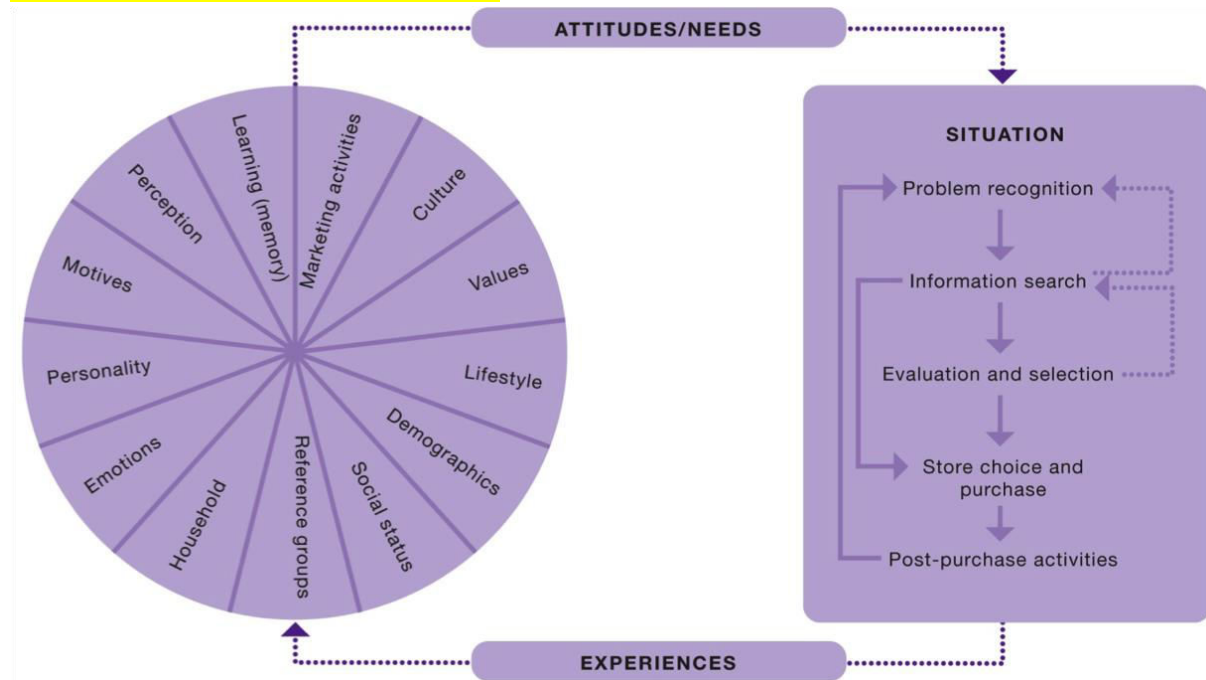


LECTURE 1 (chapter 1)

Overall model of Consumer Behavior



- Individuals engage in purchasing to improve their lifestyle. This is a major influence on their consumption of products and services.
- Based on experiences (bottom) and their individual attitudes and needs (top) they choose certain products.
- Retailers and marketers need to recognise the complexity involved and that some influences are more important than others to individual consumers.

Consumer Behavior the dynamic interaction of cognition, behaviour and environmental events by which human beings conduct the exchange aspects of their lives.
(American Marketing Association)

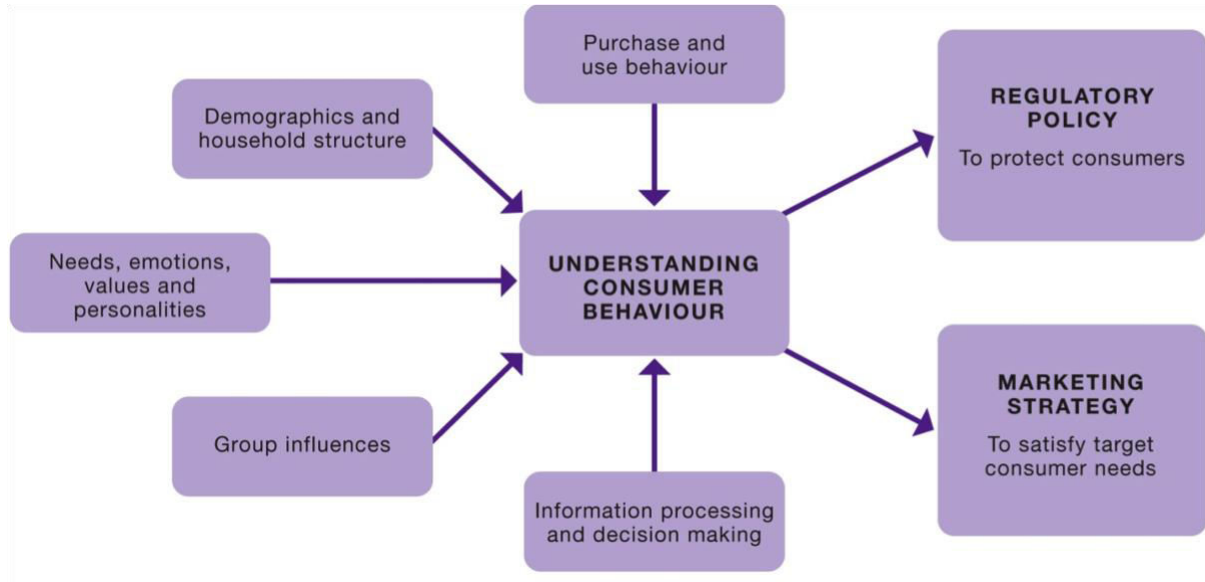
Understanding consumer behavior also allows us to appreciate how various societies function, as consumption is an important activity in all cultures.

Customer value the difference between all the benefits derived from a total product and all the costs of acquiring those benefits.

To be successful, a new product must solve a consumer problem.

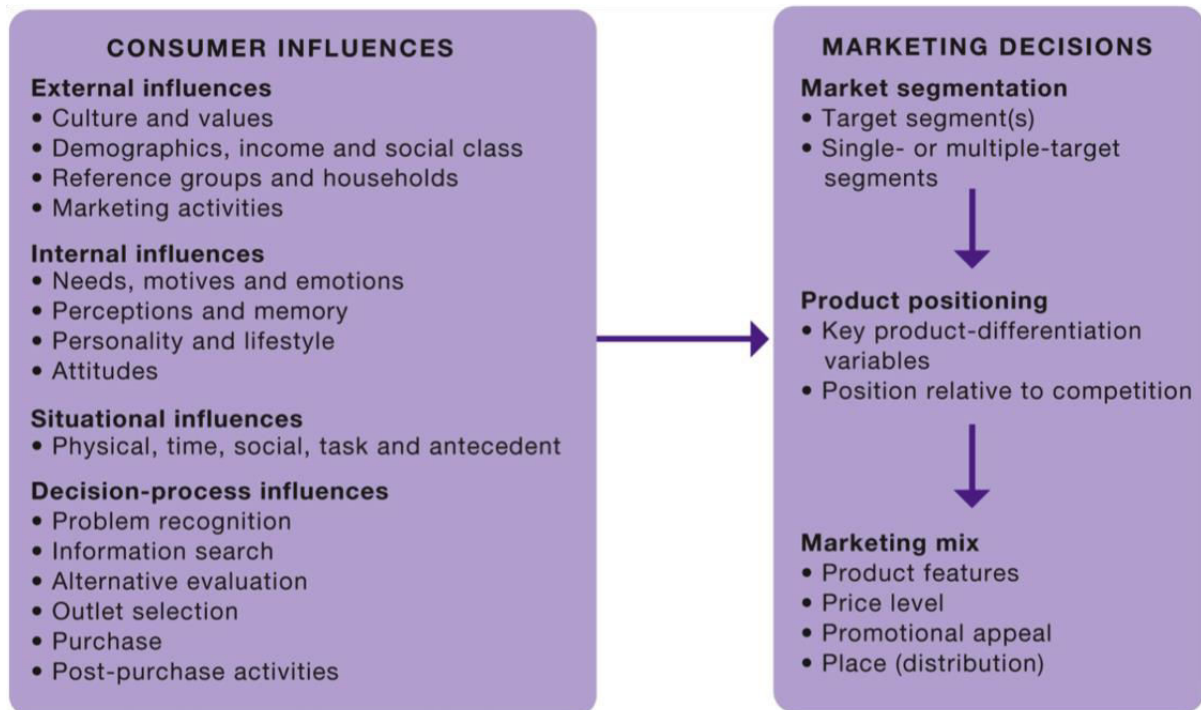
Consumerism The activities of governments, organisations, businesses and concerned consumers aimed at protecting and enhancing the rights of consumers.

Influences on Consumer Behavior



Marketing decisions are based on

- Market segmentation
- Product positioning
- Marketing mix



Global marketing a form of international marketing that aims to target particular consumer segments, regardless of where they are located in the worlds, using standardised marketing mixes.

The marketing mix the combination of product, price, distribution and promotion.

Injurious consumption consumer behavior that may be harmful to oneself or others.

Chapter 2 SITUATIONAL INFLUENCES

4 types of situational influences

The consumption process occurs within four broad situations:

1

Communication

- Recognition Context: TV, Radio Program etc
- **How to best support awareness and recall**

2

Purchase

- Purchase Context; with friends, children etc
- **How to best support purchase environment?**

3

Usage

- Usage Content: wine for party, children etc
- **How to best support purpose of the purchase?**

4

Disposal

- Disposal Context: replacement, update etc
- **How to best support disposal of purchase**

Communication situation the situation in which consumers receive information about goods and services affects their behaviours (how we see and listen to marketing messages). Whether we are: alone or in a group; in a good mood or a bad one; in a hurry or not; and so on.

Purchase situation the situation in which product selection and purchase actually occurs. (rushing to class, shortage of time, weather, etc.)

Usage situation the situation in which the purchased good or service will be used (how we use and alter products/services).

Disposal situation the situation in which the product and/or product packaging is discarded before or after use.

Dimensions of situational influence

Physical Surroundings

Social Surroundings

Temporal Perspectives

Task Definition

Antecedent States

Physical surroundings the material environment surrounding the consumer at the time of communication, purchase or consumption.

- Interior décor/design (see, feel)
- Music (hear)
- Aromas (smell, taste)
- Store location (easy access, parking)
- Temperature (air-conditioning or heating)
- Choice provided (complexity, across categories)

Social surroundings the presence of other people who could have an influence on the individual consumer's behaviour.

- Types of customers in the store
- Queues and crowding
- Whether the consumer is likely to be known by others/recognised
- Whether there are high-profile people/celebrities shopping at that store
- Whether the product will be consumed privately or in the presence of others

Temporal perspective situational characteristics that deal with the effect of time on consumer behavior.

- Whether the product is seasonal
- Whether the product is urgently required (snack between lectures)
- Time available for shopping limited/excess (the product may be an excuse for shopping)
- How long the previous product lasted or was expected to last

TO BE CONTINUED..