

MKT2CBE Chapter 1 Revision

Consumer behaviour refers to the set of value-seeking activities that take place as people go about addressing and attempting to address real needs.

A want refers to a specific desire that spells out a way a consumer can go about addressing a recognised need.

An exchange refers to the acting out of a decision to give something up in return for something perceived to be of greater value.

Costs refer to negative results of consumption experiences.

Benefits refer to positive results of consumption experiences.

Benefits – Costs = Value

Consumption refers to the process by which consumers use goods, services, or ideas and transform them into value.

Consumer behaviour as a field of study refers to the study of consumers as they go through the consumption process.

- Science of studying how consumers seek value in an effort to address real needs.

Customer orientation refers to a way of doing business in which actions and decision making of the institution prioritise consumer value and satisfaction above all other concerns.

Market orientation refers to an organisational culture that embodies the importance of creating value for customers among all employees.

Stakeholder orientation refers to when firms recognise that more than just the buyer and seller are involved in the marketing process.

Relationship marketing refers to a firm's marketing activities that aim to increase repeat business as a route to strong firm performance.

- Recognises that customer desires are recurring and that single purchase act may only be one touchpoint in a series of interactions with the customer.

Touchpoints refer to direct contacts between the firm and the customer.

- Not needed to be face-to-face, can include advertising.

Resource-advantage theory refers to a theory that explains why companies succeed or fail; the firm goes about obtaining resources from consumers in return for the value the resources create.

An attribute refers to a part, or tangible feature, of a product that potentially delivers a benefit of consumption.

A product refers to the potentially valuable bundle of benefits.

Innovation

Successful innovations exhibit all or some of these characteristics:

- Relative advantage – makes things better than before
- Simplicity – simpler innovation is better than a complex
- Observable – tend to be adopted faster
- Trialability – things that can be tried with little or no risk get adopted faster