

Consumer Behaviour Notes

Marketing: Activity of satisfying wants and needs through exchange process, almost like a business philosophy, as by creating/satisfying wants and needs of consumers you can better sustain a business.

Consumer Behaviour: Study of processes involved when individuals/groups select, purchase, use or dispose products, services, ideas, experience, to satisfy needs.

Roles Theory: Consumers can be seen as actors on marketplace stage. Each consumer has lines, props, costumes that are necessary to put on a performance.

Consumer behaviour studies how the consumers “perform”.

Consumer behaviour is an economic process where exchanges take place, these exchanges often involved many players.

Decisions made by consumers are critical to an exchange being carried out successfully to the benefit of all concerned parties.

Consumer Behaviour is a Process: Ongoing process, not merely exchanging goods/services.

3 Phases of Consumer Behaviour Process:

1) **Preconsumption**

2) **Consumption**

3) **Post-Consumption**

Co-create Value: Consumers wish to co-create value through active involvement during the process

Crowdsources: Consumers involved in ventures. Eg. Fundraising, innovation, manufacturing (Kickstarter)

Consumer: Person/Organisation who identifies a need or desire, makes a purchase and then disposes the product.

Users involved in this sequence of events may be; Purchaser, User, Influencer.

Consumers' Impact on Marketing:

- Firms exist to satisfy consumer's needs

- Knowledge about consumers should be incorporated into every aspect
- Important to identify products that reflect consumer needs
- Some trends that have been identified: Moral consumerism, thrift, online shopping

Market Segmentation:

Identified groups of consumers who are similar, then devises marketing strategies that appeal to the groups.

- Based on demographics - through statistics, measuring aspects of population (Age, Gender, Family, Social class, Geography)
- Based on product usage - targeting most faithful customers (Heavy Users)
- Based on psychographics – psychological, lifestyle characteristics

Brands often have defines images/personalities created by advertising, packaging, branding, that help **positioning a product** in a certain way. (Jeep associated with ruggedness, Apple associated with innovation)

Relationship Marketing:

Building long lasting relationships with customers. Occurs when company makes effort to interact with customers on a regular basis, allowing them to bond with company over time.

Database Marketing:

Involves tracking consumers buying habits very closely and crafting products according to the information on consumer preferences. (Hotels, financial services, food companies use database marketing)

Marketing impact significantly on Consumers and Pop Culture.

People often buy products not for what they DO, but for what they MEAN.

4 Types of relationship with product:

- Self-Concept attachment – Establish users identity
- Nostalgic attachment – Serves as a link with past self
- Interdependence – Product is part of daily routine
- Love – Emotional bond with product

Global Consumer Culture

People around the world united by common devotion to a brand name consumer goods, or celebrities.

Rise of global marketing means even smaller companies look to expand globally.

Companies need to understand customers in other countries as well. (Macdonalds have different product in difference countries according to their food culture)

Digital Marketing/Social Media influence:

Individuals are now more than consumers of information - they contribute, co-create and act as **prosumers**

Digital marketing increased convenience; removed the barriers of time and location. (Shop in America in the middle of the night)

Created revolution in Business selling to Consumers, and Consumers selling to Consumers. Creating **virtual brand communities**

Digital Native: consumers who have grown up in a digital world, always-on world, always networking.

Marketers and consumers coexist in a network of public and private relationships where boundaries are blurred between online offline.

Marketing Ethics:

Business ethics: Rules of conduct that guide action in the market place. Depends on a cultures/organizations rights and wrongs.

Public Policy and Consumerism:

In Aus, government agencies oversee consumer-related activities (Consumer Affairs and Consumer Online, ACCC, ASIC, National Standards Commission, State Offices of Fair Trading and Consumer Affairs)

Ensure regulation in consumer area.

Consumer Activism:

Consumers become activists when they promote the rights, consciousness and interests of consumers.

Culture Jamming: Strategy to disrupt efforts by the corporate world to dominate our cultural landscape. Will change the way information flows, the way institutions wield power, the way tv stations run, the way food, fashion, sports, music, culture industries set their agendas.

Consumer Decision Process

Situational influence

5 basic situational influences:

- **Physical surroundings** – Store location, Interior décor, Music, Smell, Temperature, Choice provided

Typology of service environments

FIGURE 2.3 / Typology of service environments

Time spent in facility	Consumption purpose		
	Utilitarian		Hedonic
Short (minutes)	Drycleaner Bank	Fast food Hair salon	Facial Coffee at Starbucks
Moderate (hours)	Medical appointment Legal consultation	Business dinner Evening class	Theatre Sporting event
Extended (day(s) or week(s))	Hospital Trade show	Conference hotel Training centre	Cruise Resort

Note: The darker the shading, the more important the physical features of the servicescape.

- **Social surroundings** – People around you such as, how comfortable are we with the people around us, crowds, personal space, types of customers in the store, who you are with
- **Temporal perspectives** – Amount of time available such as, if product is seasonal (fashion), limited addition, product urgently required, how long product/service lasts
- **Task definition** – Depending on the task you are buying it for such as, if it's a gift or not, red or white wine for my dinner tonight
- **Antecedent states** – **Moods:** Feeling sad triggers sweets; **Momentary conditions:** Cant buy icecream because tooth hurt, feeling hungry before shopping so you buy more groceries than usual.

Ritual Situations:

Set of interrelated behaviours that occur in a structured format, which have a symbolic meaning occurring in socially-defined occasions

For example, have to buy roses for valentines

Important to marketers as they define consumption, eg anniversaries, seasonal gifts