



Lecture 4

Consumer Behaviour





Week	Lecture topic
1	Course overview and marketing planning
2	Marketing environments
3	Market research
4	Consumer behaviour
5	Segmentation, targeting and positioning
6	Product & Services Strategy
7	Pricing Strategy
	Mid-semester break
8	Place Strategy
9	Promotion - IMC
10	Evaluation, budgeting and implementation
11	Contemporary issues in marketing
12	Marketing mix review
13	Course review









Learning Objectives

- How do consumer characteristics influence buying behavior?
- What major psychological processes influence consumer responses to the marketing program?
- How do consumers make purchasing decisions?
- In what ways do consumers stray from a deliberative, rational decision process?

3



Activity Icon

Icon	Meaning	Activity
	Take notes	These are important points and you should take notes. You will be required to know this information.
	Individual Activity	Students complete an individual task.
	Group Activity	Students discuss/ complete activities in groups and report back to the class.
	Research required	You will need to research this and do some reading before the next class.
	Important Concept	You MUST understand this concept to successfully complete the subject. Seek help if you don't understand.
	Practice Questions	Students will complete these questions as practice.



What is a Consumer?

- Consumer – B2C
 - Individual
 - Household
 - Personal consumption
- Organisation – B2B
 - Business
 - Government
 - Institutions





Model Of Consumer Behavior

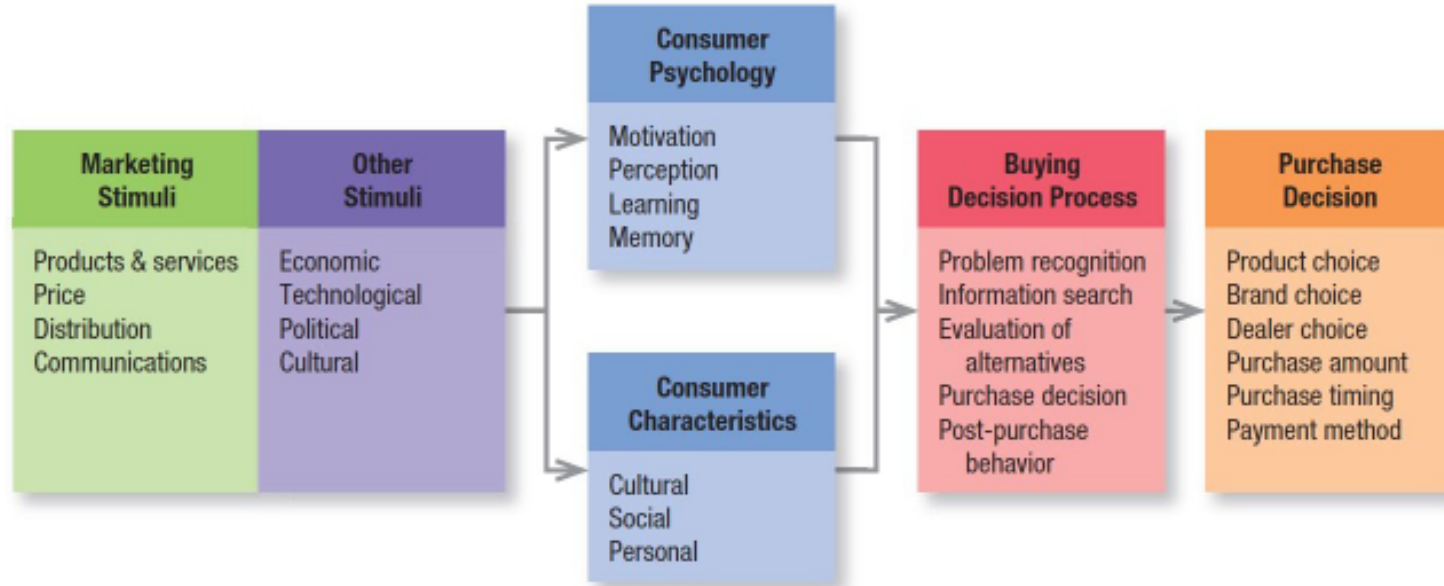


Image Source: Figure 6.1 Model Of Consumer Behavior
Kotler & Keller (2016) Marketing Management, Global Edition
15e



What Influences Consumer Behavior?





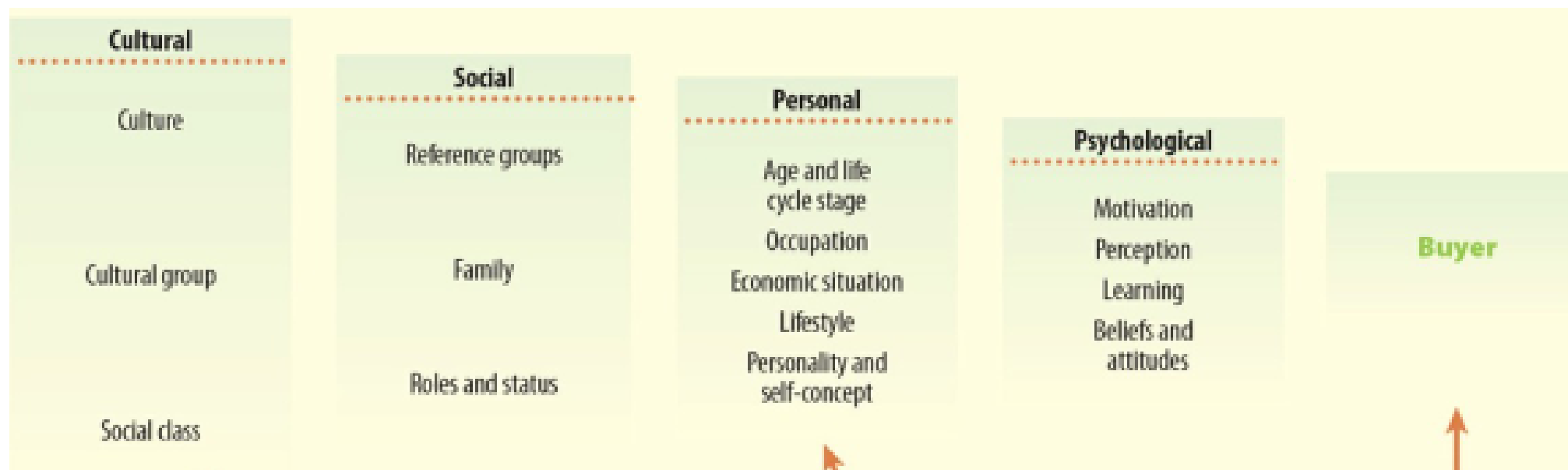
What Influences Consumer Behavior?

- The study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants
- Influenced by cultural, social, and personal factors

8



Buyer characteristics





Culture

Culture

The set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions.

Cultural group

A group of people with shared value systems based on common life experiences and situations.

Social class

Relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviours.



Social factors

Two or more people who interact to accomplish individual or mutual goals.

Groups that have a direct influence...

Membership groups

Reference groups

Aspirational groups

Opinion leaders

Online social networks



Family

- Family of orientation vs Family of procreation

Traditional purchasing roles are changing!

marketers must see both men and women as possible targets



Personal factors

Demographics

Standard population descriptors
e.g. age, economic situation, life-cycle stage,
education, occupation.

Lifestyles

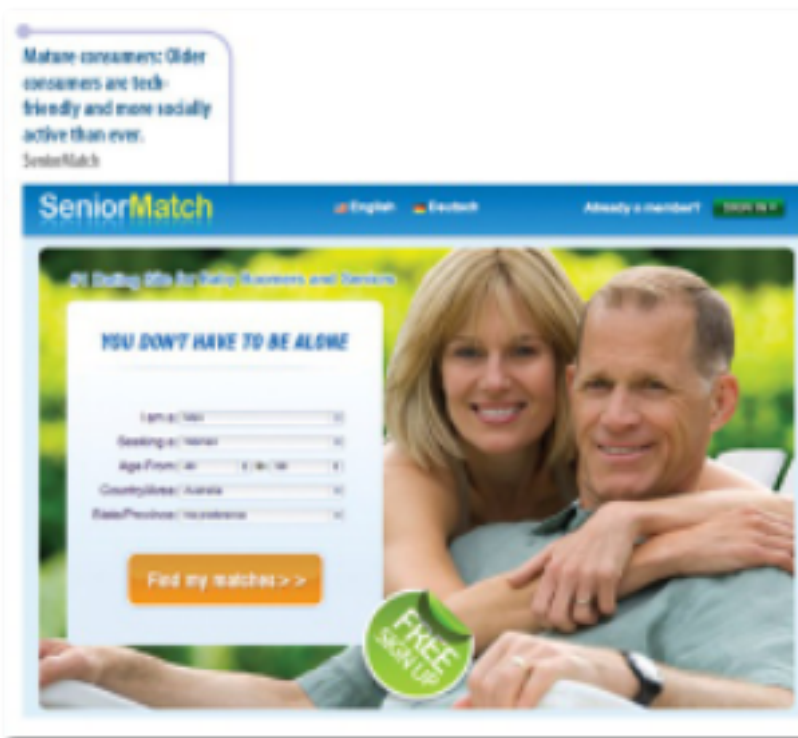
A person's pattern of living as expressed in his or her activities, interests and opinions.

Personality & self-concept

Personality refers to the unique psychological characteristics that distinguish a person or group.



Demographics and lifestyles



Research suggests that consumer behaviour is complex, and is shaped by the whole history of life events.
Lucy Lambriex/Getty



brainstorming

You are all grouped as students.

- What are some of the typical characteristics of students?



Personality, brand personality and self-concept

Brand
personality

The specific set of human traits that can be matched to a brand.

Brand personality traits (*identified in selected research*)...

Sincerity: down-to-earth, honest, wholesome and cheerful

Excitement: daring, spirited, imaginative and up-to-date

Competence: reliable, intelligent and successful

Sophistication: upper-class and charming

Ruggedness: outdoorsy and tough



Name the brand that comes to mind...

Sincere	Exciting	Competent	Sophisticated	Rugged



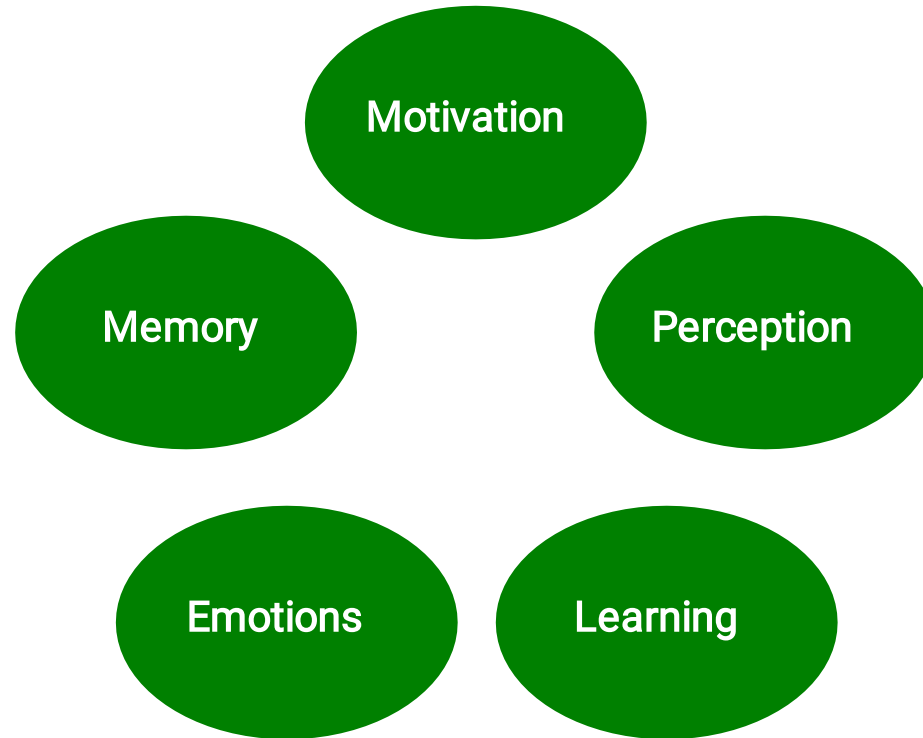
Self-concept

- A belief a person holds about his or her own attributes and how they evaluate these qualities.
- Real and Ideal Selves:
 - Ideal self is a persons conception of how they would like to be.
 - Real self is a more realistic appraisal of how they are
- Products play a pivotal role defining self concept

<https://www.youtube.com/watch?v=vilUhBhNnQc&=&NR=1>



Key Psychological Processes



19



Psychological factors



Motive
(or drive)

A need that is sufficiently pressing to direct the person to seek satisfaction.

Perception

The process by which people select, organise and interpret information to form a meaningful picture of the world.

Learning

Changes in an individual's behaviour arising from experience.

Beliefs &
attitudes

Belief: A descriptive thought that a person holds about something.

Attitude: A person's consistently favourable or unfavourable evaluations, feelings and tendencies towards an object or idea.



Motivation

Freud's Theory

Behavior is guided by subconscious motivations

Maslow's Hierarchy of Needs

Behavior is driven by lowest, unmet need

Herzberg's Two-Factor Theory

Behavior is guided by dissatisfiers and satisfiers



Perception and beliefs

- Young woman or old woman?



yes



no

Selective attention is the tendency for people to screen out most of the information to which they are exposed.

Selective distortion is the tendency for people to interpret information in a way that will support what they already believe.

Selective retention is the tendency to remember good points made about a brand they



MARKETING

Attitudes

Attitudes are difficult to change. Thus, companies generally try to fit their products into existing attitudes rather than attempt to change attitudes.

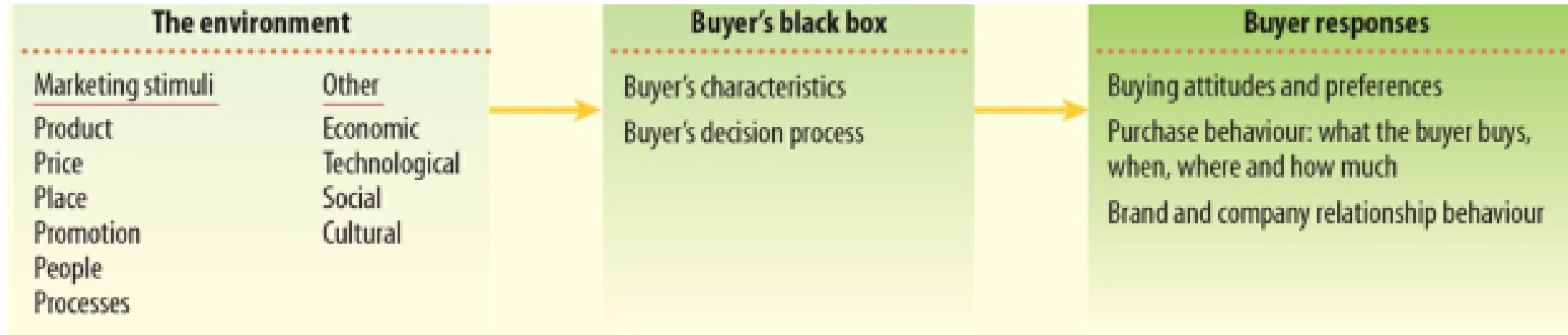


Attitudes: Wholeberry Folk's bake-at-home range taps into people's attitudes about health and well-being.

Packaging designed for Wholeberry Folk by Vicki White

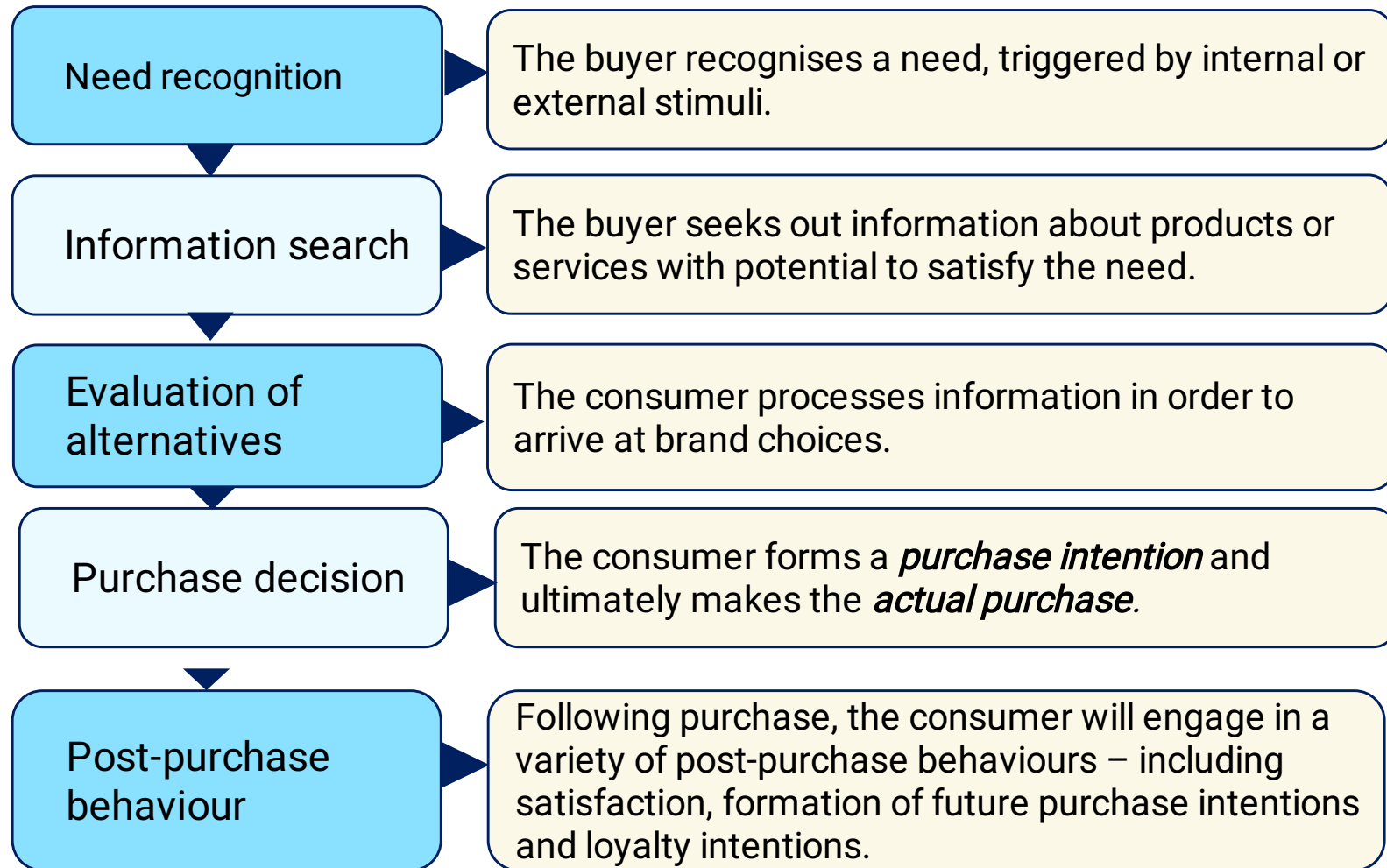


Model of Consumer Behaviour





The buyer decision process





The Buying Decision Process

- Problem recognition
- The buyer recognizes a problem / need triggered by internal/external stimuli

27



The Buying Decision Process

Information search

- Personal sources
- Commercial sources
- Public sources
- Experiential sources

28



Sets Involved In Decision Making

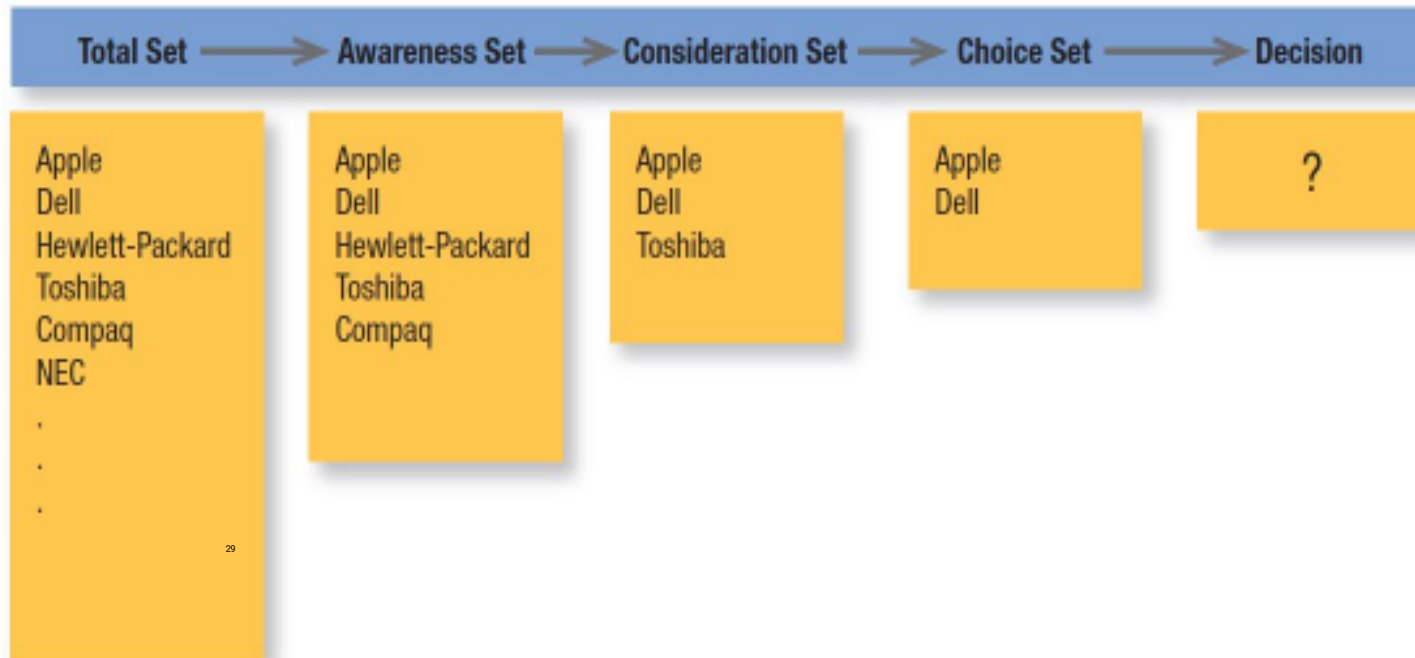


Image Source: Figure 6.5 Sets Involved In Decision Making
Kotler & Keller (2016) Marketing Management, Global Edition
15e
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The Buying Decision Process

- Evaluation of alternatives
- Expectancy-value model (compensatory model)

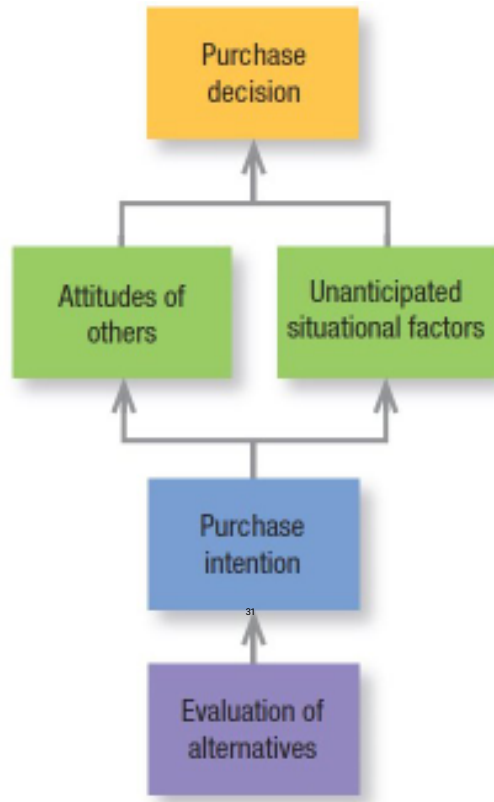
TABLE 6.3 A Consumer's Brand Beliefs about Laptop Computers

Laptop Computer	Attribute			
	Memory Capacity	Graphics Capability	Size and Weight	Price
A	8	9	6	9
B	7	7	7	7
C	10	4	3	2
D	5	3	8	5

Image Source: Kotler & Keller (2016) Marketing Management, Global Edition 15e
Pearson Education Limited



The Buying Decision Process



Intervening factors

Image Source: Kotler & Keller (2016) Marketing Management, Global Edition 15e
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Types of perceived risk



32



The Buying Decision Process

- Post-purchase behavior
 - Post-purchase satisfaction
 - Post-purchase actions
 - Post-purchase uses and disposal

33



Customer Product Use/Disposal

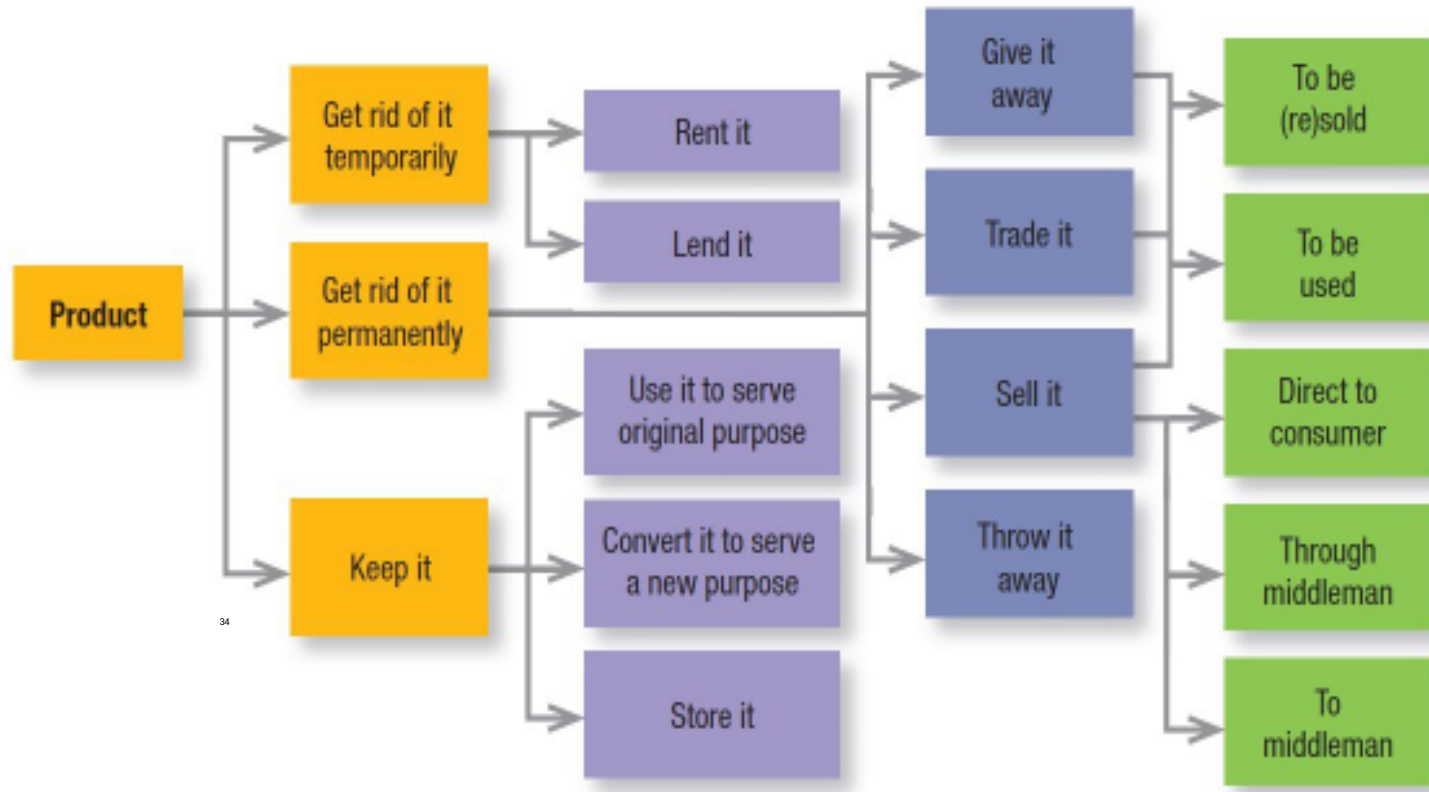


Image Source: Figure 6.7 Customer Product Use/Disposal Kotler & Keller (2016) Marketing Management, Global Edition 15e Pearson Education Limited

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Moderating Effects on Consumer Decision Making

- Low-involvement Consumer Decision Making
- Variety Seeking Buying Behavior



Image Source: Kotler & Keller (2016) Marketing Management, Global Edition 15e
Pearson Education Limited



Who Benefits from the Study of Consumer Behaviour?

Marketing
Managers

Ethicists and
Advocacy
Groups

Public Policy
Makers and
Regulators

Academics

Consumers
and Society



Marketing Implications

1. Developing and implementing customer-oriented strategy
2. Selecting the target market
3. Developing products
4. Positioning
5. Promotions and marketing communication decisions
6. Pricing decisions
7. Distribution decisions



Workshop next week

- Influences on consumer buying decision
- Expand the decision making process

Lecture next week

- Segmenting, targeting and positioning



• See You in the
Tutorials & Workshops



Thank You.

