

[MKTG101] Marketing Fundamentals

Week 4 Lecture

Consumer Behaviour

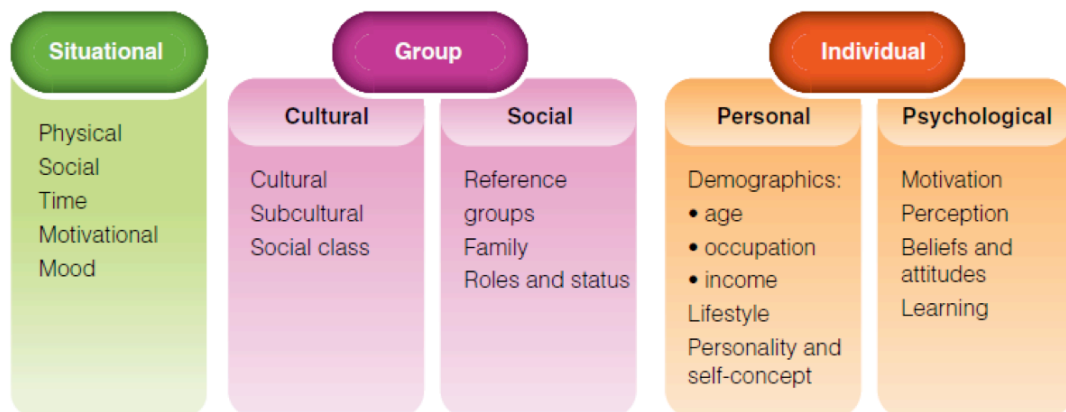
Things we are discussing:

- Explain why marketers require a thorough understanding of consumer behaviour and its major influences
- Understand the major group factors that influence consumer behaviour
- Analyse the major individual factors that influence consumer behaviour
- Explain the general steps in the consumer decision-making process.

1. Consumer Behaviour

Definition – The analysis of the behaviour of individuals and households who buy goods and services for personal consumption.

- Consumers make decisions along a continuum, from habitual decision-making behaviours at one end to extended decision-making behaviours at the other.



Situational influences

- The circumstances consumers find themselves in when making purchasing decisions. These include:
 - physical location
 - social interaction
 - time available
 - purchase motivation
 - consumer mood

2. Group factors

Group influences comprise of cultural factors (*the influence the values, beliefs, and customs of the person's community*) and social factors (*the influence of other people*).

Cultural influences

- **Cultural factors**
 - Influences on behaviours that operate at the level of the whole society, or of major groups within society.
- **Culture**
 - The system of knowledge, beliefs, values, rituals and artefacts by which a society or other large group defines itself.
 - Culture includes tangible elements such as clothing and food, and intangible elements such as laws, religious beliefs and customs.
- **Power distance** – Degree of acceptable inequality within a culture.
- **Uncertainty avoidance** – Extent to which people feel threatened by uncertainty and seek to reduce it.
- **Individualism** – Extent to which people focus on their own goals over those of the group.
- **Masculinity** – Extent to which assertiveness and status are valued over solidarity and life quality.
- **Long-term orientation** – Pragmatic, long-term orientation is valued over a short-term focus.
- **Subculture** – A group of individuals who share common attitudes, values and behaviours that distinguishes them from the broader culture in which they are immersed.

- **Multiculturalism** – The existence of diverse cultures within a society.

Class influences

- **Social class**
 - A group comprising individuals of similar rank within the social hierarchy.
 - An individual's social class is defined by values and lifestyles, and often by indicators such as income, occupation and education.

Social influences

- **Social factors** – Influences on the individual to behave in a way that reflects group norms.
- **Reference group** – Any group to which an individual looks for guidance.
- **Membership reference groups** – Groups to which the individual belongs.
- **Aspirational reference groups** – Groups to which the individual would like to belong.
- **Dissociative reference groups** – Groups an individual does not wish to be associated with or which the individual may wish to leave.

Opinion leader

- A reference group member who provides relevant and influential advice about a specific topic of interest to group members.
- Diffusion of innovations is a theory explaining the way in which innovations are adopted.
- 'Innovators' introduce innovations, 'early adopters' including opinion leaders then drive adoption by the 'early majority', before it reaches the 'late majority' and the 'laggards'. There may be 'non-adopters'.

Family

- **Family life cycle** – A series of characteristic stages through which most families pass.
- **Family decision-making roles** – Who has responsibility for making specific types of decisions within the family.