

FOUNDATIONS OF MARKETING AND CONSUMER BEHAVIOR. AN OVERVIEW

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ABSTRACT

Nowadays, various businesses have experienced many changes because of the increase in the competition in various fields. The two terms consumption and purchase have always been of interest in the marketing to researchers and professionals. This research investigated the concepts of marketing and customer satisfaction. As the results show, consumer behavior is raised in buying and consumption. Factors such as product quality, satisfaction, loyalty of customers to a particular brand, the belonging of customers to the brand can cause the customers' tendency to use a particular product. Using sales promotion methods can also have a high impact on the commercial performance of financial and service institutions.

Keywords: Consumer Behavior, Marketing, Customer Satisfaction, Customer Value, Customer Relationship.

INTRODUCTION

With the intensification of competition in additional dimensions, the customer has become the main pillar and axis of all the company's activities. From a competitive point of view, the survival and continuation of the life of organizations depends on identifying and attracting new customers and maintaining existing ones. Studying the effect of marketing tactics on consumer behavior is a major concern for any company in using these tactics to increase sales and long-term relationship with customers. The relationship with all customers is unnecessary. Consumer behavior is physical, emotional and mental activities the people do in choosing, buying, using and discarding goods and services in order to satisfy their needs and desires. Success in today's highly competitive world requires a suitable marketing strategy. The complex conditions of the market, the new information technologies, continuous changes in the competitive conditions, etc. in the home appliance market have made it impossible to decide easily about the type of marketing strategy. Many factors affect the choice of marketing strategies, such as competitors, customers, etc. Meanwhile, consumer behavior is a key factor that can play an effective role in choosing strategies for marketing (Abtin & Pouramiri, 2016).

Introduction to Consumer Behavior

Buyer's Behavior

Based on the buyer's involvement and the difference between different trade names, Assail has differentiated 4 types of consumer buying behavior. Complex buying behavior is a behavior that seeks to reduce post-purchase tension, and normal buying behavior is a behavior that seeks diversity. Although the consumer mental involvement is not very sensible in some

buying situations, but there is a difference between brand names. Here, the consumers regularly change their brand names.

Buying Decision Process

The customer's buying decision depends on purchasing the best brand. Practically, two other factors are important between intention and decision. The first is the opinion of others. Other influencing factors are situational unpredicted factors. Buying intention occurs based on factors such as expected family income, expected price and expected benefits of the product (Katler & Armstrong, 2006).

Consumer Buying Behavior Model

Consumers are under the influence of a series of certain factors to choose their required product. Each of these factors has a separate contribution to accepting or rejecting the buyer's decision. Researchers have presented some models for organizing the decision-making, the study of which will help to understand the process of customers' choice. Various books have introduced consumer behavior models as the Nicosia model, the Howard Sheth model, the Engel Gualek Bell Cole model, Sheth family decision-making model, and Batman information processing model (Estiri et al., 2010).

The starting point of these studies is the stimulus-response model. According to this model, many stimulating and motivational factors, along with marketing factors and stimuli (the marketing mix) enter the black box of the consumer, and s/he makes certain reactions of his own. The marketer wants to know how these stimuli change and become different reactions inside the consumer's black box. The consumer's black box comprises two parts. First, the buyer's personal characteristics affect the way s/he perceives these stimuli and reacts to them, and second, the buyer's decision-making process affects his/her behavior (Katler & Armstrong, 2006).

Effect of Marketing Communication Strategies on the Customer's Willingness to Buying

The company's effort to develop and maintain a close and growing relationship with its customers is relationship marketing. Relationship marketing tries to imitate and implement the relationship established years ago between stores and their customers in today's modern world. Relationship marketing uses various tools to keep customers, and this research examines the tools of relationship, rewards, personalization, and preferential behavior (Alipour & Heydari, 2005).

Customer's Desire to Continue Buying

Relationship marketing has its foundation in understanding the individual needs of customers. Nowadays, many companies are making a lot of effort to implement Arnold Katler's customer loyalty programs. However, many programs increase the number of repeat purchases

instead of focusing on creating customer loyalty. The efforts the company makes to maintain customers are so-called the customer's desire to continue buying.

Preferred Behavior

This research defines the preferred behavior: the customer's understanding of the amount the store serves loyal customers better than non-loyal customers. In marketing, the customers are not similar and, according to the costs for every customer; we need to separate them in terms of profitability. The results may show that many of the company's relationships with some customers are not beneficial, because the cost of maintaining these relationships is more than the income it generates. Therefore, companies should regularly evaluate the investment of their customers and consider the termination of unsuccessful relationships. The seller plays probably an important role in implementing this tactic. This tactic can cause the customer's continued relationship with the store (Belharar & Chakor, 2022).

Personalization

Personalization marketing refers to customizing goods or services resulting from information on knowing the customer. This tactic can cause the customer's continued relationship with the store. This research defines personalization as the customer's perception of a store's warm and personal treatment with loyal customers (Moin, 2010).

Reward

Reward: A tool that creates extraordinary value or incentives for the products of the seller, distributor or ultimate consumer, whose primary purpose is the immediate method. Reward is a tool for sales promotion. Sales promotion is a speeding up tool for maximizing the sales regarding customers who are not under influence of advertising. This tactic can cause the customer's continued relationship with the store. This research defines the reward: the customer's understanding of the tangible benefits the store provides to customers.

Relationship Satisfaction

According to the principles of relationship marketing, customer satisfaction is the beginning of the relationship between the buyer and the seller. Relationship satisfaction is a prerequisite for the quality of relations. The behavior and performance of each customer in contact with the sales staff has an important effect on the quality of the relationship between the customer and the seller. Of course, it is noteworthy that customers who are with the company are not always satisfied, and customer satisfaction cannot be a guarantee of customer retention. This research defined relationship satisfaction as a kind of emotional state of the customer, which is a consequence of evaluating the relationship between the customer and the seller.

Purchase Motives and Consumer Buying Behavior

A key dimension of consumer behavior in planning marketing activities is paying attention to the reasons and motivations for buying. Consumer motivation matters in explaining theories on the key behavior in influencing people's perception of the shopping environment and the information processing. Consumer buying behavior can fall into two major categories.

Essential reason for purchase: This theory seeks to identify the causes, reasons, and motivations for purchase by customers.

Quality of purchase: This theory tries to understand the quality and the process of consumer buying and its factors. It is necessary to specify the concept of purchase motives in order to examine the researches on purchase motives. They include behavioral triggers that drive the consumer to the market to satisfy his/her inner needs.

Consumer Attitude towards Market Goods

Attitude means a learned desire for responding to a subject in a favorable or unfavorable manner continuously and plays a very important role in consumer behavior. Attitudes are not directly observable, but they are mental states the marketers must get the results from through the realized measurements. This subject focuses on the consumer's attitude to market goods instead of each brand or specific product group. Although the market literature has considered many reasons, the fundamental differences perceived by the consumer are low prices and weaker guarantees (higher risk) of the market (Esmaeilpour & Ranjbar, 2018).

Consumer Involvement

As observed, the consumer's motivation to achieve a specific goal is under the influence of effort s/he spends to achieve that product or service. The more the consumer believes that a particular product or service is more suitable for his/her satisfaction, the more motivated s/he will be to get it. Involvement is the importance a person attaches to a product and its benefits in a particular situation. Involvement is a function of person, product, and situation. A combination of these things at different times can affect the consumer's motivation to receive information about the product. When consumers intend to do something that satisfies their need, their motivation causes them to receive and process any information that will enable them to achieve their goal. Possibly another person does not bother himself to get the same information because he thinks that this information is not relevant to his needs. (Samli, 2012).

Consumer Behavior and Its Key Concepts

Consumer behavior includes the mental, emotional and physical activities the people use in buying, using, disposing products, and services to satisfy their needs and desires. Consumer behavior comprises a set of psychological and physical processes that begin before the purchase and continue after consumption. It is noteworthy that the existing models of consumer decision-making in the marketing are based on the model of instrumental rationality. Instrumental rationality means that the consumer collects information, calculates and chooses the best means

to meet the needs according to the environmental conditions, intending to optimize his/her situation.

In any field, there are basic theories and hypotheses that are usable for the experts to guide their ideas towards the desired topic. We examine seven basic concepts emphasized by most experts in order to understand consumer behavior. We discuss them briefly

1. Consumer behavior is motivated. The most basic question about consumer behavior is the reason for consumer behavior. We can find the answer to this question in the definition of consumer behavior, "so that their needs and desires are satisfied". Consumer behavior is a motivated behavior that aims to achieve special goals. These motivations are of two categories. One is motivation to work, which is the reason for buying a product and deals with the function of that product that helps the consumer to achieve the goal. For example, the motivation for a new job for a car can be comfort in moving, traveling, etc. Other motivations are personal motivations that concern the desires of a consumer to express his/her feelings or other desirable things. The personal motivation to buy a certain type of car can be his/her seeking reputation or aesthetics.
2. Consumer behavior includes many activities. Every consumer has multiple thoughts, feelings, plans, decisions, and purchases. A person who only pays attention to the shopping activity ignores many related activities. Marketers should explore a widerange of consumer activities, including thinking about the product, getting information, attention to advertisements, buying, and the satisfaction and return of the consumer.
3. Consumer behavior is a process. As we stated in the definition of consumer behavior above, consumer behavior includes a series of activities (choice, purchase, consumption, etc.) that occur as a continuous process in the pre-purchase, during- purchase, and post-purchase stages.

Research Perspectives on Consumer Behavior

A key characteristic of the field of consumer behavior is its research base. Researches on consumer behavior fall into three aspects. This classification serves as a guide on our thinking about and identifying factors influencing consumer behavior.

1. Decision-making perspective: During the 1970s and early 1980s, researchers focused on the theory that consumers are rational decision makers. The roots of this approach are psychology and economics. This approach examines consumers' perception of the existence of a problem and tries to solve it logically during a series of steps. These steps include problem identification, research, evaluation, selection, and post-acquisition evaluation
2. Empirical: This perspective assumes that consumers sometimes do not buy based on completely rational decision-making. Sometimes they buy goods and services for entertainment, imagination and excitement. This view has psychological, sociological and anthropological roots. Researchers with an empirical perspective apply interpretive methods. Interpreters even record the popular culture and traditions of the society in order to gain an understanding of the consumption process.
3. Behavioral perspective: This perspective assumes that strong environmental forces push the consumer to buy a product without strong pre-established feelings or beliefs. Thus, the consumer does not buy the product through a rational decision-making process or relying on emotions. His/her purchase is under the direct influence of behavior through environmental forces such as sales promotion tools, cultural norms, physical environment or economic pressure.

Factors affecting Consumer Behavior

Researchers always try to answer the question: why do consumers pay attention to various aspects of their mental image towards retail in electronic shopping?.

This view can have two reasons:

The first reason: the mental image can guide consumers in making correct decisions and desired actions. For example, possibly we can buy from a store that has the features of our desirable store. The second reason: this approach has been successful for traditional stores and shopping centers for more than several years.

Kimber concluded that consumer loyalty is associated with shopping from traditional stores and electronic shopping. For example, according to the website com.tesco.www, the Tesco supermarket customers who used both traditional and electronic shopping channels were 20% higher than the average number of customers who only chose traditional stores for shopping. Tesco's reputation is because of having a positive image in both traditional stores and online stores (electronic shopping). Tesco is the leader of grocery stores in the UK in both electronic and traditional shopping, as well as the world's largest retailer (Euro Food, 2000). The most common components the retailers' consumer has in his/her mind, include product selection, delivery and customer service (Rau & Samiee, 1981).

Shaw have introduced customer experiences as the interaction between the customer and the organization when the customer meets the organization to make a transaction. In fact, customer experiences occur in a combination of organizational performance and customer emotions involved in daily interactions. This case is measured in contrast to the customers' expectations. Customer experiences are recorded in a person's conscious and semi-conscious mind. The conscious mind includes the cases that exist in front of the customer's eyes and the semi-conscious mind is all the things that a person records in his/her mind without reviewing them. Experiences are a combination of these two types of information archiving in the human mind. As a researcher states in his article, customers enter a store with two understandings of the brand. These brands are for retailers and major manufacturers of goods. In this research, the author has assumed that the customer's understanding of the brand is effective in his/her purchase decision. This result applies to organizations. Customers have experiences of products and this can be effective in their purchase decision. The previous experiences of customers are of an important effect on their expectations in the next dealings with the products and services of those companies. Emphasis on the factors that strengthen the customers' expectations is very important. Following and understanding the perceptions and feelings of customers is necessary for every organization. In the initial dealings with customers, providing information that creates a positive feeling in them is very important because this information is effective in a customer's initial perception of the organization.

Customer Value

Nowadays, mature and perfected markets have unique characteristics compared to the past, and one of their most important characteristics is the customer's skill and power that reduces the impact of advertisements on him. Nowadays, suppliers in the market of industrial and consumer goods have customers who have unlimited demands but are less under the influence of traditional marketing tools. The products of the market are not very different from

each other from the customer's perspective, so if the brand of the desired product is not available to him/her, s/he will easily replace it with another "brand" and this shows a decrease in customer loyalty. Price competition has also lost its former importance, and market-oriented and customer-oriented organizations think of maintaining and promoting customer loyalty as a new tool in marketing instead of competing on price. The achievement of organizational goals completely depends on defining and determining the needs and demands of the target markets and providing customer satisfaction in a more favorable and effective way. Companies will be successful in today's increasingly competitive world that satisfy more favorably their customers. These companies are not just looking for short-term sales; they seek to achieve long-term customer satisfaction by providing goods and services with superior and distinctive value. In this extremely dynamic market, the customer expects the organization to offer the most values at the most suitable price. The organizations are constantly looking for new methods and creating innovation in value, and even refer to the customer's value as the "future source" of their competitive advantage. Based on the results of their research on the modern competition and the market leaders' successful condition, Tracy and Wiersma point out three important truths that require a deep understanding.

1. Creating value
2. Value operational model
3. Valuable strategies

The first one refers to the implicit promise of the organization's management to provide to the customer a combination of value-creating factors such as price, quality, performance, choice and other facilities. The second concept is a combination of operational processes, management systems, structures and business culture that supports the organization in creating value for the customer. The third concept refers to three distinct ways by which organizations can create value and implement the operational model of the value in the market and presenting it to the customers. These ways are:

1. Operational superiority: Organizations like Wal-Mart seek to provide products with reasonable prices and useful services with minimal confusion for customers.
2. Product leadership: Organizations like Intel and Nike seek to provide a unique product to customers, so innovation and rapid changes are inevitable in these organizations to maintain a superior position in the product market.
3. Intimacy with the customer: these organizations have a deep understanding of their customers, provide the best solution to the customer and establish a close relationship with him, like some private banks.

Choosing each of these valuable strategies is a competitive strategic choice that puts the customer at the center of many decisions and plans of the organization. This strategic choice leads to the organization's efforts to provide superior value to customers.

Tracy and Wiersma believe that modern competition has three truths: different customers demand different values. Organizations cannot be the best in all dimensions of values. They must limit the range of values they focus on according to their selected customer group. As the standard of values increases, the customers' expectations will also increase. Therefore, organizations must constantly move forward in providing value to customers in order to maintain their competitive and pioneering advantage.

Value from the Customer's Perspective

Recently, there is a major tendency among management researchers towards value from the customer's perspective, and they have analyzed this from several aspects. The concept of value is a most widely used concept in social sciences and in management literature in particular. It has been of common use also in the texts of accounting and finance, economics, management, information systems, ethics, etc. Marketing texts have raised mostly discussions like relational marketing, pricing policies and consumer behavior. The important issue is that the customer's perception of what s/he pays and receives in the market determines customer's point of view, not the factory and the desires and assumptions of the supplier. The value is not the product, but the customer's achievement.

Customer Expectations

Heartline and Ferrell have defined customer expectations: the degree to which a product or service can meet customer expectations. Understanding customer expectations from services and products of institutions and organizations and their formation is very important. Customer expectations are different in different situations and from person to person. Expectations increase when there are many alternative options for fulfilling the customer's needs. It is noteworthy that there are very few situations in which there are few options to satisfy the customer's needs. There are two factors in organizations that can be effective in relation to products or services. The first one is the organization's product strategy and the second one is the path through which the company deals with expectations and performance. This helps in strategic planning and customer satisfaction management. These matters are important for the organization in designing new products or services and improving customer satisfaction. Separating the two concepts of expectations and satisfaction from each other seems impossible. Satisfaction is associated with quality, which is achievable through expectations. The customer creates expectations about the quality of services or products and evaluates these services and products by using wide and diverse value scales. Sometimes the proper taste of food in a restaurant is less valuable in the judgment of a customer who values things such as cost opportunity. Customers usually follow their satisfaction with their expectations from the product or goods.

Some Researches

In research on improving the waiting time through a prioritization algorithm based on the highest score in human queues, Didban and Kayani dealt with a new algorithm for prioritizing human queues. This method of prioritization applies for the queues where the volume of demand is different. The waiting time of each customer in this algorithm is proportional to the volume of demand. A simple example of such a queue is the bakery queue. In the proposed method in this article, the customer's arrival time is stored and in calling a customer for service, the score of all customers (according to the defined relationship) is calculated and the customer is called with the highest score. The waiting time is improved significantly by implementing this algorithm. By

presenting a mathematical model to simulate the aforementioned algorithm, the waiting time is improvable up to 25% in theory. In practical implementation for a sample queue, the waiting time is improved by about 20%. Another significant point is the prediction of the waiting time intuitively according to the number of people in the queue. The other advantages of this method are the automatic adjustment of the crowd, the fairer queue and the increase in customer satisfaction. This method, in a turn-taking device for use, has been implemented in a bakery and its results have been presented. These results have confirmed the positive effects. The results of the survey also show an increase in customer satisfaction.

Ghasemi & Mashayikhi (2018). conducted a research titled prioritization of customer needs in electronic banking through AHP (analytic hierarchy process) in the branches of Keshavarzi Bank in Nayin. The results detected 6 key criteria and 82 sub-criteria in order to prioritize the needs of customers in electronic banking.

Amiri carried out a research titled predicting the behavioral patterns of bank customers to identify the method for providing suggested services. This research states the results of predicting the future trend of customer transactions (positive, negative trend or change in behavioral pattern) through perceptron neural networks, in identifying the right time to offer the services of interest. Interests and the results of predicting the behavioral pattern have identified these services.

Shahin & Salehzadeh (2011) conducted a research entitled classification of customers' needs and analysis of their behavior through the integrated model of Kano and associational rules. The findings show that the demographic characteristics of the customers have clearly affected the type of their needs. Its results are effectively usable in formulating marketing strategies to satisfy customers and in market segmentation.

Lantos and Craton conducted a research titled, providing a model of consumer response to advertising music. Its purpose was to provide a model to investigate what role the advertising music plays in consumer response. The results showed that advertising music could be effective at certain hours of the day and night. They showed that marketing strategies could be the most effective way to improve this relationship.

Anderson conducted a study titled "Do we let the Music Play or Not? The Effect of Background Music on Consumer Behavior". The researchers conducted it in two stores during regular hours and on 550 statistical samples. The results showed that music has a positive and significant effect on consumer behavior, but the type of store and gender can be very effective in strengthening this relationship.

Broekemier conducted a research titled effect of happy/sad music and lovable/unlovable music on the purchase intention in women's clothing stores. The results showed that the dimension of happy/sad music had a greater effect on the purchase intention of consumers. The researchers suggested that a combination of happy/sad dimensions and lovable/unlovable music could be more effective.

CONCLUSION

Consumer behavior is a controversial and challenging issue that involves people and what they buy. Reason for and quality of buying is marketing and a mixture of marketing and market. Wilke and Salmon have defined consumer behavior: physical, emotional and mental activities that people do in choosing, buying, using and discarding goods and services in order to satisfy their needs and desires. Another definition has described consumer behavior: a set of activities that directly aim at acquiring, consuming, and discarding of goods and services. These activities include the decision process that takes place before and after these actions.

Every consumer confronts usually with many purchasing decisions every day. Most of the companies that conduct research on the consumers' buying behavior try to find answers about consumers' purchased matter, the method and number of purchases, the place of purchase and the reason for their purchase. Marketers can conduct research and studies for finding answers about the type of purchase, amount and place of purchase, but it is not so easy to be aware of the reasons of the consumer or buyer's behavior because most of the answers to these questions are in the consumer's mind, thought and brain.

The subject of expectations in service organizations is of particular importance, because quality is the fulfillment of customer expectations by the provided services.

The customer expectations include those things that s/he really wants and are desirable for him/her. It is noteworthy that the customer expectations and his/her demands take shape through the encounter with the organization or company and through the information that s/he collects from around. His/her understanding of the service is formed exactly when s/he receives the service and later interprets this understanding. Customers' expectations are dynamic and can be different according to the type of customer, the conditions, or even the type of service. The following factors play a role in the formation of people's expectations: verbal relations, past personal experiences, personal needs and faith in things.

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