UNIT 2 UNDERSTANDING CUSTOMER BUYING CYCLE AND CUSTOMER VALUE

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2.0 OBJECTIVES

After studying this unit, you will be able to:

- Understand the concept of customer buying cycle.
- Benefits of customer buying cycle
- Concept of customer buying cycle
- Types of customers
- CVM in retail

2.1 INTRODUCTION

Retail Industry is a booming industry out of all the sectors available in the country. The Indian economy is entirely dependent on the retail industry. Retail does well because customers buy regularly from various retail outlets, whether small or large format retail.

The customer buying cycle refers to the steps a customer goes through when purchasing. It typically includes the following stages: Awareness, Interest, Desire, Action, and Loyalty.

The customer buying cycle typically works on time factor also. There is a time frame for the usage of products that a consumer may consume after buying.

In Food and grocery stores, typically, the buying cycle is monthly when customers get their salary in hand; top happens in between. Generally buying starts from the last week of the month and goes till the 10^{th} of the month. In QSR, the buying cycle of customers is high all the days of the month, but typically, weekends are always rush hours for them. Buying happens when holidays and festivals are on a day. These are peak days for customers.

Understanding customers an essentialis also a key action point for any retailer. Then, they can predict the buying cycle well of the customers visiting the store.

2.2 THE CONCEPT OF CUSTOMER BUYING CYCLE.

Let us understand the concept of the customer buying cycle. The buying cycle depends on customer needs and wants. It is a triggering factor in the mind which induces customers to go buy the product which they wish to buy. The concept goes through a process which is defined as follows:

The customer buying cycle is the process a customer goes through when purchasing. It consists of 5 stages:

1. **Awareness:** Recognition of a need or want
   - This is a stage when customers start thinking about their needs. It may be a real or aspirational need through product advertisement or word of mouth of other customers. Demand is created in the mind first because of gap in some way in a person life whether for essential products or aspirational products.
2. **Interest:** Gathering information on potential solutions-
   - Now, the process of gathering information starts online or offline stores. Sometimes, it is checked by friends and relatives also who are using that product. Friends give accurate information about the quality of the product if they are using similar products or services. Gathering data is created from many sources like social media, offer visiting the retail store, seeing somebody using, Television advertisements, Radio messaging services, tele calls as introductory offers, etc.
3. **Desire /Consideration:** Evaluating options and forming a preference.
   - In this stage, various brands and products are evaluated. Features and benefits are understood, durability and warranty are understood then actual final check is done, which is the price of the product. Consideration again, is based on a real solution which the consumer is expecting. He decides about the actual product based on his personal choices and preferences.

4. **Action/ Purchase:** Making the purchase

   - Finally, purchases happen. At this stage, the customer is at the peak of his emotions as he feels great after getting the best deal that he aspired to. He feels as if he has won a war. He feels proud that he has made the correct purchase. He is happy to use the product as soon as possible.

5. **Loyalty/ Advocacy:** Continuing to buy from the same company in the future.

   - It depends upon the customer value management by a retailer. This satisfaction with the brand and product leads to loyalty towards the retailer. When a customer is loyal, he will advocate for the product or services; this is the best form of marketing, which is highly cost-effective for any organisation to grow against the competition.

Five Stages of customers buying Cycle

Fig. 2.1: Five stages of consumer buying cycle

Source: https://www.cim.co.uk/content-hub/blog/five-stages-of-your-customers-buying-journey/

The process of consumer buying behaviour typically involves the following steps:

1. **Problem Recognition:** The consumer identifies a need or problem they wish to solve. For example, a customer is using 32 and feels32-inch LCD, and now he feels that he should use 55 55-inch LCD or LED. It is aspirational, but this need must be in his mind for quite some time. Now, he feels it is the right time to buy that.
2. **Information Search:** The consumer seeks information on products or services that may satisfy their need. In the world of social media, gathering information is straightforward work. What is essential here is

the assimilation of all data synchronised and make a sound and wise decision considering budget and need.

3. **Evaluation of Alternatives:** The consumer evaluates the options available and compares them based on price, quality, and brand reputation. Consume while buying a car will visit brands showrooms, do a test run of few cars and then decide which one suits him or her the best considering the budget, features, comfort, safety, and convenience.

4. **Purchase Decision:** The consumer decides on a product or service to purchase based on their evaluation of alternatives. In Indiaoutcome, naturally, when a customer buys a costly product, for example TV, a Car, a fridge or even a house. It is a decision based on family choice also.

5. **Post-Purchase Evaluation:** The consumer evaluates their satisfaction with the purchase and the product and may make a repeat purchase or choose a different product in the future. We have seen when a customer spends time evaluating the products, his choice never goes wrong. Now, the time is for feedback about the product. Is it meeting the standards set by the customer in his mind or not? Here, the customer critically looks at each factor which the product promises, and then the conclusion is created in the customer's mind.

   These steps are influenced by various internal and external factors, including personal, psychological, and socio-cultural factors, as well as marketing and advertising efforts by retailers.

2.3 BENEFITS OF UNDERSTANDING CUSTOMER BUYING CYCLE

Understanding the customer buying cycle can bring multiple benefits to businesses, including:

1. **Improved Marketing Strategies:** Tailored made-marketing efforts to each buying cycle stage can increase its effectiveness.
2. **Improved Customer Experience:** Understanding the customer's decision-making process helps businesses provide a more personalised experience.
3. **Increased Topline (sales):** Businesses can increase their chances of making a sale by predicting and addressing customer needs.
4. **Customer Retention:** Fostering customer loyalty through ongoing engagement and satisfying experiences can lead to repeat business.
5. **Competitive Advantage:** Knowing your customers' behaviour and preferences can give businesses an edge over competitors.

The study of consumer buying behaviour can have the following disadvantages:

1. **Complexity:** Consumer behaviour is complex and influenced by various factors, making it difficult to predict and understand.
2. **Cultural and Societal Influences:** Cultural and societal influences on consumer behaviour can vary greatly, making it challenging to apply findings from one market to another.
3. **Limited Accuracy:** Consumer behaviour models may not accurately reflect real-life decision-making, as consumers may not always act rationally or consistently.
4. **Time-Consuming:** Studying consumer behaviour can be time-consuming and resource-intensive, requiring significant data collection and analysis.
5. **Limited Applicability:** The findings of consumer behaviour studies may not apply to all consumers or all products, as individual preferences and decision-making processes can vary greatly.
6. **Ethical Considerations:** The study of consumer behaviour can raise ethical concerns, such as privacy issues and the manipulation of consumer behaviour through marketing and advertising efforts.
7. Provides insight into customer behaviour and decision-making process.
8. Helps businesses align their marketing and sales efforts with the customer's journey.
9. Enables businesses to anticipate and address customer needs and preferences.
10. Increases the effectiveness of marketing campaigns and improves the customer experience.
11. Supports the development of long-term customer relationships and drives repeat business. By understanding the customer buying cycle, companies can better understand their customers, make informed decisions, and ultimately increase sales and customer satisfaction.

Check your Progress. A

1 Define the Customer buying cycle.

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2 Why is loyalty important in the buying cycle?

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3 What do you mean by consideration in the buying cycle?

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2.4 FACTORS INFLUENCING CUSTOMER BUYING CYCLE.

Factors Influencing customer buying cycle:-

Customer Awareness:

Marketing and Advertising: Today ,marketing communications make customers aware about the products and services of the company. After becoming aware of customers, he does some research before buying the product or services.

Word of Mouth: Referrals and recommendations from friends, families and others also make customers aware of the products.

Online Content: Blog posts, social media, videos, and other online content can spark interest and create awareness.

Customer Own Research and then Consideration Stage:

Information Availability: Easy online information through product brochures and websites make it convenient and easy for customers to do further research.

Customer Reviews and Ratings: Positive reviews and high ratings can influence customers' perceptions and decisions.

Comparative Analysis: Customers compare options, considering features, benefits, and pricing.

Influencers and Experts: Recommendations from industry experts or social media influencers can sway customer opinions.

Customer Self Evaluation of Alternatives:

Brand Reputation: Established and trusted brands often have an advantage during evaluation.

Quality and Features: Customers assess whether the product or service meets their needs and offers the desired features.

Price and Value: The perceived value of a product about its price is a significant consideration.

Social Proof: Seeing others use or recommend a product can reinforce its credibility.

Promotions and Discounts on Products: Special offers, discounts, or limited-time promotions can incentivise immediate purchase.

Product Payment Options: Flexible payment methods can make purchasing easier for customers.

Customer Service: Positive interactions with customer service representatives can influence buying decisions.

Customers' Return Policy: A favourable return policy can increase customer confidence in purchasing.

Customers Post-Purchase Experience:

Product Performance on Actual Usage: The experience with the product/service influences future loyalty and repeat purchases.

Customer Support: Efficient and helpful customer support can enhance the overall experience.

Customer Follow-up Communication: Brands that engage with customers post-purchase can strengthen the relationship.

Customer Reviews and Feedback: Encouraging customers to leave reviews and feedback can impact other potential buyers.

Customer Loyalty and Advocacy:

Customer Repeat Purchases: Positive experiences lead to repeat business and customer loyalty.

Customer Referrals: Satisfied customers are likelier to refer friends and family to the brand.

Customer Brand Engagement: Ongoing engagement through loyalty programs or exclusive content can foster loyalty.

Customer Community and Engagement: Brands that build community around their products can create brand advocates.

2.5 CUSTOMER VALUE MANAGEMENT CVM REQUIRED IN RETAIL?

Concept of customer value management: - Customer Value Management (CVM) is a strategic approach aimed at maximising customer lifetime value by identifying and prioritising customer segments, understanding their needs, and delivering personalised experiences and solutions to meet those needs. It involves analysing customer data and feedback to continuously improve and optimise customer engagement, retention, and loyalty. CVM aims to create long-term, mutually beneficial relationships with customers that drive business growth and profitability.

2.5.1 What is Customer Value Management (CVM)?

Customer value management is a system to engage with the customers on their expectations and provide enough professional support while buying the products. The support could be as follows:

- Customer support at the time of purchase through suggestive selling.
- Provide durability of product through quality product offering in the retail stores.
- Provide enough variety of stocks in the store so that suitable products are bought as per customer requirements.

- Store ambience should be best regarding product displays, ease of shopping, lighting, air conditioning.
- POS – faster checkout, error-free billing.
- Enough parking space availability
- Customer complaint effectiveness

2.5.2 Why CVM is Required in Retail.

Retail is a customer-centric business. Thousands of products are sold under one roof to all types of customers. Customers are a natural source of business in retail. Today retailers are spending a lot of marketing budgets to increase the store's footfalls, conversions, and Average bill value. Customer value management is to look at the needs of retail customers and ensure that they is met as per the customers' expectations. For example, the Product mix should be good enough to service customers. Customers must find all the products they wish to buy under one roof. Also, apart from product, customers look for the correct pricing, value proposition or quality. The most important area here is service levels like staff efficient service levels, ambience, and another host of services. This differentiates the retailer from other retailers, bringing loyalty to the customer's mind. Loyal customers are easy to bring to customers repeatedly as they are easy to get.

2.6 UNDERSTANDING OF RETAIL CUSTOMERS

1. **Impulse Buyer:** Purchases without much prior consideration or planning. These customers always bring delight to the customers. Suppose the product mix is right with reasonable pricing . These customers end up making impulse purchases.

2. **Price-Sensitive Shopper:** Makes purchasing decisions based primarily on price. Right price benchmarking against correctthe competition is always helpful as it makes the right perception in the customer's mind, which induces them to buy instantly without any second thoughts.

3. **Loyal Customer:** Regularly purchases from the same retailer. These customers are always shopping regularly. They need product mix and fill rate inside the store as per their requirements.

4. **Bargain Hunter:** Searches for sales and discounts before purchasing. During the sales period they only shop but buy in bulk.

5. **Need-based Shopper:** Makes purchases to fulfil a specific need or requirement. They plan as per need and evaluate the retailer's product, pricing, utility and overall value proposition.

6. **Trend Follower:** Purchases based on the latest fashion and lifestyle trends. They are quick buyers based on fashion trends.

7. **Convenience-oriented Shopper:** Values convenience in their shopping experience. They buy because it is easy and convenient to buy. The store might be near to their home or located at a place which is easily accessible.

8. **Online Shopper:** Prefers to make purchases over the internet. They check the product physically in the store. They check pricing online and decide where to purchase.

9. **Experiential Shopper:** Enjoys shopping experiences and seeks out unique and memorable experiences.

10. **Eco-conscious Shopper:** Prioritizes environmentally friendly and sustainable products in their purchasing decisions.

Additionally, buyers define further below.

1. **The Analytical Buyer** -They go by logic; hence, they buy the data and the competing brands and products, and they are interested in always informed decisions.

2. **The Amiable Buyer** - Warm and friendly, this customer/buyer wants everyone to be happy around him. That is why they are often paralysed by making big decisions when there is the perception of a win/lose outcome.

3. **The Driver Buyer** - Drivers are most concerned with how others view them and whether they follow. The trendsetters and drivers are most concerned with their appearance rather than the relationships formed during a transaction.

4. **The Expressive Buyer** - Relationships are critical to the Expressive Buyer. They cannot stand feeling isolated or ignored during a transaction. Instead, they want to feel like your most important asset.

Understanding the different sets of customers and their approaches in their buying decision-making process helps retailers plan products, pricing, promotions, and engagement activities, which are more linked with marketing and advertising. All benefits in increasing the turnover of a company by managing the CVM (Customer value management effectively)

Consumer buying behaviour can vary based on the type of product being purchased. Generally, consumer buying behaviour can be categorised as follows:

1. **Durable Goods:** Consumer buying behaviour for durable goods, such as appliances, cars, or furniture, typically involves a more extensive decision-making process, as the consumer makes a significant investment.

2. **Convenience Goods:** Consumer buying behaviour for convenience goods, such as snacks or household supplies, tends to be more impulsive, as the consumer is looking for a quick and easy solution to a need.

3. **Shopping Goods:** Consumer buying behaviour for shopping goods, such as clothing or jewellery, involves a moderate level of decision-making, as the consumer is looking for a specific item that meets their needs and preferences.

4. **Specialty Goods:** Consumer buying behaviour for speciality goods, such as high-end electronics or collectables, involves a more extensive decision-making process, as the consumer is looking for a unique and high-quality product. Since the considerable money they spendinvolved is there hence, they spend extra time in purchasing the product by learning features and promises it provides.

These categorisations are not strict, and consumer behaviour can vary significantly based on individual preferences and circumstances. However, they can provide a general framework for understanding consumer buying behaviour for different types of products.

Check your progress B:

Questions: -

1 What is an impulsive customer?

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2 What are the key elements of buying products?

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3 What is a loyal customer?

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2.7 TYPES OF CUSTOMERS' BUYING BEHAVIOUR

The four types of consumer buying behavior are:

- **Routine Response/Programmed Behavior**--Buying low involvement frequently purchased low-cost products; need little minimal search and decision actions; purchased almost quickly without any centralsignificant thought process. Examples include soft drinks, snack foods, milk, etc.
- **Limited Decision Making**--buying product occasionally. perhaps perhaps. Requires a little amount of time for information gathering. Examples include Clothes--know the product class but not the brand.
- **Extensive Decision Making/Complex High Involvement**-Unfamiliar, expensive or infrequently bought products. The high degree of economic/performance/psychological risk. Examples include cars, homes, computers, and education. Spend a lot of time seeking information and deciding. Data from the companies MM; friends and relatives, store personnel, etc. Go through all six stages of the buying process.
- **Impulse buying without conscious planning: Men are** considered impulse buyers. But when we are talking about impulse, it means that the customer never intended to buy but when he saw the product available with or without promotions. He bought it without any second thought. What does it mean these are unstated needs but need was built in the mind when customers saw the product?

Case Study Kellogg India

In April 1995, Kellogg India Ltd. (Kellogg) received unsettling reports of a gradual sales drop from its Mumbai distributors.

There was a 25% decline in countrywide sales since March 1995, the month Kellogg products had been made available nationally. Kellogg was the wholly-owned Indian subsidiary of the Kellogg Company based in Battle Creek, Michigan.

Kellogg Company was the world's leading producer of cereals and convenience foods, including cookies, crackers, cereal bars, frozen waffles, meat alternatives, piecrusts, and ice cream cones.

Marketing Management Case Studies | Case Study in Management, Operations, Strategies, Marketing Management, Case Studies

Founded in 1906, Kellogg Company had manufacturing facilities in 19 countries and marketed its products in more than 160 countries. The company's turnover in 1999-00 was $ 7 billion. Kellogg Company had set up its 30th manufacturing facility in India, with a total investment of $ 30 million.

The Indian market held great significance for the Kellogg Company because its US sales ,stagnated and only steady price increases helped boost the revenues in the 1990s.

Launched in September 1994, Kellogg's initial offerings in India included cornflakes, wheat flakes and Basmati rice flakes.

Despite offering good quality products and being supported by parent's parent's technical, administrative, and financial resources, Kellogg's products failed in the Indian market. Even a high-profile launch backed by hectic media activity and was unable to make an impact in the marketplace...

The Mistakes

Kellogg's realised that it was going to be tough to get Indian consumers to accept its products. Kellogg banked heavily on the quality of its crispy flakes. But pouring hot milk on the flakes made them soggy. Indians always boiled their milk, unlike in the West, and consumed it warm or lukewarm. They also liked to add sugar to their milk or lukewarm...

Setting Things Right

Disappointed with the poor performance, Kellogg launched two of its highly successful brands - Chocos (September 1996) and Frosties (April 1997) in India. The company hoped to repeat the global success of these brands in the Indian market.

Chocos were wheat scoops coated with chocolate, while Frosties had sugar frosting on individual flakes. The success of these variants took even Kellogg by surprise, and sales picked up significantly. (It was even reported that Indian consumers consumed the products as snacks.)

The launch of Chocos Breakfast Cereal Biscuits followed this. The success of Chocos and Frosties also led to Kellogg's decision to focus on totally Indianizing its flavours in the future. This resulted in the launch of the Mazza series in August 1998 - a crunchy, almond-shaped corn breakfast cereal in three local flavours -'Mango Elaichi, "Coconut Kesar' and 'Rose.'...

The Results

In 1995, Kellogg had a 53% share of the Rs 150 million breakfast cereal market, growing at 4-5% per annum till then.

By 2000, the market size was Rs 600 million, and Kellogg's share had increased to 65%. Analysts claimed that Kellogg's entry was responsible for this growth.

The company's improved prospects were attributed to the shift in positioning, increased consumer promotions and an enhanced media budget...

Source ICMRINDIA.ORG

Case Study 2 – Tesco

A Master at CRM

Every three months, millions in the United Kingdom (UK) receive a magazine from the country's number one retailing company, Tesco. There is nothing exceptional about the concept - almost all leading retailing companies across the world send out mailers/magazines to their customers.

These initiatives promote the store's products, introduce promotional schemes, and contain discount coupons. However, what set Tesco apart from such run-of-the-mill initiatives was that it mass-customized these magazines. Every magazine had a unique combination of articles, advertisements related to Tesco's offerings, and third-party advertisements.

Tesco ensured that all its customers received magazines that contained material suited to their lifestyles. The company had worked out a mechanism for determining the advertisements and promotional coupons that would go in each of the over 150,000 variants of the magazine. This had been made possible by its world-renowned customer relationship management (CRM) strategy framework (Refer to Exhibit I for a brief note on CRM).

The loyalty card3 scheme (launched in 1995) laid the foundations of a CRM framework that made Tesco post growth figures in an industry that had stagnated for a long time.

Marketing Management Case Studies | Case Study in Management, Operations, Strategies, Marketing Management, Case Studies. The data collected through these cards formed the basis for formulating strategies that personalisedmanner cost-effectively offered customers personalised services.

Every one of the over 8 million transactions made weekly at the company's stores was individually linked to customer profile information.

And each of these transactions could be used for modifying the company's strategies. According to Tesco sources, the company's CRM initiative was not limited to the loyalty card scheme; it was more of a companywide philosophy.

Industry observers felt that Tesco's CRM initiatives enabled it to develop highly focused marketing strategies...

Commenting on the way the data generated was used, sources at Dunnhum said that the data allowed Tesco to target individual customers (the rifle shot approach) instead of targeting them as a group (the carpet bombing approach).

Since the customers received coupons that matched their buying patterns, over 20% of Tesco's vouchers were redeemed - as against the industry average of 0.5%.

The number of loyal customers has increased manifold since the loyalty card scheme was launched (Refer Figure I).

From Customer Service to Customer Delight

To sustain the growth achieved through the launch of Clubcard, Tesco decided to adopt a four-pronged approach: launch better, bigger stores frequently; offer competitive prices (e.g., offering everyday low prices in the staples business); increase the number of the products provided in the Value range; and focus on remote shopping services (this included the online shopping venture). To ensure its prices were the lowest among all retailers, Tesco employed a dedicated team of employees called 'price checkers.'...

Tesco's customer base and the frequency with which each customer visits its stores have increased significantly over the years. However, according to reports, the average purchase per visit had not increased as much as it would have liked.

Analysts said that this was not a very positive sign. They also noted that while it was confirmed that Tesco was the market leader by a wide margin, it was also confirmed that Asda and Morrison were growing rapidly. Given the fact that the company was moving away from its core business within the UK (thrust on non-food, utility services, and online travel services) and was globalising rapidly (reportedly, it was exploring the possibilities of entering China and Japan), the industry observers were somewhat skeptical of its ability to maintain the growth it had been posting since the late-1900s. The Economist stated that the UK retailing industry seemed to have become saturated and that Tesco's growth could be sustained only if it ventured overseas...

Source – ICMRIndia.org

Case study 3

Another Krispy Kreme Store Opens

In June 2003, Krispy Kreme opened its first store in Massachusetts. The day before the store opened, hundreds of people thronged the location.

Many of them came with camping equipment, prepared to spend the night there toto ensure they were among the first to taste the doughnuts.

Parking lots were packed, and traffic on the route had to be diverted. When the store opened in the morning, there was a commotion as people rushed in to get the fresh, glazed doughnuts as they rolled off the conveyor belt in the store.

The company matched their enthusiasm, which gave away hundreds of doughnuts free. This was not a stray event. The opening of a Krispy Kreme store was always accompanied by great public excitement, which might seem surprising, given the generic nature of the product -- a doughnut.

Krispy Kreme was a branded speciality retailer of premium quality doughnuts. Krispy Kreme doughnuts have been made and consumed in the southern states of the US since the 1930s. Extremely popular in the south, the company made its first foray into the northern market in the mid-1990s.

Before retailing in the north, company officials had admitted to being filled with doubts over the decision to expand. There was no clear way the product could capture a market in the north, where chains like Dunkin' Donuts were already well established.

Business analysts felt that a product like a doughnut could not have any significant brand equity. However, Krispy Kreme quickly captured one market after another to emerge as 'America's most loved doughnut'.

With one of the highest price-earnings ratios in the restaurant sector, Krispy Kreme was considered one of the most successful food companies in the US. Krispy Kreme's signature product, the Hot Original Glazed Doughnut, made from a secret recipe, was once described by a fan as akin to 'eating a cloud'. An analyst remarked that Krispy Kreme was the only company which could get people addicted to doughnuts...

Background

The roots of Krispy Kreme go back to 1933, when Ishmael Armstrong, a farmer and store-owner in Paducah, Kentucky, bought a doughnut shop from a French chef. As a part of the transaction, he received the company's assets, goodwill and the rights to a secret yeast-raised doughnut recipe handwritten on a piece of paper by the French chef.

A short while later, Armstrong's nephew, Vernon Carver Rudolph (Rudolph), who had completed high school that year, joined his uncle's business as a delivery boy and later became a partner...

"This is a marketing company", said Erskine Bowles, a director at Krispy Kreme. Although it had no formal advertising budget, Krispy Kreme effectively promoted its brand...

Innovative Publicity

The lack of a formal advertising budget did not hamper the Krispy Kreme brand's popularity growth. Instead, it seemed to make the brand more popular. The company had unique ways of ensuring that its products got media coverage...

Generating Impulse Purchases

The company also adopted a unique way of generating impulse purchases in the market. All the Krispy Kreme stores which made and sold doughnuts, had a sign which read 'Hot Doughnuts Now'. This sign was a very effective marketing tool.

Source: icmrindia.org

2.8 LET US SUM UP

The customer buying cycle is always psychologically followed by all customers similarly. Retailers must understand the psychology of the customers to define the types of customers they want to focus on. How they are going to fulfil their requirements is a solution to customer value management. Customer value management manages customer perception and expectations through a high level of customer service. Today, in every business customer buying cycle, there is no difference; it could only be the approach of companies in acquiring their customers may be different, but the fundamentals remain the same. It does not change from industry to industry. Even in b2b business, the same rule applied. The same is the case in the manufacturing industry. Every business has customersto, so to make them reliable, companies or industries must work as per the rules of the industry to please their customers so that they can acquire them more and more in a short period.

Key Learnings:

- Psychological Aspect of Buying Cycle: The customer buying cycle is inherently psychological, with all customers navigating it similarly.
- Understanding Customer Psychology: Retailers need to comprehend customer psychology to determine their target customer segments effectively.
- Solution through CVM: Addressing how to fulfill customer requirements essentially forms the core of Customer Value Management (CVM).
- Managing Perception and Expectations: CVM focuses on managing customer perceptions and expectations primarily through superior customer service.
- Uniformity Across Industries: Regardless of the industry, the fundamental aspects of the customer buying cycle remain consistent; only the approaches to customer acquisition may differ.
- B2B Application: The principles of understanding and managing customer psychology apply similarly in B2B (business-to-business) scenarios.
- Manufacturing Industry: Even within the manufacturing sector, businesses must adhere to industry-specific rules to satisfy and retain customers.
- Customer Loyalty and Reliability: To foster loyalty and reliability, companies across sectors must align with industry standards and best practices, ensuring they can acquire customers efficiently over time.

2.9 KEYWORDS

Customer Value: Needs and expectations of the customers from the company and its product.

Customer Retention: Maintaining the existing customers in the business.

Customer Relationship: Keeping the Customers happy and satisfied to have them in the business for a long time

Customer Value Management: It is powerful potent tool to make the company truly customer oriented customer-oriented and bring success to the company/ business.

Customer Defined Value: Value of the product and services perceived by the customers.

2.10 TERMINAL QUESTIONS

1) How is decision-making influenced by the buying behavior of a customer?
2) Why do customers think before buying any costly product?
3) Can you identify some impulse buying examples?
4) How is CVM linked to loyalty and triggers customer buying behavior triggers customer buying behaviour positively?
5) Narrate some points on the process of consumer buying behaviour.

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