

MKB1700

Fundamentals of Marketing

Lesson 4: Buyer Behaviour



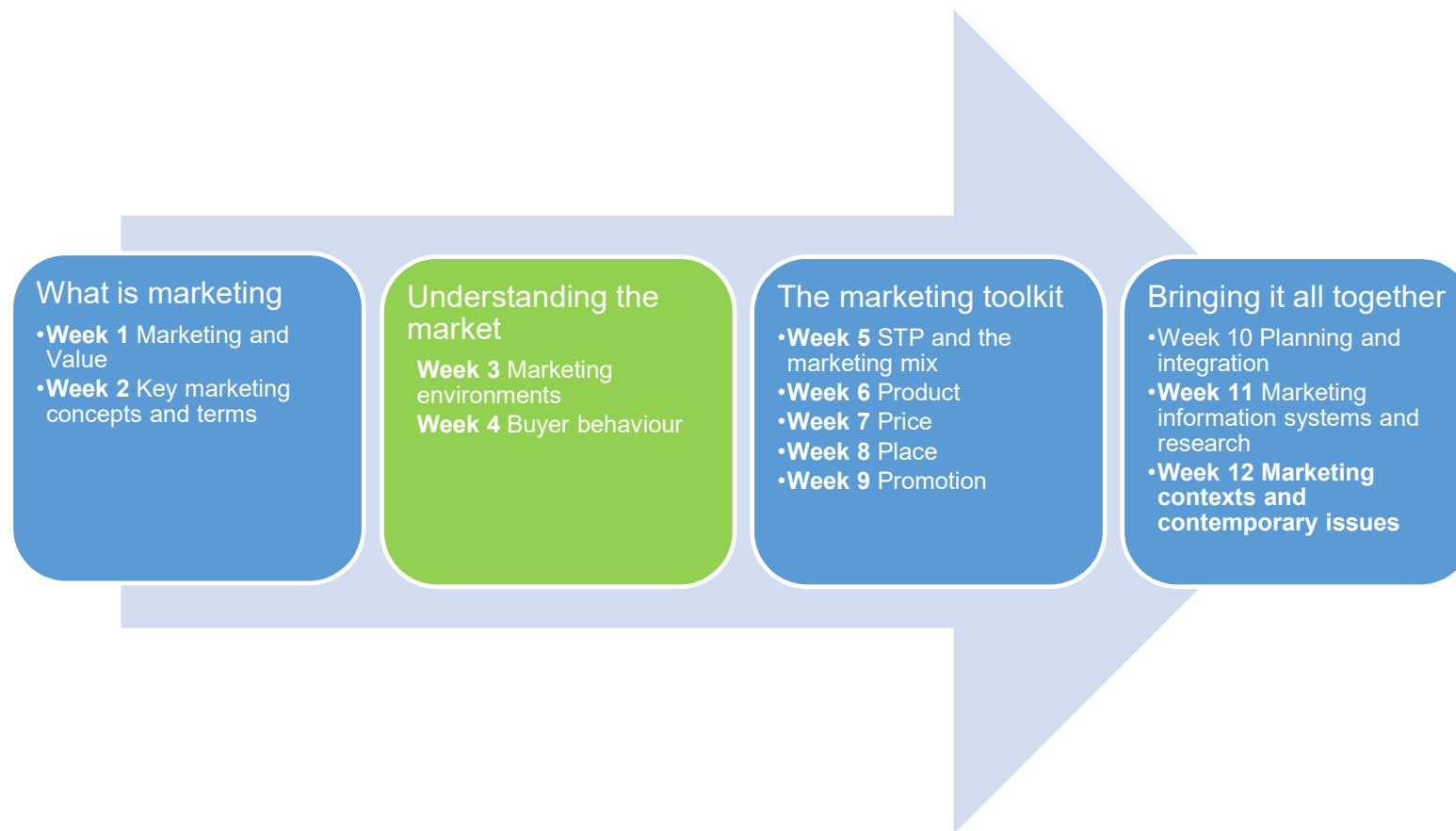
The word cloud features the following terms and phrases:

- Marketing** (largest, central)
- customer** (large, grey)
- products** (large, blue)
- people** (large, blue)
- services** (large, blue)
- organisations** (large, blue)
- value** (large, blue)
- information** (large, blue)
- provide** (large, blue)
- consumer** (large, blue)
- designing** (large, blue)
- model** (large, blue)
- environment** (large, blue)
- exchanging** (large, blue)
- ways** (large, blue)
- term** (large, blue)
- connection** (large, blue)
- expression** (large, blue)
- goods** (large, blue)
- look** (large, blue)
- sales** (large, blue)
- money** (large, blue)
- exposed** (large, blue)
- work** (large, blue)
- obtaining** (large, blue)
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- equity** (large, blue)
- price** (large, blue)
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- executives** (large, blue)
- instantaneously** (large, blue)
- revolutionised** (large, blue)
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- bundles** (large, blue)
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- making** (large, blue)
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- consumption** (large, blue)
- application** (large, blue)
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- physical** (large, blue)
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- positioning** (large, blue)
- managerial** (large, blue)
- referenced** (large, blue)
- means** (large, blue)
- offered** (large, blue)
- delivering** (large, blue)
- using** (large, blue)
- time** (large, blue)
- superior** (large, blue)
- considered** (large, blue)
- effectively** (large, blue)
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- telecommunications** (large, blue)
- experiences** (large, blue)
- efficiently** (large, blue)
- build** (large, blue)
- construct** (large, blue)
- affection** (large, blue)
- follows** (large, blue)
- highly** (large, blue)
- performed** (large, blue)
- capture** (large, blue)
- social** (large, blue)
- music** (large, blue)
- monitoring** (large, blue)
- buying** (large, blue)
- entertainment** (large, blue)
- assessment** (large, blue)
- changing** (large, blue)
- studying** (large, blue)
- creation** (large, blue)
- enabled** (large, blue)
- integration** (large, blue)
- opportunities** (large, blue)
- multifunction** (large, blue)
- newsletters** (large, blue)
- human** (large, blue)
- expectations** (large, blue)
- selling** (large, blue)
- transformations** (large, blue)
- BlackBerry** (large, blue)
- particular** (large, blue)
- challenges** (large, blue)
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- today** (large, blue)
- friends** (large, blue)
- analysis** (large, blue)
- competitive** (large, blue)
- direct** (large, blue)
- form** (large, blue)
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- world** (large, blue)
- advertising** (large, blue)
- new** (large, blue)
- satisfy** (large, blue)
- channels** (large, blue)
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- person** (large, blue)
- today** (large, blue)
-

Readings

- Elliott, G., Rundle-Thiele, S., Waller, D., Bentrott, I., Hatton-Jones, S., and Jeans, P., (2021). *Marketing* (5th ed.) Chapter 4 and 5.

Our semester of marketing

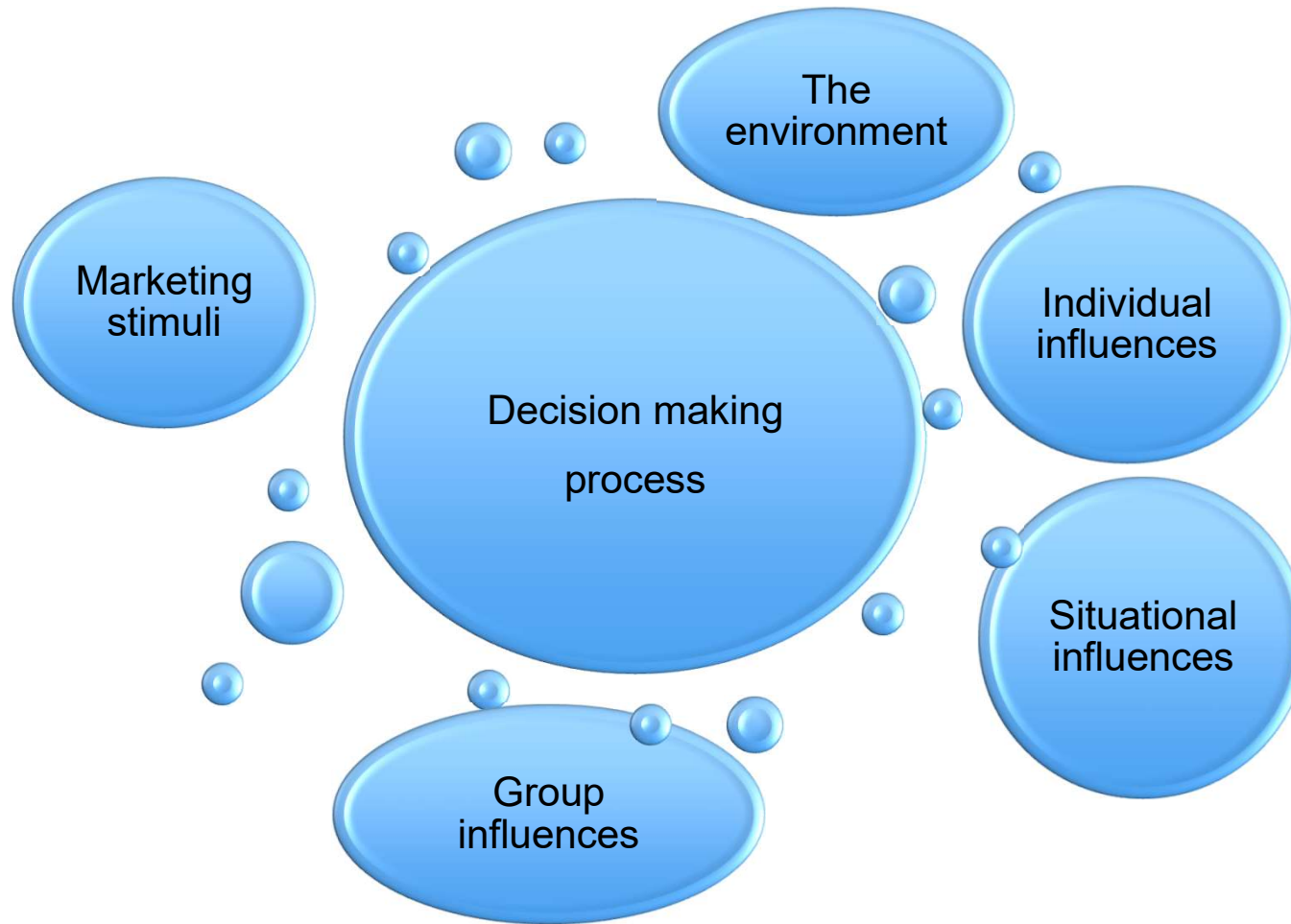




Overview

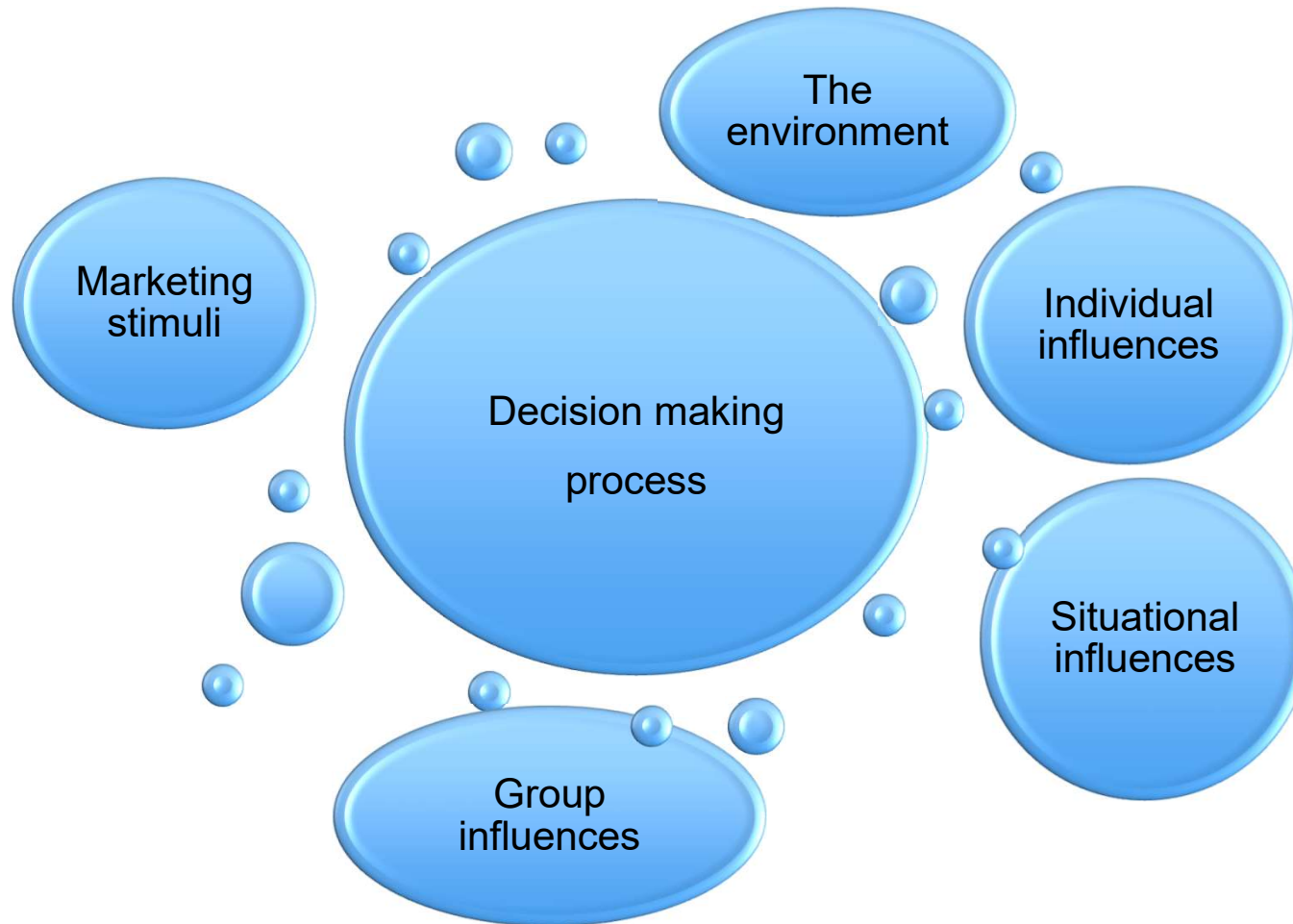
- Influences on consumer behaviour
- Involvement
- The decision making process
- Business to business behaviour

A simple model of buyer behaviour

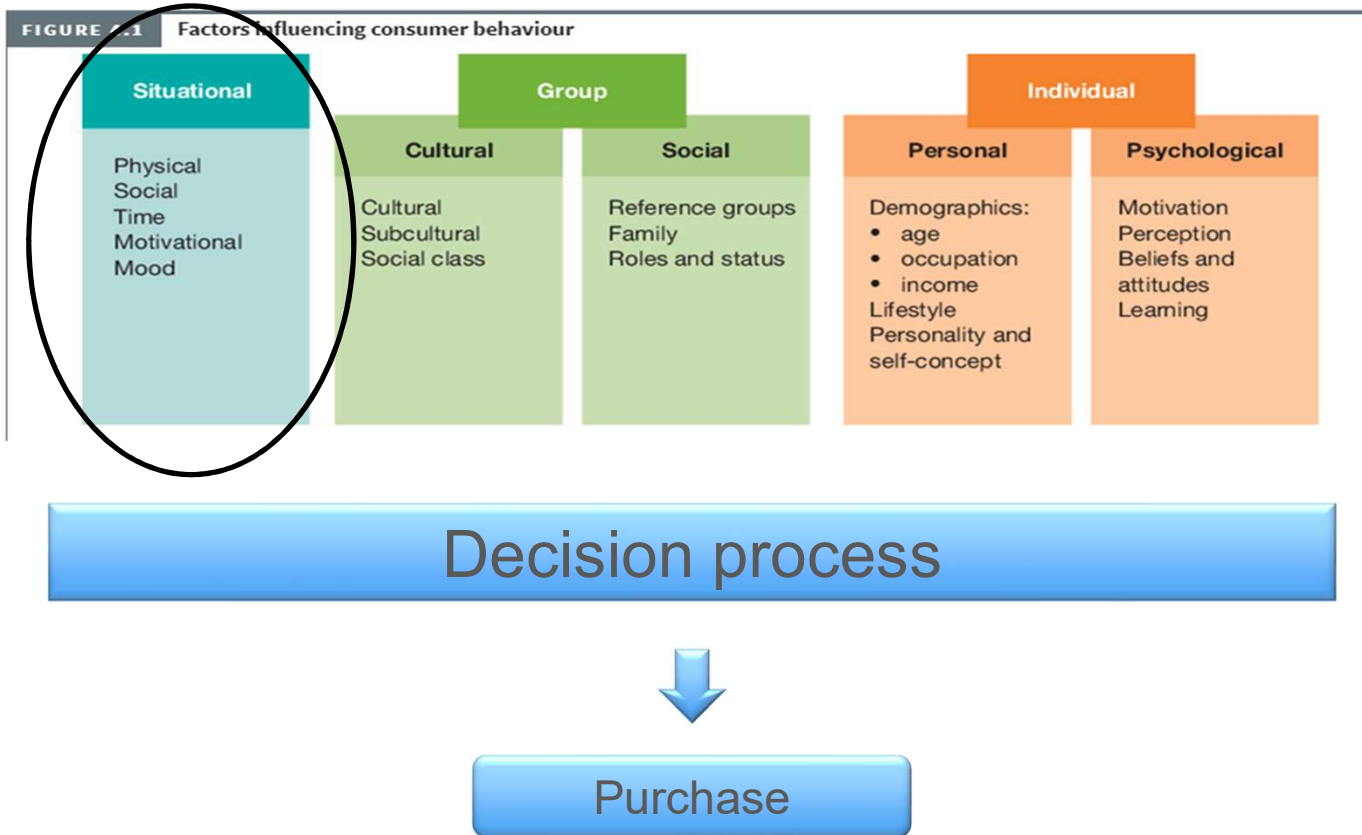


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A simple model of buyer behaviour



Factors Influencing Buyer Behaviour



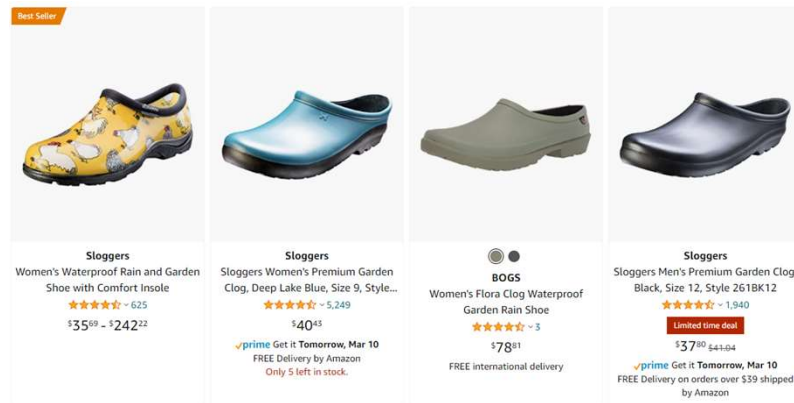
Situational influences

- Physical environment
 - Effects our behaviour,
 - Music, smells, queues, weather, in store displays



Situational influences

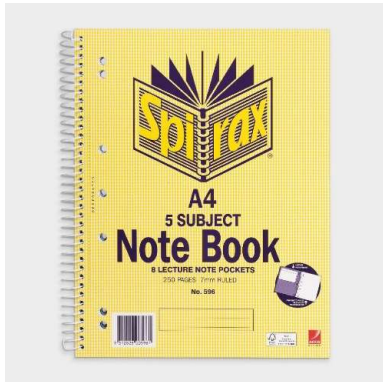
- Time
 - Perception of time available or time it will take influences our choices



Situational influences

- Mood
- Motivation
 - Reason for purchase

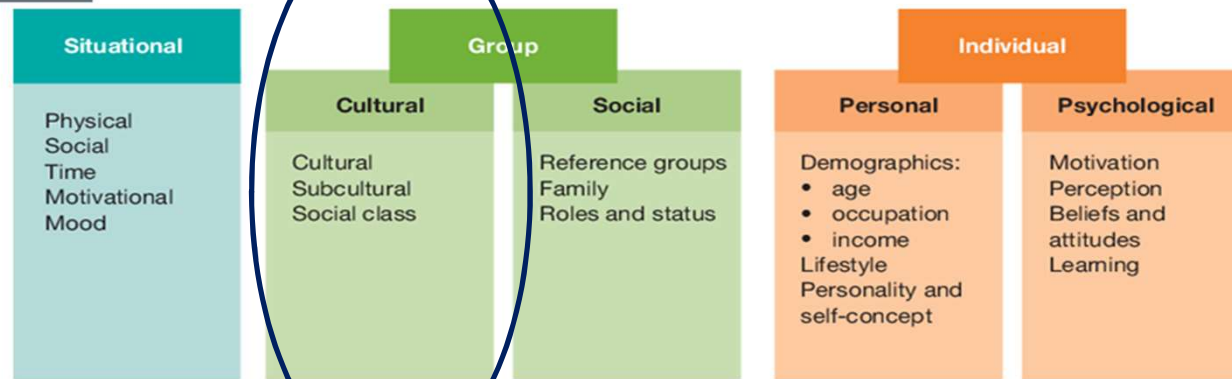
**Today's good
mood is
sponsored
by chocolate**



[illegible]

Factors Influencing Buyer Behaviour

FIGURE 4.1 Factors influencing consumer behaviour



Decision process



Purchase

Culture and Subculture

- Culture
 - Values and accepted behaviours
- Subculture
 - Smaller groups of people with shared values



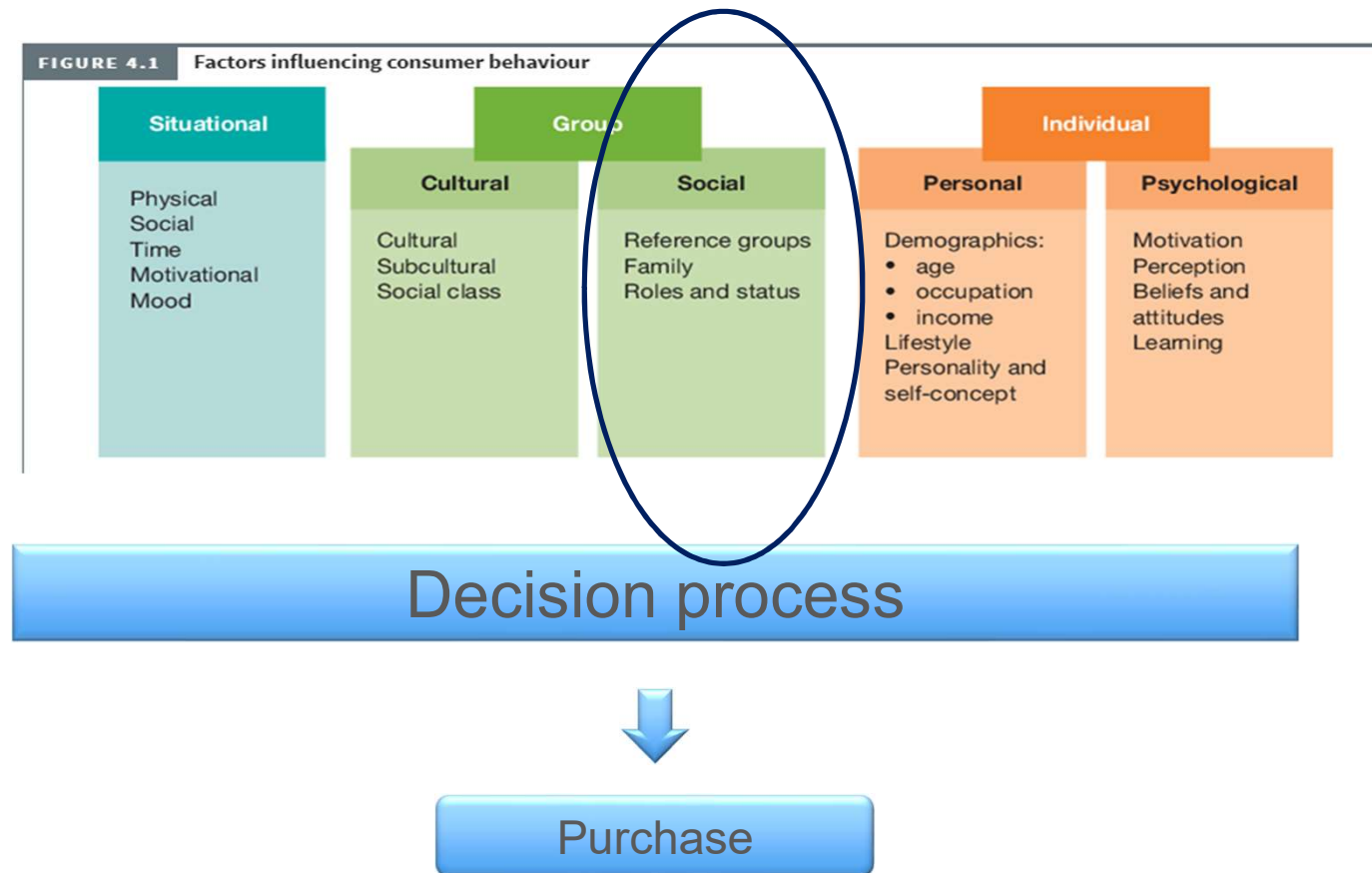


Social Class

- Ordered status divisions within society
 - Education
 - Occupation
 - Income

[illegible]

Factors Influencing Buyer Behaviour



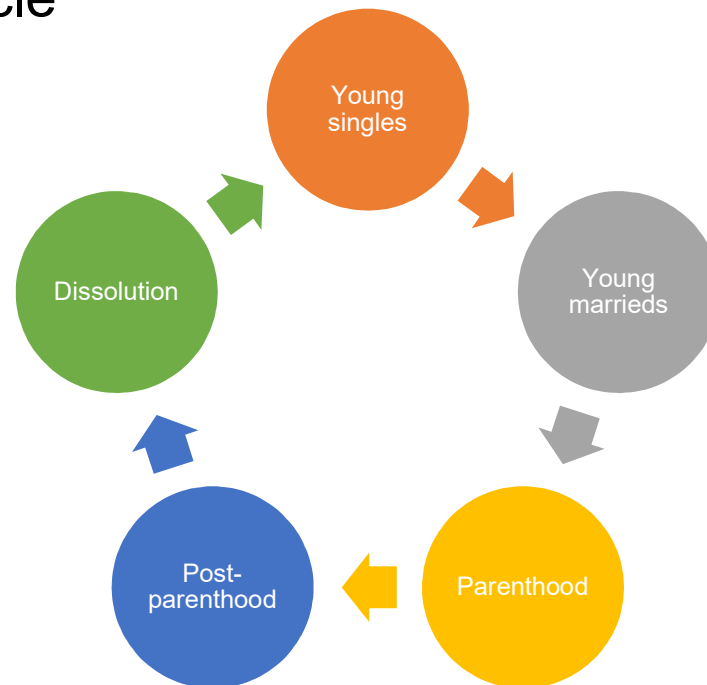
Reference Groups

- A group to which an individual looks for guidance
 - Membership
 - Aspirational
 - Dissociative
- Opinion leader
 - Based on perception of expertise
 - ‘Influencers’



Family

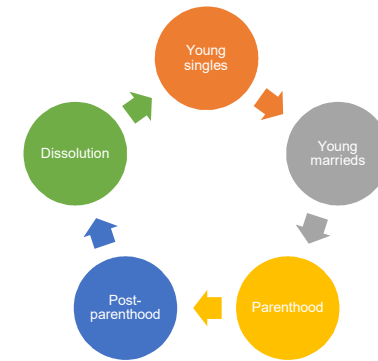
- The 'family' in which you grew up
- Family lifecycle



Family



Family



Roles and Status

Initiator

Influencer

In the group – who does what?

Decider

Buyer

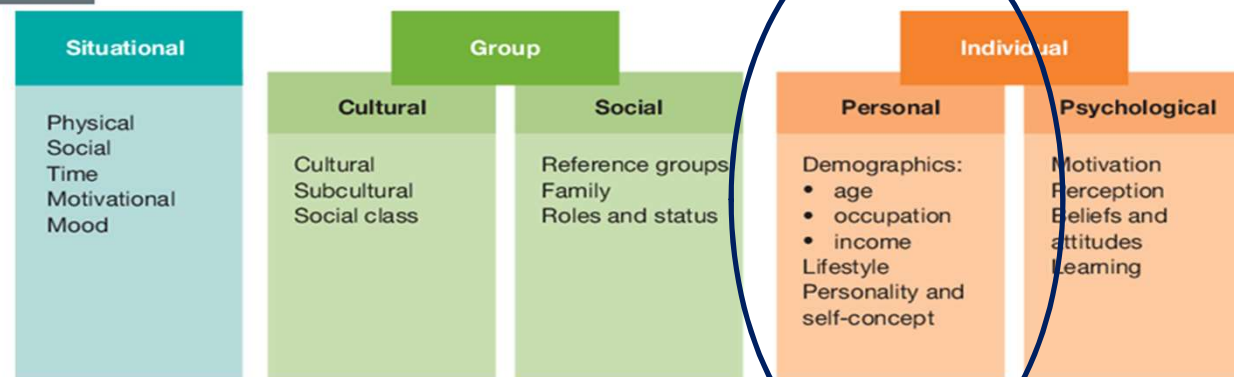
User

Payer

[illegible]

Factors Influencing Buyer Behaviour

FIGURE 4.1 Factors influencing consumer behaviour



Decision process



Purchase

Personal influences - demographics

- Age
 - Customers' needs change over time
- Occupation
- Income

Lifestyle or Psychographics

- Activities, Interests, Opinions
- “Profiles a person’s pattern of acting and interacting in the world”



Personality and self-concept

- Unique psychological characteristics

| Dimension | High scorers are ... | Low scorers are ... |
|-------------------|---|--|
| Extroversion | Outgoing, enthusiastic and active; you seek novelty and excitement. | Aloof, quiet and independent; you are cautious and enjoy time alone. |
| Neuroticism | Prone to stress, worry and negative emotions. | Emotionally stable but can take unnecessary risks. |
| Conscientiousness | Organised, self-directed and successful, but controlling. | Spontaneous, careless, can be prone to addiction. |
| Agreeableness | Trusting, empathetic and compliant, you are slow to anger. | Uncooperative and hostile, find it hard to empathise with others. |
| Openness | Creative, imaginative, eccentric and open to new experiences. | Practical, conventional, sceptical and rational. |

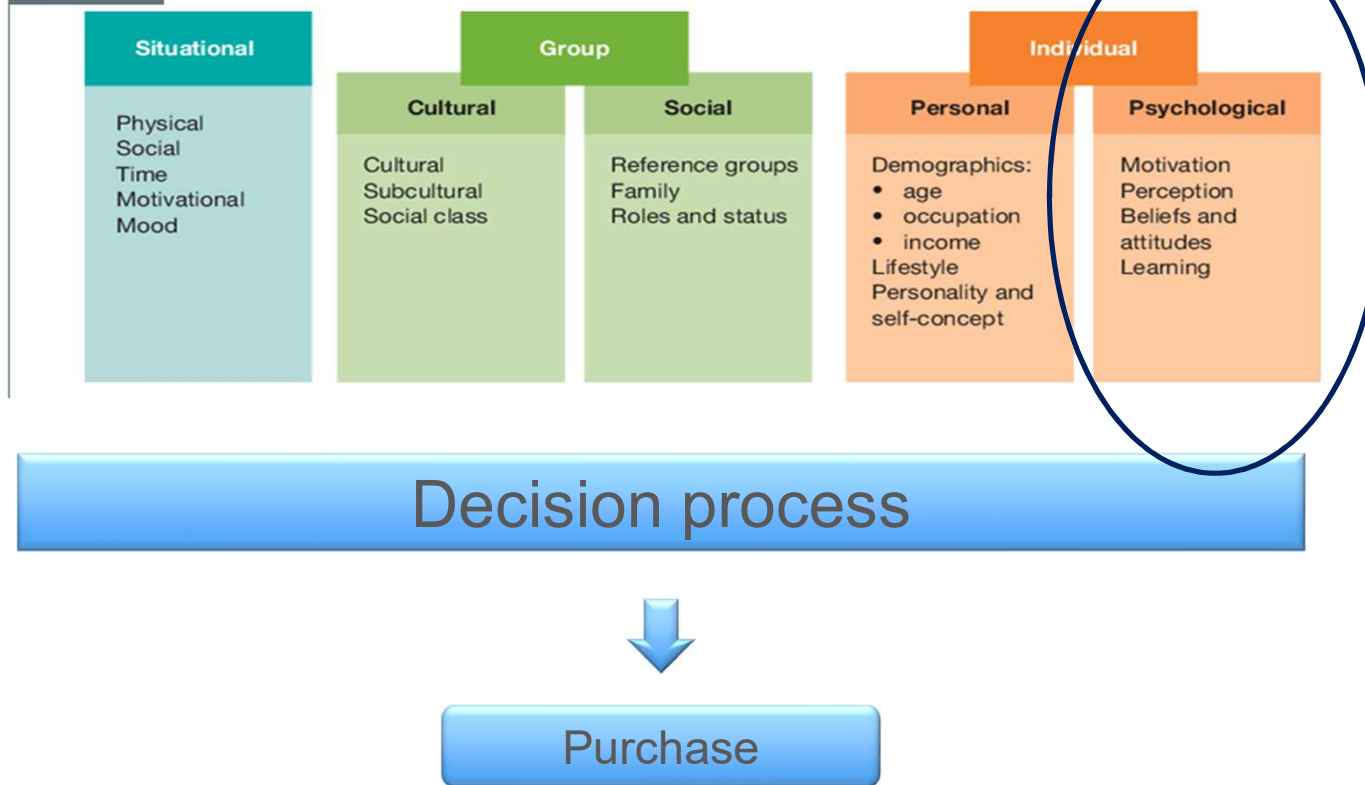
Self concept



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Factors Influencing Buyer Behaviour

FIGURE 4.1 Factors influencing consumer behaviour

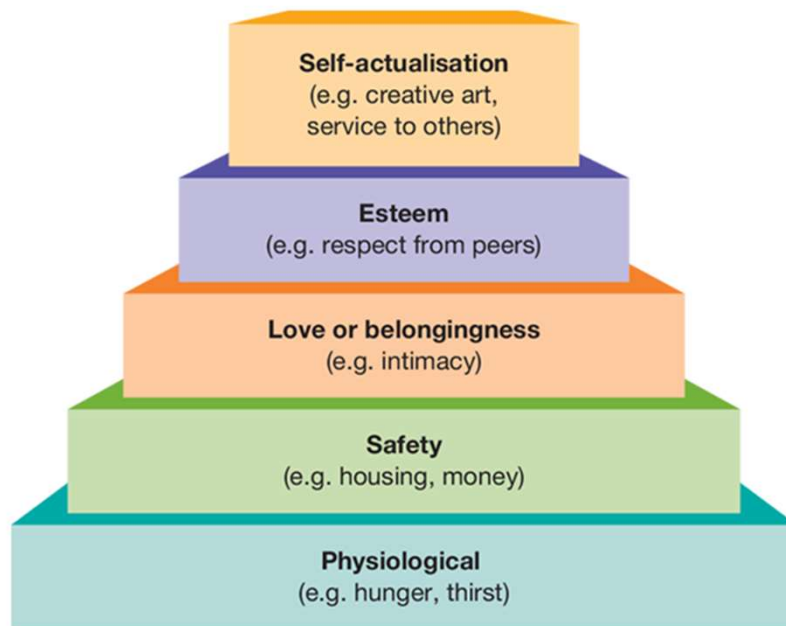


Motivation

Drive to satisfy an unmet need

Remember
types of Value

FIGURE 4.3 Motivation: Maslow's hierarchy of needs



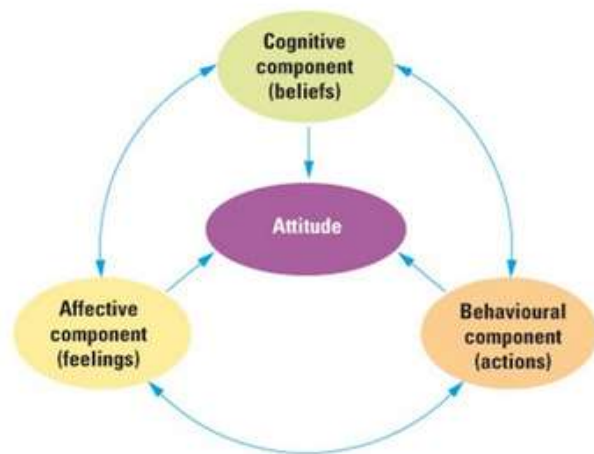
Perception

- Exposure
 - Attention
 - Distortion
 - Retention
-
- “Perception is reality”



Beliefs and Attitudes

- Beliefs – descriptive or evaluative thoughts
- Attitude – relatively stable and consistent thoughts feelings and behaviour



Learning

- The process by which individuals acquire new knowledge and experience
- See also Involvement



[illegible]

Involvement

- Perception of risk
 - Financial
 - Social
 - Emotional/psychological
 - Physical
 - Functional

Cost / Sacrifice Value

- Economic (price)
- Psychological
- Personal investment
- Risk

Involvement

Low Involvement

High Involvement



Habitual/impulse decision making
Little effort
Responds to situational cues

Extended decision making
Significant effort
Wide information search

Involvement

Today's Top Deals

FAMILY HOLIDAY
HOTEL DEALS

LASTMINUTE
ESCAPES

LUXURY HOTELS

Last Minute Escapes

Get outta town with a HOT lastminute deal. Stays are available within the next 14 days. [Terms and conditions](#)

Quincy Hotel Melbourne
Melbourne
4.9/5 (35 reviews)

Snazzy Saver available

Wed, 16 Mar - Fri, 18 Mar
AU\$530 **AU\$457**
for 2 nights

Hotel Bruce County
Melbourne
4.3/5 (319 reviews)

10% off

Sat, 19 Mar - Mon, 21 Mar
AU\$255 **AU\$229**
for 2 nights

Arrow on Spencer
Melbourne
3.5/5 (992 reviews)

Snazzy Saver available

Wed, 16 Mar - Fri, 18 Mar
AU\$404 **AU\$339**
for 2 nights

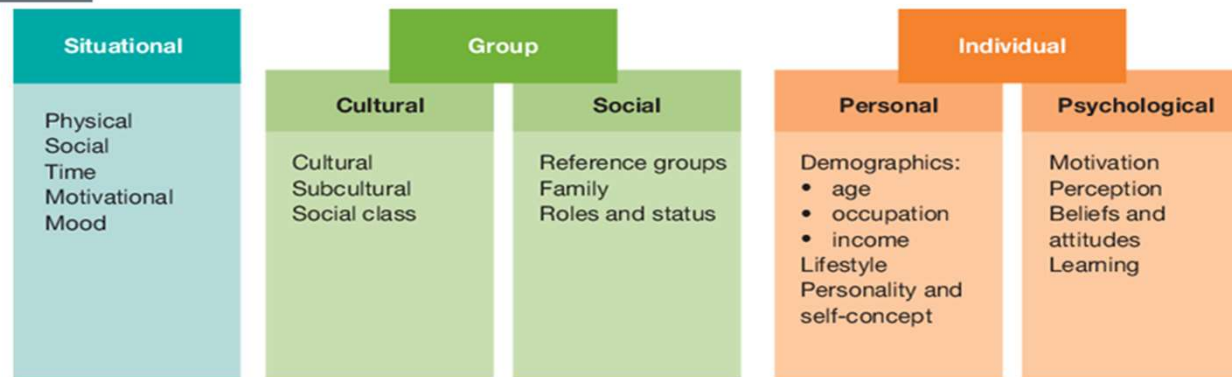


Itchy Baby - Natural
Baby Eczema...

A\$24.95

Factors Influencing Buyer Behaviour

FIGURE 4.1 Factors influencing consumer behaviour



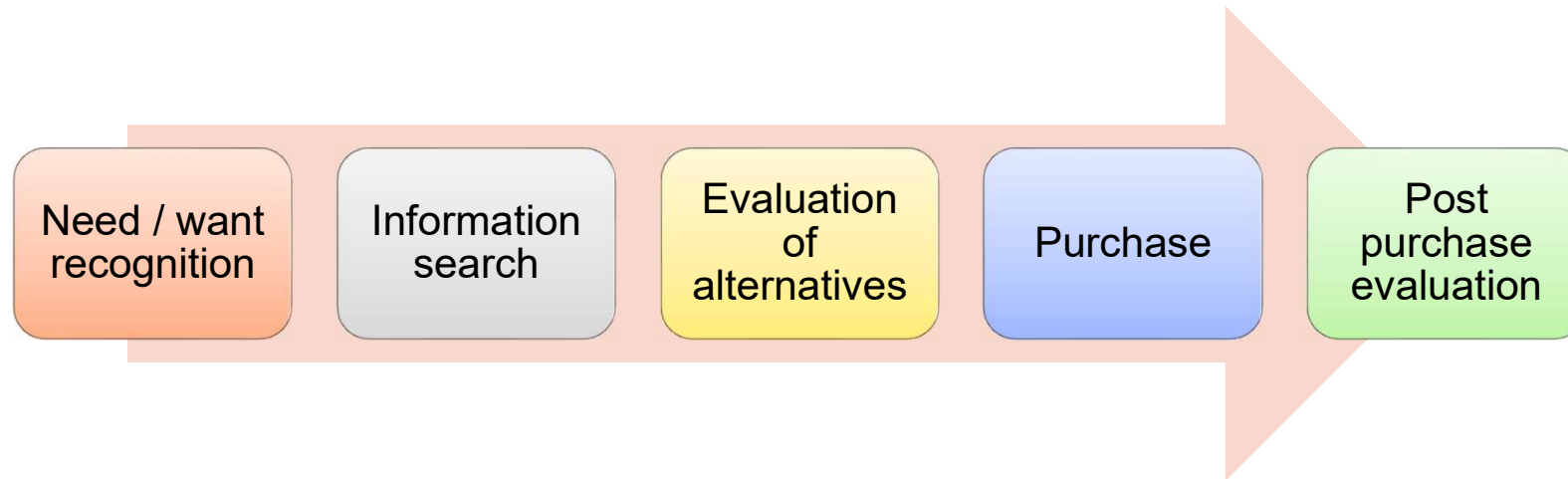
Decision process



Purchase

[illegible]

Buyer Decision Process





Need / want recognition

- Buyer recognising a need
 - Sensing a difference between actual state and desired state
- Internal stimuli
- External stimuli

Information Search

- The search for information to use in decision making
 - Experiential sources (knowledge and memory)
 - Commercial sources (marketing-driven)
 - Inform the buyer
 - Personal sources (e.g. family/friends)
 - Legitimise or evaluate products
 - Public sources (e.g. media)

Evaluation of Alternatives

- Processing the information to help make the purchase decision – choice set and evaluative criteria
- Depends on:
 - Individual consumer
 - Buying situation
- If marketers can understand these processes, then they may be able to influence the buyer's evaluation

Build & Price



Consult your dealer for more accurate depictions of colours.

| | |
|-------------------------------|------------------|
| Focus CL (sedan/hatch) | \$19,990* |
| Engine & Transmission | \$0* |
| Colour & Trim | \$0* |
| Factory Options | \$0* |
| Dealer Fit Accessory | \$0* |
| Total RRP | \$19,990* |

1. Derivative

2. Engine & Transmission

3. Colour & Trim

4. Factory Options

5. Dealer Fit Accessory

6. Summary

Derivative

[Next Step >](#)

☒ **Focus CL (sedan/hatch)**

\$19,990*

2.0L Duratec 16V engine / 5-speed manual transmission

☐ **Focus LX (sedan/hatch)**

\$23,990*

2.0L Duratec 16V engine / 5-speed manual transmission

☒ **Focus Zetec (sedan/hatch)**

\$26,490*

2.0L Duratec 16V engine / 5-speed manual transmission

☐ **Focus Ghia (sedan/hatch)**

\$29,490*

2.0L Duratec 16V engine / 4-speed automatic transmission with Sequential Sports Shift

☐ **Focus TDCi**

\$27,990*

2.0 litre Duratorq 4 cylinder turbo diesel engine / 6-speed manual transmission

☐ **Focus XR5 Turbo**

\$36,490*

2.5L Duratec 5-cylinder 20V turbo engine / close-ratio 6-speed manual transmission

☐ **Focus Coupé-Cabriolet**

\$45,490*

2.0L Duratec 16V engine / 5-speed manual transmission

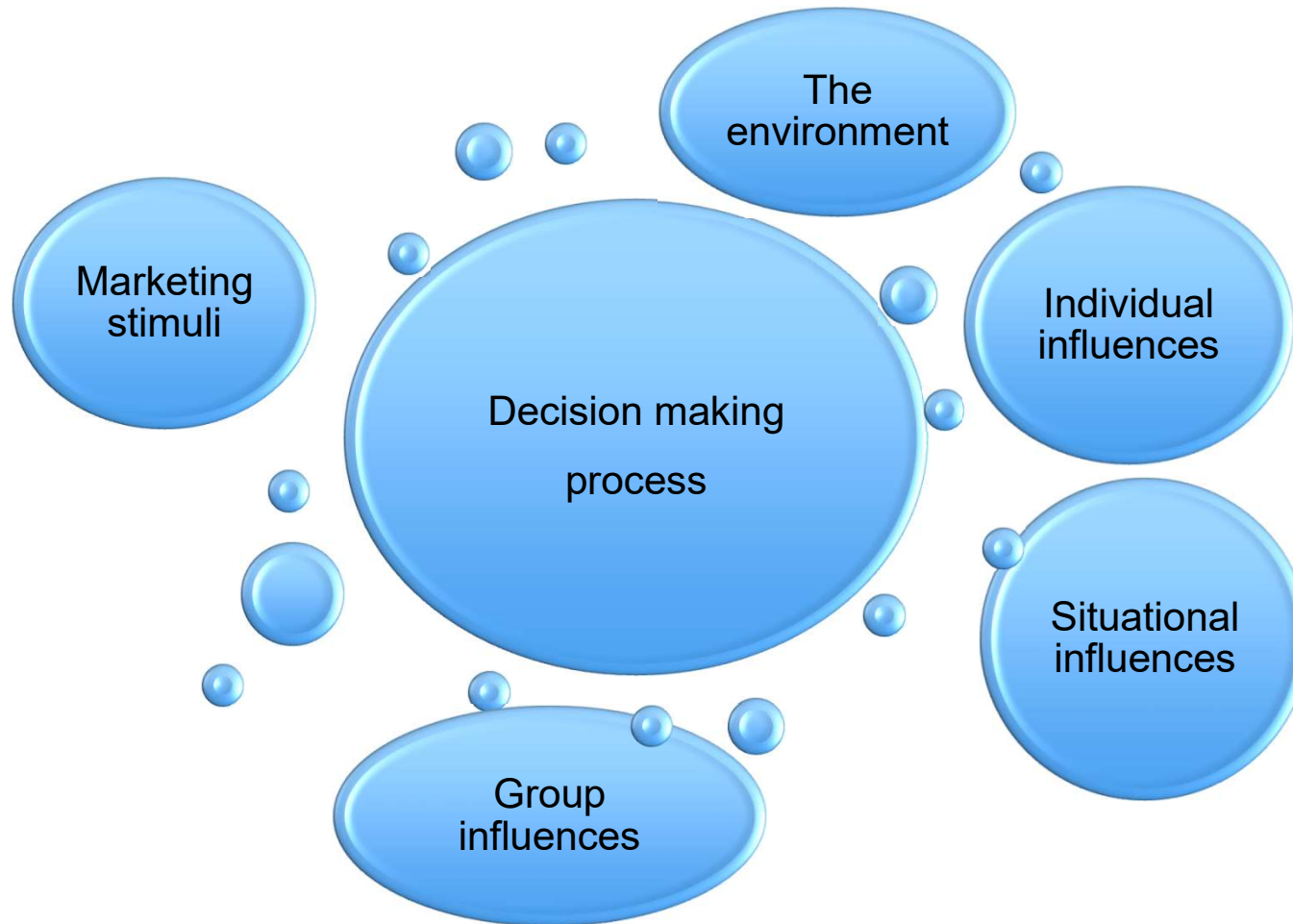
Purchase Decision

- Decision and action
 - The customer buys the most preferred brand/alternative (or nothing)
 - Product category, brand, retailer, timing, quantity, method of payment
- Can be influenced by:
 - Attitudes of others
 - Unexpected situational factors

Post-Purchase Behaviour

- Consumers take further action based on their satisfaction or dissatisfaction
- Experience will influence future behaviour
- Cognitive dissonance (post-purchase conflict) can occur
- Word-of-mouth communication is powerful

A simple model of buyer behaviour

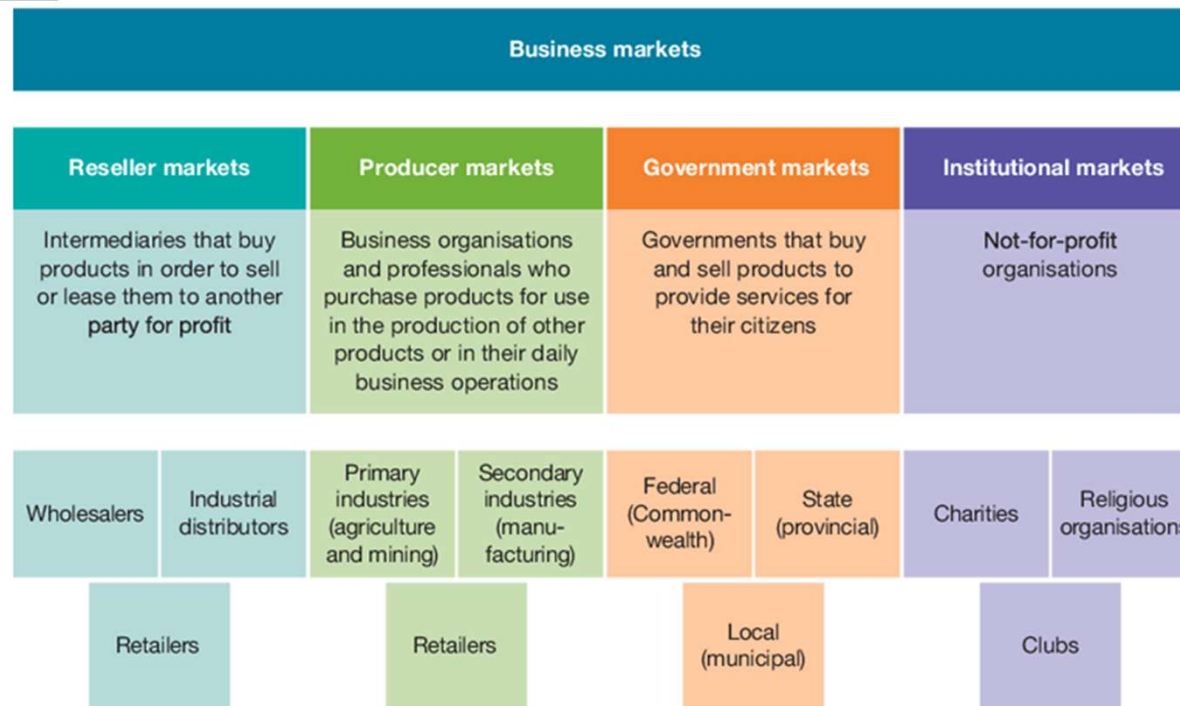


Business Buyer Behaviour



Types of organizational (B2B) buyers

FIGURE 5.1 Business markets



Characteristics of organizational (B2B) markets

- Buying process characteristics
 - Professional buyers
 - Formalised objectives, procedures, criteria
 - More people involved (roles, influences)
- Market characteristics
 - Fewer & larger buyers
 - Close supplier-customer relationships
 - Business demand is ultimately *derived* from consumer demand

Derived Demand



Business buying situations

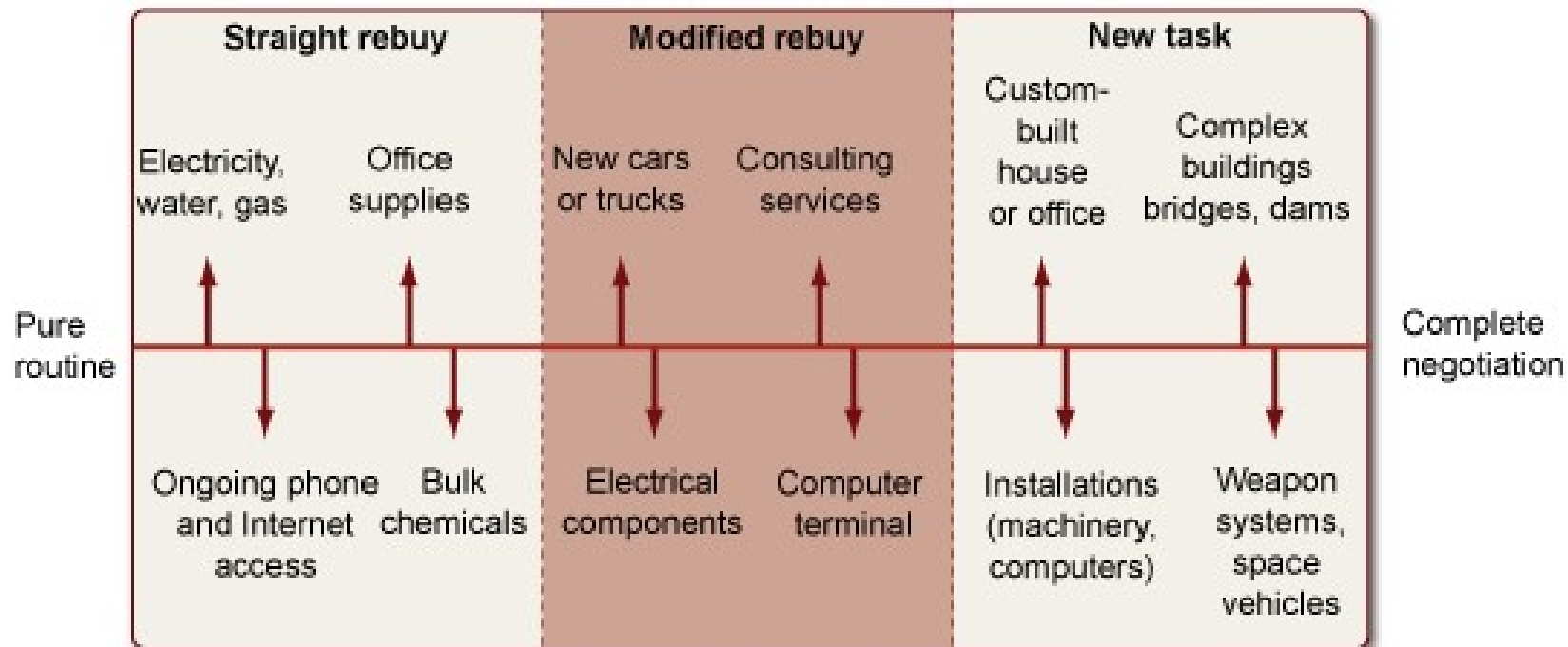
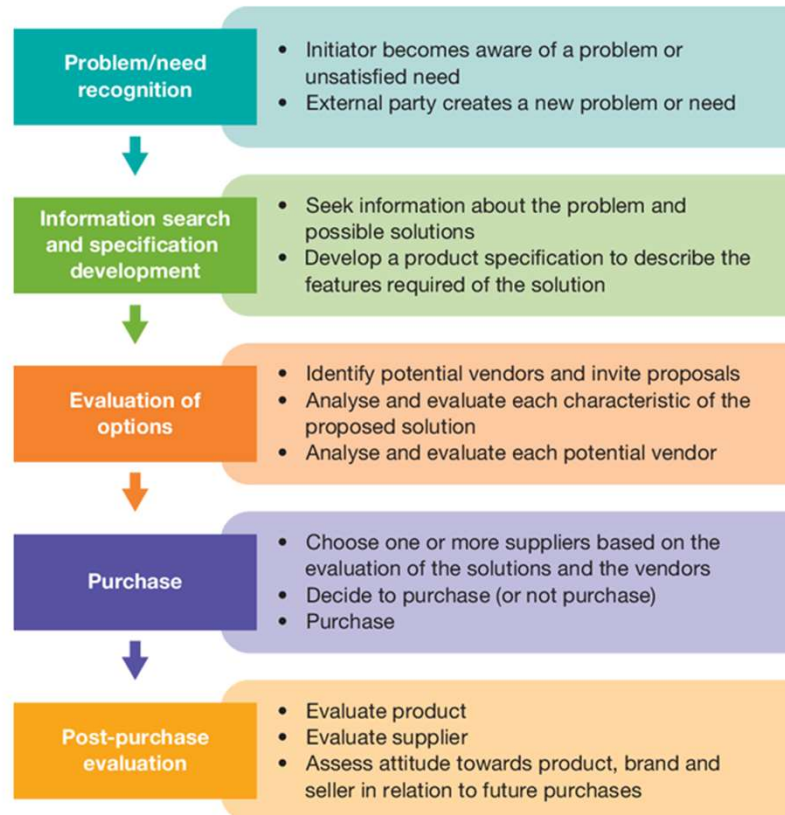


Figure 8.3, p.242, Kotler (2010).

Business Buying Process

FIGURE 5.2 The business decision-making process



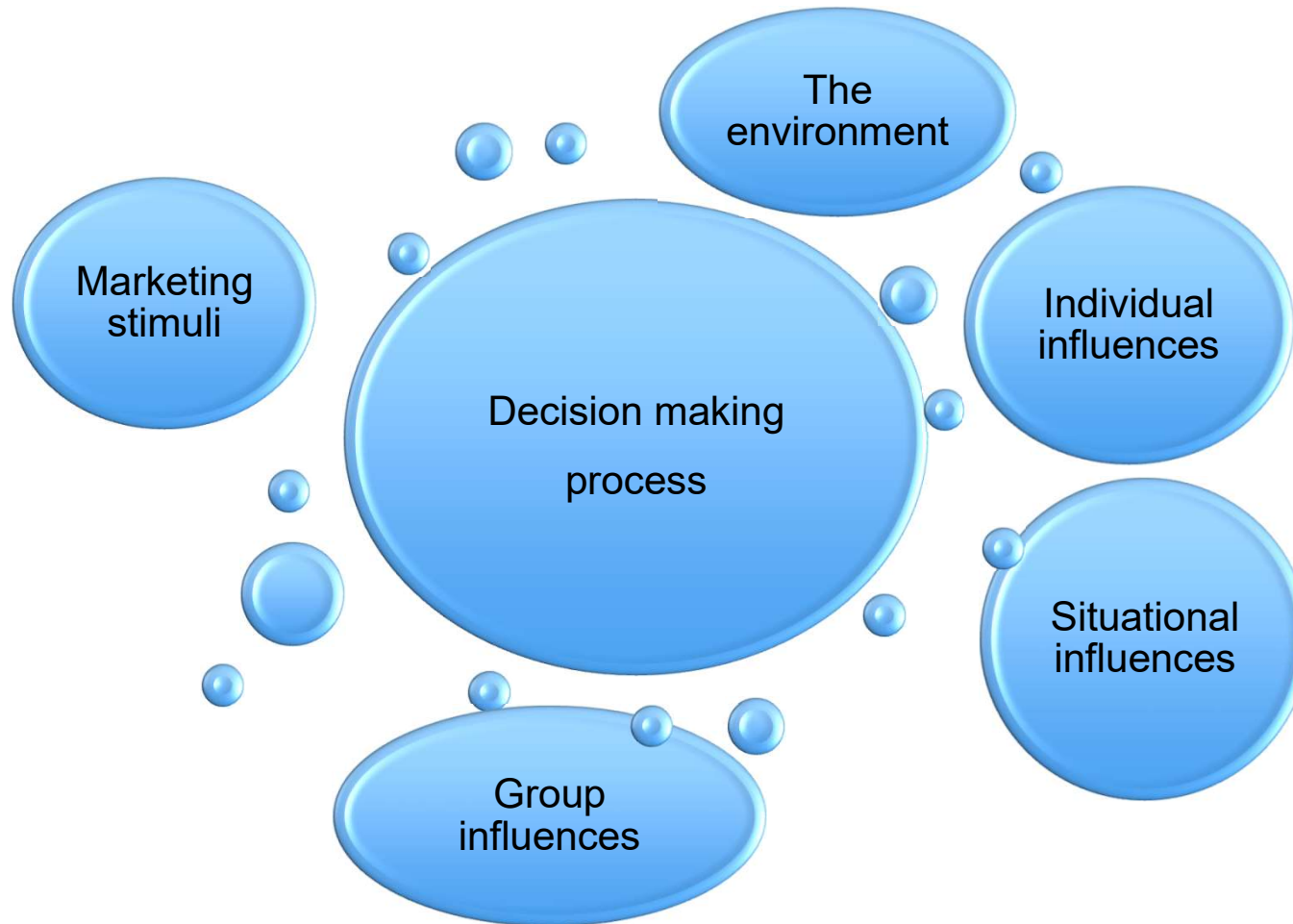
- Often more complex
- More likely that procedures will be formalised
- Evaluation is likely to involve formal reviews of satisfaction

[illegible]

Conclusion

- It is important to understand how interrelated the influences are on the decisions we make
- Business buying behaviour is similar, but more formal

A simple model of buyer behaviour



Our semester of marketing

