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## MARKETING : CONSUMER BEHAVIOUR

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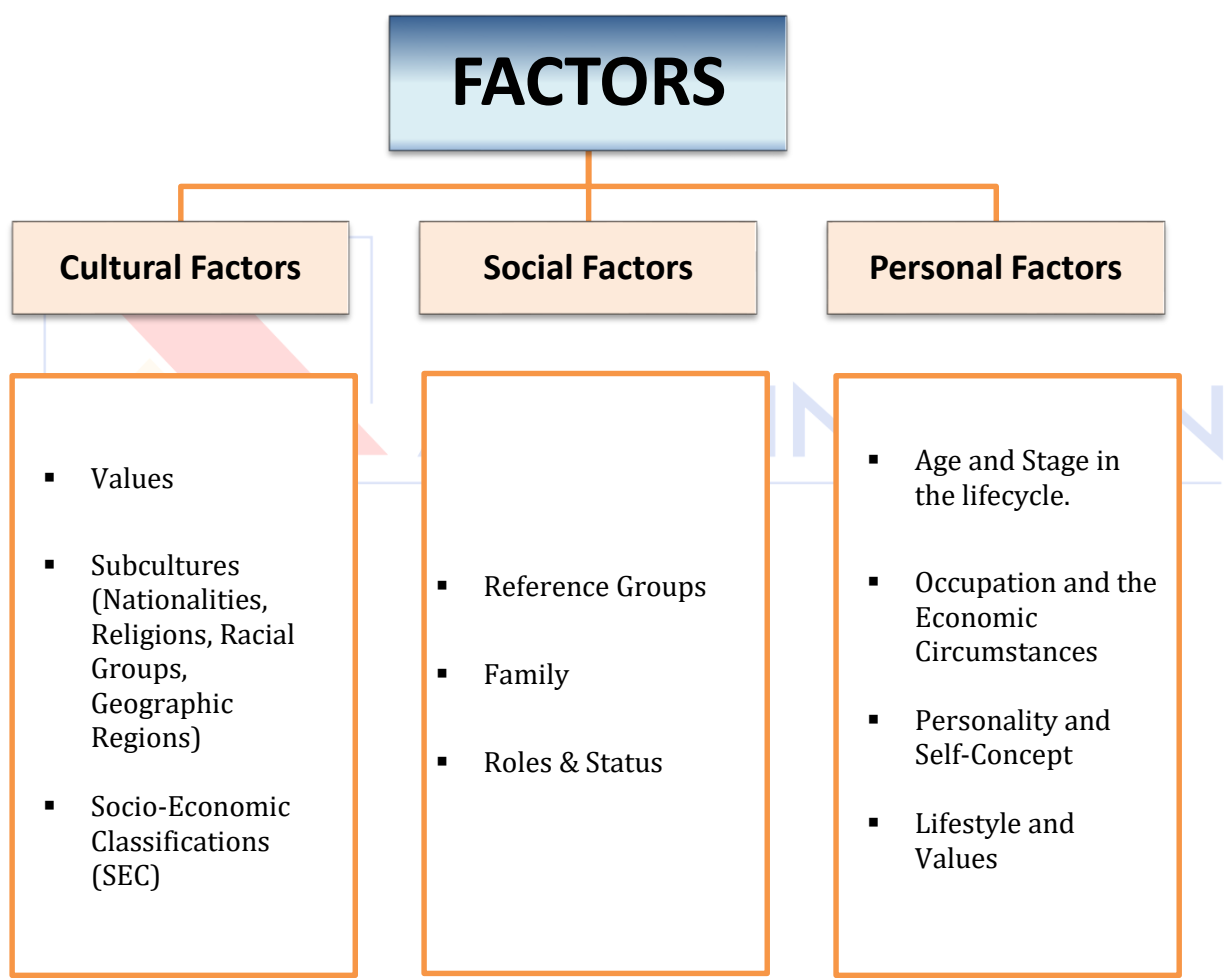


## ➤ Analyzing Consumer Markets :

### • Consumer Behaviour :

✚ Consumer Behaviour is the study of how the individuals, groups, and organizations **select, buy, use, and dispose of goods, services, ideas, or experiences** to satisfy their needs and wants.

### • Factors influencing consumer behaviour :





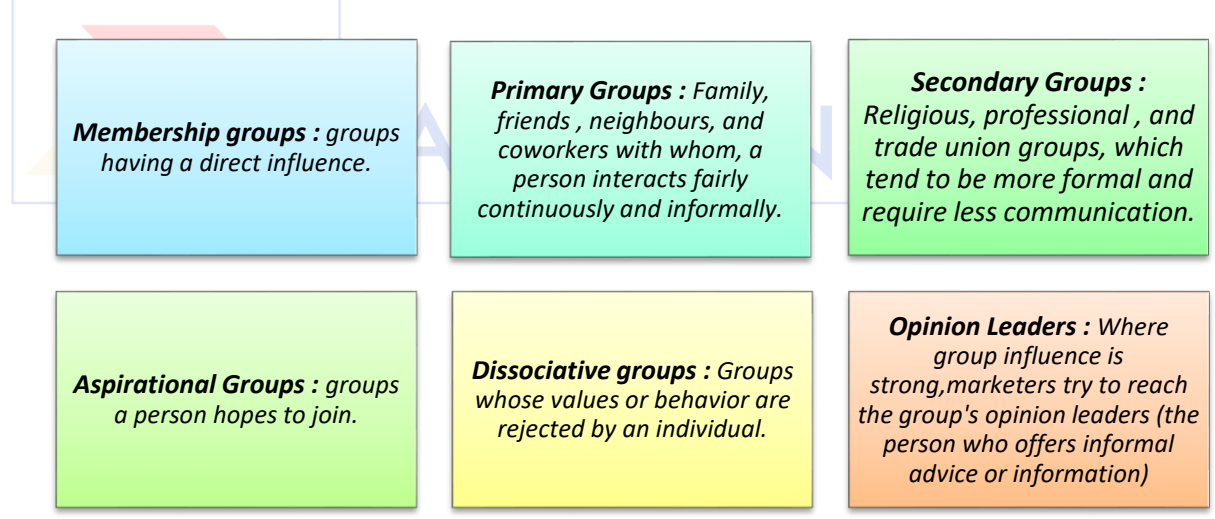
### ❖ Cultural Factors :

- + Culture is the **fundamental determinant** of a person's wants and behaviour.
- + Marketers must **attend to cultural values in every country** to understand how to best market their existing products and find opportunities for new products.
- + Each culture consists of smaller **subcultures**.
- + **Social Classes** : Social Stratification in all human societies which are relatively **homogeneous and enduring divisions** in a society, **hierarchically ordered** and with members who share **similar values, interests and behaviour**.
- + Indian marketers use a term called **Socio-Economic Classification (SEC)** which uses a **combination of the education and occupation** of the chief wage earner of the household to classify buyers in **urban** areas. For **rural** areas, the system uses the **occupation** of the chief wage earner of the household and the **type of the house** to classify households.

### ❖ Social Factors :

- **Reference groups :**

- + A person's reference groups are all the groups that have a direct (face-to-face) or indirect influence on their attitudes or behavior.



- **Family**

- **Roles & Status :**

- + A person's position in each group can be defined in terms of role and status.
- + A **role** consists of the **activities a person is expected to perform**. Each **role** in turn **connotes** a **status**.



## ❖ Personal Factors :

### ▪ Age and Stage in life cycle :

- + Our taste in food, clothes, furniture and recreation is often related to our age.
- + Marketers should also consider **critical life events or transitions** -marriage, childbirth, illness, relocation, divorce, first job, career change, retirement, death of a spouse- as giving rise to **new needs**. These **should alert service providers**-banks, lawyers, and marriage, employment and bereavement counselors- to ways they can help.

**Example :** Titan wedding Collection

### ▪ Occupation and Economic Circumstances :

- + Marketers try to identify the occupational groups that have above-average interest in their products and services and even **tailor products for certain occupational groups**.
- Example :** Computer software companies design different products for brand managers, engineers, lawyers, and physicians.

### ▪ Personality and Self-Concept :

- + **Personality :** Set of **distinguishing human psychological traits** (self-confidence, dominance, autonomy, deference, sociability, defensiveness, and, adaptability) that lead to relatively consistent and enduring responses to environmental stimuli (including buying behaviour)

- + **Brand Personality :** Specific mix of human traits that we can attribute to a particular brand.

- + **Consumers are likely to choose brands whose personalities match their own.**

**Example :** Levi's on "ruggedness", MTV on "excitement", CNN on "competence".

- + Consumers often choose and use brands with a brand personality consistent with their **actual self-concept** (how we view ourselves) or **ideal self-concept** (how we would like to see ourselves) or even on **other's self-concept** (how we think others see us)

**Example :** Axe, caters to consumers who want others to view them as appealing.

### ▪ Lifestyle and Values :

- + A lifestyle is a person's **pattern of living** in the world as expressed in **activities, interests and opinions**.

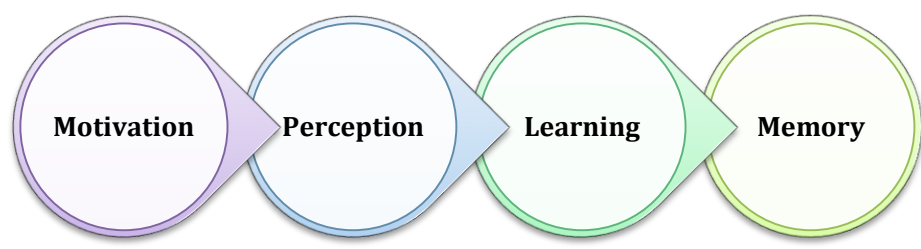
- + Marketers search for **relationship between their products and lifestyle groups**.

**Example :** Steeljunction (Tata) provides a platform for steel manufacturing fraternity to come together to showcase the aesthetics and beauty of the material and provides a one-stop destination for all customer requirements.

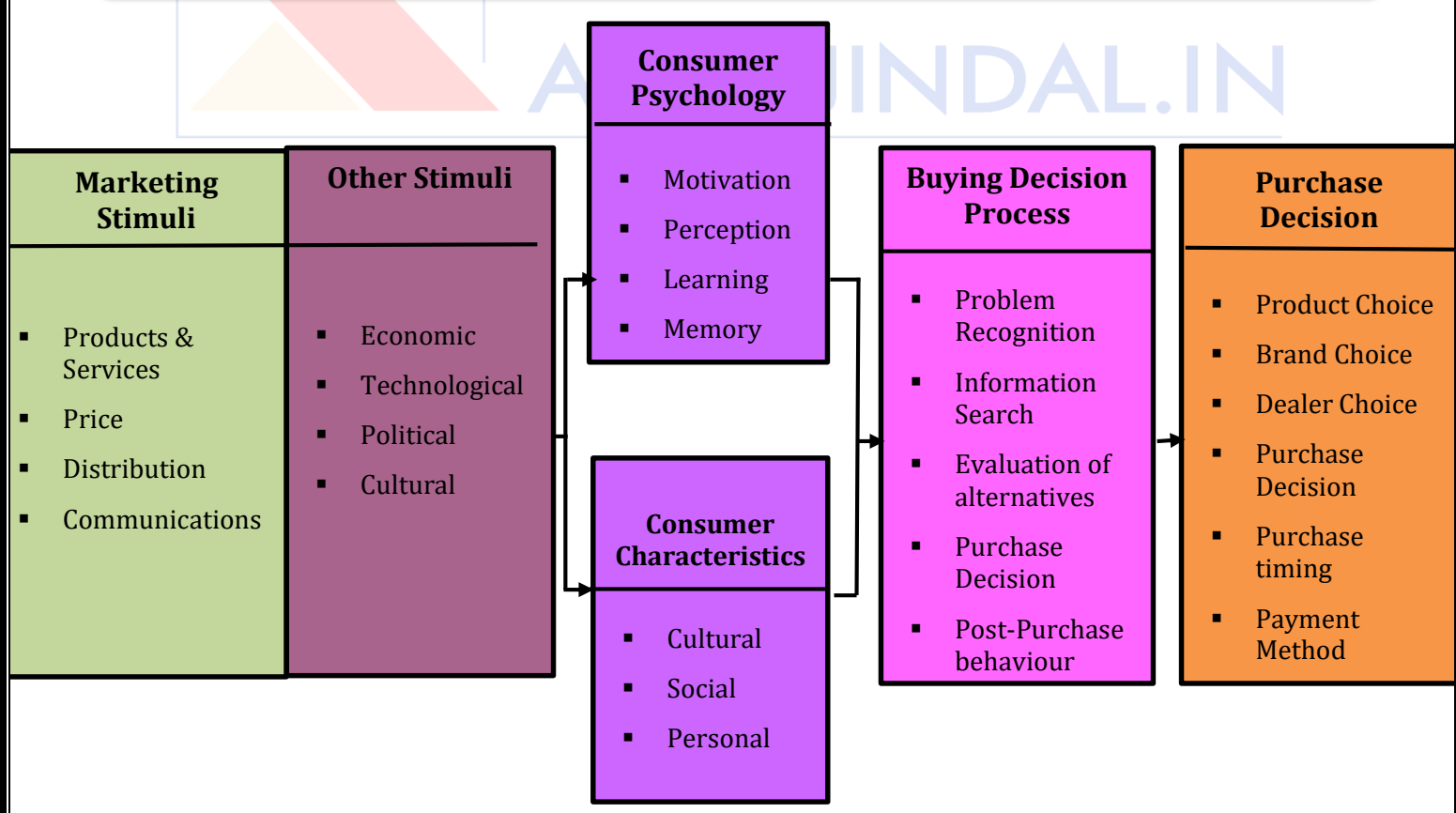


**Key Psychological Processes :**

- The starting point for understanding consumer behavior is the stimulus-response model.
- The marketer’s task is to understand what happens in the consumer’s consciousness between the arrival of the outside marketing stimuli and the ultimate purchase decision.
- Four key psychological processes fundamentally influence consumer responses :



**STIMULUS-RESPONSE MODEL**





## ➤ Motivation theories :

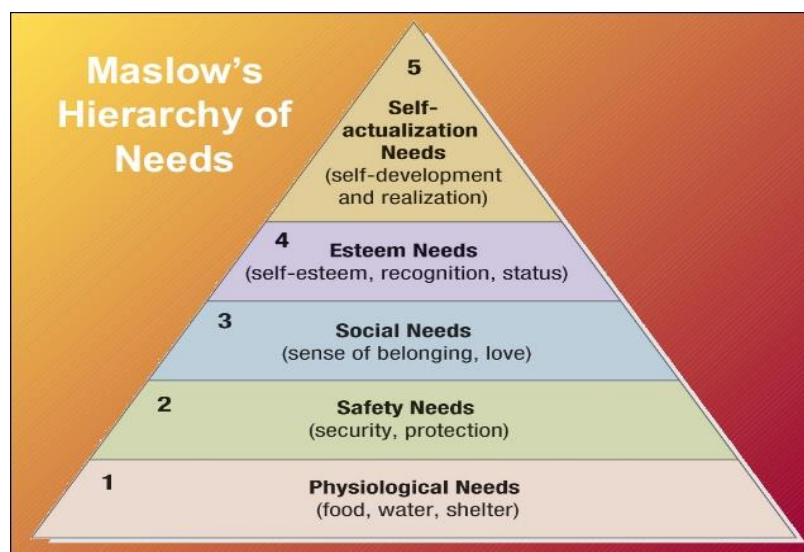
### • Freud's Theory : (by Sigmund Freud)

- Freud assumed that **psychological forces** shaping people's behavior are largely **unconscious**, and that a person cannot fully understand his or her own motivations.
  - While examining brands, consumers not only react to their stated capabilities but to also to other **less conscious cues** such as shapes, size, weight, material, color, brand name
  - A technique called **laddering** lets us trace a person's motivations from the stated **instrumental ones to the more terminal ones.**
  - Motivation researchers often collect in-depth interviews with a few dozen consumers to uncover deeper motives triggered by a product. They use **projective techniques** like word association, sentence completion, picture interpretation, and role playing, many pioneered by **Ernest Dichter.**
- Example :** 1. **Whiskey** brands can meet the need for social relaxation, status or fun. Different brands need to be motivationally positioned in one of these three appeals.

2. **Chrysler** did a great deal of market research before launching PT Cruiser.

### • Maslow's Need Hierarchy Theory : (by Abraham Maslow)

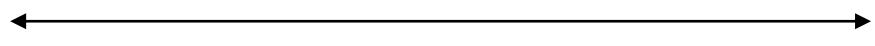
- Maslow explained that human needs are arranged in a **hierarchy from most to least pressing**- physiological needs, safety needs, social needs, esteem needs, and self-actualization needs.
- People will try to satisfy their most important need first and then try to satisfy the next most important.





## • Herzberg's Theory : (by Frederick Herzberg)

- ✚ Two-factor theory that distinguishes **dissatisfiers** (factors that cause dissatisfaction) from **satisfiers** (factors that cause satisfaction).
- ✚ The absence of dissatisfiers is not enough to motivate a purchase ; satisfiers must be present
- ✚ **Example :** A computer that does not come with a warranty would be a dissatisfier. Yet the presence of warranty would not act as a satisfier or motivator of a purchase. Ease of use would be a satisfier.



**Dissatisfiers**

**Satisfiers**

- ✚ Herzberg's Theory has **two implications :**
  1. Sellers should do their best to avoid dissatisfiers. These things will not sell a product, they might easily unsell it.  
**Example :** A poor training manual or a poor service policy
  2. The seller should identify the major satisfiers or motivators of purchase in the market and then supply them.

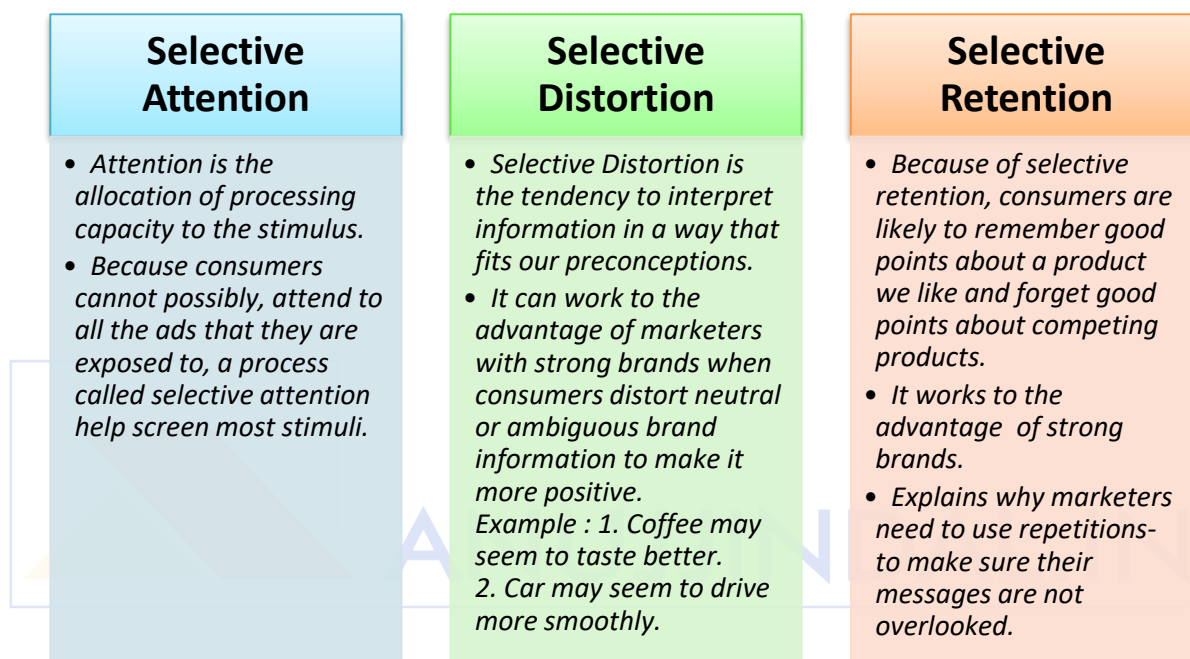


## ➤ Perception :

- ✚ Perception is the **process by which we select, organize, and interpret information** inputs to create a meaningful picture of the world.

**Example :** One person might perceive a **fast-talking salesperson** as aggressive and insincere; another, as intelligent and helpful.

- ✚ People emerge with different perceptions of the same object because of three perceptual processes :



### Some Findings :

- 1. People are more likely to notice stimuli that relate to a current need :**  
*Example :* A person who wants to buy computer is likely to notice computer ads more than mobile phone ads.
- 2. People are likely to notice stimuli they anticipate :**  
*Example :* Consumers are more likely to notice computers in a computer store than mobile phones.
- 3. People are more likely to notice stimuli whose deviations are large in relationship to the normal size of the stimuli :**  
*Example :* You are more likely to notice an ad offering Rs. 5,000 off the list price of a computer than one offering Rs 250 off.

### Subliminal Perception :

A topic that has fascinated marketers for ages is subliminal perception. They argue that marketers embed covert, subliminal messages in ads or packaging. Consumers are not consciously aware of them, yet they effect behaviour.