

Consumer Behaviour and Demand

Consumer behaviour refers to the study of individuals and groups, and how they select, purchase, use, and dispose of goods and services.

It combines elements from psychology, sociology, and economics.

Understanding consumer behaviour helps businesses design better products.

Demand refers to the quantity of a product that consumers are willing and able to purchase at various prices during a specific period.

The law of demand states that, other things being equal, as the price of a good decreases, the quantity demanded increases.

Conversely, as the price increases, quantity demanded decreases.

Consumer preferences play a significant role in shaping demand patterns.

Income levels directly influence the purchasing power of consumers.

A rise in income generally leads to higher demand for goods.

Price of related goods also impacts demand.

Substitute goods can replace each other in consumption.

Complementary goods are consumed together, affecting demand jointly.

Advertising and brand loyalty strongly affect consumer choices.

Market trends and cultural factors influence buying decisions.

Seasonal changes can lead to fluctuations in demand.

Understanding demand elasticity helps in pricing strategies.

Studying consumer behaviour aids in predicting future market demand.