

① Introduction ✓
② Segmentation, Targeting & Positioning ✓

2 reading & TED Talks

Date: / /

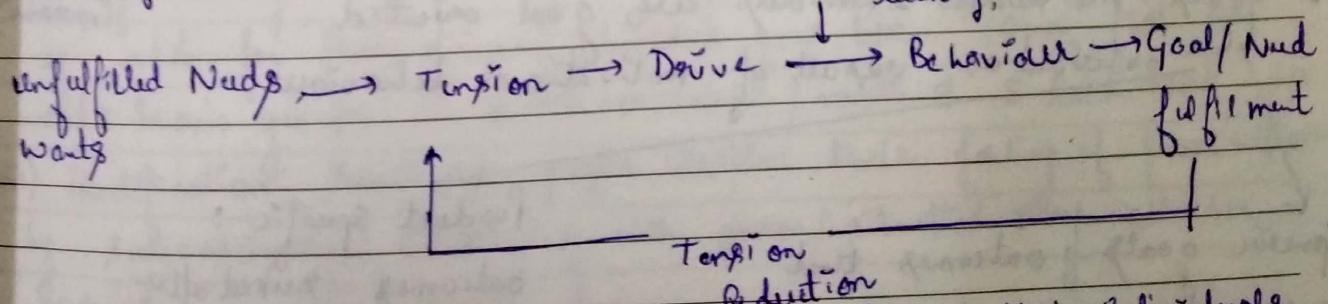
✓ RJSI

- ③ Motivation & Personality ✓
- ④ Perception ✓
- ⑤ Learning & Memory ✓
- ⑥ Attitudes

3. Motivation & Personality

For marketing managers an understanding of motivation affecting consumer behaviour is imp : it directly affects consumer choice among competitive products/ brands. Understanding different aspects of motivation can help marketers develop appropriate marketing programs to influence choices. Further what customers buy, when & where they buy is largely affected by their personality. An understanding of personality types & influence on consumer behaviour can help marketers in shaping their policies appropriately.

- Motivation: driving force that causes people to act
- Need: services/ things that are wanted/ required & they direct motivational forces. or Need is the motivational force behind purchase
- Basic human needs : physiological, safety, love/belonging, esteem,
Maslow hierarchy self actualization
- Model of Motivation Process



- Nick Extra: Motivation is the driving force within individuals which impels them to act. This driving force is produced by a state of tension which results out of an unfulfilled need/demand. This force may work consciously/ unconsciously.

- Types of Motivation:
 - i) +ve motivation: driving force towards obj / condition
eg to fulfill hunger → go to cafe.
 - ii) -ve motivation: away from obj / condition eg don't speed up to be safe.

- iii) Rational motives: carefully consider alternatives & choose one giving best utility. eg buying a car after considering all factors.
- iv) Emotional Motives: imply selection of goals acc to personal / subjective criteria (eg desire for individuality, fun, pride, safety etc)

- Special Characteristics of Need:
 - i) Needs are never fully satisfied.
 - ii) New & higher order needs emerge as old ones get satisfied.
 - iii) successful fulfillment of need: New Needs > Raising level of aspirations
 - Failure of " " : lowering level of aspiration.

Drive: Working-towards a goal

Sense of achieving something

Needs: → innate needs: Physiological / Primary

→ Acquired Needs: generally based on psychological aspect & values

- Need Arousal is caused by
 - i) biological stimuli (thirst)
 - ii) stimuli in external environment (winter)
 - iii) Emotional / cognitive process (if ignorant)
- Goals: All human behaviours are goal oriented.

Generic goals: outcomes that customers seek in order to satisfy physiological / psychological needs

Product specific:
outcomes seeked after using a service

cold weather → drive
buying jacket → need
comfort & warmth → goal

- Selecting goals → such that more needs are satisfied with product
- Approach (ive outcome) eg automobile
- Avoidance (-ve outcome) eg insurance.

Date: / /

- ✓ **RASI** failure influences goals: eg people who bought TATA cars → dissatisfaction → want another car (brand)

- Needs & goals are interdependent & neither exist without each other.
- Needs confuse b/w need & goal
often people confuse

- Factors that motivate people to go shopping → i) seeking out specific goods
- ii) Recreational shopping (fun based)
- iii) Activity specific (gift shopping, bargain hunting) ★
- iv) Demand " (store services & atmosphere)

- Failure to achieve goals results in frustration ∵ several Defence.

Mechanisms exist for handling & coping up. Defence mechanisms can be aggressive / rational.

- i) Aggression: Boycotting companies / stores eg most people who break burn car on a heat day can't afford a car

- ii) Rationalization: Goal is not worth it eg can't go to malaia on vacation, go to manali

- iii) Regression: reacting to frustration with childish / immature behaviour

- iv) Withdrawal: simply quitting

- v) Projection: blame b/w her failure on others

- vi) Day Dreaming: attain imaginary gratification of unfulfilled needs.
eg ads for flats of many buildings goes like "own flat for middle income group at 20,000 taka / month & 5 lakh taka dp."

- vii) Identification: Sometimes people reduce their feeling of frustration by subconsciously identifying with person / situation they consider relevant.

- viii) Repression: expressing the unfulfilled needs eg couple who can't have children surround themselves with plants / pets.

Maslow Hierarchy of needs: ① Physiological: breath, food, water, sleep as basic needs



② Safety: security of body Date: / /

employment, savings, health, family, property → insurance, car

③ Social Needs: love, affection, belonging → ads of personal care products often

emphasize on this

④ Esteem/Egoistic: confidence, achievement, respect by others, reputation, status etc.

⑤ Self Actualization: creativity, spontaneity, problem solving, acceptance of facts: it is a person's motivation to reach his full potential.

Ex: eg of buying of microwave from slides

Mc Clelland's Trio of needs → not applicable everywhere

↳ says only 3 traits which everyone desires

i) need for power → sports car

ii) need for affiliation → Coke ad

iii) " " achievement (self esteem, achievement) Nike ad.

• Measurement of motives: self reporting → Questionnaire

Qualitative: GD, story telling, drawing picture, word association

Personality: inner psychological characteristics that both determine & reflect how a person responds to his/her env. Personality reflect individual differences & personality can change

• Theories of personality → Freudian Theory

↳ Non " "

Trait Theory

- Freudian Theory : unconscious needs / drives are at heart of human motivation . 3 interacting systems exist :
 - id → primitive & impulsive drive , desire / instincts
 - superego : internal expression of society's moral & ethical values
 - ego → individual's conscious control .
- ego → It bridges gap b/w id & superego .
- Ads target Id mostly . ∵ satiation of pleasure matters most to Id . The unsatisfied desires which are more of fantasies creates frustration in mind of customers . ∵ if a brand can appeal to a deep wish , fantasy , aggression or escape then customers equate that line of products / brand with that desire ∴ buy it .

- NonFreudian Personality Theory :
- It is based on (purely) on relationships that are considered as reason for development of various kinds of personalities . Based on this consideration , behaviour of customers is divided into 3 categories .
 - Compliant : there are ones who are compassionate about being loved by others . They relish attention & care given by others ; can be termed as conformists .
 - Aggressive individuals are those who act against intention of others . They are highly manipulative . They enjoy power & being at authoritative positions . Consumers who fall under this individual type go in only for branded products owning them desired to be noticed .
 - Detached : These individuals care least for brands . Freedom is most imp for them . They are mostly self reliant in their thinking & activities .

The above put together is termed as CAD model .

- Trait Theory : Traits are personal characteristics that set apart an individual from others.
- Correlation exists b/w specific products & traits Date: / /
rather than brand & traits.

According to trait theory, traits are considered as basic factors which divide the response of people. This response is nothing but behaviour of people in certain situations. These traits can be acquired at an early age through learning or inheritance. Traits that define personality of humans are highly stable in nature. Most traits are found in general amongst people but their exact depth depends on several factors & can be measured using questionnaires etc.

e.g. of traits are:

- Innovativeness : how receptive a person is to new consumer related experience & product.
- Materialism : attachment to worldly possessions.
- Ethnocentrism : likelihood to reject foreign made material.

Relationship b/w personality traits & consumer behaviour

★ Dogmatic customers : loyal customers

High OSL : likely to buy risky products
to optimum stimulation level

Innovativeness : tendency to try new products.

Companies keep in mind customer innovativeness

when introducing new products / brand extensions

- Global (General) innovativeness : overall innovative level of willingness to buy new/ diff products / brands in any category

- Domain specific : When customer deals with a particular category e.g. computers, fashion, watches etc.

- Person's innovative level depends on OSL

OBL: optimum stimulation level : it's a personality trait that measures to which extent the customer tends to like / dislike new (novel) & unusual experiences & products.

Date: / /

• **RASI**: high OBL → tend to accept risky & new products more readily. Markets of new products focus on high OBL customers.

2 closely related concepts are:

i) Sensation seeking : need for complete, novel sensations & cap (ie adventure) & willingness to take social & physical risk for these sensations.

ii) Variety seeking : measures customers degree of variety seeking.

Type: i) exploratory purchase behaviour: often switch brands to experience new products.

iii) Use innovativeness : display variety by using innovative products

iv) Vicarious Exploration: as a result of watching, listening or reading about product from diff people

Dogmatism: refers degree of rigidity a person displays towards unfamiliar things / info that is contrary to his established beliefs. A highly dogmatic person is very close minded. Markets have realized that this type of customers appreciate advertising appeals with celebrities / experts.

Social character: ranges from inner directedness → outer "

→ inner directedness: rely on own values when evaluating products / innovations

→ Other " : rely on other's guidance, non-innovative

→ prefer ads that stress product features

→ gravitate to ads that show approving social env rather than product info. they want to look to others to understand how to act to be accepted.

- Need for uniqueness: avoid conforming to expectations / standard of others, either in appearance / possessions
- Need for cognition: craving for enjoyment of thinking



→ individual with high NFC are more likely to respond to ads rich in product info

level of cognition affects how customers respond to ads.

- Low in need for cognition → tend to be attracted to background, attractive models & cartoon, characters

- High in need for cognition → tend to respond to ads that supply product info.

- Visualizers: prefer visual info

- Verbalizers: " verbal / written info

- Ethnocentric Customers: feel it is wrong to purchase foreign made products " of impact on economy . They have to be targeted by stressing nationalistic & themes.

- Cosmopolitan Customers: Consider world to be their marketplace & are attracted to products from diff cultures &

- Self: person's perception of his/her self. countable

- Actual self → how you see yourself.

ideal " → " " would like to see yourself

social " → " " think others see you

ideal " → " " like " to " "

Expected " → " " expect to be in future

Ought-to " → Qualities you think you should possess.

if actual & self image are diff consumers may use

products to alter their selves eg makeup & jewellery

- use of self concept in marketing strategy formation:
- i) self concept is used for segmentation & positioning
- ii) Product can focus on actual or Date: ideally self or .
RASI
- iii) Product's are promoted as way of altering self image.

- iv) Self is also used in psychographic segmentation.
- v) When prospects perceive that a product reflects an aspect of their self they form an emotional connection with product which is foundation of lifetime customer relationship

~~(*)~~ Consumer Perception:

Perception is organization, identification & interpretation of sensory information in order to understand &

Date: / /

RASi

represent the presented info / env.

recognition → selection → organize → interpret

Perception

→ Reality varies from person to person

but perception is about subjective reality than objective reality

Perception is based on people's wants, needs, values &

personal experiences. Consumer perception is more imp than reality.

- **Sensation:** immediate & direct response of sensory organs to stimuli. Stimulus is info from env to any of senses.

- **Attention:** may be involuntary / voluntary, attention is prerequisite for perception.

- **Involuntary attention:** due to change in sensation sense eg sudden change in volume of TV draws our attention.

- **Absolute Threshold:** lowest level at which individual can experience a sensation.

- **Sensory Adaptation:** people become adapted to the ads shown, it is a problem in marketing. eg people who live near busy roads don't notice sound of traffic

- **Ambush Marketing:** placing ads in places where customers don't expect to see them ∴ it draws their attention.

- **Experimental Marketing:** allows consumers to engage & interact with brand & services using sense. helps in building an emotional bond. focus is on engaging the customers in various ways as possible. Companies go beyond PR stunts, display ads & promoted social media ads to stir the emotions in people & foster brand loyalty.

∴ experimental marketing means creating a bond b/w consumer & brand by immersing them in a fun & memorable exp. eg product demo

- JND → first noticeable difference: smallest difference in intensity of stimulus that a person can detect.
- Marketing application of JND is that: negative changes should not be discernible to public & improvement Date: should be very apparent.
- ✓ **RASI** → The concept of JND can be applied to marketing mix decision related to price, promotion etc. e.g. if a company plans to make a change in its product then the change should be gradual & below JND so that customer is not sensitive to it & accepts the change. even change in logo should be gradual.
- It is seen that consumers don't positively accept any kind of sudden change: it is seen as a threat by human psyche.
- Also JND concept is effectively used in copying of famous brands.

Perceptual Selection: Selection when exposed to several stimuli.

Extra: Perception may be defined as a process by which an individual selects, organizes & interprets stimuli into meaningful & coherent picture

Perceptual Process:

Objects in env. → Observation → Perceptual Selection → Perceptual Organization → "interpretation" → Response

- Though people are exposed to several stimuli, they tend to select only a few at a given point of time, this is perceptual selectivity. Which stimuli gets selected depends on 2 major factors:
 - Consumers previous experience as it affects their expectations
 - Their motives at that time for one's needs, desires etc

- Factors affecting perceptual selectivity: → internal set factors

external set factors

intensity, size, repetition, familiarity,
novelty etc

learning, expectations,
motivation, personality

- Selective perception is based on interaction b/w expectation & need
- Greater intensity \rightarrow Greater Perception
- Larger obj is more likely

RASI

- stimuli that contrast most draw more attention
- with background or expectations of people receive more attention
- Moving obj draw more attention
- More repetition, more likely to be noticed
- New obj in familiar sit / familiar obj in new sit draw attention

Perceptual Organisation: Process of grouping visual elements together so that one can readily determine the meaning of visual as a whole. Similar items are grouped together making it easy to understand their basic purpose.

- Perceptual Organisation includes grouping, closure, figure ground effect & constancy phenomenon.

Perceptual Grouping: states that there is a tendency to group several stimuli together into recognizable pattern. In visual fields, we find that objects that are similar in appearance to be grouped together. \therefore it creates a whole even if it is not there.

Closure: Principle is that a person will sometimes perceive a whole that doesn't exist. The persons' perceptual process will close the gaps that are unfilled from sensory info.

Figure Ground: Objects are perceived w/ background. i.e. simply perceived objects stand out as separable from general background.

Perceptual Constancy: Gives person a sense of stability in changing world. If constancy were not at work world would be very chaotic & disorganized for a person.

- Perceptual Defense: A person may develop a defense (a block or refusal to recognize) against stimuli

or situational events if they are culturally unacceptable / threatening
Absolute Threshold: lowest level at which can individual
can experience a sensation ie difference b/w something & nothing Date: / /



- # Perceptual interpretation: Stereotyping → in positioning the brand ⚡
i) Stereotypes: People carry biased pictures of various loyalty
stimuli in their minds, these stereotypes influence how stimuli are perceived
- ii) Physical Appearance: people associate quality with people in ads.
attractive models have a tve influence ie colors of juice,
shape of package etc matter a lot
- iii) Descriptive terms: Name & description of product creates a lasting image about the product/ brand eg accenture → high performance, KFC → spicy chicken, McDonald → Happy hours (tagline indicating who are price conscious)
- iv) First impression → the consumer tries to determine which stimuli are imp & relevant in first look or encounter & this lasts long.
- v) Halo effect → consumers perceive & evaluate products or service or even product line based on just one dimension
Taming the halo effect is detrimental to organization
eg Toyota → Safety, Ford → Quality, Sony → Music

Slide 15 ★

- # Customer Imagery: Consumers perception of all components of products, service & brands & how consumers evaluate the quality of marketing offering
- # Perceived Quality: Consumer's opinion of a product & ability to fulfill his/her expectations. it has little/nothing to do with actual excellence of product & is based on firm's current

public image, consumers esp with firm's other products & influence of opinion leaders etc

RASI • Perceived Risk: uncertainty Date: / /

that consumers face when they can't foresee the consequences of their decisions.

- High risk perceived → limit choice → narrow categories
- Low " " → don't " " → broad "

Types of perceived Risk: i) Functional Risk: Product won't perform as expected

ii) Physical Risk: Product can harm self & others

iii) Financial " : " is not worth its cost

iv) Psychological Risk

v) Time / " : Time spent in product search may be wasted.

Social Risk: brand works extremely hard at creating an identity & image that their customers can identify with. Customers too start relating to a particular brand & thus hesitate to get associated with a newer or lesser priced brand. eg. Customers reluctant to wear a certain brand of clothes "it affects their social status".

Learning : relatively permanent change in behaviour that occurs as a result of experience.

! RASi - stimuli : external / internal change which generates the response of body - situation, event, Date: / /

- Learning (consumer) is process by which individuals acquire the knowledge about purchase, consumption & experience that they apply to future related behaviour.

Marketers must teach customers:

- i) where to buy
- ii) how to use
- iii) how to maintain

ii) how to dispose

- Behavioural Theory : Based on observable behaviour (response) that occurs as a result of exposure to stimuli.
- Cognitive Theory : Based on mental information processing which is often in response to problem solving

Elements in consumer learning:

- i) Motivation : process that leads people to behave as they do
- ii) Cue : stimulus that suggests a specific way to satisfy a given motive ie a word or a movement that is a signal to do something
- iii) Response : shows individual reacts / behaves to a drive / cue
- iv) Reinforcement : A +ve / -ve outcome that influences the likelihood of repetition of a certain behaviour in future in response to a cue / stimulus.

Classical Conditioning : A behavioural learning theory acc to which a stimulus is paired with another stimulus.

that produces a known response ∵ if the stimulus again is used alone it leads to same response

- Unconditioned Stimulus : Naturally capable of producing the response

- Conditioned stimulus: doesn't initially cause a response
 - Conditioned response: Response generated by repeated pairing of conditioned & unconditioned stimulus
- Date: / /

RASi stimulus: Eventually through learnt association of repetition, CS will cause CR.

e.g. Mood encoding used in Coca-Cola & Cadbury Celestial, they have very carefully associated these products with happiness.

- 3 basic concepts derive from classical conditioning are:

 - i) Repetition
 - ii) Stimulus Generalization
 - iii) " Discrimination

#

Repetition: increases strength of association & slows forgetting. There is a limit to the amount of repetition that will aid retention. Although some over learning (ie. retention beyond what is necessary for learning) aids retention but after one point both retention & attention will decline.

3 hit Theory:

- i) Product of Awareness
 - ii) Relevance & features
 - iii) Remander of product benefits
- } in a successful ad.

• Stimulus Generalization: inability to differentiate b/w slightly dissimilar stimuli.

→ When a particular brand uses its same packaging design for all or most of its products in order to extend its goodwill to all its products. OR when a competitive brand uses similar packaging designs as already established product to attract / deceive customers.

Family Branding: Practice of whole line of company products under the same brand name. Date: / /

Rasti Family Branding refers to a marketing strategy that promotes a family of products / brands under an umbrella brand. This is diff. from individual branding that promotes each product in stand alone fashion. e.g. Patanjali, Johnson

Licensing *

Stimulus Discrimination: The ability to select a specific stimulus from other similar stimuli by perceived differences.

- The image / position that a product or service holds in the mind of customer is critical to success.

Product Differentiation: Most product differentiation strategies are designed to distinguish a product / brand from that of competitors based on attribute that is observable, relevant, meaningful & valuable to customers. Although some marketers may successfully differentiate their brand that may be irrelevant to creating implicit benefit such as a contributing element / color etc.

It is often difficult for a marketer to unset a brand once stimulus discrimination has occurred: leader which was the first in market has taught customer for a long time & customers have associated with the brand name.

- Instrumental Conditioning**: behavioural theory of learning based on trial & error process & habits formed as a result of the experience from certain responses / behaviour
- the reinforcement**: +ve outcomes that strengthen likelihood of a behaviour / response.

- -ve reinforcement: Unpleasant or -ve experiences that give to encourage a particular behaviour.
- Forgetting → Can be combatted with repetition, Time & Date: / /
 ↴ Interference play imp roles. Be rapid at first then levels off
 old information gets interfered / replaced by new info.

- Consumer Satisfaction: It is also a form of reinforcement. The objective of all marketing effort should be to maximize customer satisfaction.
- Relationship Marketing: It focuses on customer loyalty & long term customer engagement rather than short term goals like customer acquisition & individual sales. The goal of relationship is to create a strong, even emotional connections to customers.

→ Importance of Relationship Marketing:

Acquiring new customers can be challenging & costly. Relationship marketing helps retain customers over a long term ∵ leads to customer loyalty. By understanding how customers use a brand's products & services & needs, brands can create new features & offerings to meet those needs, further strengthening the relationship.

eg: i) provide exceptional customer service
 ii) thanking customers through social media post or surprise gift card.
 iii) solicit customer feedback.
 iv) Hold customer events & build a community
 v) Discounts/ Bonuses to long time / repeat customers.

Reinforcements → Total / fixed
 ↴ systematic (fixed ratio)
 Random / Variable

- Timing has an important influence on learning. Learning schedule should be spread out over a period of time & not be rushed.

Date: / /

RASL

- Observational learning: process by which individuals observe behaviour of others & consequences of such behaviour.

Components:

Attention → Retention → Production Processes → Motivation

Observational learning

- Attention: customer focuses on a stimuli / model's behaviour.
- Retention: retaining this behaviour in memory
- Production Processes: Ability to perform the behaviour.
- See definition of seq.

3 stages of memory: encoding → storage → retrieval

3 stores of "": sensory → short term → long term

Different memories for different info: implicit & explicit 

Sensory → short term → long term

Attention

Rehearsal &

elaboration

Atkinson model: see in slides

Serial Position Curve: demonstrate our tendency to recall the first & last items on list better not the middle ones.

- Primacy effect: first words recalling  proof of memory
- Recency effect: last " "  strong exist.