

Fundamentals of Consumer Behavior - Digital Assignment II

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Q1. Consumer behavior and psychology are intertwined with each other. Examine the impact of psychological factors such as personality and, perception on consumer behavior.

Ans:

A variety of psychological factors, including personality and perception influence consumer behavior.

Personality:

Individuals have different personality traits, often referred to as the Big Five Personality traits. While there could be many differences from one individual to another through personal experiences, the Big Five personality traits do a good job of generalizing the populous to make it more analyzable.

Openness:

- Openness (also referred to as openness to experience) emphasizes imagination and insight the most out of all five personality traits. People who are high in openness tend to have a broad range of interests. They are curious about the world and other people and are eager to learn new things and enjoy new experiences.
- People high on this trait tend to be more adventurous and creative and are often okay with trying out a new line of products. \
- On the other hand, people low on this trait dislike changes and do not enjoy new things, and resist new ideas.
- **Example:** One Plus (and many companies in their early stages such as Framework), in their very early stage, used people with this trait to sell their products and get more famous.

Conscientiousness:

- Conscientiousness is one defined by high levels of thoughtfulness, good impulse control, and goal-directed behaviors.

- Highly conscientious people tend to be organized and mindful of details. They plan ahead, think about how their behavior affects others, and are mindful of deadlines.
- Someone scoring lower in this primary personality trait is less structured and less organized. They may procrastinate to get things done, sometimes missing deadlines completely.
- Conscientiousness and brand loyalty go hand in hand. Customers prefer established brands with a reputation for quality and are likely to conduct thorough research before making a purchase.

Extraversion:

- Extraversion (or extroversion) is a personality trait characterized by excitability, sociability, talkativeness, assertiveness, and high amounts of emotional expressiveness.
- People high in extraversion are outgoing and tend to gain energy in social situations.
- People who are low in this personality trait or introverted tend to be more reserved.
- People high in the trait are more likely to buy a product that is more crowd-centric.
- The thrill of shopping while interacting with others makes extroverts susceptible to impulsive purchases. Retailers can capitalize on this personality trait by creating engaging in-store experiences and promoting social events.

Agreeableness:

- This personality trait includes attributes such as trust, altruism, kindness, affection, and other prosocial behaviors.
- People who are high in agreeableness tend to be more cooperative while those low in this personality trait tend to be more competitive and sometimes even manipulative.
- Agreeable people are attracted to innovation and support causes related to the well-being of the environment and society.
- Agreeable people tend to choose products that are more accepted by the general crowd and do not get products that are frowned upon.
- Agreeable people seek products that align with their values and are approved by their peers when making purchase decisions. They can be swayed by word-of-mouth recommendations, referrals, and testimonials.

Neuroticism:

- Neuroticism is a personality trait characterized by sadness, moodiness, and emotional instability.
- Individuals who are high in neuroticism tend to experience mood swings, anxiety, irritability, and sadness.
- Those low in this personality trait tend to be more stable and emotionally resilient.

- Neurotics don't like taking risks and hence are hesitant to try new brands and products. They prefer tried-and-tested options that provide a sense of security and reduce the likelihood of regret.

These are ways personality affects consumer behavior.

Perception:

Perception plays a significant role in shaping individuals' buying decisions. It influences how consumers interpret, process, and make sense of the information they receive about products and services.

Perception in consumer behavior refers to how individuals process and interpret stimuli to meaningful impressions of the product.

Positive perception can lead to increased brand preference, loyalty, and purchase intent, while negative perception can hinder consumer interest and lead to brand abandonment.

Factors Affecting Consumer Perception:

1. Personal Experience

- Personal experiences shape an individual's perception of brands and products.
- Positive experiences with a brand can create favorable perceptions, while negative experiences can lead to negative perceptions.
- Marketers must strive to provide exceptional experiences to build positive consumer perceptions and foster long-term relationships.

2. Culture and Social Influences

- Culture and social influences significantly impact consumer perception.
- Cultural norms, values, and beliefs shape how individuals interpret and understand marketing messages. Social influences from family, friends, and reference groups also play a role in shaping consumer perceptions.
- Hence, marketers must first understand the cultural norms of the area and the location before trying to market the product, because a product could be presented to the consumers in several ways.

3. Brand Image and Reputation

- A brand's image and reputation heavily influence consumer perception.
- A strong brand with a positive reputation is more likely to be perceived positively by consumers.
- Marketers must invest in brand building, consistently delivering on brand promises, and managing their reputation to cultivate favorable consumer perceptions.

4. Advertising and Marketing Communications

- Advertising and marketing communications play a pivotal role in shaping consumer perception.
- Through carefully crafted messages, visuals, and storytelling, marketers can influence how consumers perceive their brands and offerings.
- The use of persuasive techniques, such as emotional appeals or social proof, can shape consumer perception in desired ways.

Q2. Consumer attitude may be defined as a feeling of favorableness or unfavorableness that an individual has towards an object. Discuss about a product (it must be a product) on which you have a favorable attitude and another product on which you have an unfavorable attitude with reason.

Favorable Attitude (Warm - Soft White Lights):

Lights are a crucial part of everyone's life. And I prefer Soft White Lights (the ones that glow with a tint of yellow, not too much, but just a little) in my day to day life.

There is nothing wrong with normal bright white lights. But at night, with laptops doing their best trying to tire your eyes out, having a desk lamp with Soft white lights is a game-changer. It was kind of expensive to get the right one (~2.5k), but they are worth it.

Soft white lights tend to be soothing to eyes. They are bright enough to write and type in the dark, but not bright enough to irritate your eyes. While my parents disagreed at first, I bought a lot of Philips Hue Smart Lights to set up around the house. They were surprised to see how aesthetically good they were, and how they were soothing to tired eyes.

Hence, apart from guests and the kitchen, my house always has these lights on, from watching TV to playing cards on the bed.

Un-Favorable Attitude (Smart Watches):

Smartwatches are overrated for what they do. Yes, they show notifications, heartbeat, step count, and so on. But for the general population that is not concerned about their health, are they really worth it? And for notifications to be sent properly, Bluetooth has to be switched on in the phone 24/7, draining the battery life.

Watches are meant to show time, and cheap smart watches are very slow in detecting hand movements. So slow and inconsistent, you'd rather just your phone. While expensive smartwatches are much better, their uses do not justify their price.

Charging them is also another unnecessary headache to everyday life, apart from charging your phone, laptop, airpods and power bank, you also have to charge the watch.

For most people (and me), analog watches are more than adequate. They are efficient, good looking and don't have to be charged every single day.