
MKTG2112 CONSUMER BEHAVIOUR: STUDY NOTES

INTRODUCTION TO CONSUMER BEHAVIOUR (CHAPTER 1)

CONSUMER BEHAVIOUR: study of the processes involved when customers select, purchase, use or dispose of goods/services that satisfy needs and desires

- Includes **pre-consumption, consumption and post-consumption phases**
- Marketers → insight into commercial/social interactions evolving from consumer's decisions and lifestyle
- Interaction of **cognition, behavior, environmental** events by which human beings conduct the **exchange** (*value in use*) aspects of their lives
- Set of **value-seeking activities** that occur when people try to fulfil their **needs and wants** by **engaging in marketplace exchange of items**

Role Theory: *consumer behaviour resembles actions in a play → consumers alter consumption decisions based on "play" at the time*

Consumer: a person who:

- Identifies a need or desire
- Makes a purchase or consumes a purchased product
- Disposes of the product
- Many people may be involved in this sequence of events (purchaser/user/influencer)
- Organisations, groups, families, individuals

Tri-Component Model (*model of CB*):

1. **Cognition** (rational/irrational)
2. **Emotion**
3. **Behavior** (consumer behaviour theories)

CB Process:

| | Consumer | Marketer |
|----------------------------|---|---|
| 1. Pre-consumption | <ul style="list-style-type: none">- Consumer decision process in deciding for product- Information sources | <ul style="list-style-type: none">- Change consumer attitudes- How to differentiate |
| 2. Consumption | <ul style="list-style-type: none">- Experience of acquiring product- <i>Insight from consumer purchase</i> | <ul style="list-style-type: none">- Store atmospherics/retail landscape |
| 3. Post-consumption | <ul style="list-style-type: none">- Product satisfy need/want- Disposal → environmental consequences | <ul style="list-style-type: none">- Ensure consumer satisfaction- Ensure brand loyalty |

Value in use: the value of a good to the consumer in terms of the usefulness provided

- ***Symbolic value:*** the meaning a consumer attaches to a good or possession to influence and participate in the social world
- ***Value co-creation:*** consumers wish to co-create value through active involvement during the exchange process
- ***Crowdsourcing:*** where consumers become involved in ventures such as fundraising, innovation, manufacturing

Perspectives on CB: classified by ***paradigms*** → (set of assumptions about CB/how to study)

1. **Positivism (modernism):** emphasises the supremacy of human reason and a single objective truth is found through science
 - o Function of objects
 - o Champion technology
 - o World = rational
 - o ***Criticism:*** too much emphasis on material wellbeing + homogenizes cultural views
2. **Interpretivism (postmodernism) →** emphasises the importance of symbolic, subjective experience and the idea that meaning is based on unique and shared experiences
 - o ***Pastiche:*** the world is composed of a mixture of images

Marketing → study and management of exchange relationships, and play significant role in our view of the world and how we live in it

- **Market segmentation:** identifying groups of consumers who's needs and wants are similar, and then devising marketing strategies that appeal to one or more groups
- **Popular culture:** music, movies, sports, books etc. consumed by the mass market
 - o Can be based upon usage (targeting "heavy users")
- **Demographics:**
 - o Observable measurements of population's characteristics (e.g. age, gender, family structure)
- **Economics of information:** advertising is an important source of consumer information, as it impacts the economic cost of time spent searching for products

BUSINESS ETHICS: rules of conduct that guide actions in the marketplace; marketing practices must abide by BE

Normative ethics: theories providing the norms of behaviour

- o ***Deontological:*** duty to others
- o ***Teleological (consequential):*** ethical behaviour produces the best consequences

Green Marketing: strategies firms undertake that protect natural environment

Building consumer relationship:

- **Relationship marketing:** strategic perspective that stresses the long-term, human side of buyer-seller interactions