Introduction

A consumer is the ultimate user of products and services. Consumer behavior essentially refers to how and why people make the purchase decisions. Consumers adjust purchasing behavior based on their individual needs and requirements as well as interpersonal factors. Marketers strive to understand this behavior so they can better formulate appropriate marketing stimuli that will result in increased sales and brand loyalty. In order to understand these influences, researchers try to ascertain what happens inside consumers’ minds and to identify physical and social exterior influences on purchase decisions.

The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as

- The psychology of consumers, how consumers think, feel, reason, and select among different brands, products
- Influence of internal and external forces on consumer’s psychology.
- Different consumer decision strategies with respect to their importance on the basis of trial and error method.

The rational consumer has definite buying pattern, but the wider size of the market results in shifting the consumption pattern of product A to its substitute. Hence the manufacturer finds the product produced has lower sale on its prospective demand than estimated. This is because of change in consumers’ taste which needs to be incorporated by manufacturer. The change in liking of the products is influenced by the various factors, resulting in the changes in consumer behavior and later affecting a production decision which is the main focus for the detail study and research.

The organization forecasts the sales using forecasting techniques. The sales department’s intimate contact with market enables to keep close watch on market acceptance of new products of other manufacturers. When the objective sales executives press for new products to hold or improve market share, any shift in consumer’s buying patterns may signal the need for line diversification.
Sales forecast is an estimate of sales during a specified future period based on chosen marketing plan and assumed environmental conditions.

Sales forecast is essential planning tool. It influences all activities of organization such as production and distribution.