**UNDERSTANDING CUSTOMERS (BMTUCTJUNE22)**

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# Introduction

“A customer is an individual or business that purchases another company's goods or services” (Investopedia.com, 2021).

A customer is a person, entity, or organization that purchases goods or services from another person, entity, or organization. They are the recipients or end users of the services or products being sold and are mostly referred to as clients or buyers. In the tourism sector, customers utilize or purchase tourism services like booking accommodation, meals, attractions, transportation, and experiences.

In this study, the definition of customer has been analyzed in the introduction. The concept of consumer and customer distinguish briefly and the significance of customers in businesses, including tourism has been analyzed in the first section. Consumer behaviour and four different types with examples have been analyzed in the second section. The role of IT in terms of understanding and facilitating customers in today's world and examples of tourism have been analyzed.

# First section

Customers can be groups or individuals and they can buy services or products for individual use, organizational use, or resale. Customers play a key role in business success as customer satisfaction directly impacts the revenue and sales of the business (So *et al.* 2021). A consumer is someone who has the ability and desire to purchase goods at a specific price in the economic world. Numerous elements, including money, interests, cultural and social standards, and the accessibility of products and services, have an impact on consumer behaviour.

## Differences between customers and consumers

Customers and consumers are both popular terms, but they have separate meanings. A customer is the Individual or organization that buys products or services from a business. Customers pay for buying products and services. A consumer is a person who uses a product or service. Consumers become benefitted by using products or services.

There are a few cases where customer and consumer are the same and there are a few cases also where customer and consumer are not the same. If someone buys a Mobile Phone and uses it, he can be treated as both customer and a consumer (Font *et al.* 2021). If someone buys a Mobile Phone for his son then the person is a customer and the son is a consumer of the Mobile Phone.

In the tourism sector, customers can include wholesalers, travel agents, and organizations that book travel services for their clients or employees. Consumers are travellers or tourists who purchase and use travel services for their personal purposes or own enjoyment.

## Importance of customers

Customers are the lifeblood of any business. They are a source of revenue that allows businesses to thrive and survive, and customer satisfaction is very essential for the growth of the business. Customers provide valuable feedback, both negative and positive, that businesses can use for the improvement of services and businesses (Iloranta, 2019). Customer feedback can be used to deal with market competitiveness and incorporate innovation by organizations.

In the tourism sector, customers generate revenue for the tourism industry by purchasing travel-related services like transportation, accommodations, attractions, and tours. Mouth marketing has been done by satisfied customers which is very essential for the development of the tourism industry. Besides, Customers of the tourism industry promote culture exchange and economic development.

# Second Section

## Explanation of consumer behaviour with types

Consumer behaviour is the concept which showcases the ideas and experiences of people or organizations to fulfilling the requirements of the consumers (Ye et al. 2021). Understanding consumer behaviour is very important for organizations to create marketing plans that successfully target the appropriate customers, deliver the proper message, and provide the ideal goods or services.

### Complex Buying Behaviour

When a consumer is deeply invested in making a purchase decision and realizes there are big differences between the available options, this kind of behaviour happens (Opute *et al.* 2020). Before making a choice, consumers that engage in complicated buying behaviour will take their time acquiring information, assessing options, and balancing benefits and disadvantages.

Example: Buying a car requires a lot of comparison, research, and evaluation of factors like model, brand, price, safety features, fuel efficiency, and financing options.

### Variety-Seeking Buying Behaviour

This kind of behaviour happens when a consumer has no brand or product loyalty and prefers to swap between alternatives. Consumers who buy for variety are less involved in the decision-making process and are more susceptible to external influences like mood, social context, and advertising.

Example: A Consumer who drinks different brands of soda regularly or regularly changes their hairstyle is under Variety-Seeking Buying Behavior.

### Dissonance-Reducing Buying Behaviour

When a consumer feels post-purchase remorse or worry after making a purchase choice, this kind of behaviour happens. Dissonance-reducing buying behaviour involves consumers looking for confidence and proof that their decision was the right one. To allay their concerns, they could actively look for encouraging testimonials, consult with friends and relatives, or get in touch with customer support.

Example: A Customer who buys a new smartphone and checks feedback and review from other users to validate their purchasing decision is exhibiting dissonance-reducing behaviour.

### Habitual Buying Behaviour

This form of behaviour happens when a consumer has little say in the choice to buy and does so out of routine or habit (Kim, and So, 2022). Instead of actively seeking information or weighing options, consumers who engage in habitual buying behaviour depend on prior experiences, reflexive reactions, or contextual clues to shape their choices.

Example: A consumer who always buys the same brand of breakfast cereal or toothpaste without thinking about it is exhibiting habitual buying behaviour.

# Third Section

## Role of IT (Information Technology) to understand and facilitate customers

In Modern days, IT plays a significant role in facilitating and understanding customers, particularly in the tourism industry. Customer Data Collection and Analysis, Communication and Interaction, Mobile Apps and Websites, and Automation are the important roles of IT in understanding and facilitating customers. It has valuable input in the tourism industry also.

### Customer Data Collection and Analysis

Businesses may gather and analyze information about customers, such as preferences, booking history, and feedback, with the use of IT (Stylos *et al.* 2021). This information may be used to target marketing, personalize the customer experience, and increase overall satisfaction.

Example: A tourism company can gather information on the places and activities that its customers are interested in, and then utilize that data to design tailored travel arrangements that better suit their requirements and interests.

### Communication and Interaction

Information technology enables companies to interact with consumers through several channels, including chatbots, social media, and email (Koc, and Boz, 2020). Faster reaction times and improved customer service are made possible through this.

Example: A chatbot might be used by a hotel to quickly respond to frequent queries from visitors and assist them in booking a room or making a dining reservation.

### Mobile Apps and Websites

Through mobile applications and websites, IT is also essential in easing the consumer experience. These platforms allow users to perform information searches, make reservations, and have access to other crucial services.

Example: A tourism company might develop a smartphone app that enables users to quickly book trips, view destination details, and get tailored suggestions based on their interests and preferences.

### Automation

Many responsibilities, such as booking confirmations and reminders, can be automated by IT, freeing up workers to concentrate on other customer support activities (Gursoy et al. 2022).

Example: Automated booking confirmations and reminders might be used by a tour company to lighten the effort of their personnel and improve the client experience.

In today's world, especially in the travel and tourism sector, IT plays a crucial role in understanding and facilitating customers. Businesses may enhance the customer experience and increase customer loyalty by gathering and analyzing consumer data, improving communication and engagement, providing mobile applications and websites, and automating processes. The customers of the tourism industry become very helpful through the incorporation of information technology.

# Conclusion

Customers are people or businesses who avail themselves of a business's products or services. They are essential to the prosperity of any industry, including that tourism, since they provide income and may offer encouraging comments that can draw in additional clients. Customers and consumers have different roles. Customers can include anybody who buys or pays for a product or service, including those who do so on behalf of someone else, even if consumers are the final users of a product or service. Understanding customer behaviour is essential for businesses to meet their needs and expectations. Consumer behaviour can be categorized into four types: complex, habitual, variety-seeking, and dissonance-reducing. In the tourism industry, information technology (IT) is crucial for understanding and serving clients. Information technology enables companies to compile information on consumer behaviour, tastes, and feedback to enhance their goods and services. Mobile apps, customer relationship management software, and online booking platforms are a few examples of IT products utilised in the tourist sector.

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