**Customer Behaviour**

**Definition:**  
Customer behaviour means how people search for, choose, buy, use, and dispose of products or services. It helps businesses understand why customers buy certain things and how they make decisions.

**Importance of Understanding Customer Behaviour**

* Helps companies design better products and services.
* Allows businesses to create marketing strategies that match customer needs.
* Helps predict future buying trends and adapt accordingly.
* Enables companies to target different customer groups with suitable offers.
* Builds customer loyalty by meeting their expectations.

**The 7 O’s Framework of Customer Behaviour**

| **7 O’s** | **Explanation** |
| --- | --- |
| **Occupants** | Who are the customers? (Age, gender, income, location) – Understanding the target market. |
| **Objects** | What do customers buy? (Product type, size, brand, features) – Knowing product preferences. |
| **Objectives** | Why do customers buy? (Needs, desires, benefits sought) – Understanding the purpose behind buying. |
| **Operations** | How do customers buy? (Buying process, research, payment methods) – Understanding purchase behaviour. |
| **Occasions** | When do customers buy? (Season, time, special events) – Knowing buying patterns and timing. |
| **Outlets** | Where do customers buy? (Online, stores, markets) – Understanding preferred shopping places. |
| **Organizations** | Who influences or participates in buying? (Individual, family, group) – Understanding decision makers. |

**Four Types of Consumer Behaviour**

1. **Complex Buying Behaviour:**
   * High involvement, big decision (e.g., buying a car). Customers research carefully.
2. **Dissonance-Reducing Buying Behaviour:**
   * High involvement but little brand difference. Customers may feel unsure after buying (e.g., buying a carpet).
3. **Habitual Buying Behaviour:**
   * Low involvement, little brand difference. Customers buy out of habit (e.g., daily groceries).
4. **Variety-Seeking Buying Behaviour:**
   * Low involvement but big brand differences. Customers switch brands for variety (e.g., snacks).

**Four Types of Consumers**

1. **Loyal Customers:**
   * Regular buyers who prefer one brand and recommend it.
2. **Impulse Buyers:**
   * Buy spontaneously without planning, influenced by emotions or offers.
3. **Price-Sensitive Consumers:**
   * Focus on price, look for discounts, and switch brands for better deals.
4. **Innovators and Early Adopters:**
   * First to try new products and influence others.

**Three Main Factors Influencing Customer Behaviour**

1. **Psychological Factors:**
   * Motivation, perception, learning, beliefs, and attitudes.
   * Example: Health-conscious customers choose organic food.
2. **Social Factors:**
   * Family, friends, culture, and social groups influence choices.
   * Example: Peer pressure affecting brand choice.
3. **Economic Factors:**
   * Income, economic conditions, and purchasing power.
   * Example: Choosing cheaper products during a recession.

**Stages in the Buying Decision Process**

1. **Need Recognition:** Realizing a need or problem.
2. **Information Search:** Looking for product information.
3. **Evaluation of Alternatives:** Comparing options.
4. **Purchase Decision:** Choosing and buying the product.
5. **Post-Purchase Behaviour:** Evaluating satisfaction after buying.

**Significance of Customer Behaviour in Marketing**

* Helps in **market segmentation** by grouping customers with similar behaviour.
* Assists in designing the **marketing mix** effectively.
* Enables companies to **predict market trends** and prepare strategies.
* Helps in **creating and retaining customers** by understanding their needs.

**Summary**

Customer behaviour studies how and why customers buy products. The 7 O’s framework explains different aspects of buying behaviour. Knowing the four types of buying behaviour and consumer types helps businesses target customers better. Psychological, social, and economic factors influence decisions. Understanding these helps companies design better marketing strategies, satisfy customers, and grow successfully.