



Marketing

MKTG 1310

2.1

Consumer Behavior



Agenda

- Who is a consumer
- Consumer decision process
- External influences
- Internal influences

Who is a consumer

- A person or a group who intends to order, or use purchased goods, products, or services primarily for personal, social, family, household and similar needs, who is not directly related to entrepreneurial or business activities

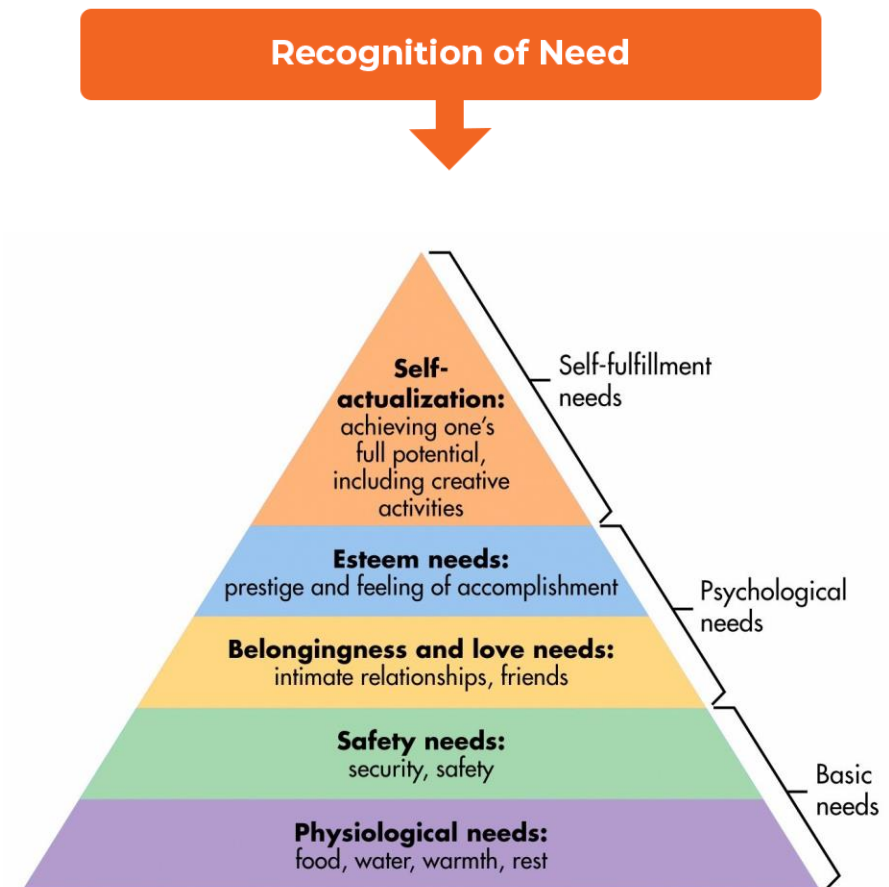


Who is a consumer

- Consumers have rights
 - To safety
 - Be informed
 - To choose
 - To see redressal
 - To represent
 - Can be
 - B2C
 - B2B
 - B2G
 - C2C
- Entities that promote consumer protection include
- government organizations (such as the Federal Trade Commission in the United States),
 - self-regulating business organizations (such as the Better Business Bureaus in the US, Canada, England, etc.), and
 - non-governmental organizations that advocate for consumer protection laws

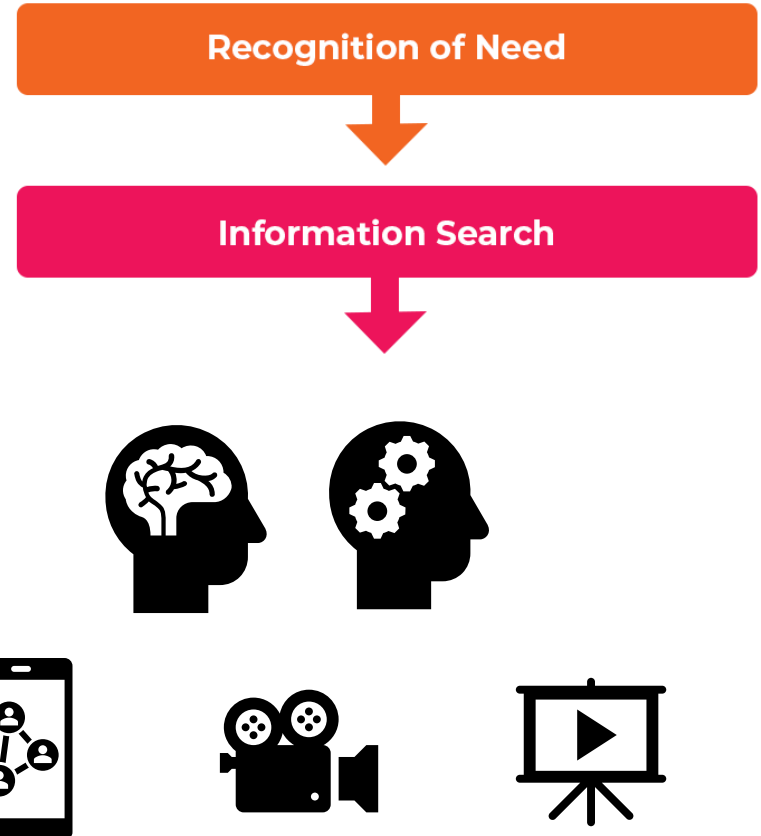
Consumer decision process

- #1/5 Need recognition
 - when a person becomes aware of a disparity between their actual circumstances and those they consider ideal or desirable
 - Types
 - Maslow's hierarchy -->
 - Functional
 - Psychological



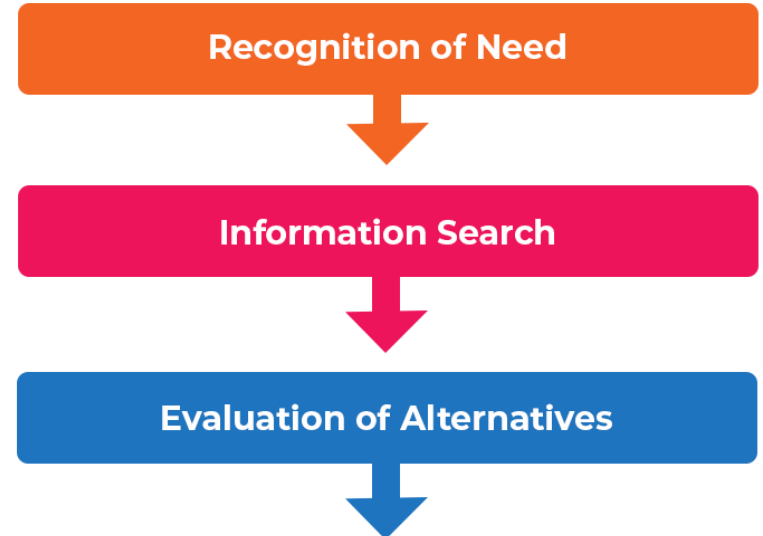
Consumer decision process

- #2/5 Information search
 - Seek information to help identify and evaluate alternative products, services, and outlets that will meet that need
 - Sources
 - Internal: Memory, thinking
 - External: WOM, media, research



Consumer decision process

- #3/5 Evaluation of alternatives
 - Select criteria
 - Price
 - Productivity
 - Risks
 - Brand
 - Measure criteria
 - Rate
 - Rank relative to competition



Consumer decision process

- #4/5 Purchase decision

	High involvement (Central)	Low involvement (Peripheral)
Significant differences between brands	<i>Complex buying behavior</i>	<i>Variety-seeking behavior</i>
Few differences between brands	<i>Dissonance-reducing behavior</i>	<i>Habitual buying behavior</i>



Consumer decision process

- #5/5 Post purchase evaluation
 - Satisfaction
 - Loyalty
 - WOM
 - Referrals
 - Post purchase cognitive dissonance



Consumer decision process

- 5 steps





External influences

- Cross-culture variations
- Values
- Demographics and social stratification
- Subcultures
- Families and reference groups

External influences

- ***Cross-culture variations***
- Values
- Demographics and social stratification
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Hofstede's dimensions:

- Power distance
- Individualism
- Masculinity
- Uncertainty avoidance
- Indulgence

<https://www.hofstede-insights.com/country-comparison-tool>

External influences

- Cross-culture variations
 - ***Values***
 - Demographics and social stratification
 - Subcultures
 - Families and reference groups
- Improvement
 - Material comfort
 - Achievement and success
 - Activity
 - Individualism
 - Youthfulness
 - Sportsmanship
 - Freedom
 - Social recognition
 - Humanism

External influences

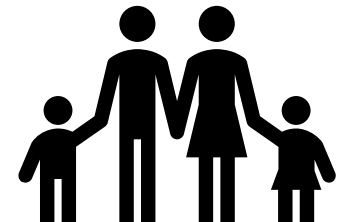
- Cross-culture variations
 - Values
 - ***Demographics and social stratification***
 - Subcultures
 - Families and reference groups
- Age
 - Gender
 - Income
 - Education
 - Location

External influences

- Cross-culture variations
 - Values
 - Demographics and social stratification
 - ***Subcultures***
 - Families and reference groups
- Ethnicity
 - Religion
 - Age
 - Gender
 - Lifestyle
 - Occupation
 - Region

External influences

- Cross-culture variations
- Values
- Demographics and social stratification
- Subcultures
- ***Families and reference groups***





Internal influences

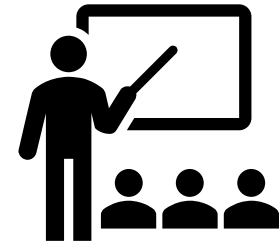
- Perception
- Learning, memory and product positioning
- Motivation, personality and emotion
- Attitudes
- Self-concept and lifestyle

Internal influences

- ***Perception*** Exposure --> Attention --> Interpretation
- Learning, memory and product positioning
- Motivation, personality and emotion
- Attitudes
- Self-concept and lifestyle

Internal influences

- Perception
- ***Learning, memory and product positioning***
- Motivation, personality and emotion
- Attitudes
- Self-concept and lifestyle



Learning is the acquisition of skill or knowledge, while ***memory*** is the expression of what you've acquired. If you acquire the new skill or knowledge slowly and laboriously, that's ***learning***. If acquisition occurs instantly, that's making a ***memory***.

Internal influences

- Perception
- Learning, memory and product positioning
- ***Motivation, personality and emotion***
- Attitudes
- Self-concept and lifestyle

Emotions are conscious mental reactions subjectively experienced as strong feelings directed toward a specific object and accompanied by physiological and behavioral changes in the body.

Motivation is the process that initiates, guides, and maintains goal-oriented behaviors.

Personality describes the unique patterns of thoughts, feelings, and behaviors that distinguish a person from others.

Internal influences

- Perception
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- Motivation, personality and emotion
- ***Attitudes***
- Self-concept and lifestyle



Internal influences

- Perception
- Learning, memory and product positioning
- Motivation, personality and emotion
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- ***Self-concept and lifestyle***

Self-concept: It is what a person thinks about himself/ herself. Self-concept is about a person's own thoughts or ideas.

Lifestyle: Lifestyle refers to the way a person lives his /her life.