

# Seminar 1 - Introduction and Overview

## Consumer behaviour

### 1. Basic definition

Consumer	1. A human being 2. Problem solver, attempting to develop, maintain and/or change their lifestyle
Consumption	The interactions of people with the material and virtual world
Consumer behaviour	1. Actions, reactions, and consequences that take place as the consumer goes through a decision-making process, reaches a decision, and then puts the product to use 2. How consumers behaviours in situation involving goods, services, ideas and experiences

### 2. Segmentation

- a. Enables marketers to design marketing strategies
  - i. Target specific consumers
  - ii. Position their brands
- b. Requires consumer insight

### 3. Micro vs. macro consumer behaviour

	Micro	Macro
Focus	Individual's purchase behaviours of buying, using, disposing	Impact of consumer behaviour on society
Dependent variables	Buying choices	Individual, interpersonal & cultural effects
Independent variables	Marketing variables & individual differences	Marketing variables & consumer choices

### 4. Social context-culture of consumption

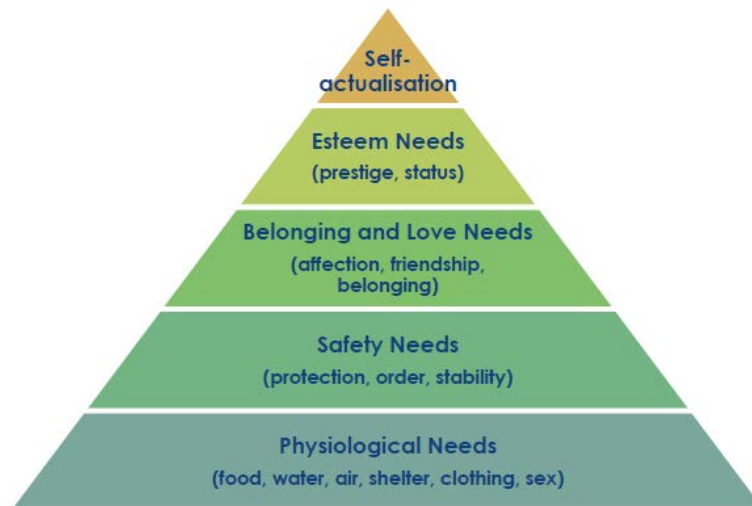
- a. Consumerist society - use consumption to construct identity & advertise values & beliefs
- b. Material & symbolic environment with marketplace products, images & messages

## Needs, motivations, consumer behaviour

### 1. Primary vs Secondary needs

- a. Primary needs - biological / physiological
  - i. Nature - Often fulfil to stay alive
  - ii. Generally aware / conscious of
- b. Secondary needs - psychological
  - i. Nurture - Learnt in response to our cultural & environmental context
  - ii. Often not fully conscious / aware of these underlying needs or motivations

### 2. Maslow's Hierarchy of needs



- a. Not as rigid as perceived
  - i. Some people may value self-esteem more than love
  - ii. May focus only on physiological needs
  - iii. Multiple motives behind each needs
- b. Useful and versatile
  - i. Segmentation
  - ii. Positioning
  - iii. Designing promotional strategies
- c. Dynamic
  - i. Existing needs rarely completely / permanently satisfied
  - ii. How these needs are manifested into goals may change
  - iii. Higher order needs emerge to be fulfilled
  - iv. People who achieve their goals set new & higher goals for themselves
- 3. Intrinsic vs Extrinsic motivation
  - a. Intrinsic: inherent challenge, fun, interest, and satisfaction without external pressure, or reward
  - b. Extrinsic: external demand, regulation, sanction, or outcome
- 4. Needs & advertising appeals
  - a. Rational
    - i. Connects with rational brain
    - ii. Emphasising function needs
  - b. Emotional appeal
    - i. Relates to social / psychological needs
  - c. Emotional vs. rational appeal
    - i. Emotional
      - 1. Creative & effective advising stimulate emotional response
      - 2. Better remembered by
      - 3. Instinctive - brain naturally wired to respond emotionally
    - ii. Rational
      - 1. Better for small & new brands
  - iii. Emotional & rational brains work together rather than separately