

# Lecture #11

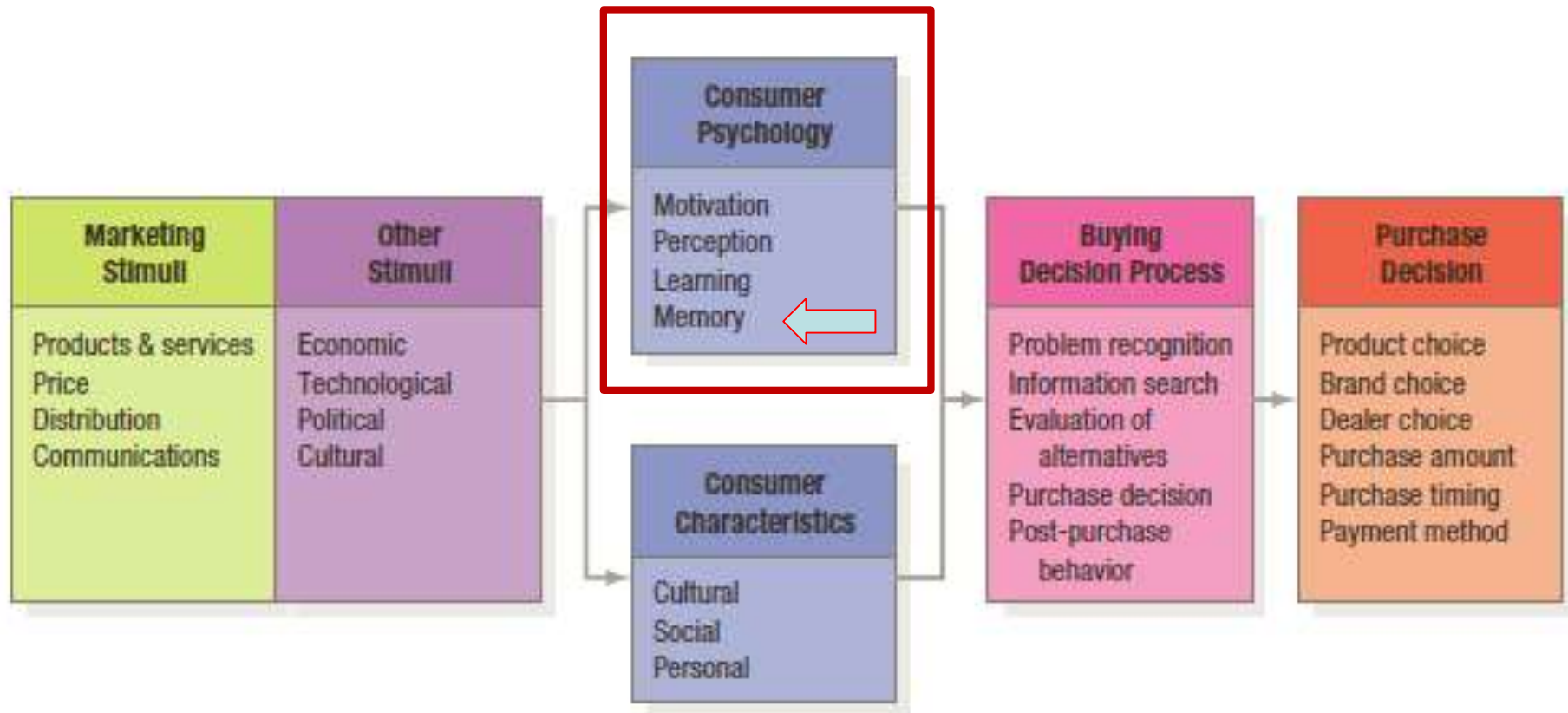
## MKT503 Marketing Management



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*Rajesh Verma*

# Key Psychological Processes



Memory consists of two interrelated components:

## **1. *Short-term Memory (STM)* - working memory**

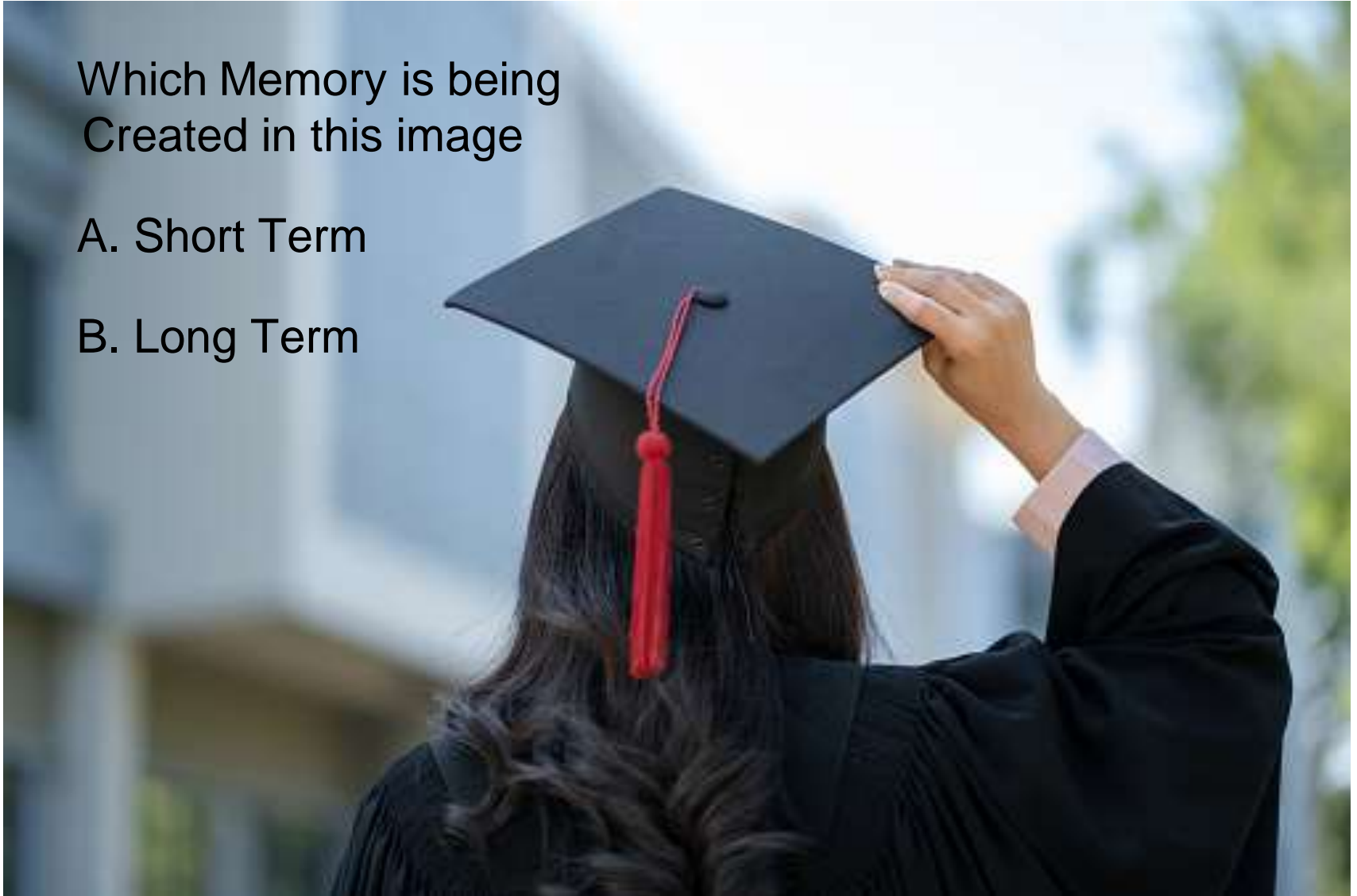
- is that portion of total memory that is currently activated or in use.

## **2. *Long-term Memory (LTM)***

- is that portion of total memory devoted to permanent information storage.
  - Semantic memory is the basic knowledge and feelings an individual has about a concept.
  - Episodic memory is the memory of a sequence of events in which a person participated.

Which Memory is being  
Created in this image

- A. Short Term
- B. Long Term



Which Memory is  
being Created in  
this image

A. Semantic

B. Episodic







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# APPLICATION - MEMORY

A TATA PRODUCT www.tanishq.co.in

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TANISHQ  
PRESENTS  
RIVAĀH  
FOR EVERY INDIAN BRIDE

UP TO 25% OFF\*  
ON MAKING CHARGES OF GOLD JEWELLERY  
AND DIAMOND JEWELLERY VALUE



EXPLORE NOW

\*Offers and dates may vary across cities. T&C Apply.

*Anniversary  
Celebrations*  
And we want it to be special for you too.



Free Gold Coins\*  
on every jewellery purchase  
from 5th to 7th Dec. 2014.

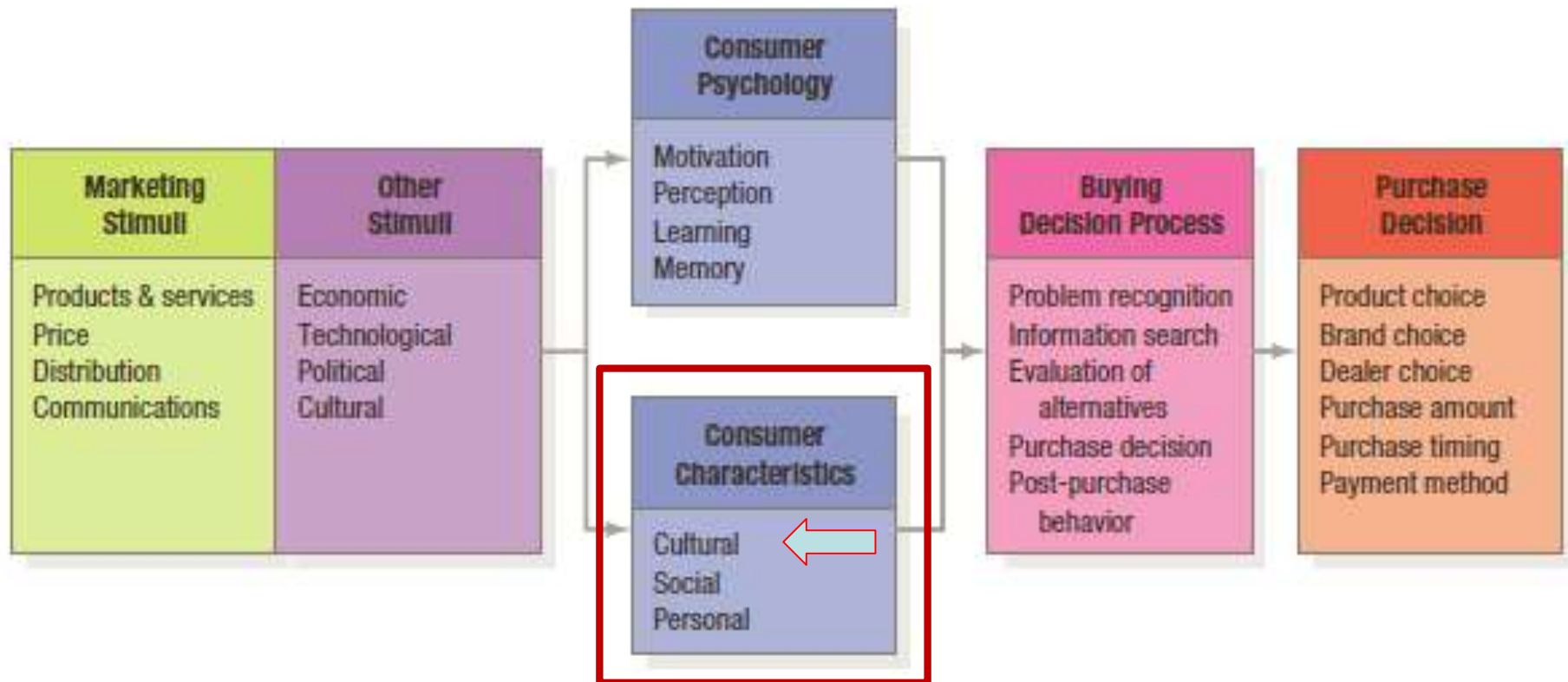
$\pi$   
TANISHQ  
A TATA PRODUCT

Up to 15% off\* on a single piece of diamond jewellery worth ₹2 Lakh and above.

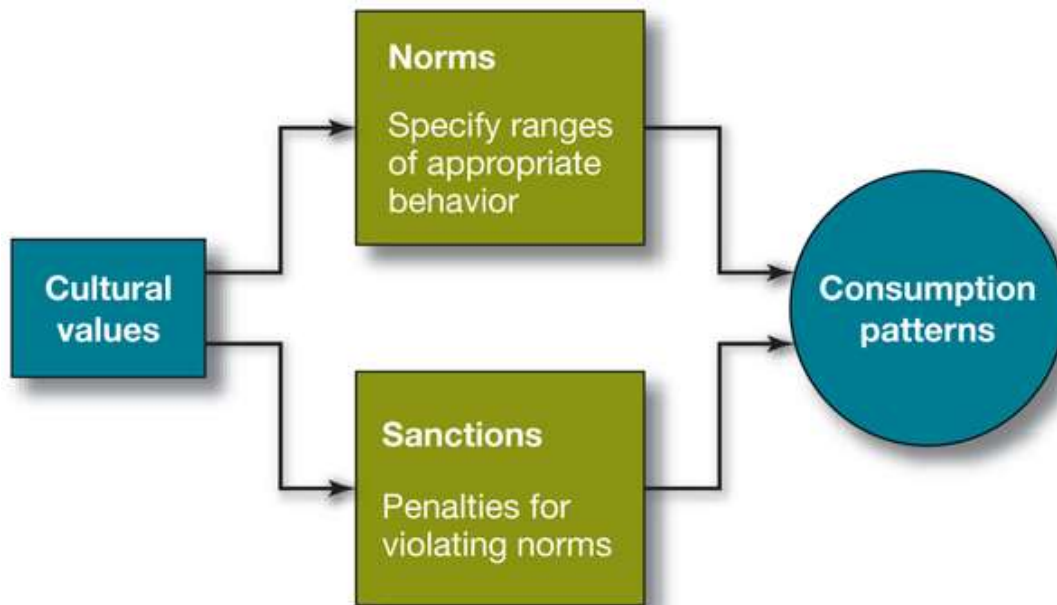
\*Conditions apply • Get free gold coins on every jewellery purchase of 10grams of gold jewellery or diamond jewellery worth ₹10,000/- • Two or more offers cannot be clubbed.

Showrooms: **Ghatkopar(W)** - R City Mall. Tel: 66424731; **Khar(W)** - Linking Road Tel: 26484846; **Lower Parel** - Phoenix Mall. Tel: 67477608; **Malad(W)** - Inorbit Mall Tel: 28777747, 66406945; **Thane(W)** - Gokhale Road. Tel: 25442002  
Vashi Inorbit Mall. Tel: 65181012.

# 1. CULTURE



# Concept of Culture?



- Cultural values give rise to norms and associated sanctions, which in turn influence consumption patterns.
- Cultures are not static. They typically evolve and change slowly over time.



# Mattel Unveils More Barbie Dolls to Celebrate the Diverse Beauty of Black Women

By Emma Taggart on March 4, 2020





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- Vacu-Bot is an American vacuum producer that manufactures a robotic vacuum for home use.
- Unlike the other small disc-shaped vacuums on the market, the Vacu-Bot is an actual 4-foot tall robot that not only vacuums carpet but lifts up your furniture and vacuums underneath it.
- While most robotic vacuums take hours to vacuum a single room, Vacu-Bot only takes a few minutes and does a much more thorough job.
- Sales of Vacu-Bot have been strong in the United States - so strong that the executives at Vacu-Bot recently decided to launch their product into other countries: Germany, Japan, China and the Bahamas.
- **What changes do you think are required while entering Japan?**

# Four Types of Marketing Mix Changes

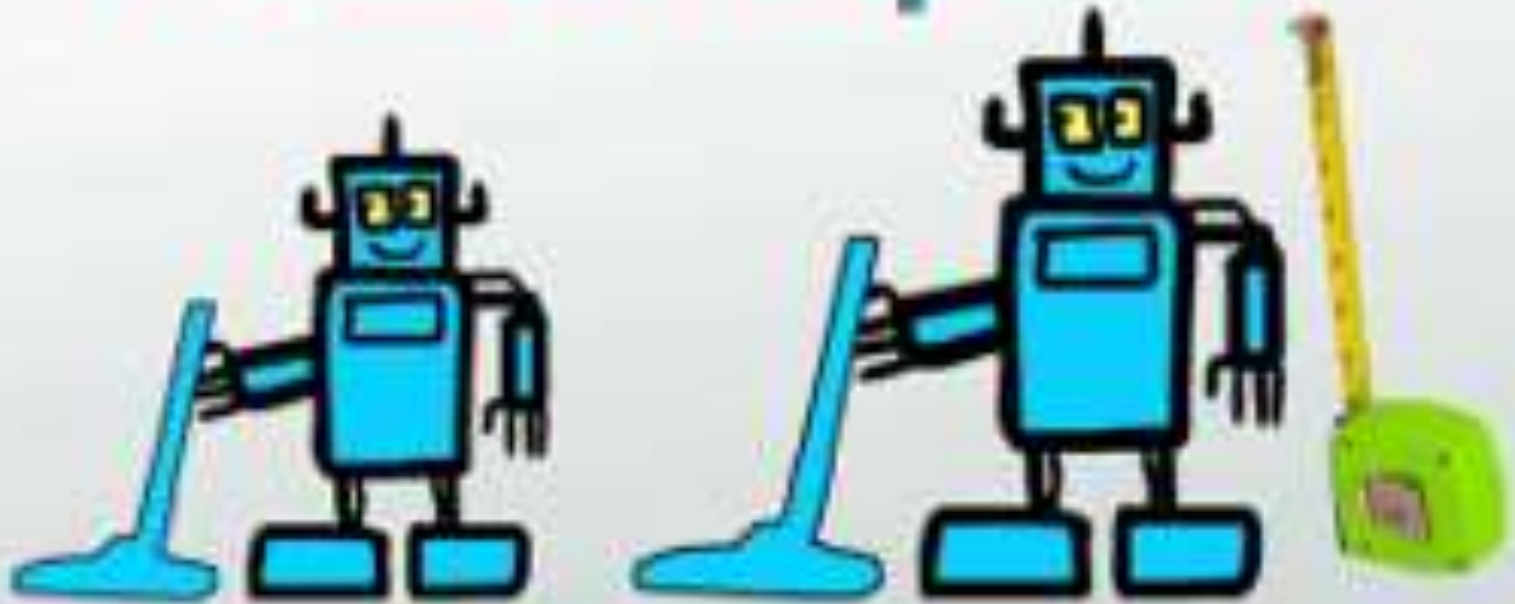
<b>Product Invention</b> <b>A.</b>	<p>If the current product offering does not in any way suit the foreign culture, the company launching the new product may need to make radical product changes to their existing product or invent an entirely new product.</p>
<b>Product Adaptation</b> <b>B.</b>	<p>If only a few aspects of the current product offering do not suit the foreign culture, the company launching the new product may need to make only minor product changes to the existing product in order to suit the differing needs of the foreign market.</p>
<b>Promotion Adaptation</b> <b>C.</b>	<p>If the product suits the foreign market but consumers do not understand the current marketing message, the company launching the new product may be able to keep their existing product the same and make <b>promotional strategy</b> changes.</p>
<b>Global Standardization</b> <b>D.</b>	<p>If a company makes no changes to the product or the promotional message in foreign markets, it is using a Global Standardization strategy. Companies that use this type of strategy include Coca-Cola, Revlon and Sony television.</p>

- Japan is a very clean culture, and the vacuums sold in Japan collect dust and dirt in a bag, which is thrown away when it is full.
- This is preferred by consumers in Japan because it separates the dirt from the person vacuuming. The Vacu-Bot is not sold with a bag; the person vacuuming must empty the dirt collected by the vacuum directly into a trash can.
- The Japanese do not like having to handle the dirt without a collection bag.
- This is a **product problem**, which will require **product invention**.

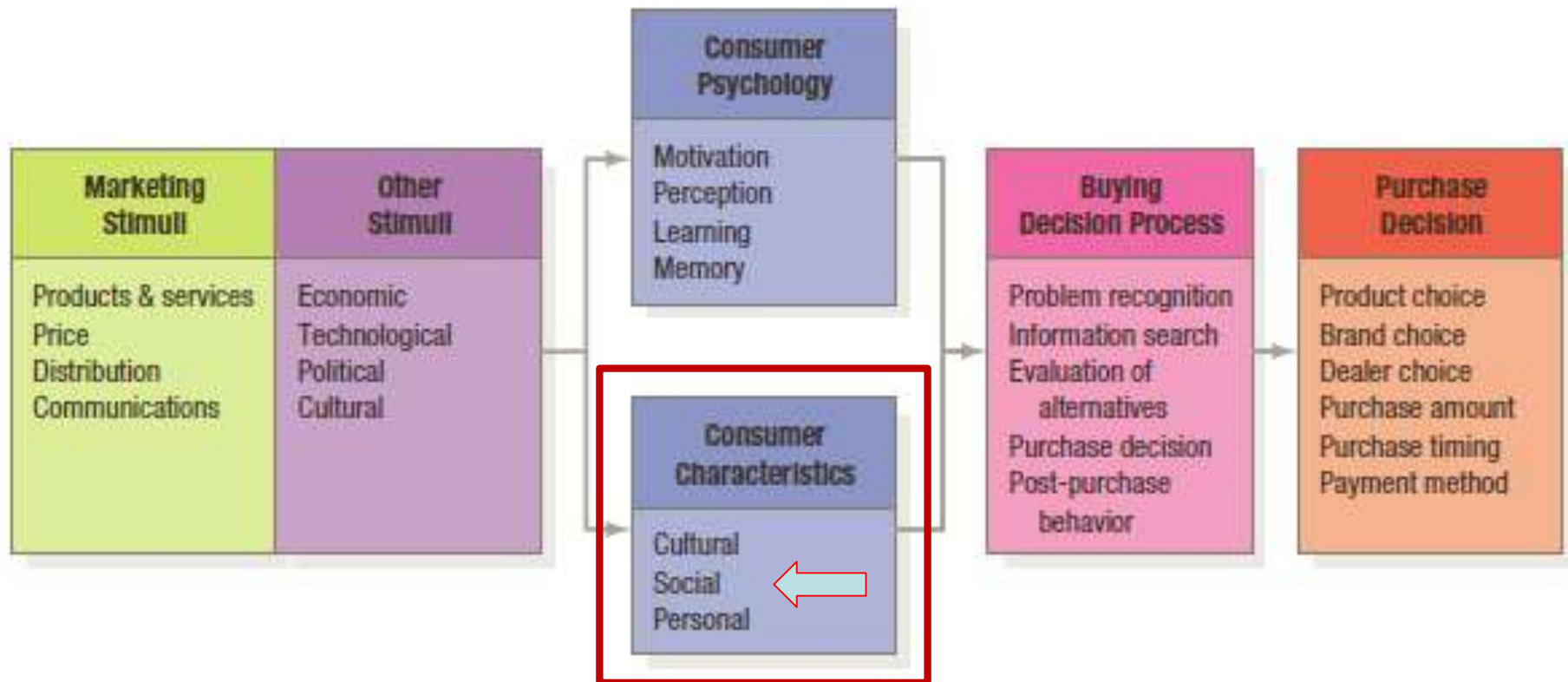


<b>Product Invention</b> <b>A</b>	<p>If the current product offering does not in any way suit the foreign culture, the company launching the new product may need to make radical product changes to their existing product or invent an entirely new product.</p>
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## Product Adaptation



## 2. SOCIAL



### **Reference Group**

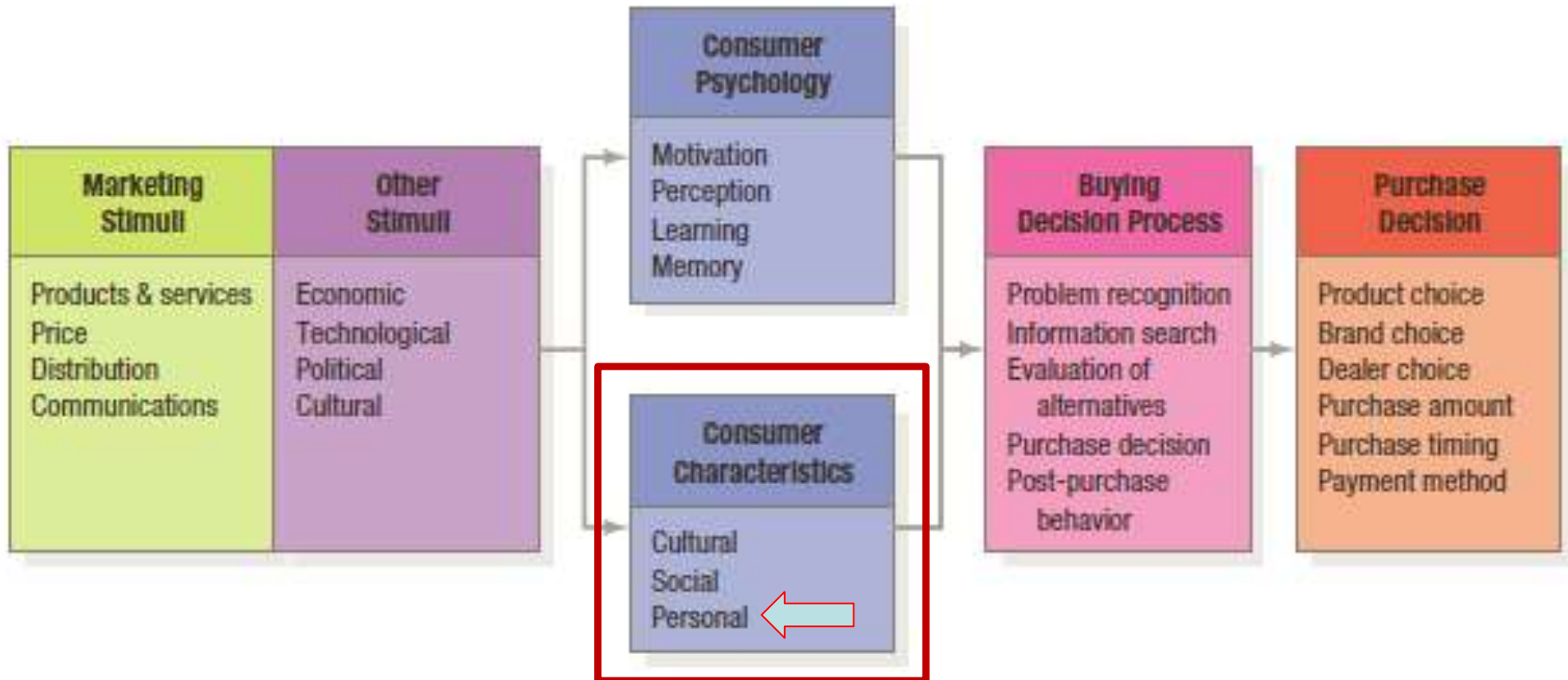
- Membership Groups
- Aspirational Groups
- Dissociative Groups

### **Family**

### **Role and Status**



# 3. PERSONAL

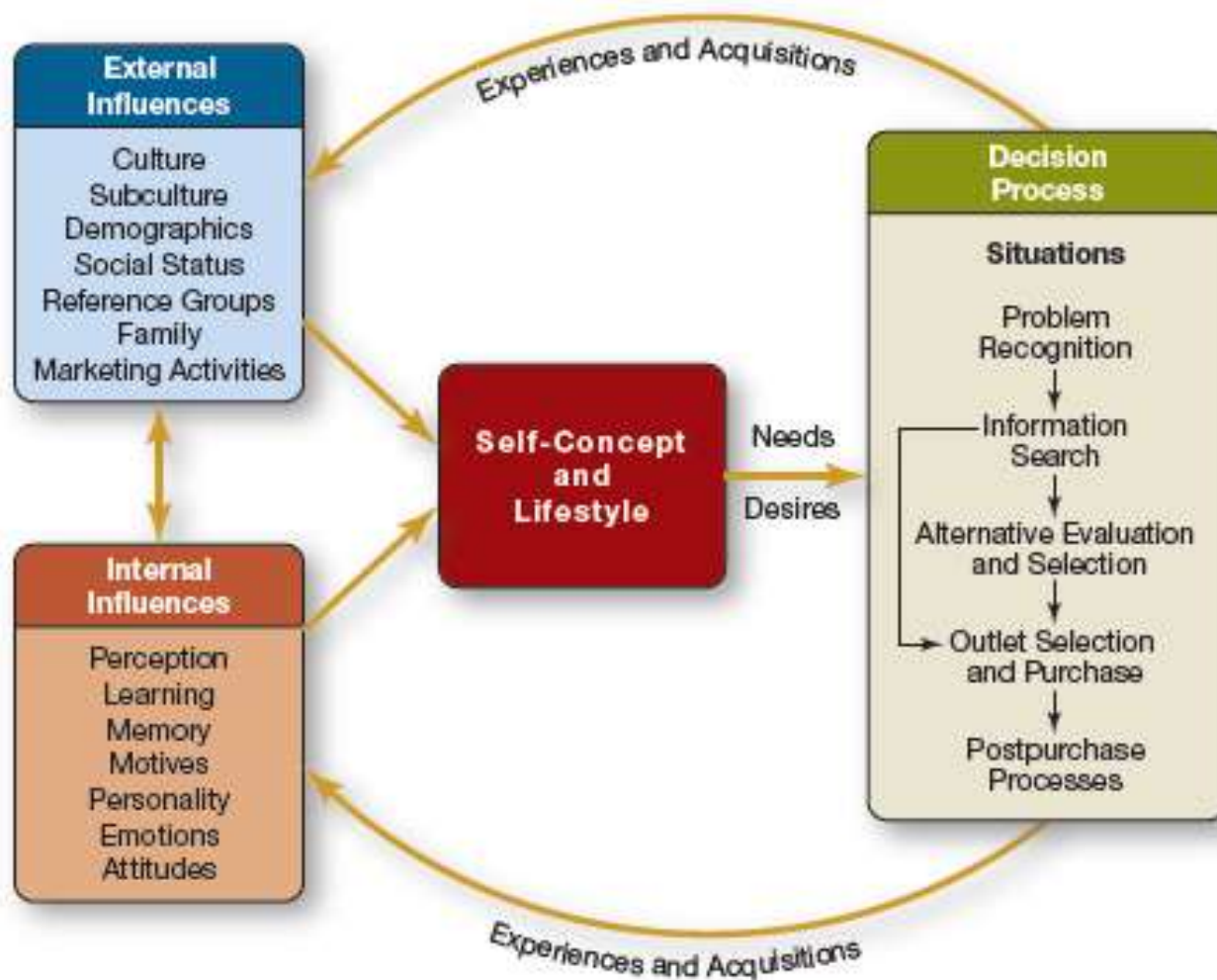




## 3. PERSONAL

- Age & Stage in the life stage
- Occupation and economic circumstances
- Personality and self concept
- Lifestyle & Values







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# SELF CONCEPT





Trait
Excitement
Competence
Sophistication
Ruggedness
Sincerity



# BUYING MOTIVES

## Emotional Motives

Power

Nostalgia

Love

Peer  
Acceptance

Prestige

Pleasure

Pride

Emotional: Appeal based  
on sentiment or passion

## Rational Motives

Make life  
easier

Saves Time

Saves Money

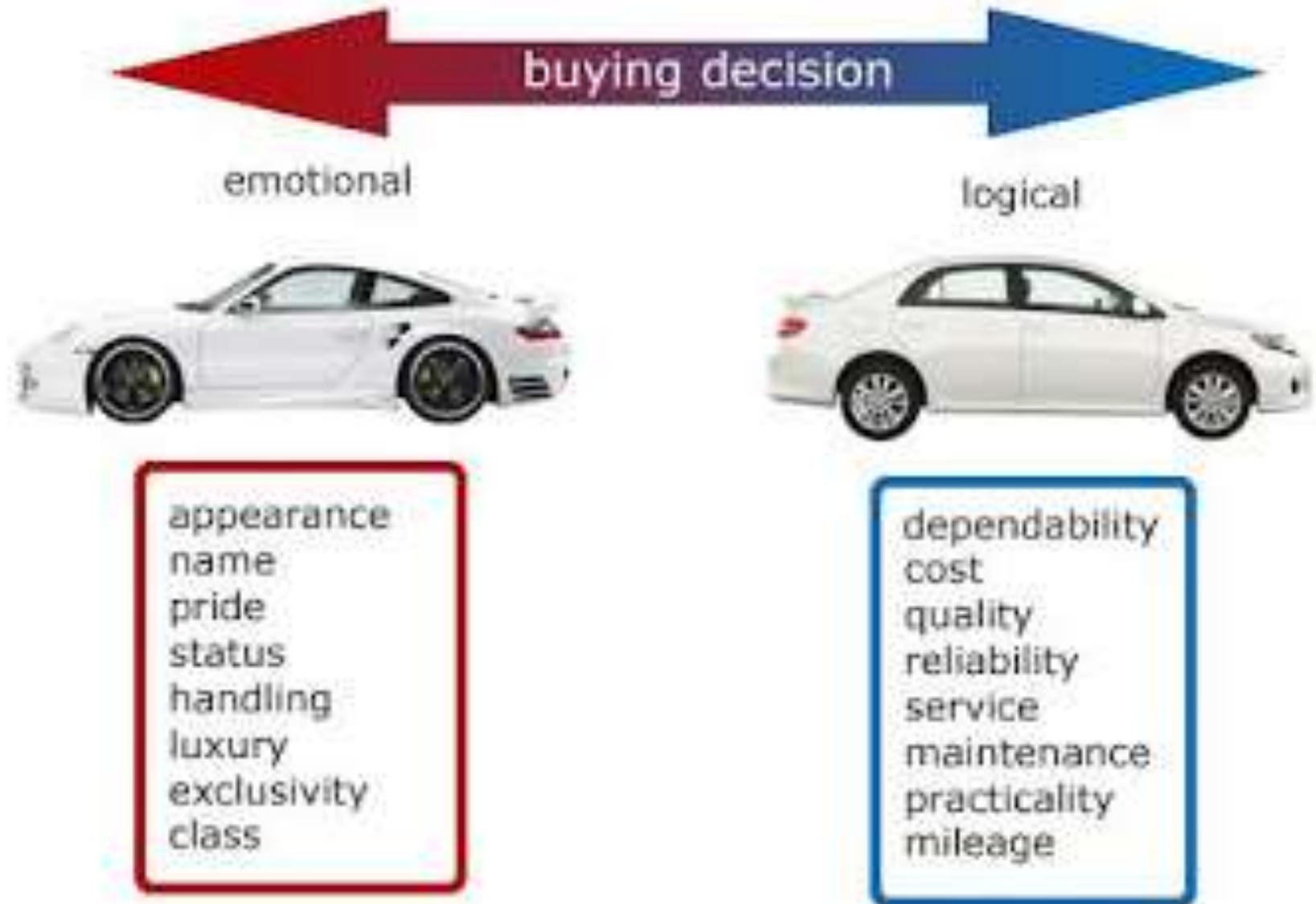
Fulfill the  
needs

Well made

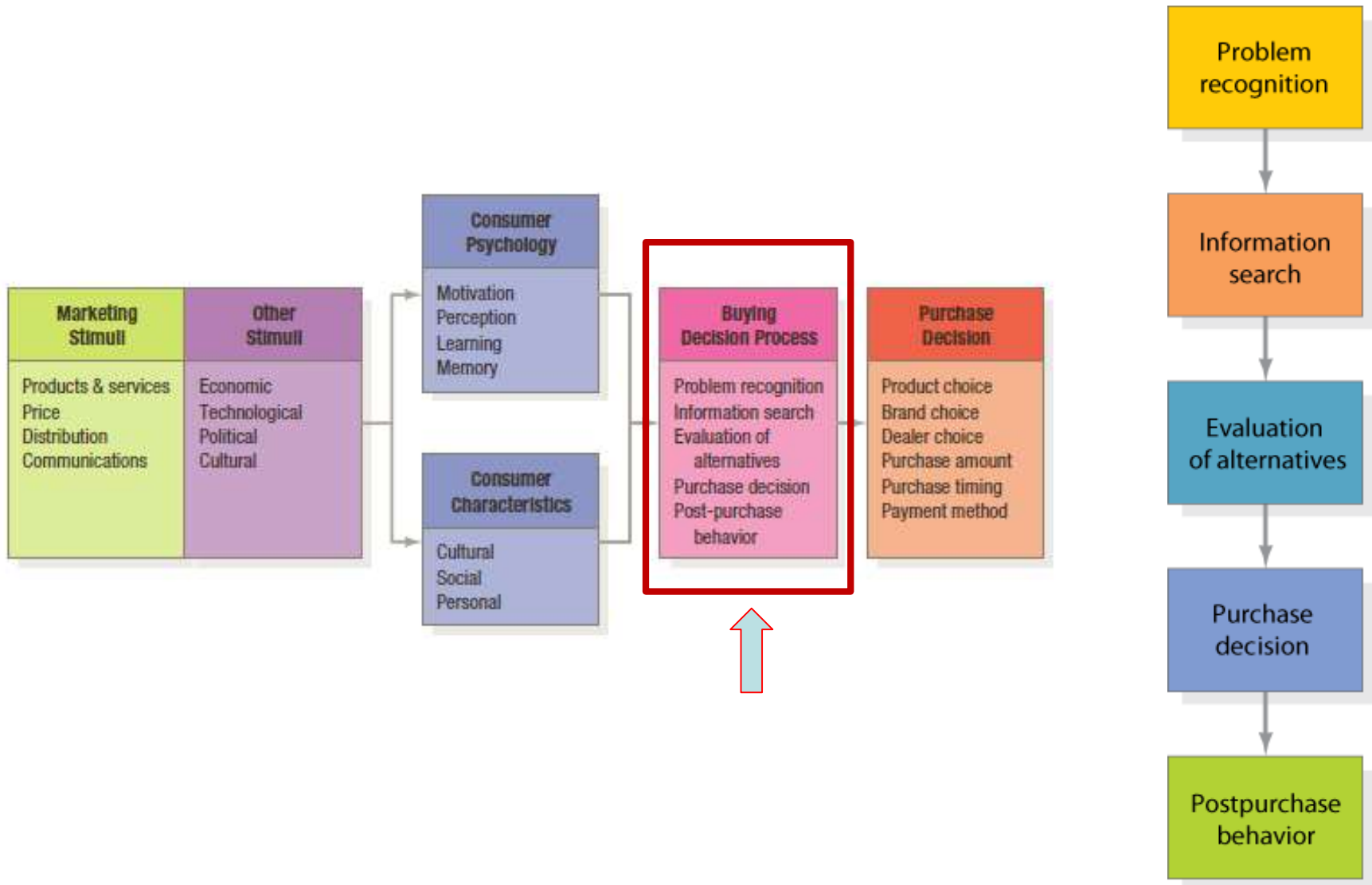
Durable

Rational: Appeal based on  
reason or objective  
thought processes





# BUYING DECISION PROCESS





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# 1. PROBLEM RECOGNITION

**SAMSUNG**

**Keep it  
as clean as  
this ad**



Customer Service

## Galaxy Sanitizing Service

After repair, during your visit or just by stopping by we sanitize your Galaxy with UV-light keeping it clean and ready to use.

Available at Samsung Service Centers\*. For more information visit [Samsung.com/my/support/mobile-devices/galaxy-sanitizing-service/](https://www.samsung.com/my/support/mobile-devices/galaxy-sanitizing-service/)



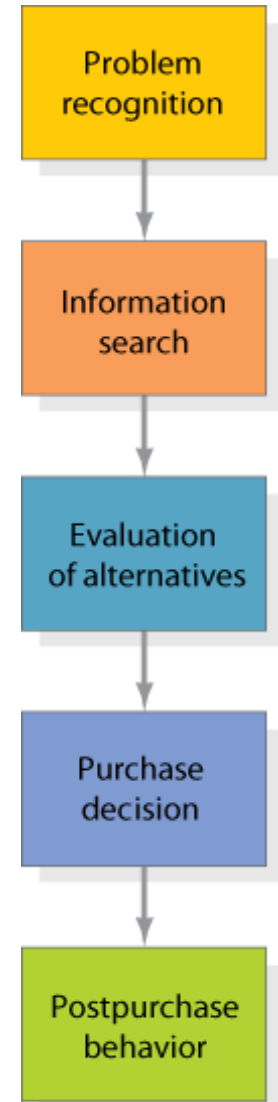
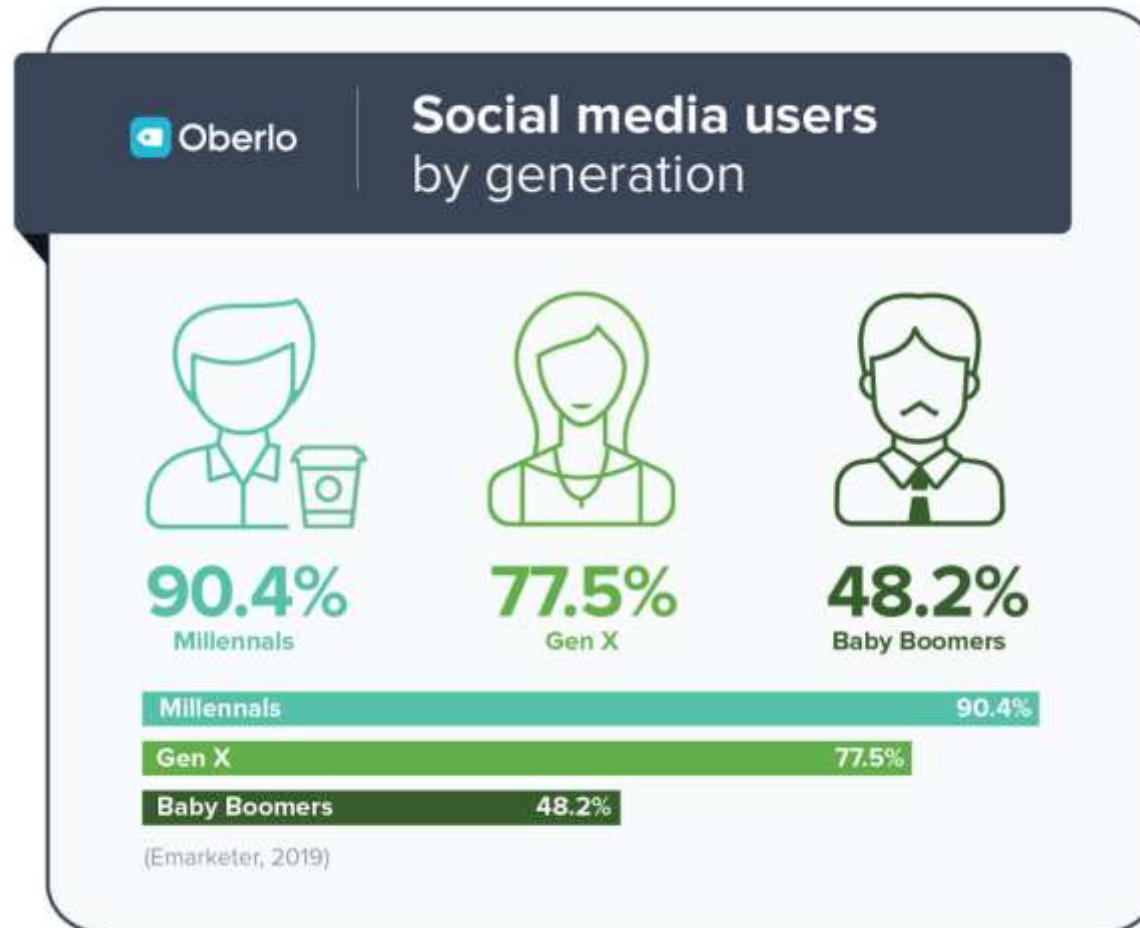
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# 1. PROBLEM RECOGNITION



## 2. INFORMATION SEARCH







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## 2. INFORMATION SEARCH

Google

doctor near me

About 15,01,00,00,000 results (0.68 seconds)

Rating ▾ Hours ▾ Visit history ▾

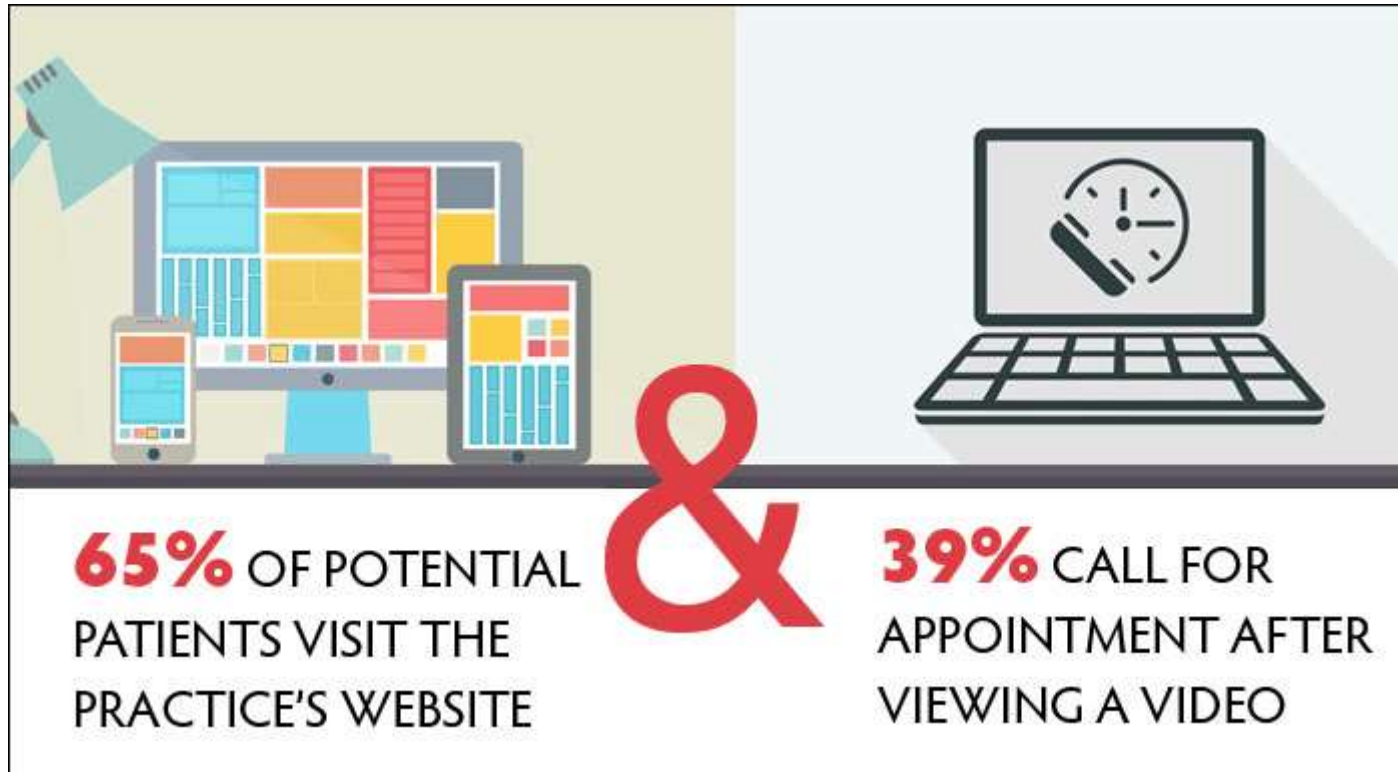
<b>Modren clinic</b> No reviews · Doctor <b>Closed</b> · Opens 9:30AM	 DIRECTIONS
<b>Universal medicos</b> No reviews · Medical clinic Law Gate Rd <b>Opens soon</b> · 9AM	 DIRECTIONS
<b>Dr Raman Vajpaye</b> 5.0 ★★★★★ (7) · Infectious disease physician <b>Closes soon</b> · 9AM · 088725 55499	 DIRECTIONS



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## 2. INFORMATION SEARCH





## 2. INFORMATION SEARCH

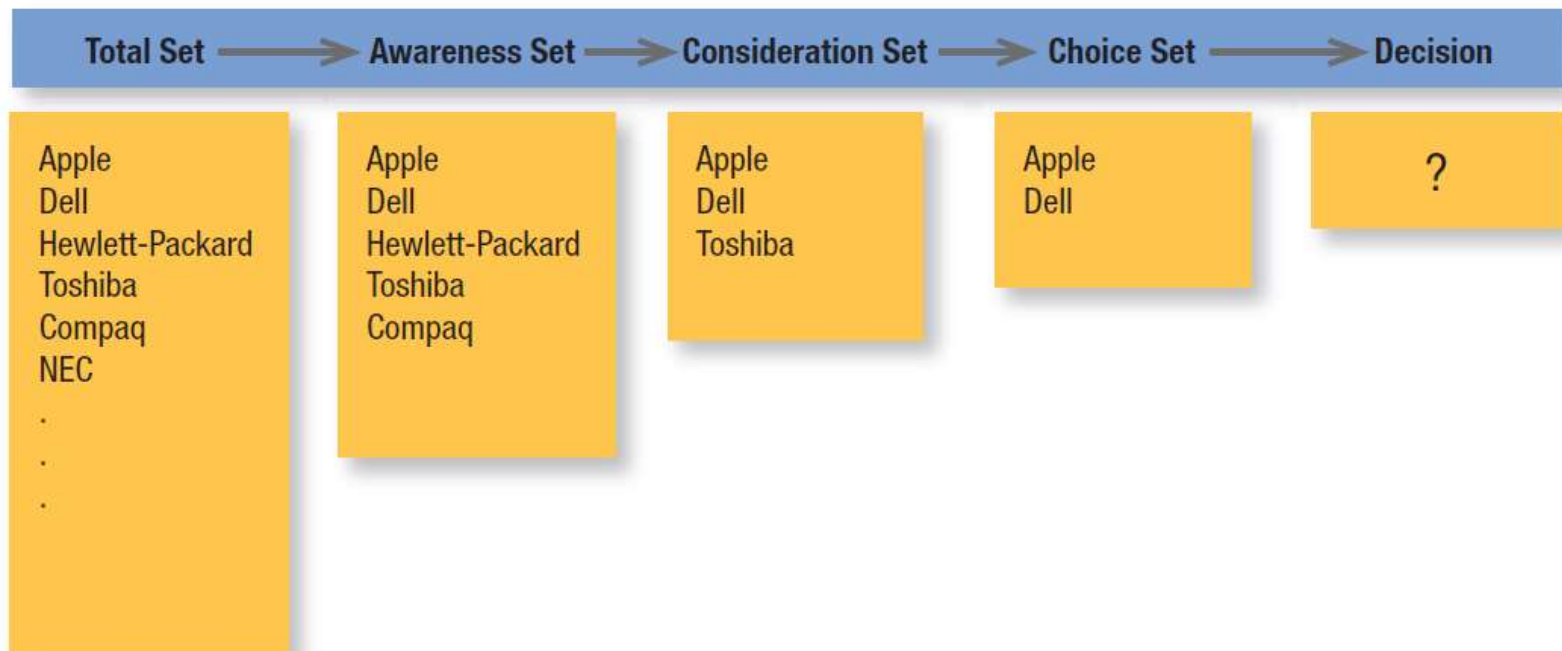


Consumers spend more time online than marketers. They are way ahead in information search, too. Today, 75% of the consumers go online first before they go to an automobile dealer. They have already searched for all the automobile models.

Jagdish N. Sheth, Charles H. Kellstadt chair of marketing in the Goizueta Business School at Emory University, US

<https://www.livemint.com/opinion/online-views/opinion-keeping-up-with-the-consumer-of-the-future-1564594511575.html>

## 2. INFORMATION SEARCH

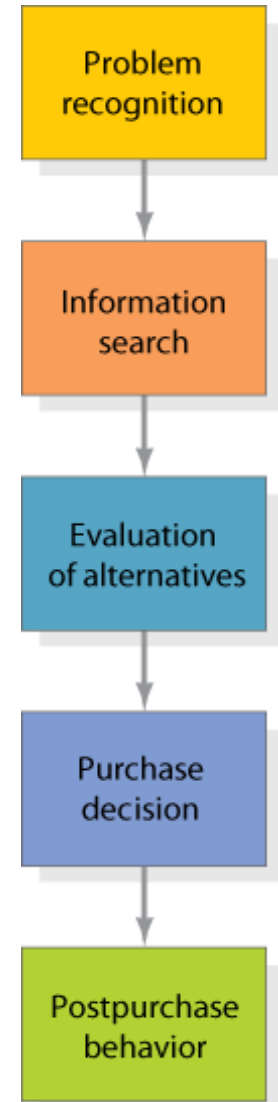


Five primary sources of information available to consumers:

- *Memory* of past searches, personal experiences, and low-involvement learning.
- *Personal sources*, such as friends, family, and others.
- *Independent sources*, such as magazines, consumer groups, and government agencies.
- *Marketing sources*, such as sales personnel, websites, and advertising.
- *Experiential sources*, such as inspection or product trial.



**Is this news adding new evaluation criteria?**



## PEOPLE HAVE DEVELOPED NEW HABITS. SAFETY AND HEALTH CONCERNS INFLUENCE SHOPPING

Percentage of respondents who are focusing on health and have started to study things which can strengthen the immune system

**52%**

Those who prefer eco-friendly and organic products

**41%**


Respondents who now view fresh and safe products as very important

**35%**

Those who prefer reassuring brands

**30%**





## Lenovo Responds to COVID-19

### A Message from CEO Yuanqing Yang

The spread of COVID-19 over the last two months continues to affect all of us. Even as progress is made and offices in some countries reopen, colleagues in other parts of the world are being asked to work from home, a reminder that this is an ever-changing, global issue that we all must work together to confront and overcome.

At Lenovo, we strive every day to bring smarter technology to all. That stems from our belief that putting the best technology in the hands of more people leads to better ideas and solutions to all of our challenges. Now more than ever, we are seeing the value of having the right technology, whether it is a medical researcher working on a vaccine, a teacher leading a class online, or individuals using the internet at home to get their work done. Technology will play a key role in helping address the near term challenges the virus has created. We are working hard to continue producing and developing the products that our customers use to address the challenges they face.

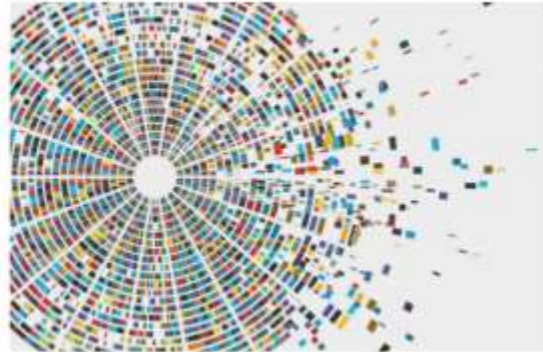
#### FEEDBACK

It's people who are the key to finding the solutions to these new challenges. Putting people first has always been a core value at Lenovo, whether referring to our employees, partners, customers or our communities. With that idea guiding our decisions, I wanted to update you on the steps we're taking to serve all those people.

## What Lenovo is doing



Supporting Our Communities During the Coronavirus Pandemic



Supercomputers, Genome Sequencing, and the Race to Decode  
Coronavirus



Lenovo Donates \$1.4 Million for Online Education in Hubei  
Province, China



Sprinting to Bring Tech to Emergency Hospitals in Wuhan,  
China



Technology Tips for Working Remotely



Living the 'Smart Normal' in Lenovo's Beijing Offices During  
COVID-19



	Attribute			
	Memory Capacity	Graphics Capacity	Size and Weight	Price
Model	Weight: 40%	Weight: 31%	Weight: 20%	Weight: 10%
A	8	9	6	9
B	7	7	7	7
C	10	4	3	2
D	5	3	8	5

$$\text{Model A} = 0.4 (8) + 0.3(9) + 0.2(6) + 0.1(9) = 8.0$$

$$\text{Model B} = 0.4 (7) + 0.3(7) + 0.2(7) + 0.1(7) = 7.0$$

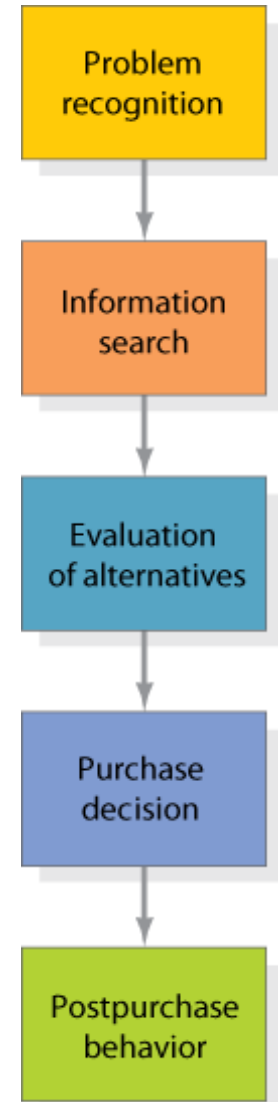
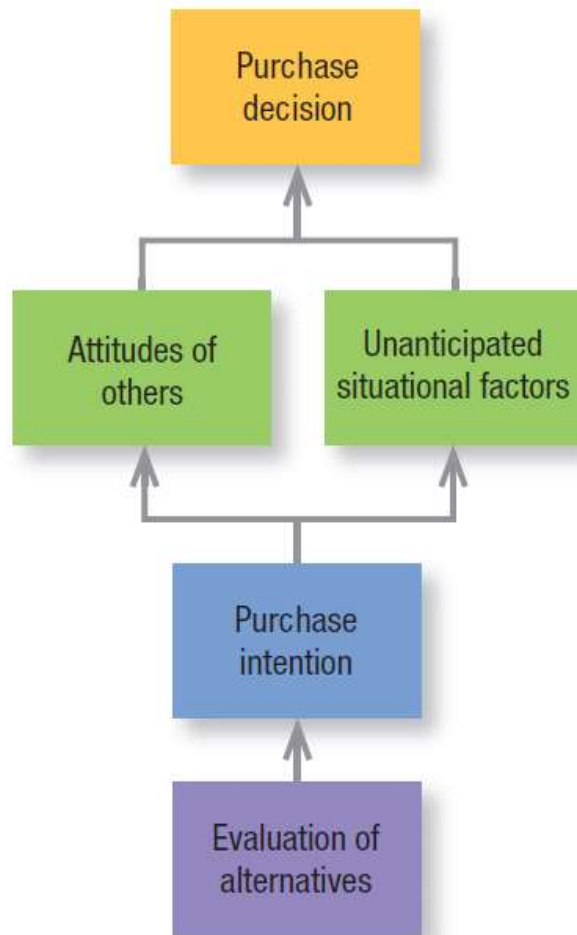
$$\text{Model C} = 0.4(10) + 0.3(4) + 0.2(3) + 0.1(2) = 6.0$$

$$\text{Model D} = 0.4 (5) + 0.3(3) + 0.2(8) + 0.1(5) = 5.0$$

**What strategies can marketer use to stimulate interest in Model B**



## 4. PURCHASE DECISION



## 5. POST PURCHASE DECISION

Dissatisfied



Defect

Satisfied

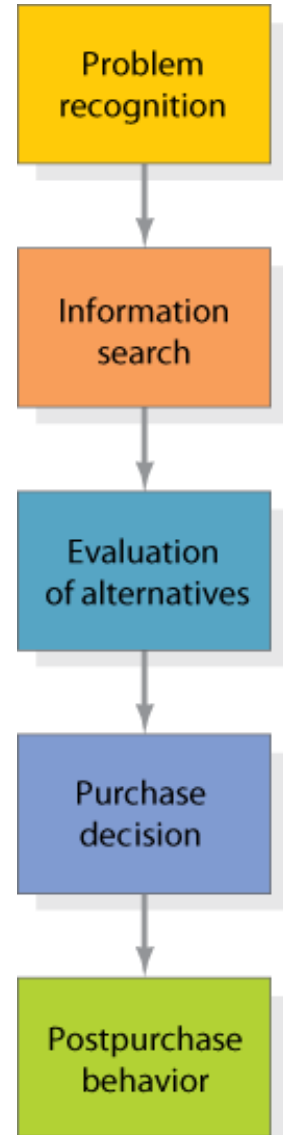


Stay or Go

Delighted



Loyal



# POST PURCHASE DISSONANCE



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# BUSINESS VS. CONSUMER MARKET

<i>Name of the characteristic</i>	<i>Consumer market</i>	<i>Business market</i>
1. Nature of demand	demand primary, more elastic	demand secondary or derived from demand in the consumer market has less elasticity in relation to the price
2. Consumption of goods	final	Intermediate
3. Number of buyers	more	Less
4. Geographic concentration	less	more
5. Qualification of buyers	dilettantes	Specialists
6. Order size	less	more, as the purchasing power of individual buyers is higher, and the one-time need is greater
7. Terms of orders fulfillment	less stringent	rigid, as there is a contractual relationship
8. Length of the goods movement channel	longer	Shorter



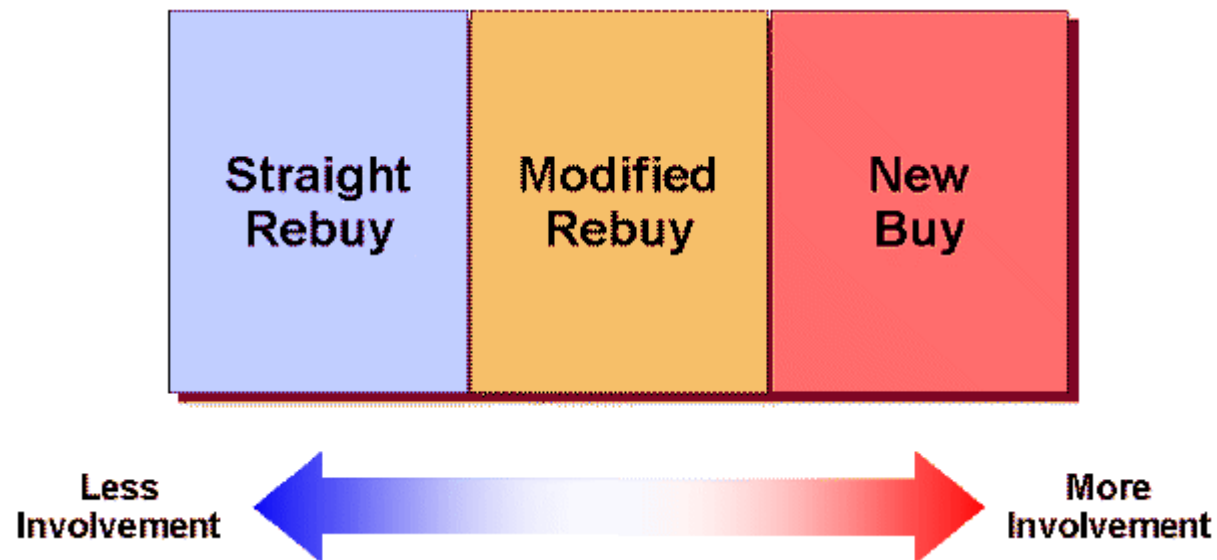
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# BUSINESS VS. CONSUMER MARKET







# ORGANIZATION BUYING STAGES



# Any Questions?



LPU Live Q2239 - MKT503

LPU Live Q2240 - MKT503

