

The Evolved Consumer: An Uncomplicated View

An interview with **Prof. Sridhar Samu**

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Q: Prof. Samu, can you tell us how the modern consumer has evolved?

A: It is interesting to see the changes in the Indian society and to understand how we have become a consumption society. Previous generations focused on meeting the immediate needs of the family and in saving money for future purchases. As things evolved and the economy opened up, this has changed dramatically with consumers being more interested in current than future consumption. For example, people would save up money to buy or build a house after retirement, thus engaging in delayed consumption. However, the present generation is keen on current consumption, and to own their dream home today rather than some time in the future.

So, I would say that a consuming society is one where consumption, and the joy and pleasure of consumption dominate. It is a society where immediate gratification is more important than a delayed one. This has serious implications for the society and the actors who are part of it – the marketer, the banks, the consumers, and everyone else who provides some sort of service.

(The views expressed are personal)

Q: How have sellers managed to serve their customers in this dynamic consumer-centric environment?

A: This is where I feel that marketing should and has played a very important role. Marketers have started to understand that consumers may not be swayed by gimmicks and that they are looking for authentic products. They have understood that consumers are interested in the overall experience than just the product alone. Marketers have understood that consumers have a much vaster knowledge of the market and the products, which allow them to select the right product and brand.

On the other side, I would say that consumer behavior too has changed dramatically in a number of ways, with the most important activity happening in the area of information search. Earlier, consumers were at a disadvantage as they did not have many sources for information. This has changed as consumers of today have access to significant information from online sources and through eWOM (Electronic Word of Mouth).

Let us take a look at how this happens, by focusing on the purchase of two different products - a low involvement (e.g. chewing gum) versus a higher involvement (e.g. smartphone) product. In the case of a low involvement product like gum, consumers seem to have moved away from the earlier search process and are willing to experiment with the product. So, a product that traditionally had a low level of information search has moved to a situation where it has even lesser information search. This makes the job of a marketer both easier and difficult. They may no longer have to provide detailed information about the product as they had to do earlier. At the same time, they have been forced to differentiate their product sufficiently from other offerings to capture consumer interest.

In the case of a higher involvement product, information search has really broadened with social media and the web playing an increasing role. eWOM, through social media, has emerged as almost a must for the initial screening of products. Hence, product quality is judged in a subjective manner based on the experience of friends and other contacts / users. Further, screening is based on information available online with provision for extensive comparison of features in internet stores, to the point that some consumers are purchasing products without even seeing or touching the product/brand. Marketers are forced to deal with this objective comparison by making sure that they have points of parity along with sufficient points of differentiation.

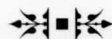
Q: Can you tell us about any novel changes in the consumer landscape?

A: Along with all the above changes, let me add that consumers are also moving into an experience society where the experiential nature of the

good or service determines the purchase process. If we take the examples of movies and other forms of entertainment, consumption happens both virtually and in person. As the role of virtual consumption increases through use of virtual reality, marketers need to be able to match the expectation of their consumers.

Finally, the roles of new categories of products are becoming increasingly important. As consumers demand more convenience, some firms may have to outsource some key functions in order to focus on the value they can deliver from their core product. We see examples of this in a lot of business schools where the school focuses on education and uses service providers to manage the ancillary functions like maintenance and food and other such things.

I would vouch that the future looks extremely promising, but at the same time challenging. While consumers will continue to demand customized products, forcing marketers to move to a segment of one, the challenge will be to get enough volumes for each product. I strongly believe that it is technology that will enable firms to meet both objectives.



You take your life in your own hands, and what happens?
A terrible thing, no one to blame.
– Erica Jong –
