketers need to consider all of the expenses associated with selling through various channels, such as fees, shipping, warehousing, and platform costs for technology. Businesses must provide this payment option wherever they sell as customers shift toward more digital payments. Marketing Communications Are Affected by Consumer Behavior Marketers must adjust their public relations and advertising tactics when customer behavior around content consumption shifts. Marketers are investing more in social media campaigns and less in broadcast advertising as consumers shift from viewing TV to consuming more material online.

3. CONSUMER BEHAVIOR: DEFINITION AND IMPORTANCE

3.1 UNDERSTANDING CONSUMER BEHAVIOR

The choices and actions people or groups do when choosing, acquiring, utilizing, or discarding goods and services are referred to as consumer behavior. Numerous components, including cultural, societal, psychological, and personal ones, impact this behavior. Digitalization, simple access to product information, and increased demands for convenience and customisation have a significant influence on customer behavior in the current environment.

3.2 THE EVOLUTION OF CONSUMER BEHAVIOR

The mass-market-oriented, traditional models of consumer behavior have progressively given way to a more complex, individualized understanding. Today's consumers anticipate smooth Omni channel interactions, environmentally friendly brand practices, and goods that are customized to meet their individual requirements. Companies must be flexible in meeting customer expectations because of the exponential growth in the speed at which customers acquire and share information. The microeconomic framework a model that was put forth at the start of the 1800s that emphasizes the global economy's pricing and product patterns as key axis. This model is predicated on assumptions about a "standard consumer," about whom the relevant theory is posited. It centres on the act of buying, that is, attempting to forecast the product that the customer will select and the associated price. This paradigm ignores where the necessities came from and how they are valued, and it assumes that tastes and preferences exist. When it comes to customers, this model has the following features:

- The needs and desires of the customer are limitless. As a result, it is impossible to fully meet them.
- The allotted budget will be used to meet their demands as much as possible. - The preferences of the customers are consistent and reliant.
- Customers are fully aware of the level of enjoyment they will receive from a product. The marginal usage or satisfaction that each new unit produces will be lower than that of the ones that came before it.
- Customers understand that the price of a product is the sole sacrifice necessary to acquire it. As a result, it serves no additional purpose in the choice to buy.

Given their subjective preferences, consumers are entirely rational in that they would always take intentional action to maximize their level of satisfaction.

Economists contend that, given these assumptions, completely rational buyers who base their judgments on thoughtful and logical calculations will always choose the products that provide the best cost-benefit ratio. Notwithstanding its shortcomings, certain of the model's components have been updated and remain applicable due to their well-known impact on the Purchase-Decision Process. The macro economy has created a model that emphasizes the economy's overall flows. The resources' trend and evolution, as well as their monetary value. According to this approach, people's incomes are divided into two categories: saving and spending. This study examines the "relative income" theory, which states that a family's consumption percentage only shifts when their income shifts into a different social group. If all income levels are raised simultaneously, this won't occur.

Another theory is the so-called "permanent income" hypothesis, which explains why some people alter their consumption patterns gradually even when their incomes fluctuate abruptly. It concludes that people believe that abrupt changes in income are only temporary and, as a result, are unlikely to have a significant impact on consumption patterns. This model's main flaw is that it emphasizes economic variables while ignoring the impact of psychological elements, despite its intriguing contributions.

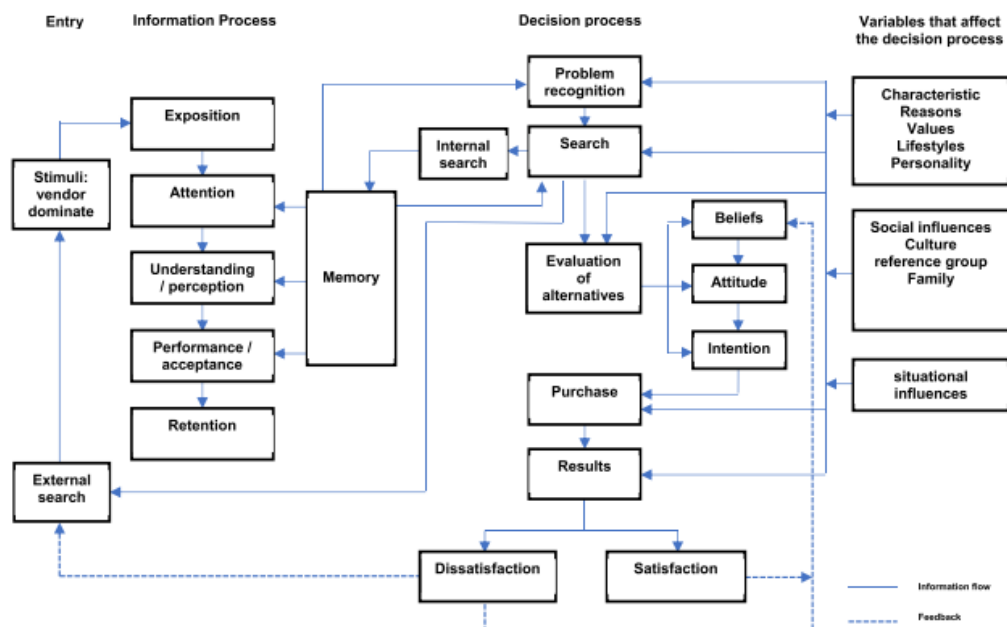


FIGURE 1: CONSUMER BEHAVIOUR MODEL FOR DECISION MAKING [8], BY ENGEL, KOLLAT AND BLACKWELL (1968)

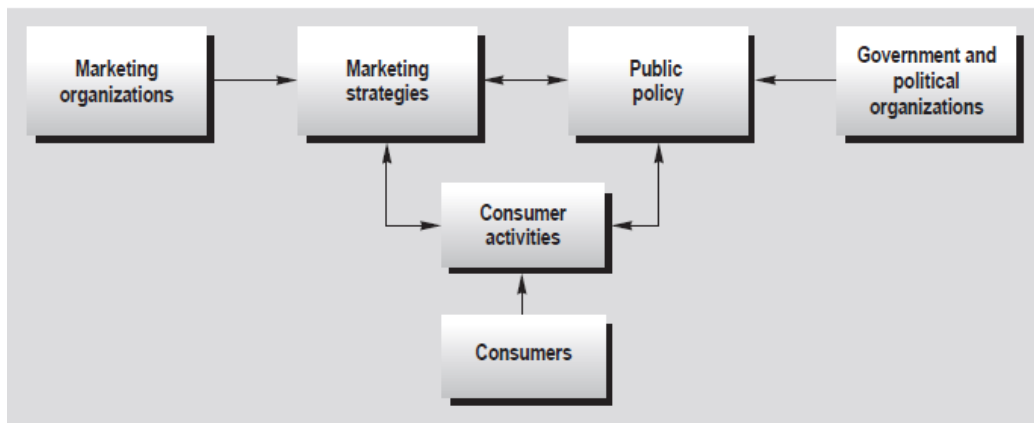


FIGURE 1.2: RELATIONSHIPS AMONG ACTION-ORIENTED GROUPS INTERESTED IN CONSUMER BEHAVIOR

4. IMPACT OF CONSUMER BEHAVIOR ON MARKETING STRATEGY

4.1 DIGITAL TRANSFORMATION AND E-COMMERCE

The move to online purchasing and digital engagement has been one of the biggest changes in consumer behavior. Businesses are adopting data analytics more and more to monitor customer trends, preferences, and behaviors in real time. This enables companies to develop highly focused marketing plans and create customized messages that appeal to customers across a range of digital channels. Online retailers such as Amazon and Shopify, for instance, provide a more individualized buying experience by using browser data to suggest products. Social media platforms are now important touchpoints where brands interact with customers directly through influencer marketing, targeted advertising, and real-time feedback.

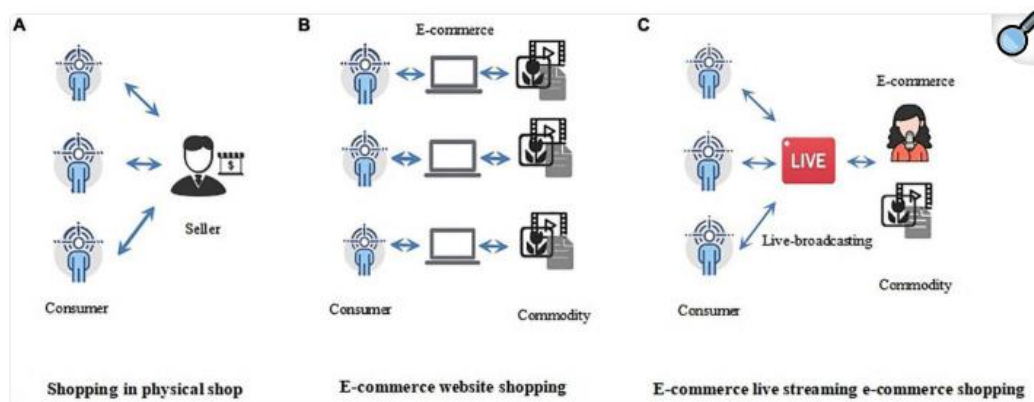


FIGURE 1.3: THREE TYPES OF SHOPPING EXPERIENCE

4.2 THE ROLE OF SOCIAL MEDIA

Social media sites are becoming essential for influencing consumer opinions and buying decisions. These platforms are used by marketers to interact personally with customers in addition to promoting their goods. Brands may build communities and encourage brand loyalty by using interactive content like surveys, live sessions, and user-generated material. Influencer-driven platforms such as Instagram and TikTok show how digital peer recommendations have a direct effect on consumer behavior. Instant feedback is made possible by these platforms, which further empowers firms to modify their marketing tactics in response to consumer reaction.

The most direct way that businesses interact with customers is through their marketing approach. Providing effective buying stimuli is a key component of any successful retail marketing plan, as certain stimuli frequently result in impulsive purchases. Users in traditional e-commerce spend a lot of time contemplating a purchase while perusing the products on a shopping platform; this is known as "decision-making consumption." Customers are offered a variety of specially created entertainment during livestreaming. Consumers, whether hedonistic or utilitarian, are easily drawn to livestreaming situations that are purposefully created to encourage consumption behavior, product introductions, personal appeal, and marketing material. Anchors' organized marketing methods arouse impulsive purchases.

The "People-Product-Place" parts must be well-coordinated for livestreaming retailing to be successful. This is an important perspective to consider while researching marketing strategies. "People" stands for the anchor, who is the main element that draws in "followers" to watch. In livestreaming purchasing, anchor attributes have a significant impact on decisions about what to buy. By exposing products to their audience, anchor characteristics marketing emerges as one of the main streams in livestreaming e-commerce. "Product" refers to the advertised goods that the anchor suggests. Hunger marketing, which creates availability stimuli, "limited time," and "limited quantity," is the primary marketing strategy for "goods." The anchor produces the "short supply" effect, which heightens consumers' perceptions of time constraints and product scarcity and encourages impulsive buying.

The last presentation of the e-commerce livestreaming scene is called "Place." The internet platform created a communication scene by combining livestreaming, buying, conversation, and other features with the help of "people" and "product."

Participants can immerse themselves in the immersive experience in the broadcast room thanks to the exceptional sensation of temporal presence. Immersion marketing turns shopping into a form of "entertainment." Thus, we investigated how three aspects of marketing strategy anchor attributions, hungry marketing, and immersive marketing affect impulsive purchases.

E-commerce perceptions Anchor Qualities and Impulsive Buying Patterns, the foundation of any livestreaming retail marketing plan is e-commerce anchoring. An e-commerce anchor is a person who presents and showcases things to clients in a thorough manner. E-commerce anchors, in contrast to traditional television broadcasters, offer advice to consumers by sharing their personal experiences using the marketed products, responding to viewers' inquiries in real time, interacting with viewers in response to their requests, and showcasing products in ways that are not possible with static images and text. According to research, e-commerce anchors' qualities, traits, or attributes have a big impact on consumers' decisions to buy or make impulsive purchases on livestream shopping platforms. These qualities can be divided into three categories: social attractiveness, professional aptitude, and physical attractiveness. Claim that e-commerce anchors who are thought leaders should possess the following qualities: professionalism, charisma, and interactivity.

According to their research, anchor attributes have a favourable impact on consumers' intentions to make purchases. 68 livestreaming shoppers were interviewed for their qualitative study, which also compiled the characteristics of e-commerce anchors. According to these experts, an e-commerce anchor's display and interaction qualities, charm, and suggestion qualities are all crucial. In conclusion, while the research covers key characteristics of e-commerce anchors, there are currently few studies examining the ways in which these characteristics affect impulsive buying behavior.

Additionally, the prerequisites for becoming an e-commerce anchor have increased due to recent tax evasion by a number of well-known livestream anchors. As was mentioned, it matters how customers view e-commerce anchor features. These characteristics are described in this study in terms of how viewers or customers view the anchor's displayed image. These characteristics include the anchor's adherence to the law and discipline, his or her professional and communication abilities, and whether or not the public views the anchor as trustworthy and knowledgeable about the goods being advertised.

4.3 CONSUMER DEMAND FOR SUSTAINABILITY

The increasing demand from consumers for ethical and sustainable products is another important trend impacting marketing methods. Nowadays, a lot of buyers are increasingly aware of how their purchases affect the environment. Businesses that emphasize eco-friendly methods, sustainable sourcing, and corporate social responsibility efforts, like Patagonia and The Body Shop, are appealing to this group of consumers that care about the environment. To gain customers' trust, businesses are putting more and more emphasis on transparent marketing techniques that highlight sustainability. In today's eco-conscious market, certifications like Fair Trade, organic labeling, and carbon-neutral claims are turning into effective marketing tools.

5. IMPACT OF CONSUMER BEHAVIOR ON MANUFACTURING

5.1 CUSTOMIZATION AND PERSONALIZATION IN PRODUCTION

Manufacturers are being compelled to switch from mass manufacturing to more flexible production techniques as a result of consumers' growing demand for personalized products. Customers now desire products that are customized to meet their unique wants and tastes, making customization a major trend. Customers can alter things to suit their own tastes thanks to companies like Dell and Nike. Manufacturing breakthroughs like flexible production lines, modular systems, and improvements in 3D printing technology have been made necessary by this consumer-driven demand.

5.2 LEAN MANUFACTURING AND SUSTAINABILITY

Sustainability issues have an impact on production procedures in addition to marketing techniques. Businesses are adopting lean manufacturing concepts and circular economy models as a result of consumer demand for products with a less environmental impact. To lessen the negative effects of production on the environment, these tactics seek to recycle resources, decrease waste, and maximize resource utilization. For example, in response to consumer demands for greener products, businesses like Apple and Tesla have adopted closed-loop manufacturing techniques, in which materials from outdated items are recycled to make new ones.

5.3 THE ROLE OF AUTOMATION AND TECHNOLOGY IN MANUFACTURING

Automation, artificial intelligence (AI), and the Internet of Things (IoT) are transforming production as a result of Industry 4.0. With the help of these technologies, producers may meet customer requests more effectively and create things more quickly without sacrificing quality. Because AI-driven systems can predict consumer trends, producers can shorten lead times and modify production levels to ensure that items reach customers promptly and according to their preferences. Furthermore, real-time production process monitoring made possible by smart manufacturing technologies guarantees improved quality control and faster reactions to market fluctuations.

6. CASE STUDIES: INTEGRATING CONSUMER BEHAVIOR INSIGHTS INTO STRATEGY

6.1 NIKE: THE POWER OF PERSONALIZATION AND DIGITAL ENGAGEMENT

Nike is a prime example of a business that has effectively incorporated knowledge about consumer behavior into its production procedures and marketing strategy. Customers can customize their shoes to their liking using its Nike By You portal. In addition to meeting customer needs, this high degree of customisation promotes brand loyalty. Nike has created focused marketing efforts by utilizing data from its digital platforms and Nike app. Nike provides tailored discounts, content, and product recommendations by examining user behavior, which has greatly increased customer engagement.

6.2 UNILEVER: SUSTAINABILITY AS A MARKETING AND MANUFACTURING STRATEGY

In response to consumer demand for environmentally friendly products, Unilever has placed a strong emphasis on sustainability. Its "Sustainable Living Plan" guarantees that manufacturing and marketing procedures incorporate sustainability. In line with the growing consumer trend towards green products, companies like Dove and Ben & Jerry's highlight ethical sourcing and environmental responsibility in their advertising efforts. In terms of manufacturing, Unilever has included waste minimization techniques and water-saving technologies across its supply chain, illustrating how customer behavior directly influences production methods.

7. CONCLUSION

Consumer behavior is a major influence on how marketing tactics and manufacturing processes are shaped in today's dynamic market. Businesses must continue to be flexible and sensitive to changing customer demands, whether through digital interaction, customized products, or sustainability programs. Businesses will need to incorporate consumer behavior data into every aspect of their operations as technology advances and consumers gain more power in order to stay relevant and competitive. In a world that is becoming more networked and environmentally concerned, businesses that successfully adjust to these changes will not only meet consumer expectations but also improve their market position.

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