

Week 4 Lecture

Coventry
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Consumer Markets and Consumer Buyer Behaviour

Marketing in a Global Age M003

Today's Learning Objectives

- Define the consumer market and construct a simple model of consumer buyer behaviour
- Name the four major factors that influence consumer buyer behaviour
- List and understand the major types of buying decision behaviour and the stages in the buyer decision process



Learning Objective 1

Model of Consumer Behaviour

- **Consumer buyer behaviour** refers to the buying behaviour of final consumers—individuals and households who buy goods and services for personal consumption.
- **Consumer market** refers to all of the personal consumption of final consumers.

Model of Consumer Behaviour

Marketing stimuli consists of the 4

Ps

- Product
- Price
- Place
- Promotion

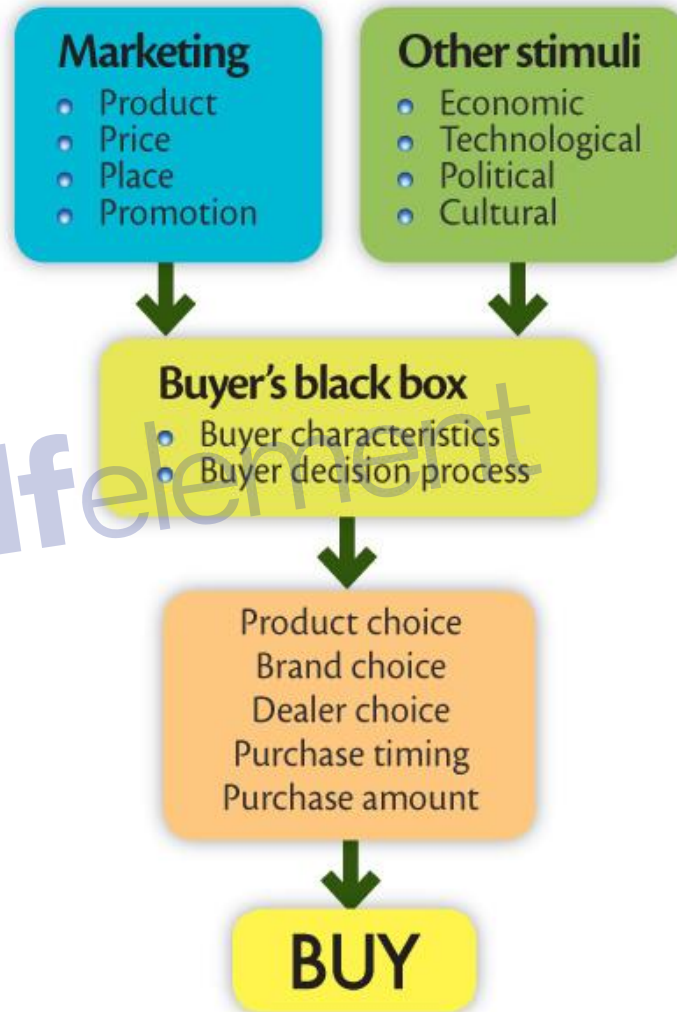


Other stimuli include:

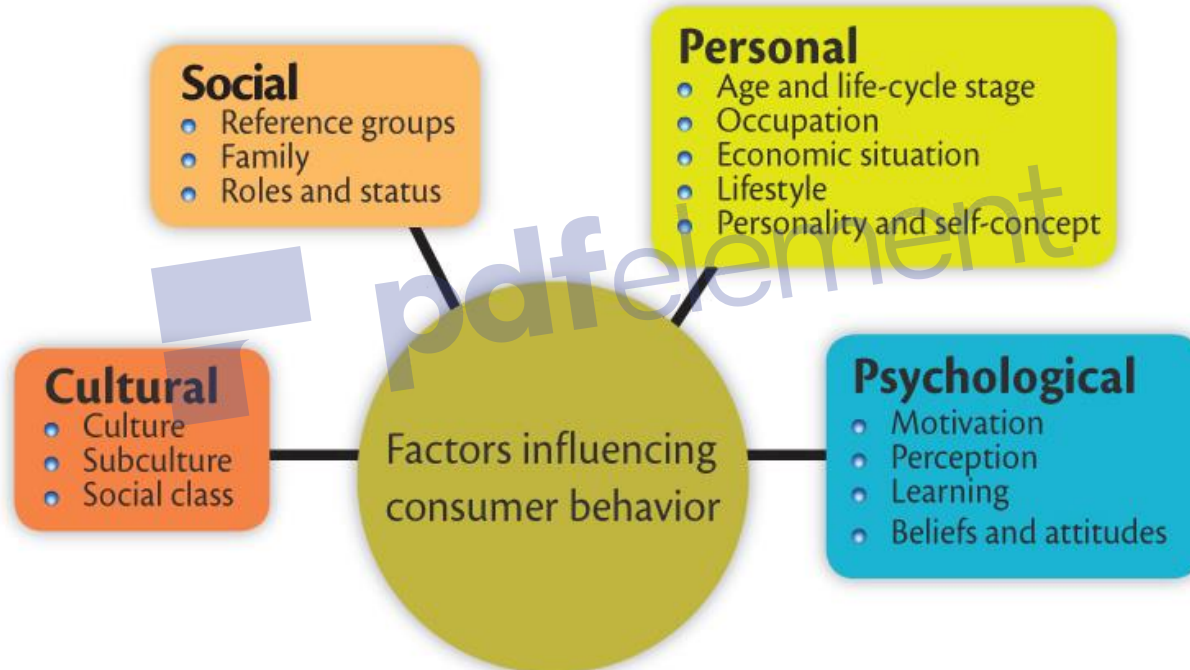
- Economic forces
- Technological forces
- Political forces
- Cultural forces



Model of Consumer Behaviour



Factors influencing Consumer Behaviour



Characteristics Affecting Consumer Behaviour

Cultural Factors

- Buyer's culture
- Buyer's subculture
- Buyer's social class



Social Factors

- Reference groups
- Family
- Roles and status



Characteristics Affecting Consumer Behaviour

Personal Factors

- Age and life-cycle stage
- Occupation
- Economic situation
- Lifestyle
- Personality and self-concept



Psychological Factors

- Motivation
- Perception
- Learning
- Beliefs and attitudes



Characteristics Affecting Consumer Behaviour



Culture is the learned values, perceptions, wants, and behaviour from family and other important institutions.

Characteristics Affecting Consumer Behaviour

Subcultures are groups of people within a culture with shared value systems based on common life experiences and situations.

- Chinese
- Indians
- Malays
- Eurasians

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Characteristics Affecting Consumer Behaviour

- **Social classes** are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviours.
 - Measured by a combination of occupation, income, education, wealth, and other variables



Characteristics Affecting Consumer Behaviour

The major social classes:

- Upper class
- Middle class
- Working class
- Lower class



Characteristics Affecting Consumer Behaviour

Social Factors

Groups

- **Membership groups** have a direct influence and to which a person belongs.
- **Aspirational groups** are groups to which an individual wishes to belong.
- **Reference groups** are groups that form a comparison or reference in forming attitudes or behaviour.

Characteristics Affecting Consumer Behaviour

Social Factors

Groups

- **Opinion leaders** are people within a reference group with special skills, knowledge, personality, or other characteristics that can exert social influence on others.
 - **Buzz marketing** enlists opinion leaders to spread the word.
 - **Social networking** is a new form of buzz marketing
 - Instagram
 - Facebook.com

Characteristics Affecting Consumer Behaviour

Social Factors

- **Family** is the most important consumer-buying organization in society.
- **Social roles and status** are the groups, family, clubs, and organizations to which a person belongs that can define role and social status.

Characteristics Affecting Consumer Behaviour

Personal Factors

- Personal characteristics
- Age and life-cycle stage
- Occupation
- Economic situation
- Lifestyle
- Personality and self-concept



Characteristics Affecting Consumer Behaviour

Personal Factors

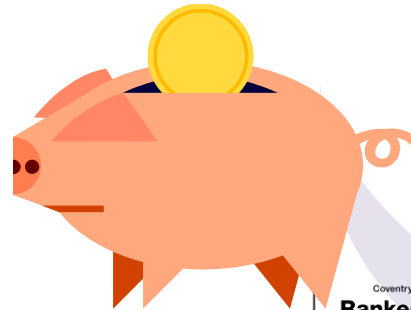
Age and life-cycle stage

- RBC (Royal Bank of Canada) Royal Bank has identified five life-stage segments:
 - Youth—younger than 18 years
 - Getting started—18-35 years
 - Builders—35-50 years
 - Accumulators—50-60 years
 - Preservers—over 60 years

Characteristics Affecting Consumer Behaviour

Personal Factors

- **Occupation** affects the goods and services bought by consumers.
- **Economic situation** includes trends in:
 - Personal income
 - Savings
 - Interest rates



Characteristics Affecting Consumer Behaviour

Personal Factors

- **Lifestyle** is a person's pattern of living as expressed in his or her psychographics.
 - Measures a consumer's AIOs (activities, interests, and opinions) to capture information about a person's pattern of acting and interacting in the environment.

Characteristics Affecting Consumer Behaviour

Personal Factors

SRI Consulting's Values and Lifestyle (**VALS**) typology:

- Classifies people according to how they spend money and time:
 - Primary motivations
 - Resources

Characteristics Affecting Consumer Behaviour

Personal Factors

Primary motivations

- Ideals
- Achievement
- Self-expression



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Guardian University
Guide 2017

Coventry University
**Top 4 for Student
Experience**
The Times and Sunday Times
Good University Guide 2017

Coventry University
**95% employed
or in further study**
DLHE Survey 2014/2015 -
six months after graduation

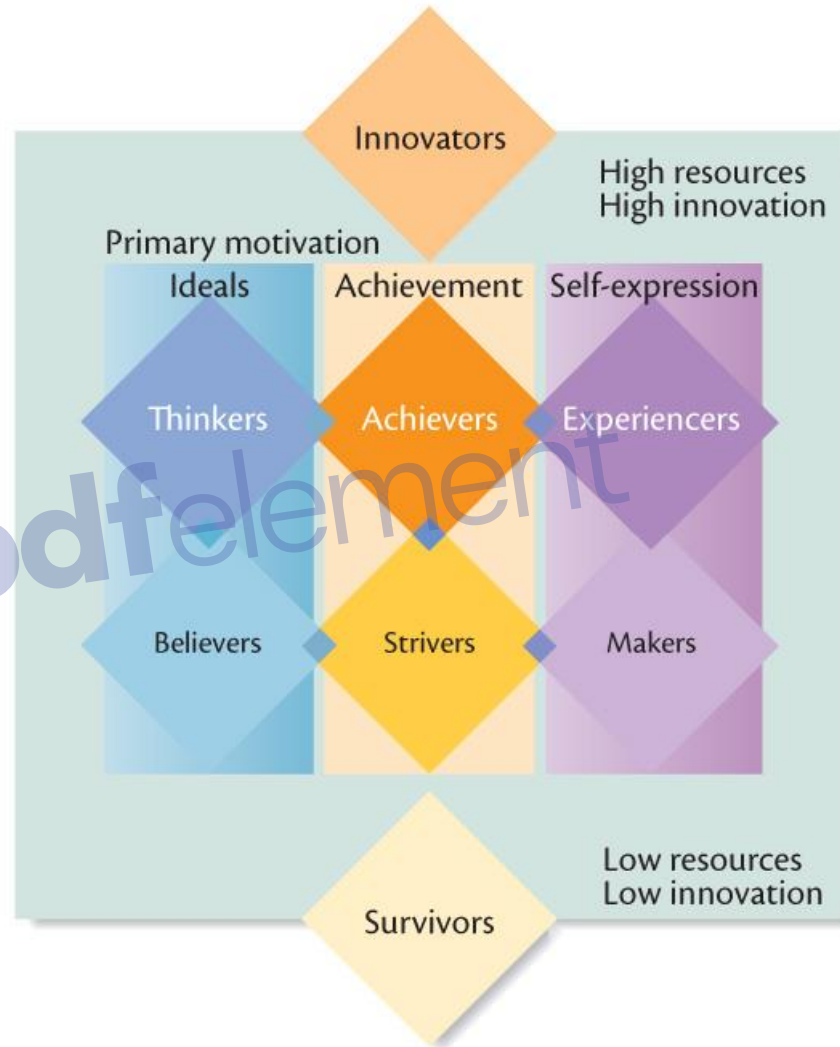
Characteristics Affecting Consumer Behaviour

Personal Factors

Resources

- High resources
 - Innovators exhibit all primary motivations.
- Low resources
 - Survivors do not exhibit strong primary motivation.

VALS Lifestyle Classifications

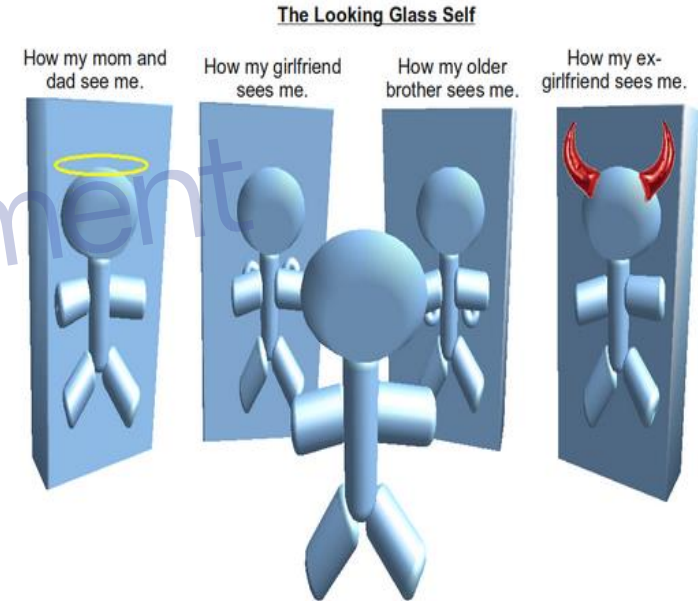


Characteristics Affecting Consumer Behaviour

Personal Factors

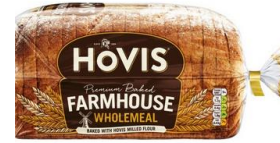
Personality and Self-Concept

- **Personality** refers to the unique psychological characteristics that lead to consistent and lasting responses to the consumer's environment.



Characteristics Affecting Consumer Behaviour

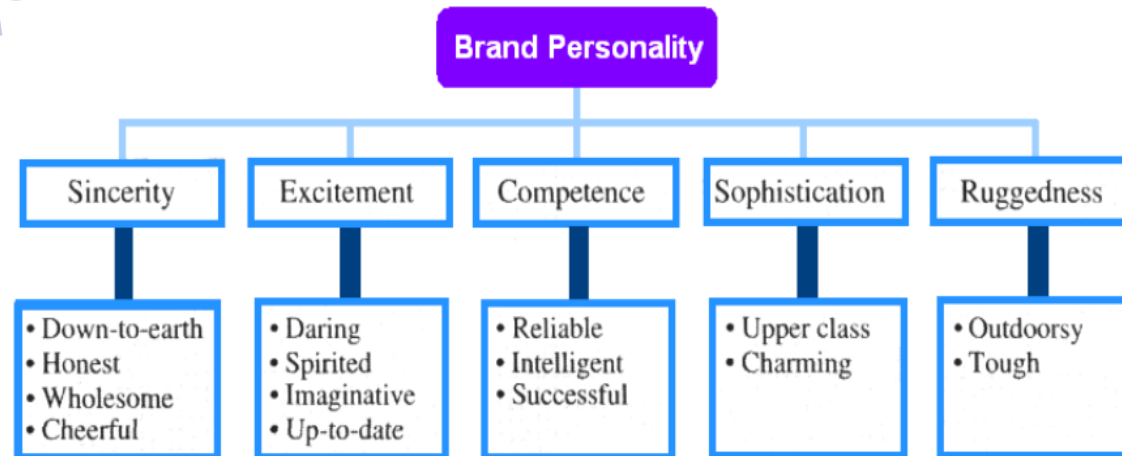
Personal Factors



Personality and Self-Concept

Brand personality refers to the specific mix of human traits that may be attributed to a particular brand:

- Sincerity
- Excitement
- Competence
- Sophistication
- Ruggedness



Characteristics Affecting Consumer Behaviour

Personal Factors

Personality and Self-Concept

- **Self-concept** refers to people's possessions that contribute to and reflect their identities.



Characteristics Affecting Consumer Behaviour

Psychological Factors

- Motivation
- Perception
- Learning
- Beliefs and attitudes

Characteristics Affecting Consumer Behaviour

Psychological Factors

Motivation

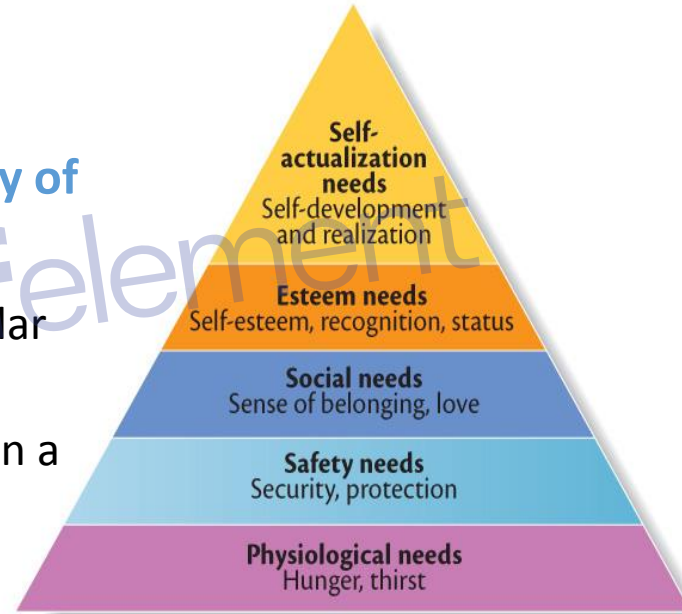
- A **motive** is a need that is sufficiently pressing to direct the person to seek satisfaction.
- **Motivation research** refers to qualitative research designed to probe consumers' hidden, subconscious motivations.

Characteristics Affecting Consumer Behaviour

Psychological Factors

Abraham Maslow's Hierarchy of Needs

- People are driven by particular needs at particular times.
- Human needs are arranged in a hierarchy from most pressing to least pressing.

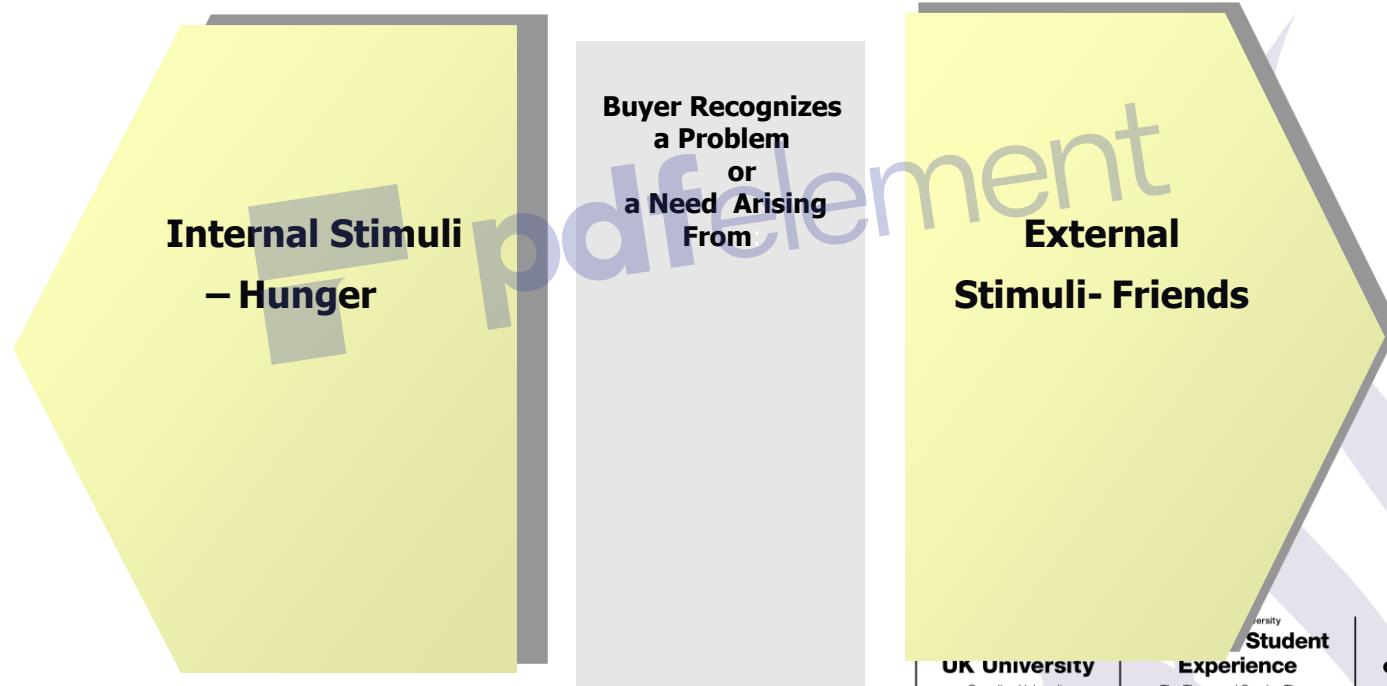


Buyer Decision Process



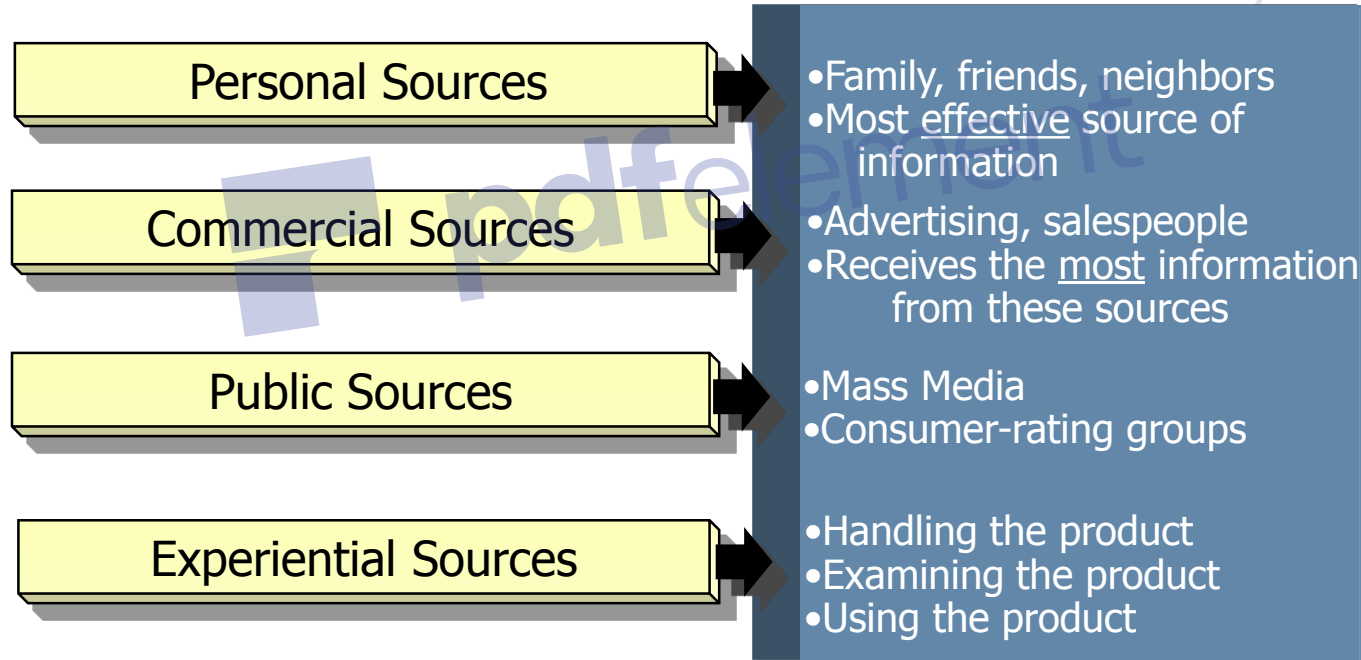
Buyer Decision Process

Step 1. Need Recognition



The Buyer Decision Process

Step 2. Information Search





The Buyer Decision Process

Step 4. Evaluation of Alternatives

Consumer May Use Careful
Calculations & Logical Thinking

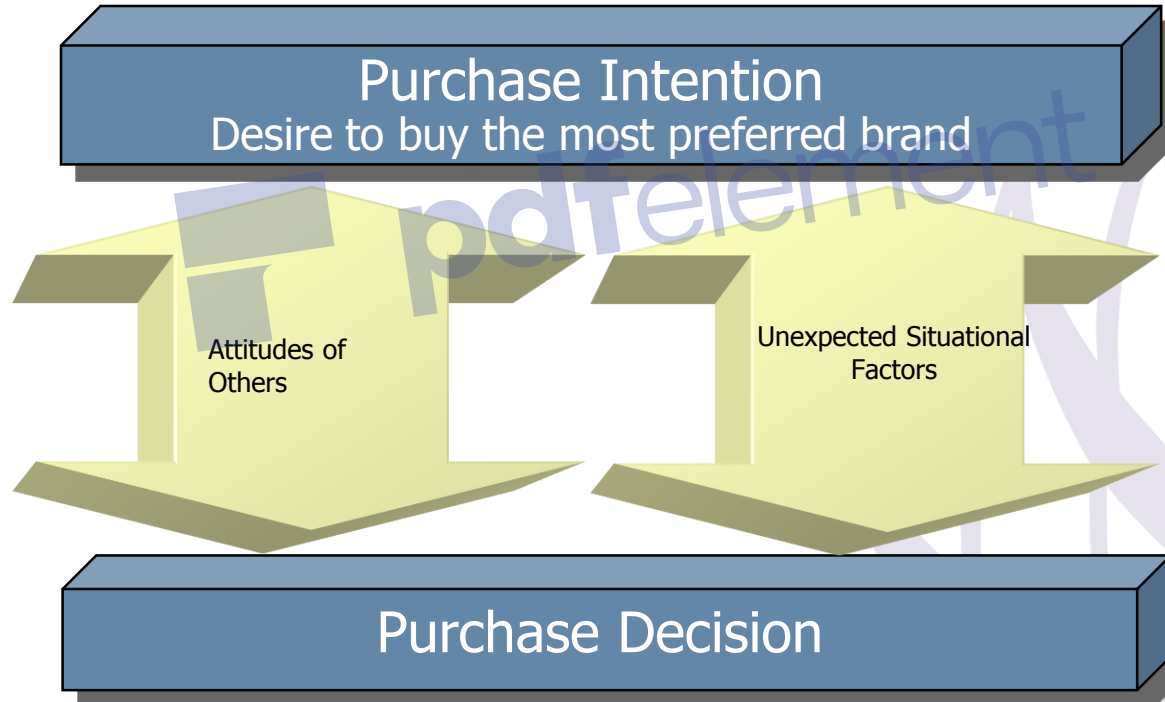
Consumers May Buy on Impulse and
Rely on Intuition

Consumers May Make Buying Decisions
on Their Own

Consumers May Make Buying Decisions
Only After Consulting Others

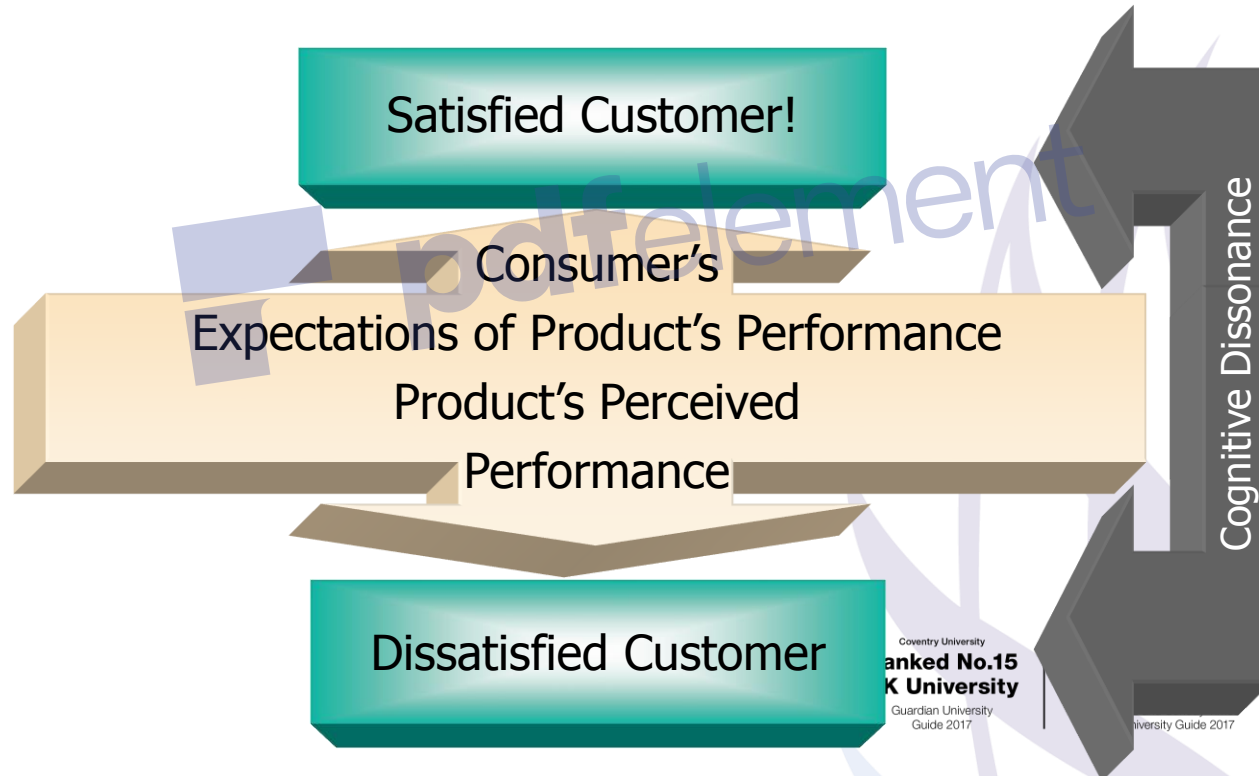
The Buyer Decision Process

Step 5. Purchase Decision



The Buyer Decision Process

Step 6. Postpurchase Behaviour





Any Questions ??