**Consumer it’s definition-**

**Definition:** Consumer is a person who decides on the purchase of a good or a service for personal use, based on personal preferences, beliefs, and needs or the influence of advertising.The term also refers to hiring goods and services. They are humans or other economic entities that use a good or service. Furthermore, they do not sell on that item that they bought.

They are the end users in the distribution chain of goods and services. In fact, sometimes the consumer might not be the buyer.

For example, young children are the end users of toys, but their parents buy them. Therefore, in the market for toys, the buyer and consumer are often different people.

## **What Does Consumer Mean?**Understanding consumer behavior enables firms to launch products that people need and want, thereby, increasing their sales and profitability. If a firm fails to understand what consumers need or how they will respond to the launch of a new product, most likely it will incur losses.

On the other hand, consumer behavior is extremely complex as it involves the individual mindset of a person, personal preferences and attitudes, and different levels of consumption. Especially, in times of financial crisis, consumers experience a change in their living standard, which has an impact on their preferences and level of [spending](https://www.myaccountingcourse.com/accounting-dictionary/consumer-spending) for consumption.

Let’s look at an example.

## **Example**

In the era of digitization, e-commerce and mobile shopping have greatly increased. Consumers expect seamless delivery of products when shopping online, including fast expedition and free one-day shopping. In addition, a flexible return policy is also important for e-commerce growth.

The growth of big data and the potential of connected devices promise consumers a totally new experience of consumption. Smart phones, smart fridges, smart cities, all integrate advanced information and communication technology (ICT) and the Internet of Things (IoT), seeking to manage consumer preferences and attitudes in an innovative way.

To anticipate the growing consumer demand, companies should address consumer needs. Early adopters offer pioneering energy and safety solutions for smart homes responding to nearly 75% of consumers, who would trust their won and their family’s safety in a smart, connected device. In addition, an estimated 30% of capital expenditures is invested in supply-chain technologies. Small businesses seek to offer consumers innovative fulfillment solutions, including logistics, transportation and order management, to gain competitive advantage.

## **Consumer vs. Customer**

We often use the terms ‘consumers’ and ‘customers’ interchangeably. However, [they do not always have the same meaning](http://marketbusinessnews.com/financial-glossary/customer-definition-meaning/amp/). A customer is not always the consumer.

Customers purchase things, but consumers use them.

For example, the customers of a company that sells pet food are mostly adults. However, the consumers are dogs or cats.

The difference between consumers and customers impacts how businesses market their products. Customers buy toys, for example, if consumers – children – demand them.

Therefore, toy company’s should target children in their marketing efforts. Children will subsequently react to the marketing efforts by influencing what adults buy.

Of course, in many cases, consumers and customers are the same people. A ladies’ clothing store will sell mainly to the end users.