Consumer Behavior

#1 An Overview

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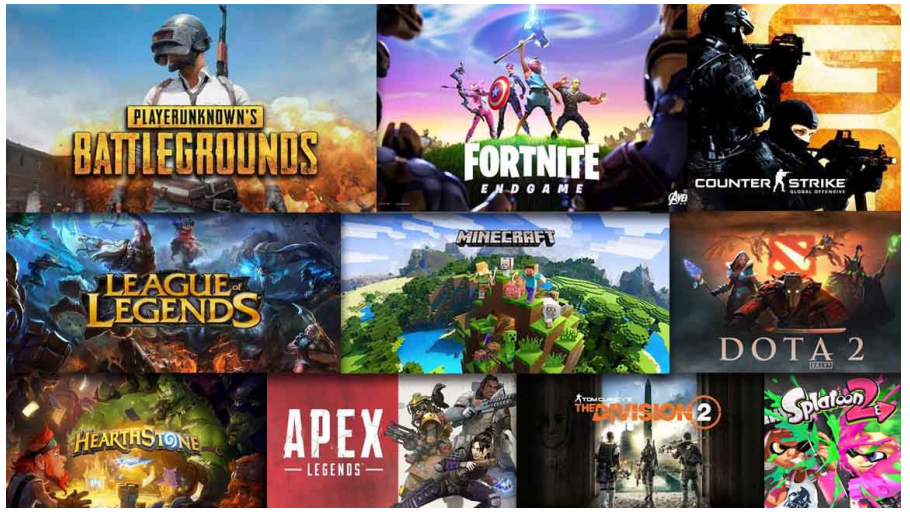
What is consumer behavior?

Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to **satisfy their needs and wants**.

Why do we study consumer behavior?

People are different


STAR
WARS


PLAYERUNKNOWN'S
BATTLEGROUNDS
FORTNITE
ENDGAME
COUNTER STRIKE
LEAGUE of LEGENDS
MINECRAFT
DOTA 2
HEARTHSTONE
APEX
LEGENDS
THE DIVISION 2
Splatoon 2

Why do we study consumer behavior?

Ability to predict and influence

What do we use consumer behavior for?

Its application can be seen in many fields


SALES &
MARKETING

What do we use consumer behavior for?


SALES &
MARKETING

Marketing strategy:

Better knowledge about consumer can be a competitive advantage and increase chances for success.

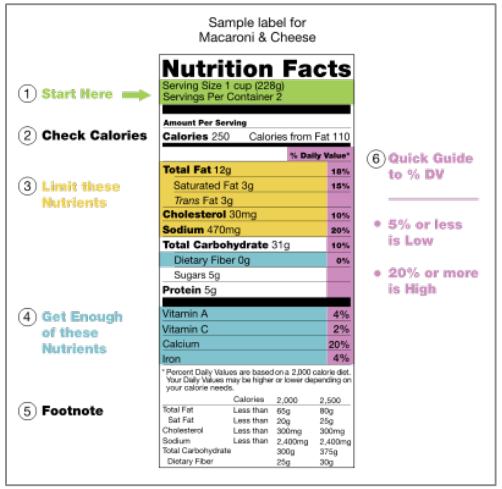
- Amazon – advance algorithm provide make shopping more convenience through personalization.
- Samsung - listen to the clamor of users who are looking for more affordable alternatives to the iPhone.

What do we use consumer behavior for?

Regulatory policy:

Develop and design to protect and aid consumers.


1-800-QUIT-NOW
WARNING:
Smoking can kill you.
BRAND
1-800-QUIT-NOW
WARNING:
Cigarettes cause cancer.
BRAND
1-800-QUIT-NOW
WARNING: Cigarettes
cause fatal lung disease.
BRAND


Sample label for
Macaroni & Cheese
Nutrition Facts
Serving Size 1 cup (228g)
Servings Per Container 2
Amount Per Serving
Calories 250 Calories from Fat 110
% Daily Value*
Total Fat 12g 18%
Saturated Fat 3g 15%
Trans Fat 3g
Cholesterol 30mg 10%
Sodium 470mg 20%
Total Carbohydrate 31g 10%
Dietary Fiber 0g 0%
Sugars 5g
Protein 5g
Vitamin A 4%
Vitamin C 2%
Calcium 20%
Iron 4%
1 Start Here
2 Check Calories
3 Limit these Nutrients
4 Get Enough of these Nutrients
5 Footnote
6 Quick Guide to % DV
• 5% or less is Low
• 20% or more is High

What do we use consumer behavior for?

Social marketing:

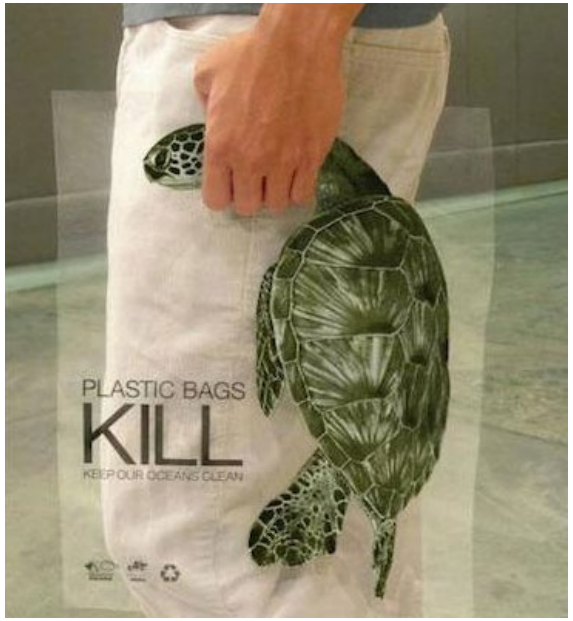
Alter and create behavior to have positive effect on society.

- Health & safety: anti-smoking, anti drug, safe driving.
- Environmental causes: anti-deforestation, anti-littering
- Social activism: anti-bullying, people with disability

What do we use consumer behavior for?

Social marketing:


TAILGATING
ISN'T WORTH IT.
GIVE TRUCKS ROOM.
IT'S THE LAW.


PLASTIC BAGS
KILL
KEEP OUR OCEANS CLEAN

What do we use consumer behavior for?

Informed individuals:

Enhance the understanding about ourselves, have effective purchasing behavior, and reasoned business ethics.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ไลปอน เอฟ


sunsilk
Volume

sunsilk

Consumer Behavior & Marketing Practice

Heart & Soul of Marketing

=

Creating **Customer Value**

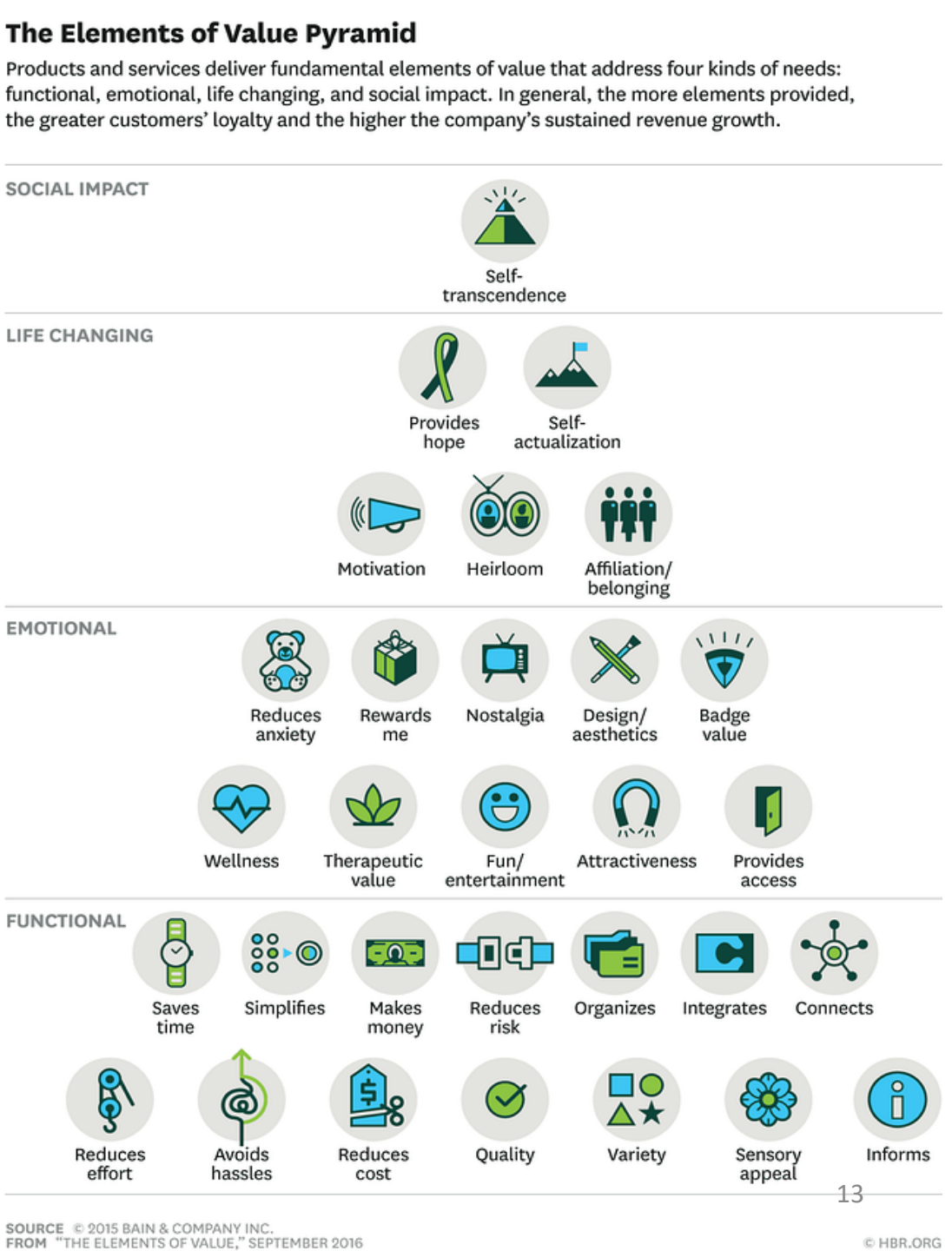
Customer Value

Customer Value

=

Total product – Total Cost

Spa in hotel, kids play area in show room.


The Elements of Value Pyramid
Products and services deliver fundamental elements of value that address four kinds of needs: functional, emotional, life changing, and social impact. In general, the more elements provided, the greater customers' loyalty and the higher the company's sustained revenue growth.
SOCIAL IMPACT
Self-transcendence
LIFE CHANGING
Provides hope
Self-actualization
Motivation
Heirloom
Affiliation/ belonging
EMOTIONAL
Reduces anxiety
Rewards me
Nostalgia
Design/ aesthetics
Badge value
Wellness
Therapeutic value
Fun/ entertainment
Attractiveness
Provides access
FUNCTIONAL
Saves time
Simplifies
Makes money
Reduces risk
Organizes
Integrates
Connects
Reduces effort
Avoids hassles
Reduces cost
Quality
Variety
Sensory appeal
Informs
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Customer Value

Total product has to be greater than total cost for value gained


BRAND

71%

of consumers said it was very or somewhat important that they recognize a brand before they make a purchase

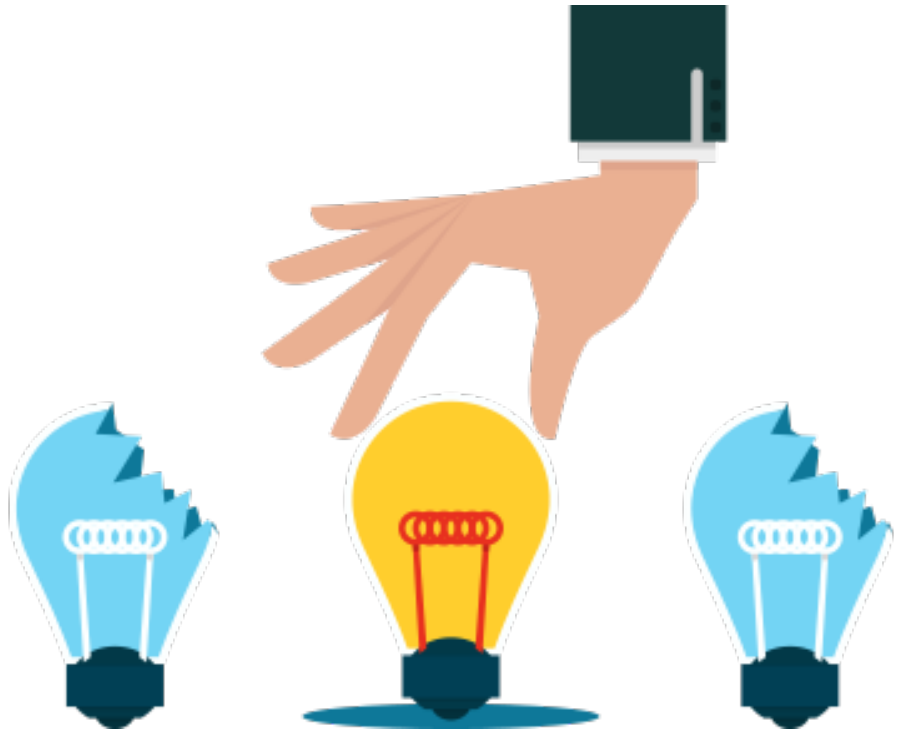

BRAND

>500,000

brands are offered worldwide in more than 20,000 products categories (Nielsen Media Research).

Customer Value

Offer “**superior**” customer value in order to be the selected brands.



Customer Value

"There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else."

– Sam Walton

Customer Value

Go to “***Customer Value Exercise***”

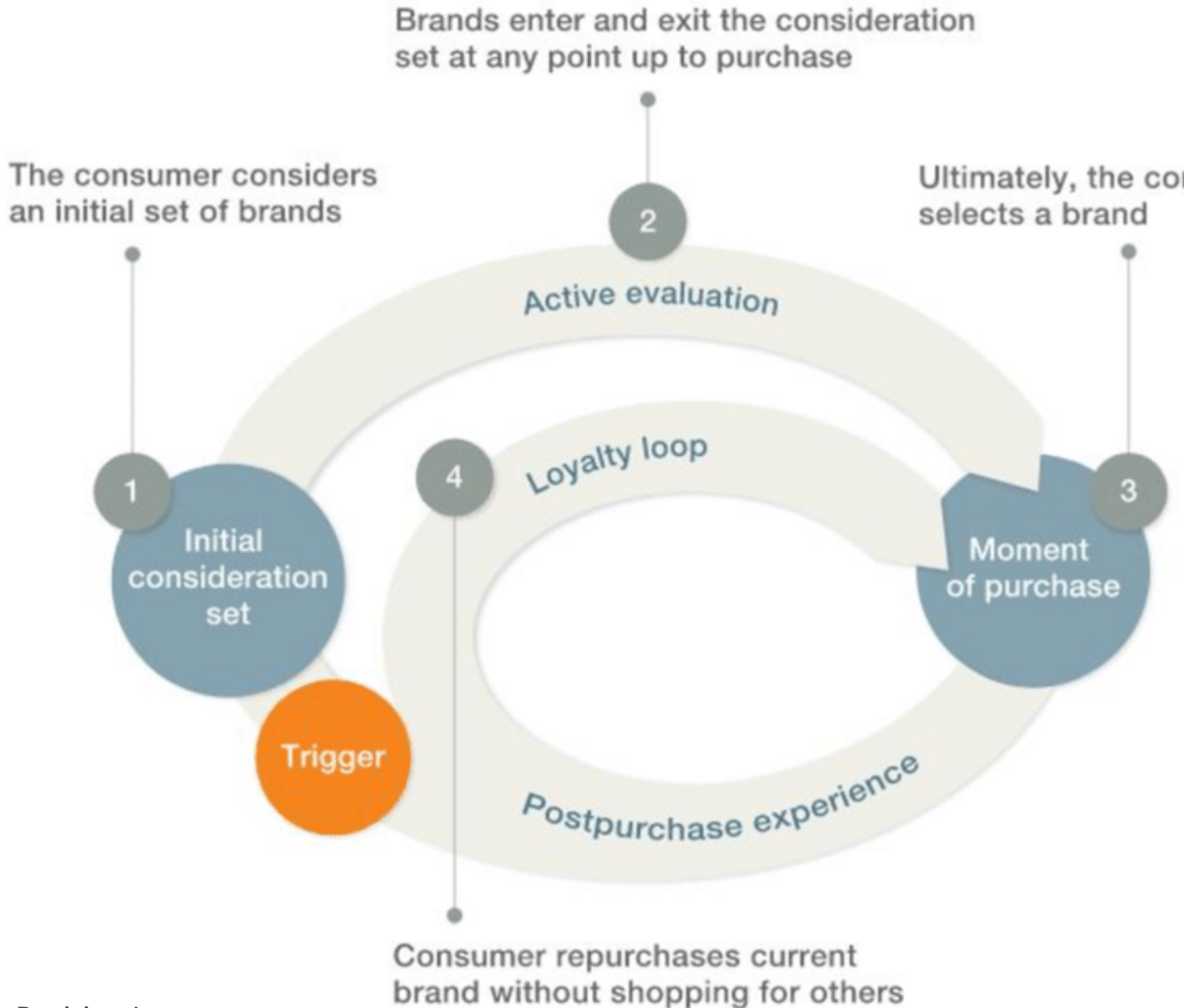
Marketing Strategy

Process of marketing strategy and its relation to consumer behavior.


Outcomes
Individual
Firm
Society
Consumer decision process
Problem recognition
Information search
Alternative evaluation
Purchase
Use
Evaluation
Marketing strategy
Product, Price, Distribution,
Promotion, Service
Market segmentation
Identify product-related need sets
Group customers with similar need sets
Describe each group
Select attractive segment(s) to target
Market analysis
Company
Competitors
Conditions
Consumers

Understand the ways consumers make decision

The consumer decision journey has four key battlegrounds.


Brands enter and exit the consideration set at any point up to purchase
The consumer considers an initial set of brands
Ultimately, the consumer selects a brand
2
Active evaluation
1
Initial consideration set
4
Loyalty loop
3
Moment of purchase
Trigger
Postpurchase experience
Consumer repurchases current brand without shopping for others

Together with internal and external influences

Source: McKinsey Consumer Decision Journey

Thank you