

# Buyer Behaviour Notes Summarised

*For exam revision and course overview*

## Week 1: Introduction

- **Key Terms**

**marketing strategy:** *the combination of product, price, distribution and promotion most suited to a particular group of consumers*

**consumer behaviour:** *a discipline dealing with how and why consumers purchase (or do not purchase) goods and services*

**customer value:** *the difference between all the benefits derived from a total product and all the costs of acquiring those benefits*

- **Important for marketers to study consumer behaviour**

1. Buyer behaviour knowledge is the driving force of marketing strategy and company success – anticipate consumer behaviour is key to planning and managing in the ever-changing market. For example, understanding what consumers view as a possible improvement for a particular product.

2. Understand consumer's issues or problems and develop products that deliver value to them – Consumers buy or have valuable experiences and/or solve a problem. Therefore marketers need to understand buyers in-depth; their desires, preferences, problems, context, in order to be able to target consumer needs.

## Week 2: Situational Influences

- **Communication, Purchase, Usage, Disposal**

**situation:** *the set of factors other than the individual consumer and the stimulus object (e.g. product, television advertisement) to which the consumer might react (e.g. by purchasing the product or viewing the advertisement)*

**situational influence:** *the influence on purchase decisions of situational factors*

## The four consumption situations

### Communication situation

..in which consumer receives information about the good/service

e.g. the recognition context could be via a TV advertisement

- it involves the how we see/listen to market messages, and includes their effectiveness in relation to factors such as our mood, whether we are alone, if we are interested it is a receptive communication setting.

### Purchase situation

..in which product selection and purchase occurs

e.g. with friends at the shopping centre, online alone

- involves who we are with, whether we are in a rush, these can affect outlet chose, number of alternatives looked at, and price willing to pay. For example, if with friends may be willing to pay higher price than usual to not be perceived as cheap

### Usage situation

.. in which the product purchased is used or consumed

e.g. using special glasses when consuming wine at a party, vs coffee cup or from the bottle when at home alone

- marketers look at how the product promotes consumer satisfaction in each relevant consumption setting

### Disposal situation

..in which the product and/or packaging is discarded (before or) after use

e.g. having to dispose before new purchase such as a car, or having to trade in such as gas bottle

- **Physical and Social Surroundings**

**Physical surrounding:** *the material environment surrounding the consumer at the time of purchase*

- Store atmosphere: sum of all physical features of the retail environment  
e.g. the impact of music, lighting, décor, colour, staff friendliness and store temperature will need to reflect the brand or products sold. These influences will generate appropriate perceptions of the retail environment, and these perceptions will, in turn, influence the purchase decision .

**Social surrounding:** *other persons present that can have an influence on an individuals consumer behaviour*

- These can be positive or negative, and marketers generally have little control over  
e.g. long queues and crowding may deter individuals from making a purchase, whereas high profile people shopping within the store may enhance an individuals purchasing behaviours

- **Purchase involvement**

Purchase involvement: level of concern or interest in purchase process

Habitual → involving no decision, low involvement

Extended decision making → high level of purchase involvement, including information search and evaluation of alternatives

- **Problem recognition**

**Problem recognition:** *recognising the existence of a discrepancy between the consumer's desired state (what the consumer would like) and the actual state (what the consumer perceives as already existing).*

e.g. actual state is owning an iPhone 5s, desired state is owning an iPhone X

**actual state:** *the condition the consumer perceives themselves to be in at this point in time*

**desired state:** *the condition the consumer would like to be in at this point in time*

Desire to resolve:

- Depends on the magnitude of the discrepancy
- The relative importance of the problem

active → consumer is aware of problem, or will become aware of

inactive → consumer is not yet aware of

influence the desired state, influence perceptions (highlight discrepancies) of the actual state