

Marketing Lecture 3

Consumer Behaviour

- Group deadline January 31st;
- Librarian Presentation Feb 12th
- Group projects information on Feb 12th
- Midterm information Feb 5th

Fundamental Question: What is marketing?

1. Identify consumers needs and wants.
2. Figure out how to satisfy Consumer needs and wants

Information Search

Internal:

Recall information from memory

External:

1. Personal sources: family and friends
2. Public sources: consumer reports
3. Marketing controlled sources: ads
4. Experiential sources: actually trying

Factors affecting consumers search process:

- Perceived benefits
- Perceived costs
- Internal locus of control
 - Control: More search activities
- External locus of control
 - Fate, external factors: Why bother

Perceived risk:

- Performance risk
 - What if it does not work
- Financial risk
 - How much does it cost to purchase or use
- Social risk
 - How people will perceive about me purchase
 - Related to brand and the perception of that brand
- physiological risk
 - What will happen to me if the product does not work well
- Psychological risk
 - How people will perceive me with this product / when i use the product?
 - Related to "Does it suit me"

Evaluate alternatives:

Universal

Awareness est

Evoked or consideration set.

Chapter 6

Market:

set of actual and potential buyers of a product.

Market segments

are groups of consumers that are more meaningful and identifiable.

Why Segmentation:

To know what different methods of marketing to do for different channels

- Why would a company choose to focus on one group of customer versus another?
- Why don't companies just try to sell to whomever they can?

Main idea: consumers are heterogeneous

Consumers have different product needs and preferences

Segmentation => relatively homogeneous groups

- Marketers can identify customers needs and wants better

- Decision makers can define marketing objectives and allocate resources more accurately