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COURSE CODE: BUS 208 (CONSUMER BEHAVIOUR).

DEPARTMENT: LAW.

200LEVEL

QUESTION: Discuss the roles of consumers in marketing.

WHO IS A CONSUMER?

A **consumer** is a person or organization that uses economic service or commodities. The *consumer* is the one who pays something to consume goods and services produced. As such, *consumers* play a vital role in the economic system of a nation. Without consumer demand, producers would lack one of the key motivations to produce: to sell to consumers. The *consumer* also forms part of the chain of distribution. 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.

WHAT IS MARKETING?

 A public place where buyers and sellers make transactions via intermediaries. Also sometimes means the stock market. A market in which people trade financial securities, and value at low transaction cost and at prices that reflect Securities include stocks and bonds, and commodities include precious metals or agricultural products.

The term "market" is sometimes used for what are more strictly *exchanges*, organizations that facilitate the trade in financial securities, e.g., a stock exchange This may be a physical location (like the NYSE, ERF, JSE) or an electronic system (like NSADQ). Much trading of stocks takes place on an exchange; still, cooperate actions (merger, spinoff) are outside an exchange, while any two companies or people, for whatever reason, may agree to sell stock from the one to the other without using an exchange.

Trading of currencies and bonds is largely on a bilateral basis, although some bonds trade on a stock exchange, and people are building electronic systems for these as well, similar to stock exchanges.

ROLES OF A CONSUMER IN THE MARKET

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. 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.

The consumer dictates so much of an economic system.  Their role is significant.  As previously stated, they determine the demand for a product.  This becomes essential for without the consumer, issues of supply are thrown into complete limbo as there is a lack of direction.  Additionally, a consumer's ability to spend helps to determine cost.  Businesses don't do themselves any favor when price controls are constructed without taking the consumer's ability to spend into account.  Through the consumer's purchasing power, the entire notion of business is accomplished and without the consumer, this important aspect of the exchange of goods and services is lacking.

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