

Consumer Behavior in the creation of Retail Management

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Abstract:

Retailers recognize that a greater understanding of customers can enhance customer satisfaction and retail performance. This article seeks to enrich this understanding by providing an overview of existing consumer behavior literature and suggesting that specific elements of consumer behavior—goals, schema, information processing, memory, involvement, attitudes, affective processing, atmospherics, and consumer attributions and choices—play important roles during various stages of the consumer decision process.

Keywords: Attributes, Psychology, Consumers, Communication, Post purchases, Consumer Behavior, Employee Interactions, Positive Attitudes, Retailing Researchers, Intellectual Stimulation, Social Interactions.

INTRODUCTION

Understanding consumer behavior is crucial for effective retail management. By analyzing buying patterns, preferences, and motivations, retailers can create tailored strategies to maximize customer experience, loyalty, and sales. This involves understanding factors like personal, psychological, social, and economic influences on purchasing decisions.

Here's how consumer behavior informs retail management:

1. Tailored Marketing and Advertising:

- Knowing customer preferences allows retailers to craft personalized marketing messages, ads, and product placements.
- This can lead to higher engagement, increased sales, and stronger brand loyalty.

2. Optimized Product Assortment:

- By understanding what consumers need and want, retailers can optimize their product offerings.
- ☐ This ensures that products are available when and where customers are most likely to purchase them.

3. Enhanced Customer Experience:

- Understanding consumer behavior helps create a cohesive and compelling shopping experience.
- ☐ This can involve optimizing store layout, providing helpful customer service, and offering personalized recommendations.

4. Improved Inventory Management:

- Analyzing buying patterns helps retailers predict demand and manage inventory effectively.
- This minimizes stockouts, reduces costs, and ensures that products are available when customers want them.

5. Strategic Pricing and Promotions:

- Understanding consumer price sensitivity and willingness to pay helps retailers determine optimal pricing strategies.
- ☐ This also allows them to create effective promotions and discounts that appeal to specific customer segments.

6. Building Stronger Customer Relationships:

- By understanding customer needs and preferences, retailers can foster stronger customer relationships.
- This can lead to increased customer loyalty and repeat business.

7. Adapting to Changing Trends:

- Consumer behavior is constantly evolving, so retailers need to stay flexible and adaptable.
- This includes embracing new technologies, adapting to changing preferences, and staying informed about the latest trends.

In essence, understanding consumer behavior empowers retailers to create a more customer-centric approach, leading to improved sales, higher customer satisfaction, and long-term success.

Few human behaviors are as purposeful as shopping. To understand retailing and consumer experiences, we must realize that consumers attempt to achieve some goal by purchasing and using a particular product or service (Ratneshwar, Mick, and Huffman 2000). Consumers shop for various reasons, which may not include a specific need for a product or service (Tauber 1972); for example, they may need entertainment, recreation, social interaction, or intellectual stimulation (Arnold and Reynolds 2003).

MEMORY

As a field dedicated to the function of the mind, psychology has long studied memory and the acquisition, storage and retrieval of information. The following brief review of memory research addresses these key constructs with significant implications for consumer behavior and retailing, including how information enters memory, how information is retained in memory, and how it is accessed from memory when needed. The association between retailing and memory crosses all three stages.

INVOLVEMENT

Much of what retailers do seeks to attract attention and communicate a message point-of-purchase display, weekly circular, or Web site. Attributes of communication contribute to attracting consumers' attention, but an equally important attribute lies with the consumer: the degree to which he or she is involved, engaged, or views the message as important. These factors drive consumers' inherent motivation to attend to retailers' communications.

ATTITUDES

Retailers expend significant efforts to evoke positive attitudes toward their outlets and sites, as well as to the goods and services they carry. The logic is that if people have a positive attitude, they may be more likely to engage in behavior that benefits the retailer. While the theory of attitudes is well-established throughout marketing, research supporting the attitude-behavior link is equivocal. Yet most researchers still stop their inquiries at the level of attitudes without

AFFECTIVE PROCESSING

Affect has gained prominence as consumer behavior and retailing researchers identify more opportunities to evoke it through the retail environment, employee interactions, and advertising. However, the time has come to identify how retailers can develop affect and make retail experiences fun. Affect is virtually ubiquitous; occasions in which people are truly in a neutral state are rare. Its influence on behavior appears similarly commonplace, such that affect may influence attitudes,

ATMOSPHERICS

As noted in previous sections, atmospherics can impact the consumer decision process in many ways. Fig. 1 depicts its effect on the evaluation, purchase, and postpurchase stages, likely due to its integral role in retailing. It is difficult to imagine a retailer in the absence of its environment, yet some retailers clearly do more to enhance their atmosphere for consumers.

CONSUMER ATTRIBUTIONS AND CHOICES

In the final stages of the consumer decision process, consumer attributions and choices become central to consumer behavior. Consumers' perception of causality as it relates to a retailer and its products can have a substantial impact on their perceptions of the retailer and their intentions to return to a store.



CONCLUSION

This review summarizes the contributions of various important consumer behavior theories and research streams pertaining to shaping and influencing customer experiences. The key domains we discuss (goals, schemas, and information processing; memory; involvement; attitudes; affective processing; atmospherics; and consumer attribution and choice) are not exhaustive, yet they offer a wealth of insights for the retailing arena. We hope this overview stimulates additional research.

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