NAME: OLUWADARE TESTIMONY RERELOLUWA

MATRIC NO: 16/LAW01/ 173

DEPARTMENT: LAW

COURSE: CONSUMER’S BEHAVIOUR (BUS208)

QUESTION: What are the roles of consumers in marketing?

 According to Wikipedia, Marketing is the study and management of exchange relationships. Marketing is used to create, keep and satisfy the customer. It is the activity, set of institutions, and processes for creating, communicating, delivery, and exchanging offerings that have value for customers, clients, partners and society at large. A consumer is a person or organization that uses economic services or commodities. It is a person that buys and uses a product or service, unlike a customer who is simply a buyer.

 The role of consumers in marketing cannot be overemphasized, it is invaluable, necessary and irreplaceable. It should be noted that the consumer is the central element of all decisions in marketing. Some of their roles include:

1. Marketing Research: Consumers play a major role in marketing research before a product or service is released to the public. Once you identify your target consumers, you can invite these people to participate in focus groups or send them surveys to quiz them on key elements of your marketing plan. Questioning them about the right price to charge and what marketing message appeals to them as a consumer can help guide your entire plan, particularly when releasing a new product or service.
2. Product Feedback: The consumer also plays a role in the feedback-gathering process after a company’s offering hits the market. After implementing your marketing plan and releasing the product or service, you need to track results and continually monitor consumer needs so you can improve on the offering in the future. For instance, software developers seek feedback from consumers regularly to help them develop new and improved versions of programs.
3. Bring in New Consumers: Consumers can also act as agents to further the effects of your marketing plan. Underestimating the power of consumer word-of-mouth is detrimental to your success as a marketer. Consumers like to talk, whether they are talking about a product they enjoyed or a product that left them wanting. Word-of-mouth has a snowball effect, particularly, in an age where worldwide communication is common. With word-of-mouth marketing, consumers who have used your product, review it both offline and online and can refer other consumers to the product. This marketing is free and very effective, as individuals tend to trust the word of people they know when it comes to trying new products and services worldwide communication is common.
4. Decision making: Individual consumers make decisions on how to use resources. Consumers take their responsibility to make decisions and to buy what is best for them. There is a lot of competition in a market economy because producers want consumers to buy their products rather than another company’s product. The producer values the demand of the consumer and then the consumer decides and makes their choice.
5. Encourage demand|: Consumers are the main source of demand for all the goods. The producers of industrial goods or the producer of agricultural products are all producing the various items according to the demand in the market. According to Prof. Marshall, it is the demand which controls the production or market. Hence, the consumers create demand in the market and the producers produce goods or service accordingly.
6. Enhance service diversification: Consumers not only consume different varieties of goods, but also consume large varieties of services to maintain the standard of living. These include health services, educational service, banking and insurance service, transport and communication service, etc. Day by day the consumption of these service is rising. This will lead to expansion or enhancement of service sector within the economy.
7. Initiator: Consumers determine the products and services they need, whether they are shopping for themselves, friends, family members or business clients. The media help to persuade, inform and remind them about products and services that are available on consumption. Once a consumer becomes interested in a product or service, regardless of the brand name associated with it, he begins to gather information to determine if making the purchase is reasonable, wise-buying decision.
8. Decider: Children, for example, may initiate the idea of a purchase by mentioning a new cereal to a parent. The parent decides whether or not to make the purchase after researching the cereal to determine its price, its availability and how healthy it is. Consumers who assume the role of a decider have the financial authority to decide whether a good or service can be purchased.