

CONSUMER BEHAVIOUR & MARKETING **COMMUNICATION**

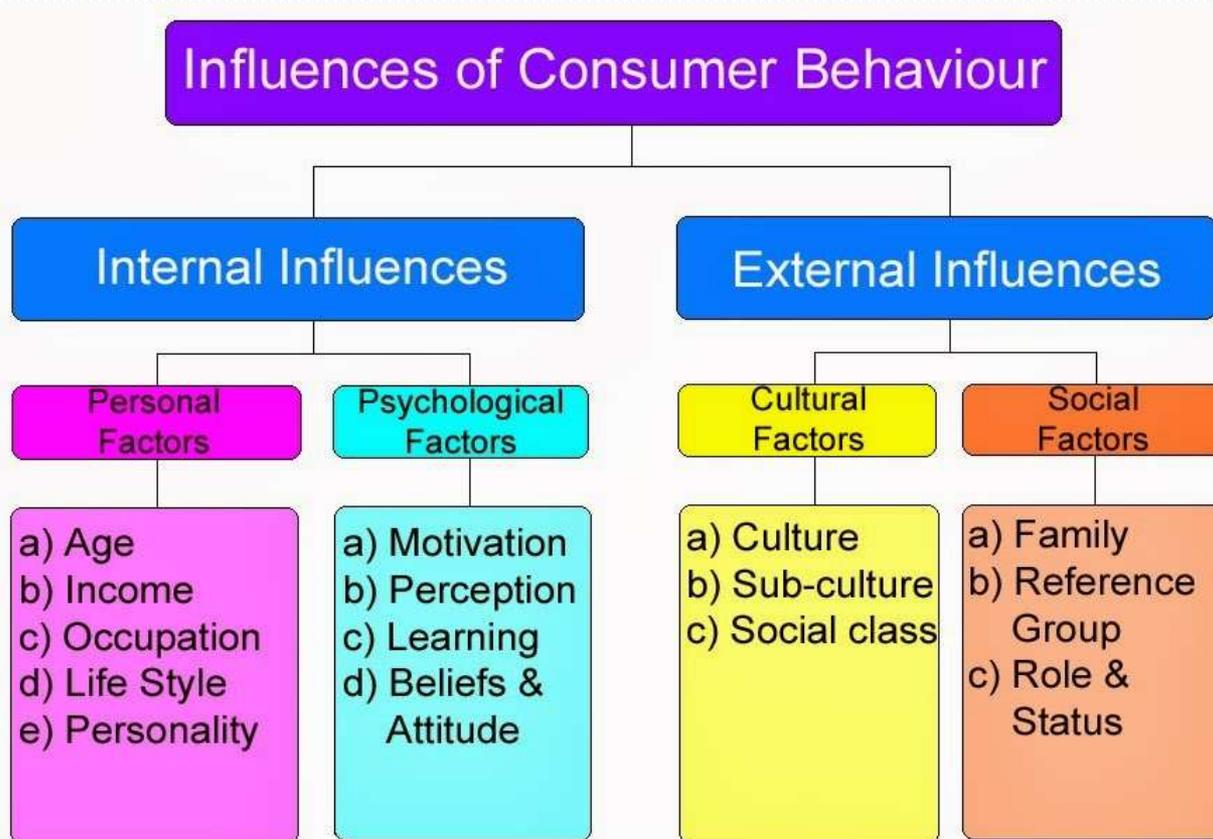
Consumer Behavior

Consumer behavior is the study of individuals and organizations and how they select and use products and services. It is mainly concerned with psychology, motivations, and behavior.

Consumer Behavior and the Marketing Concepts;

- How consumers think and feel about different alternatives (brands, products, services, and retailers)
- How consumers reason and select between different alternatives
- The behavior of consumers while researching and shopping
- How consumer behavior is influenced by their environment (peers, culture, media)
- How marketing campaigns can be adapted and improved to more effectively influence the consumer

Factors influencing Consumer Behavior



Consumer Motivation-The concepts of motivation

Motivation. Needs are the core of the marketing concept. The study of **Motivation** refers to all the processes that drives in a person to perceive a need and pursue a definite course of action to fulfill that need. What are Needs – Every individual has needs that are required to be fulfilled.



Maslow's Theory of Motivation

Maslow's Hierarchy of Needs



Self-actualization

morality,
creativity,
spontaneity,
problem solving,
lack of prejudice,
acceptance of facts

Esteem

self-esteem, confidence,
achievement, respect of others,
respect by others

Love/belonging

friendship, family, sexual intimacy

Safety

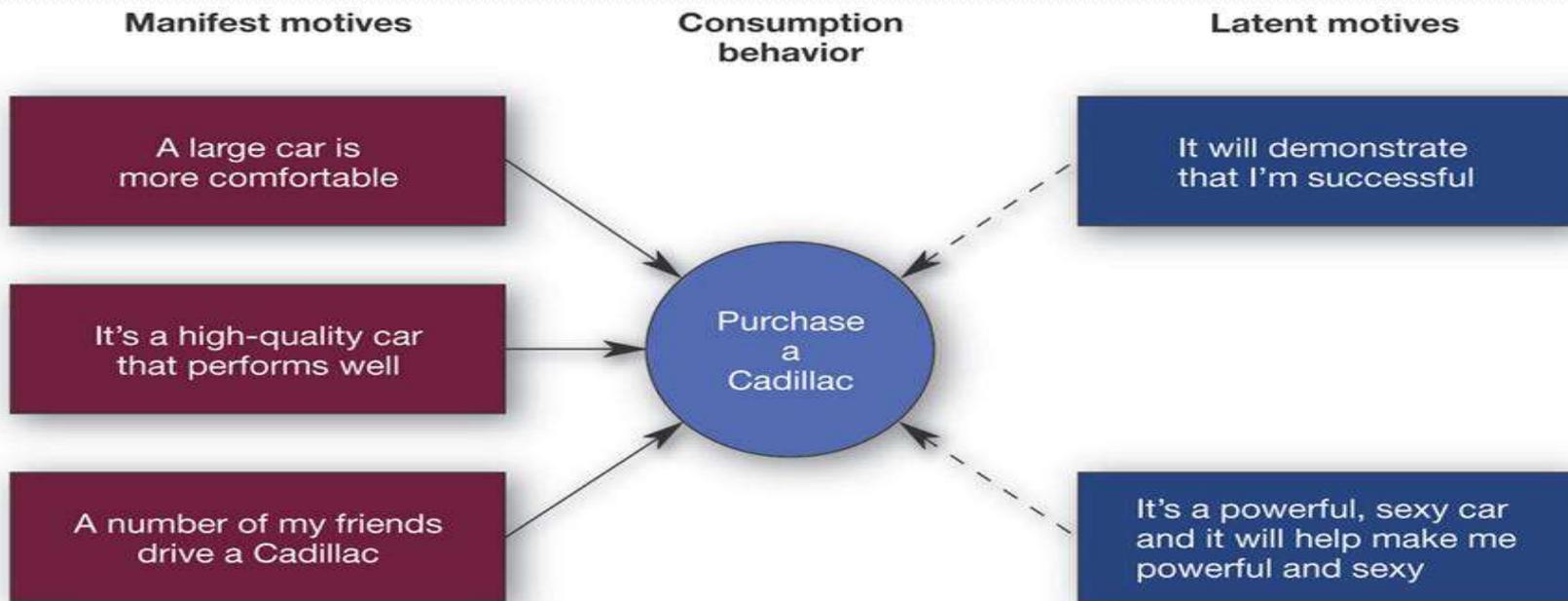
security of: body, employment, resources,
morality, the family, health, property

Physiological

breathing, food, water, sex, sleep, homeostasis, excretion

Role of Motives in Guiding Behavior; Involvement of Consumer

Role of Motives in Guiding Behavior

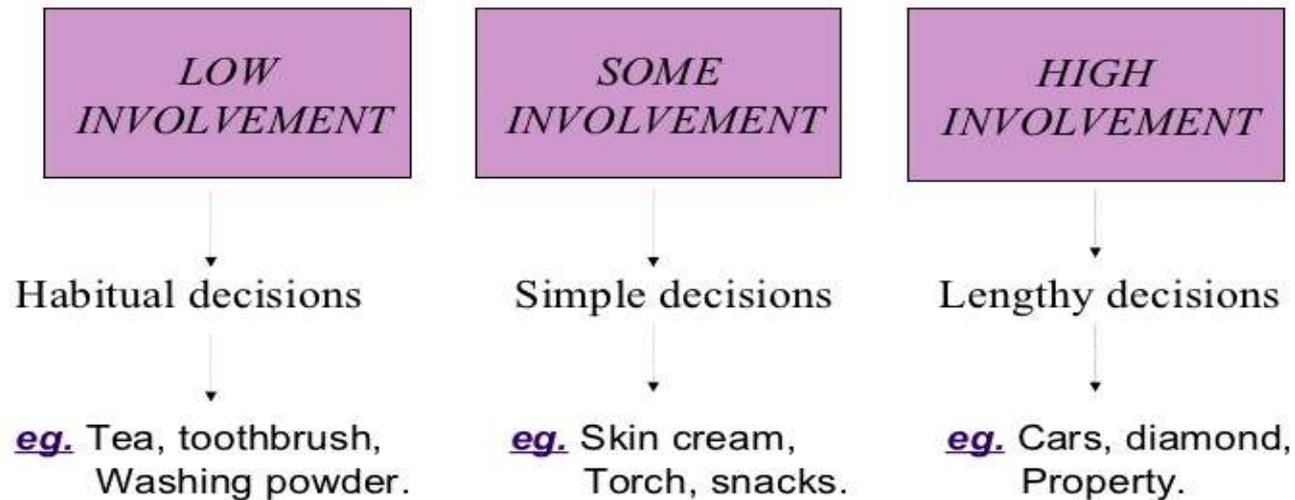


← The linkage between behavior and motives that are known and freely admitted

← - - - - The linkage between behavior and motives that either are unknown or are such that the consumer is reluctant to admit or reveal them

Involvement of Consumer

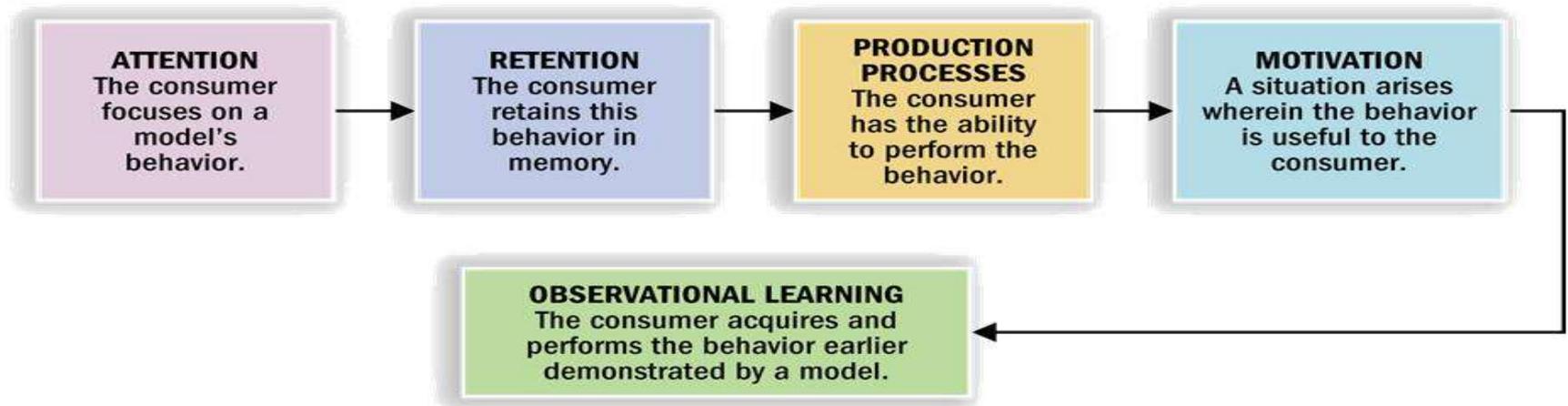
LEVELS OF INVOLVEMENT



Consumer Learning and Experience

Consumer Learning

Components of Observational Learning



Brand Equity

Brand equity is a set of assets or liabilities in the form of brand visibility, brand associations and customer loyalty that add or subtract from value of a current or potential product or service driven by the brand.

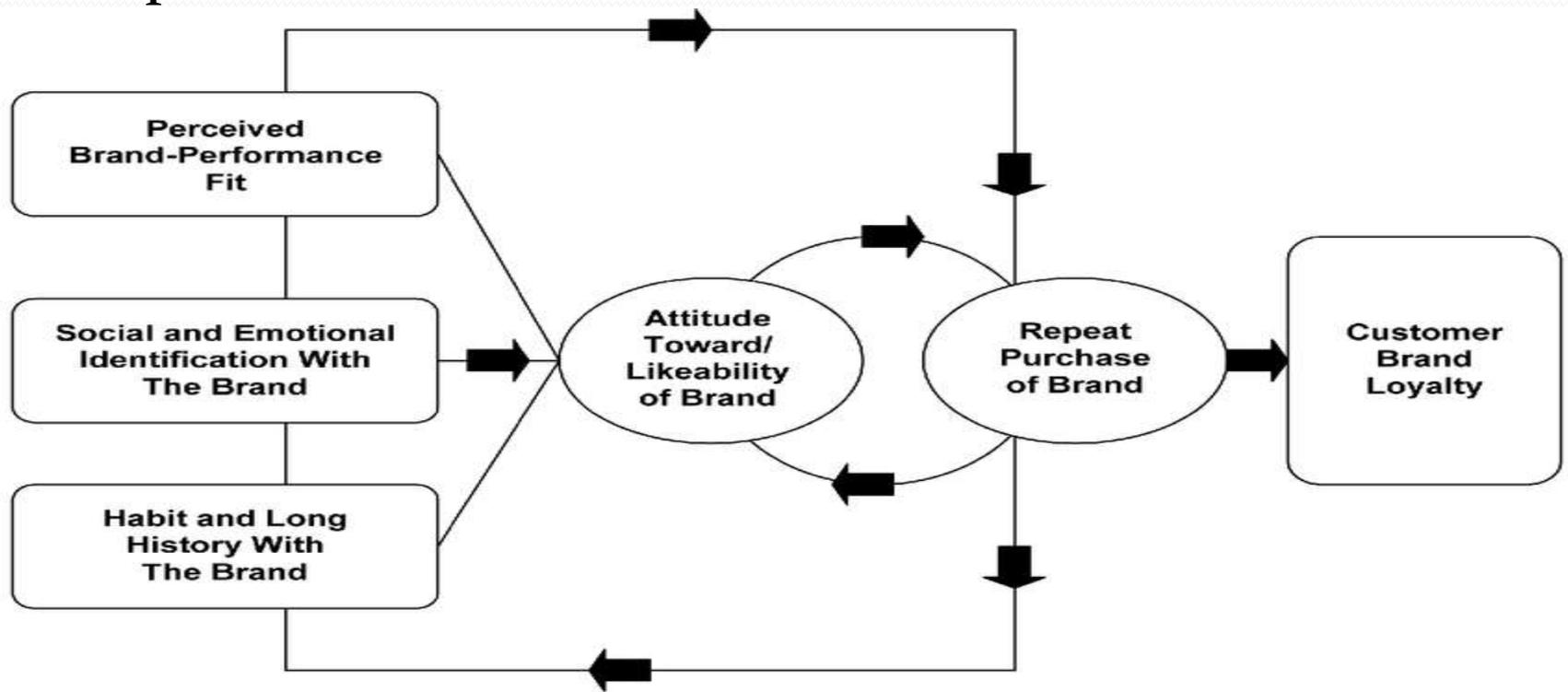
What Is Brand Equity

Your Subtitle Here



Brand Loyalty

Brand loyalty occurs when a customer chooses to repeatedly purchase a product produced by the same company instead of a substitute product produced by a competitor.



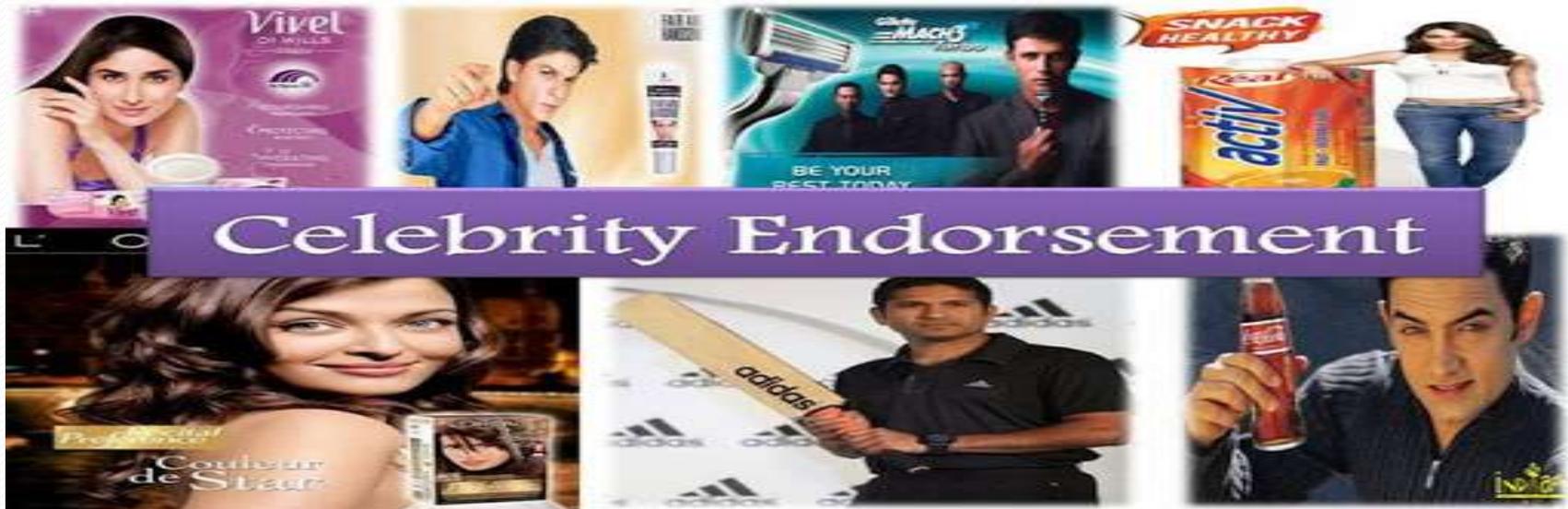
Group Influence on Consumption

Reference Group Influences on the Consumption Process

- The nature of reference group influence
 - Information influence; Normative influence; Identification influence
- Degree of reference group influence
 - Group influence is strongest when the use of product or brand is visible to the group.
 - Group influence is higher the less of a necessity an item is.
 - In general, the more commitment an individual feels to a group, the more the individual will conform to the group norms.
 - The more relevant a particular activity is to the group's functioning, the stronger the pressure to conform to the group norms concerning that activity.
 - The final factor that effects the degree of reference group influence is the individual's confidence in the purchase situation.

Endorsement by Celebrities

Celebrity branding or celebrity endorsement is a form of advertising campaign or **marketing** strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on .



Influence of Culture on Consumer Behavior

Culture is the sum total of learned values, beliefs and customs that serve to direct the consumer behavior of members of a particular society.

- Beliefs and values- Accumulated feeling and priorities that individuals have about things and possessions.
- They are mental images that influence the responses of a person in a specific situation .
- Customs – Usual and accepted ways of behavior

INVISIBLE HAND OF CULTURE

The impact of culture is automatic and natural and hence many times its takes for granted.

- Culture exists at different subjective levels :
 1. **Level 1-** Supranational : Cultural differences that cross national boundaries, present in more than one country. Consumer behavior relevant factors: language, symbolism meaning, racial composition etc.
 2. **Level 2 -** National : Cultural characters of that uniquely define citizens of a particular country.
 3. **Level 3 –** Group : Cultural divisions that include collection of individuals.

Concept of Culture

- FORMAL LEARNING
Learning by imitating adults
- INFORMAL LEARNING
Teachers instruct children in schools
- TECHNICAL LEARNING
Teachers instruct children in schools

ACQUISITION OF CULTURE

- Enculturation – learning of one’s own culture .
- Acculturation : learning of a new or foreign culture

LANGUAGE AND SYMBOLS

1. To acquire common culture, a common language for communication is needed.
2. To communicate with consumers , marketers must use appropriate symbols to convey product images or characteristics.
3. Symbols can be verbal and non verbal.
4. Verbal symbols – television advertisement.
5. Non verbal-figures ,symbol for additional meaning

SHARING OF CULTURAL BELIEFS AND CUSTOMS

Institutions that traditionally share the responsibility for transfer of culture :

- a) Family
- b) Education institutions
- c) Houses of worship
- d) Mass media
- e) Virtual communities

RITUALS

- Ritual is a symbolic activity consisting of a series of steps occurring in a fixed sequence.
- Culture includes ritualized experiences.
- Rituals tend to be replete with ritual facts that are associated with or somehow enhance the performance of ritual.

The Measurement of Culture

Content Analysis, consumer fieldwork and value measurement are 3 research approaches that are frequently used to examine culture and to spot *culture trends*

Content Analysis A method for systematically analyzing the content of verbal and/or pictorial communication. The method is frequently used to contrast aspects of two different cultures.

Field Observation

A cultural measurement technique that takes place within a natural environment that focuses on observing behavior (sometimes without the subjects' awareness).

Characteristics of Field Observation

- Takes place within a natural environment.
- Performed sometimes without the subject's awareness.
- Focuses on observation of behavior
- In addition to fieldwork methods, depth interviews and focus-group sessions are also often used to get a first look at the emerging social or cultural change
- In the informal environment of focus group discussions consumers may reveal attitudes or behavior signaling a shift in values.

VALUE MEASUREMENT SURVEY INSTRUMENTS

- **Rokeach Value Survey (RVS)**: A self-administered inventory consisting of eighteen “terminal” values (i.e., personal goals) and eighteen “instrumental” values (i.e., ways of reaching personal goals).
- **List of Values (LOV)**: A value measurement instrument that asks consumers to identify their two most important values from a nine-value list that is based on the terminal values of the Rokeach Value Survey.
- **Values and Lifestyles (VALS)**: A value measurement based on two categories: innovation and resources.

INDIAN CORE VALUES

- Indian society is driven by a set of core values.
- Variation in urban values due to: Changing Lifestyles, Westernization and Diffusion of technology.
- Indian consumers are culture-conscious as they follow the cultural expectations of the society.

INDIAN CORE VALUES

1) Family Orientation:

- Concept of Extended Family- parents, siblings, grandparents, etc.
- Chief wage earner supports the entire joint family.
- Disposable income of such a consumer gets radically reduced.
- Looks for a value-based brand at a lower price point.
- Mixes Brands to balance the expenditure.
- Down-trading- consumer buys less expensive brands after using higher brands.

2) Savings Orientation: (Voltas AC commercial)

- Uncertainty of income generation as huge population still lives in rural parts.
- Unlike developed nations, various community services are not being available.
- Consumers fall back on their savings even to celebrate festivities.
- All class of consumers consider jewelry as a means of investment.
- Popularity of installment payments because of splitting savings between traditional purchases and appliances purchases.

INDIAN CORE VALUES

3) Festivities:

- Cultural celebrations are very much a part of Indian culture.
- Sub-cultures also have various festivals.
- Brands offer sales promotional programs during festive seasons.
- Smart customers make “value-based” deals during these times.
- Consumers postpone their purchases, especially durables, in the hope of getting such deals.

4) Shopping as a ritual:

- Shopping done from huge departmental stores to conventional outlets.
- Only about 5% of products are retailed through departmental stores is a reflection of the fragmented nature of retailing.
- Bargaining is an unwritten rule.
- Members of the family visit outlets with the objective of comparing prices and arriving at a best deal.
- Compensatory style of decision making- buyers analyze one brand after another.

Cultural aspects of emerging markets

- ❖ Mental programming of people in environment

Combination of

1. Symbol :- Women wearing gold as it is perceived prosperous in several parts of India.
2. Heroes :- Celebrities are widely used in advertising.
3. Rituals :- Wedding ritual in India.
4. Values :- It is unusual to find even educated and westernized woman smoking in public place in India.

INDIAN CONTEXT

- Population around 1.311 Billion
- 74% of population lives in villages
- 75% males engaged in agriculture
- Per capita income of US\$700