SYLLABUS

Class: - B.B.A. VI Semester

Subject: - Consumer Behaviour

Unit-I	Introduction and concept:-Introduction market strategy and consumer behaviour, Market Analysis, consumer decision process.
Unit-II	Culture and consumer behaviour: - Meaning of culture, Characteristics of culture, function of culture. types of culture, Cross-cultural consumer analysis:- cross cultural marketing objectives, Basic areas for cross-cultural marketing, problem in cross cultural marketing. Motivation and consumer behaviour: - Introduction, motives and motivation, positive or negative motivation, Consumer motives:- personal ,social motives, Involvement:-types of involvement, measuring involvement, values , values and attitudes, means and end chain model.
Unit-III	Perception and consumer behavior:- Introduction, of groups , advantages and disadvantage of groups, reference group, types of reference group, social class and consumer behavior- Introduction social class categorization, social class life style and buying behavior, social class and market segmentation, social factors, social class and consumer behavior.
Unit-IV	Perception and consumer behaviour: - Introduction, meaning, nature, Importance and limitation of perception, Barriers to accurate perception, Sensation, perception of values, perception of process. Determining consumer buying Behaviour:-Consumer purchase decision, types of decision, types of decision behaviour, buying stage and situational influence, models of consumer behaviour-Economic model, learning model, sociological model, Howard Sheth model of buying.
Unit-V	Attitude and consumer behaviour:- Meaning of attitude, nature and characteristics of attitude, types of attitude, learning of attitude, sources of influence on attitude formation, Model of attitude- Tricomponent attitude model, multiattribute attitude model, Consumer decision making process:- Introduction, levels of consumer decision ,consumer information processing model ,Hierarchy of effects model.

Unit 1
INTRODUCTION AND CONCEPT

Meaning of consumer Behaviour

Consumer behaviour is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. It blends elements from psychology, sociology, social anthropology and economics. It attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

"Consumer behaviour can be defined as the decision-making process and physical activity involved in acquiring, evaluating, using and disposing of goods and services."

This definition clearly brings out that it is not just the buying of goods/services that receives attention in consumer behaviour but, the process starts much before the goods have been acquired or bought. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision-making for purchase and using the goods, and then the post purchase behaviour which is also very important, because it gives a clue to the marketers whether his product has been a success or not.

To understand the likes and dislikes of the consumer, extensive consumer research studies are being conducted. These researches try to find out:
- What the consumer thinks of the company's products and those of its competitors?
- Flow can the product be improved in their opinion?
- How the customers use the product?
- What is the customer's attitude towards the product and its advertising?
- What is the role of the customer in his family?

Marketing Strategy and Consumer Behaviour

Consumer behaviour is a complex, dynamic multidimensional process, and all marketing decisions are based on assumptions about Consumer behaviour.

Marketing strategy is the game plan which the firms must adhere to, in order to outdo the competitor or the plans to achieve the desired objective. In formulating the marketing strategy, to sell the product effectively, cost-benefit analysis must be undertaken. There can be many benefits of a product, for example, for owning a motor bike one can be looking for ease of transportation, status, pleasure, comfort and feeling of ownership. The cost is the amount of money paid for the bike, the cost of maintenance, gasoline, parking, risk of injury in case of an accident, pollution and frustration such as traffic jams. The difference between [Ids total benefit and total cost constitutes the customer value. The idea is to provide superior customer value and this requires the formulation of a mark ding strategy. The entire process consists of market analysis, which leads to target market selection and then to the formulation of strategy by juggling the product, price, promotion and distribution, so that a total product (a set of entire characteristics) is offered. The total product creates an image in the mind of the consumer, who undergoes a decision process which leads to the outcome in terms of satisfaction or dissatisfaction, which reflects on the sales and image of the product or brand.

1. **Marketing Strategy and consumer Behaviour Marketing Analysis**
   a. Consumer
   b. Company
   c. Competition
   d. Condition

2. **Marketing Segmentation**
   a. Identify product related needs
   b. Group customers with similar need sets
   c. Describe each group
   d. Service
3. **Marketing Strategy**
   a. Product
   b. Price
   c. Distribution
   d. Communication
   e. Service
4. **Consumer Decision Process**
   a. Problem recognition
   b. Information search—internal. external
   c. Alternative evaluation
   d. Purchase
   e. Use
   f. Evaluation
5. **Outcomes**
   a. Customer satisfaction
   b. Sales
   c. Product/Brand image

MARKET ANALYSIS

Market analysis requires an understanding of the 4-Cs which are consumer, conditions, competitor and the company. A study is undertaken to provide superior customer value, which is the main objective of the company. For providing better customer value we should learn the needs of the consumer, the offering of the company, vis-a-vis its competitors and the environment which is economic, physical, technological, etc.

A consumer is anyone who engages himself in physical activities, of evaluating, acquiring, using or disposing of goods and services. A customer is out who actually purchases a product or service from a particular organization or a shop. A customer is always defined in terms of a specific product or company. However, the term consumer 1st broader term which emphasizes not only the actual buyer or customer, but also its users i.e. consumers. Sometimes a product is purchased by the head of the family and used by the whole family, i.e. a refrigerator or a car. There are some consumer behaviour roles which are played by different members of the family.

Role	Description
Initiator	The person who determines that some need or want is to be met (e.g. a daughter indicating the need for a colour TV).
Influence	The person or persons who intentionally or unintentionally influence the decision to buy or endorse the view of the initiator
Buyer	The person who actually makes a purchase.
User	The person or persons who actually use or consume the product.

The Consumer

To understand the consumer: researches are made. Sometimes motivational research becomes handy to bring out hidden attitudes, uncover emotions and feelings. Many firms send questionnaires to customers to ask about their satisfaction, future needs and ideas for a new product. On the basis of the answers received changes in the marketing mix is made and advertising is also streamlined.

The External Analysis (Company)

The external analysis may be done by the feedbacks from the industry analyst and by marketing researches. The internal analysis is made by the firms, financial conditions, the quantum of the sales, force and other factors within the company. The study of these factors leads to a better understanding of the consumer and his needs.

1. Geography
2. Population
3. Urban-Rural
4. Sex
5. Age factor
6. Literacy level

7. Incentive level   10. Dress, food
8. Linguistic diversity   11. Habits and fashion
9. Religion

CHARACTERISTIC FEATURES OF INDIAN CONSUMER
The Competition
In the analysis of the market, a study of the strengths and weaknesses of the competitors, their strategies, their anticipated moves and their reaction to the company's moves and plans is to be made. The company after getting this information reacts accordingly and changes its marketing mix and the offering is made in a manner which can out do the competitor. 'This is a very difficult process and it is easier said than done. To have correct information about the competitors and to anticipate their further moves is the job of the researcher.

The Conditions
The auditions under which the firms are operating have also to be seriously considered. The factors to be studied are the economy, the physical environment, the government regulations, the technological developments, etc. 'These effect the consumer needs, i.e. the deterioration of the environment and its pollution may lead to the use and innovation of safer products. People are health conscious and are concerned with their safety. Hence, in this case, safer products have a better chance with the consumer. In case of recession the flow of money is restricted greatly. This leads to the formulation of different marketing strategies.

Market Segmentation
The market divided into segments which are a portion of a larger market whose needs are similar and, they are homogenous in themselves. Such segments are identified with similar needs.

Need Set
By need set, it is meant that there are products which satisfy more than one need. An automobile can fill the transportation needs, Status need, fun needs or time saving needs. So the company tries to identify the need sets which its product can fulfill. Then we try to identify the groups who have similar needs. i.e., some people need economical cars, others may go or luxury cars.

Demographic mid Psychographic Characteristics
These groups are identified and they are described in terms of their demographic and Psychographic characteristics. The company finds out how and when the product is purchased and consumed.

Target Segment
After all the above preliminary work is done, the target customer group known as the target segment is chosen, keeping in mind how the company can provide superior customer value at a profit. The segment which can best be served with the company's capabilities at a profit is chosen. It has to be kept in mind that different target segments require different it marketing strategies and, with the change in the environmental conditions the market mix has to be adjusted accordingly.
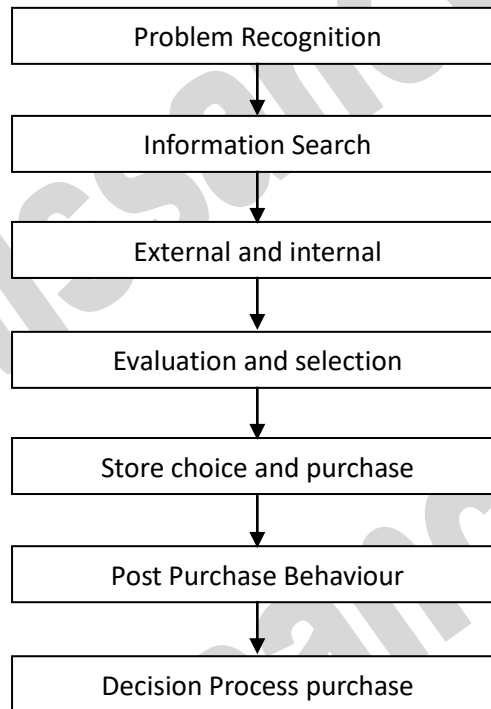
Consumer Decision Process
The decision-making process consists of a series of steps which the consumer undergoes. First of all, the decision is made to solve a problem of any kind. This may be the problem of creating a cool atmosphere in your home. For this, information search is carried out, too find how the cool atmosphere can be provided, e.g. by an air-conditioner or, by a water-cooler. This leads to the evaluation of alternatives and a cost benefit-analysis is made to decide which product and brand image will be suitable, and can take care of the problem suitably and adequately. Thereafter the purchase is made and the product is used by the consumer. The constant use of the product leads to the satisfaction or dissatisfaction of the consumer, which leads to repeat purchases, or to the rejection of die product.

The marketing, strategy is successful if consumers can see a need which a company's product can solve and, offers the best solution to the problem. For a successful strategy the marketer must lay emphasis on the product/brand image in the consumer's mind. Position the product according to the customers, likes and dislikes. The brand which matches the desired image of a target market sells well. Sales are important and sales are likely to occur if the initial consumer analysis was correct and matches the consumer decision

process. Satisfaction of the consumer, after the sales have been affected, is important for repeat purchase. It is more profitable to retain existing customers, rather than looking for new ones. The figure below gives an idea of the above discussion

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UNIT-II

INTRODUCTION - CULTURE AND CONSUMER BEHAVIOUR
1. The study of culture is a challenging undertaking because its primary focus is on the broadest component of social behavior in an entire society.
2. In contrast to the psychologist, who is principally concerned with the study of individual behavior, or the sociologist, who is concerned with the study of groups, the anthropologist is primarily interested in identifying the very fabric of society itself.

WHAT IS CULTURE?
1. Given the broad and pervasive nature of **culture**, its study generally requires a detailed examination of the character of the total society, including such factors as language, knowledge, laws, religions, food customs, music, art, technology, work patterns, products, and other artifacts that give a society its distinctive flavor.
2. In a sense, culture is a society's personality. For this reason, it is not easy to define its boundaries.
3. **Culture** is the sum total of learned beliefs, values, and customs that serve to direct the consumer behavior of members of a particular society.
4. Beliefs consist of the very large number of mental or verbal statements that reflect a person's particular knowledge and assessment of something.
5. Values also are beliefs, however, values differ from other beliefs because they must meet the following criteria:
   a) They are relatively few in number.
   b) They serve as a guide for culturally appropriate behavior.
   c) They are enduring or difficult to change.
   d) They are not tied to specific objects or situations.
   e) They are widely accepted by the members of a society.
6. In a broad sense, both values and beliefs are mental images that affect a wide range of specific attitudes that, in turn, influence the way a person is likely to respond in a specific situation.

THE INVISIBLE HAND OF CULTURE
1. The impact of culture is so natural and automatic that its influence on behavior is usually taken for granted.
2. Often, it is only when we are exposed to people with different cultural values or customs that we become aware of how culture has molded our own behavior.
3. Consumers both view themselves in the context of their culture and react to their environment based upon the cultural framework that they bring to that experience. Each individual perceives the world through his or her own cultural lens.
4. Culture can exist and sometimes reveal itself at different perceived or subjective levels.
5. Those interested in consumer behavior would be most concerned with three "levels of subjective culture:
   a) Supranational level – reflects the underlying dimensions of culture that impact multiple cultures or different societies.
   b) National level factors – such as shared core values, customs, personalities, and predispositional factors that tend to capture the essence of the "national character" of the citizens of a particular country.
   c) Group Level factors – are concerned with various subdivisions of a country or society. They might include subcultures' difference, and membership and reference group differences.

CULTURE SATISFIES NEEDS
1. Culture exists to satisfy the needs of people within a society.
   a) It offers order, direction, and guidance in all phases of human problem solving by providing "tried and true" methods of satisfying physiological, personal, and social needs.

    b) Similarly, culture also provides insights as to suitable dress for specific occasions (e.g., what to wear around the house, what to wear to school, what to wear to work, what to wear to church, what to wear at a fast food restaurant, or a movie theater).

2. Cultural beliefs, values, and customs continue to be followed as long as they yield satisfaction.
3. In a cultural context, when a product is no longer acceptable because it's related value or custom does not adequately satisfy human needs, it must be modified.
4. Culture gradually evolves to meet the needs of society.

CULTURE IS LEARNED

1. At an early age we begin to acquire from our social environment a set of beliefs, values, and customs that make up our culture.
2. For children, the learning of these acceptable cultural values and customs is reinforced by the process of playing with their toys.
       a) As children play, they act out and rehearse important cultural lessons and situations.

How Culture Is Learned

1. There are three distinct forms of learning:
       a) Formal learning—adults and older siblings teach a young family member "how to behave."
       b) Informal learning—a child learns primarily by imitating the behavior of selected others.
       c) Technical learning—teachers instruct the child in an educational environment as to what, how, and why it should be done.
2. Advertising and marketing communications can influence all three types of cultural learning..
       a) It most influences informal learning by providing models of behavior to imitate.
       b) This is especially true for visible or conspicuous products that are evaluated in public settings, where peer influence is likely to play an important role.
3. The repetition of advertising messages creates and reinforces cultural beliefs and values.
4. Cultural meaning moves from the culturally constituted world to consumer goods and from there to the individual consumer by means of various consumption-related vehicles (e.g., advertising or observing or imitating others' behavior.)

TYPES OF CULTURE :IT CAN BE IDENTIFIED ON THE BASIS OF:

- race
- nationality
- religion
- age
- geographic location
- gender
- social class
- Etc.

CROSS CULTURAL CONSUMER BEHAVIOUR
Characteristic features of a firm going global:

1. High market share in the domestic market
2. Advantageous economies of scale
3. Access to marketing/manufacturing bases across global borders
4. Availability of resources and capability to absorb huge losses
5. Product/technology clout
6. Cost and differentiation advantages

Cross-cultural marketing is defined as "*the effort to determine to what extent the consumers of two or more nations are similar or different. This will facilitate marketers to understand the psychological, social and cultural aspects of foreign consumers they wish to target, so as to design effective marketing strategies for each of the specific national markets involved.*"

Cross cultural marketing Objectives and Policies
A company can enter a foreign market as a-
- Domestic exporter
- Foreign importer
- Foreign government-solicit the firm to sell abroad

The firm's objectives could be:
- To determine how consumers in two or more societies are similar/different and devise suitable, appropriate strategies
- Devise individualized marketing strategy if cultural beliefs, values and customs of a specific country are different

Basic areas to be understood for cross cultural marketing
1. Language & meaning
2. Difference in market segmentation opportunities
3. Differences in the criteria for evaluating products and services: Apparel firms in India believe that that the quality of the fabric determines the quality of the garment whereas, the Japanese think that every aspect of the garment from sewing to packaging decides quality.
4. Differences in consumption pattern and perceived benefits of products and services: leather exports by India
5. Differences in the economic and cultural social condition and family structure: Social class differences have been useful in explaining differences in consumer behaviour in relation to
(a) preferences for products and brands
(b) store patronage or shopping behaviour
(c) exposure to promotion media and
(d) savings and the use of the credit for purchasing products

Problems in Cross Cultural marketing
1. Problems related to product selection: The marketer going for cross cultural marketing has to select the customers/market not on the basis of the superficial similarities of age or income, but by using the real motivating factors that prompt them to accept or reject products.
2. Problems related to promotion/marketing communication: e.g. Ariel in the Middle East and also Pepsi.
3. Problems related to pricing: the marketer has to adjust his pricing policies according to the local economic conditions and customs.
4. Problems related to selection of distribution channels.

Japanese Culture Traits	American Culture traits
➢ Japanese language	➢ English language
➢ Homogenous	➢ Diverse
➢ Harmony to be valid and preserved	➢ Fight for one's beliefs/positions
➢ Group, not individual, important	➢ Individualistic
	➢ Clear-cut
➢ Ambiguous	➢ Specific
➢ General	➢ Get the facts straight
➢ Unspoken agreement	➢ Display emotions in public
➢ Hold back emotions in public	➢ Result oriented
➢ Process-oriented	➢ Humor oriented
➢ Fun-oriented	➢ Make a short story long
➢ Make a long story short	➢ Verbal communication important
➢ Nonverbal communication important	➢ Interested in what is spoken
➢ Interested in who is speaking	

Cross-Cultural Consumer Analysis
To determine whether and how to enter a foreign market, we need to conduct some form of cross-cultural consumer analysis. Let us first define what is cross-cultural consumer analysis and then move ahead in knowing how to do it.

Cross-cultural consumer analysis can be defined as the effort to determine to what extent the consumers of two or more nations are similar or different. Such analysis can provide marketers with an understanding of the psychological, social, and cultural characteristics of the foreign consumers they wish to target, so that they can design effective marketing strategies for the specific national markets involved.

Similarities and differences among people

A major objective of cross-cultural consumer analysis is to determine how consumers in two or more societies are similar and how they are different. Shown in this figure:

MOTIVATION AND CONSUMER BEHAVIOR

Introduction: People are motivated by many things, some positive others not. Some motivating factors can move people only a short time, like hunger which will last only until you are fed. Others can drive a person onward for years.

Motivation is the driving force within individuals that impels them to action. Motivation is the activation or energization of goal-oriented behavior. Motivation may be intrinsic or extrinsic. The term is generally used for humans but, theoretically, it can also be used to describe the causes for animal behavior as well. According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a desired object, hobby, goal, state of being, ideal, or it may be attributed to less-apparent reasons such as altruism, morality, or avoiding mortality.

Needs :*Needs* are the essence of the marketing concept. Marketers do not create needs but can make consumers aware of needs. A need is something that is necessary for humans to live a healthy life. Needs are distinguished from wants because a deficiency would cause a clear negative outcome, such as dysfunction or death. Needs can be objective and physical, such as food and water, or they can be subjective and psychological, such as the need for self-esteem. On a societal level, needs are sometimes controversial, such as the need for a nationalized health care system. Understanding needs and wants is an issue in the fields of politics, social science, and philosophy.

Types of Needs

Innate Needs: Physiological (or biogenic) needs that are considered primary needs or motives
Acquired Needs: Learned in response to our culture or environment. Are generally psychological and considered secondary needs

Goals :A goal or objective is a projected state of affairs that a person or a system plans or intends to achieve— a personal or organizational desired end-point in some sort of assumed development. It is the sought-after results of motivated behavior.

Types of goals:
- *Generic goals***:** are general categories of goals that consumers see as a way to fulfill their needs
- *Product-specific goals***:** Are specifically branded products or services that consumers select as their goals

Positive and negative motivation:

Positive motivation is a response which includes enjoyment and optimism about the tasks that you are involved in. Positive motivation induces people to do work in the best possible manner and to improve their performance. Under this better facilities and rewards are provided for their better performance. Such rewards and facilities may be financial and non-financial.

Negative motivation aims at controlling the negative efforts of the work and seeks to create a sense of fear for the worker, which he has to suffer for lack of good performance. It is based on the concept that if a worker fails in achieving the desired results, he should be punished. Negative motivation involves undertaking tasks because there will be undesirable outcomes, eg. failing a subject, if tasks are not completed.

Rational versus Emotional Motives

- *Rationality* implies that consumers select goals based on totally objective criteria such as size, weight, price, or miles per gallon. A conscious, logical reason for a purchase. A motive that can be defended by reasoning or logical argument
- *Emotional* motives imply the selection of goals according to personal or subjective criteria. A feeling

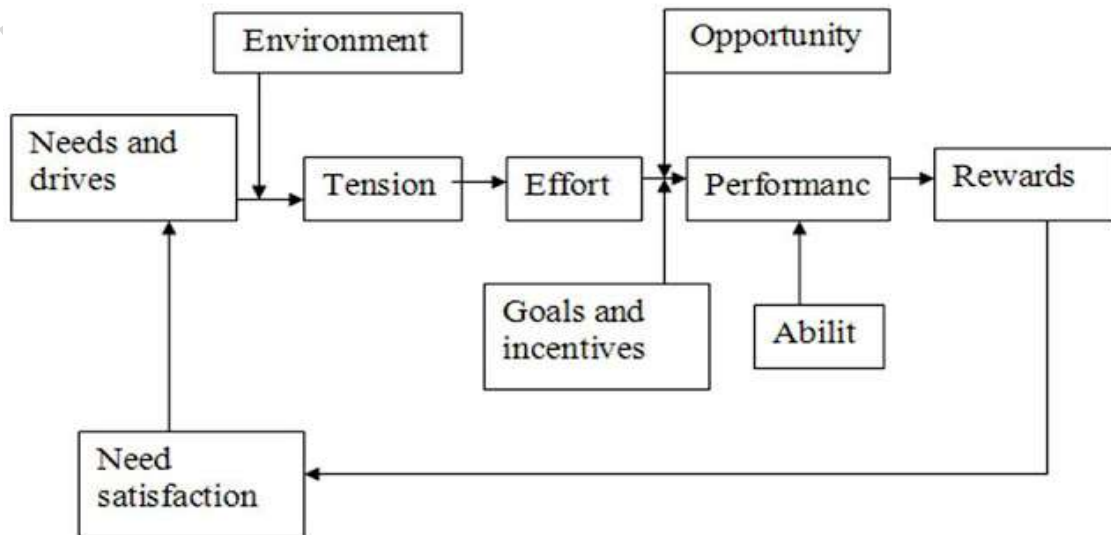experienced by a customer through association with a product.

The Dynamic Nature of Motivation
- Needs are never fully satisfied
- New needs emerge as old needs are satisfied
- People who achieve their goals set new and higher goals for themselves

Model of the Motivation Process:

The motivational process is the steps that you take to get motivated. It is a process, that when followed produces incredible results. It is amazing what you can do if you are properly motivated, and getting properly motivated is a matter of following the motivational process. Like any other process it takes a little work and foresight and planning on your part. However, the return on your investment of time is significant, and it is important when needing extra motivation that you apply the motivational process.

PROCESS OF MOTIVATION

In the initiation a person starts feeling lacknesses. There is an arousal of need so urgent, that the bearer has to venture in search to satisfy it. This leads to creation of tension, which urges the person to forget everything else and cater to the aroused need first. This tension also creates drives and attitudes regarding the type of satisfaction that is desired. This leads a person to venture into the search of information. This ultimately leads to evaluation of alternatives where the best alternative is chosen. After choosing the alternative, an action is taken. Because of the performance of the activity satisfaction is achieved which than relieves the tension in the individual.

Arousal of Motives:

The arousal of any particular set of needs at a specific moment in time may be caused by internal stimuli found in the individual's physiological condition,by emotional or cognitive processes or by stimuli in outside environment.

- Physiological arousal
- Emotional arousal
- Cognitive arousal
- Environmental arousal

1. **Physiological Arousal** Bodily needs at any one specific moment in time are based on the individual physiological condition at the moment. Ex..A drop in blood sugar level or stomach contractions will trigger awareness of a hunger need. Ex..A decrease in body temperature will induce shivering, which makes individual aware of the need for warmth this type of thing, they arouse related needs that cause uncomfortable tensions until they are satisfied. Ex..Medicine, low fat and diet
2. **Emotional Arousal** Sometime daydreaming results in the arousal (autistic thinking) or stimulation of latent needs. People who are board or who are frustrated in trying to achieve their goals or often engage in daydreaming, in which they imagine themselves in all sorts of desirable situations. Ex..A young woman who may spend her free time in internet single chat room.
3. **Cognitive arousal** Sometime random thoughts can lead to a cognitive awareness of needs. An advertisement that provides reminders of home might trigger instant yearning to speak with ones parents.
4. **Environment arousal** The set of needs an individual experiences at particular time are often activated by specific cues in the environment. Without these cues the needs might remain dormant. ex. The 8'o clock news, the sight or smell of bakery goods, fast food commercials on television, all these may arouse the need for food Ex..New cell phone model display in the store window.

Philosophies Concerned with Arousal of Motives
- Behaviorist School
    - Behavior is response to stimulus
    - Elements of conscious thoughts are to be ignored
    - Consumer does not act, but reacts
- Cognitive School
    - Behavior is directed at goal achievement
    - Needs and past experiences are reasoned, categorized, and transformed into attitudes and beliefs
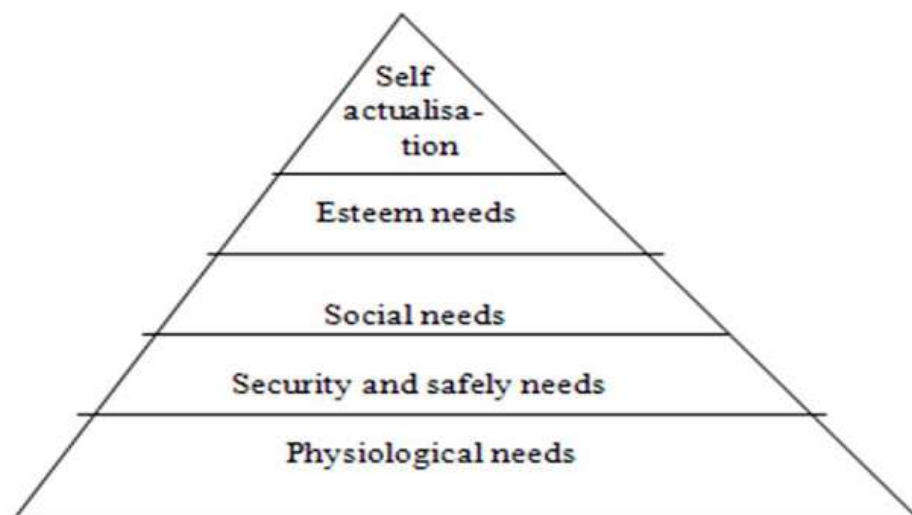
The Selection of Goals

The goals selected by an individual depend on their:
- Personal experiences
- Physical capacity
- Prevailing cultural norms and values
- Goal's accessibility in the physical and social environment

Motivation theories and marketing strategy:
Abraham Maslow's "Need Hierarchy Theory":

One of the most widely mentioned theories of motivation is the hierarchy of needs theory put forth by psychologist Abraham Maslow. Maslow saw human needs in the form of a hierarchy, ascending from the lowest to the highest, and he concluded that when one set of needs is satisfied, this kind of need ceases to be a motivator.

As per his theory this needs are:

(i) Physiological needs: These are important needs for sustaining the human life. Food, water, warmth, shelter, sleep, medicine and education are the basic physiological needs which fall in the primary list of need satisfaction. Maslow was of an opinion that until these needs were satisfied to a degree to maintain life, no other motivating factors can work.

(ii) Security or Safety needs: These are the needs to be free of physical danger and of the fear of losing a job, property, food or shelter. It also includes protection against any emotional harm.

(**iii**) **Social needs**: Since people are social beings, they need to belong and be accepted by others. People try to satisfy their need for affection, acceptance and friendship.

(iv) Esteem needs: According to Maslow, once people begin to satisfy their need to belong, they tend to want to be held in esteem both by themselves and by others. This kind of need produces such satisfaction as power, prestige status and self-confidence. It includes both internal esteem factors like self-respect, autonomy and achievements and external esteem factors such as states, recognition and attention.

(v) Need for self-actualization : Maslow regards this as the highest need in his hierarchy. It is the drive to become what one is capable of becoming, it includes growth, achieving one's potential and self-fulfillment. It is to maximize one's potential and to accomplish something.

As each of these needs are substantially satisfied, the next need becomes dominant. From the standpoint of motivation, the theory would say that although no need is ever fully gratified, a substantially satisfied need no longer motivates. So if you want to motivate someone, you need to understand what level of the hierarchy that person is on and focus on satisfying those needs or needs above that level.

Maslow's need theory has received wide recognition, particularly among practicing managers. This can be attributed to the theory's intuitive logic and ease of understanding. However, research does not validate these theory. Maslow provided no empirical evidence and other several studies that sought to validate the theory found no support for it.

Maslow's hierarchy of needs in marketing (application)
To help with training of Maslow's theory look for Maslow's Hierarchy of Needs motivators in advertising. This is a great basis for Maslow and motivation training exercises:

Biological and Physiological needs - wife/child-abuse help-lines, social security benefits, Samaritans, roadside recovery.

Safety needs - home security products (alarms, etc), house an contents insurance, life assurance, schools.

Belongingness and Love needs - dating and match-making services, chat-lines, clubs and membership societies, Macdonalds, 'family' themes.

Esteem needs - cosmetics, fast cars, home improvements, furniture, fashion clothes, drinks, lifestyle products and services.

Self-Actualization needs - Open University, and that's about it; little else in mainstream media because only 2% of population are self-actualizers, so they don't constitute a very big part of the mainstream market.

McGuire's Classification of Motives

		Active (Proactive)		Passive (Reactive)	
Cognitive (Thinking)	Preservation	1. Consistency	2. Attribution	3. Categorisation	4. Objectification

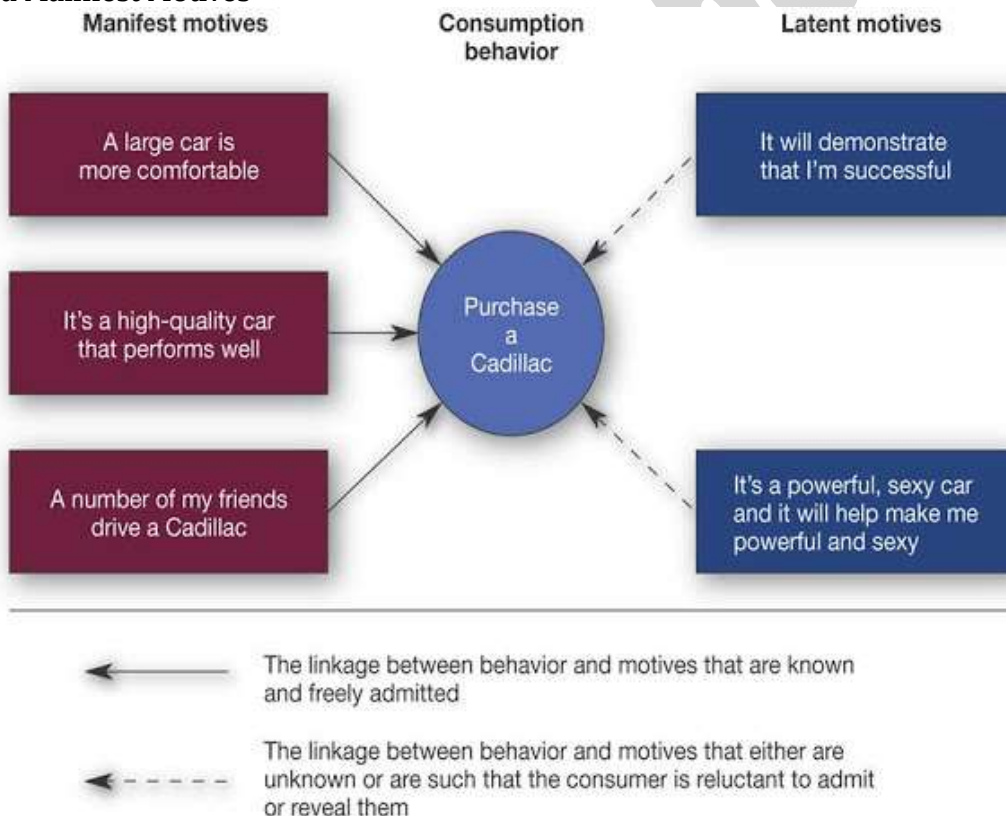|	Growth	5. Autonomy	6. Stimulation	7. Matching	8. Utilitarian
Affective (Feeling)	Preservation	9. Tension Reduction	10. Self expression	11. Ego Defence	12. Reinforcement
	Growth	13. Assertion	14. Affiliation	15. Identification	16. Modeling

Discovering purchase motives

Buying motives determine two things:
- what consumers want to do, and
- how much they want to do it.

To market successfully, purchase motives
- First have to be directed towards your goods, not someone else's.
- Second, the drive has to be strong enough so that people will act on it; they have to be willing to pay the price in terms of dollars, time, and effort.

Latent and Manifest Motives

Marketing Strategies Based on Motivation Conflict

With (he many motives consumers have and the many situations in which these motives are activated, (here are frequent conflicts between motives. The resolution of a motivational conflict often affects consumption patterns. In many instances, the marketer can analyze situations that are likely to result in a motivational con

flict, provide a solution to the conflict, and attract the patronage of those consumers facing the motivational conflict. There arc three lypes of motivational conflict of importance to marketing managers:

· Approach-Approach Conflict
· Approach-Avoidance Conflict
· Avoidance-Avoidance Conflict

Approach-Approach Motivational Conflict A consumer who must choose between two attractive al ternatives faces approach-approach conflict. The more equal this attraction, the greater the conflict. A con sumer who recently received a large cash gift for graduation (situational variable) might be ton) between a trip to Hawaii (perhaps powered by a need for stimulation) and a new mountain bike (perhaps driven by the need for assertion). This conflict could be resolved by a timely advertisement designed lo encourage one or the other action. Or a price modification, such as "buy now, pay later." could result in a resolution whereby both alternatives are selected.

Approach-Avoidance Motivational Conflict A consumer facing a purchase choice with both positive and negative consequences confronts approach-avoidance conflict. A person who is concerned about gain ing weight yet likes snack foods faces this type of problem. He or she may want the taste and emotional satisfaction associated with the snacks (approach) but does not want to gain weight (avoidance). The development of lower-caloric snack foods reduces this conflict and allows the weight-sensitive consumer to enjoy snacks and also control calorie intake.

Avoidance-Avoidance Motivational Conflict A choice involving only undesirable outcomes produces avoidance-avoidance conflict. When a consumer's old washing machine fails, this conflict may occur. The person may not want to spend money on a new washing machine, or pay to have the old one repaired, or go without one. The availability of credit is one way of reducing this motivational conflict. Advertisements emphasizing the importance of regular maintenance for cars, such as oil tiller changes, also use this type of motive conflict: "Pay me now. or pay me (more) later."

Frustration:
Failure to achieve a goal often result in feeling of frustration (inability to attain goal-frustration comes) -- Limited physical or Financial resources. --Obstacle in the physical or social environment such frustration people are likely to adopt a defense mechanism to protect their egos from feelings of inadequacy.
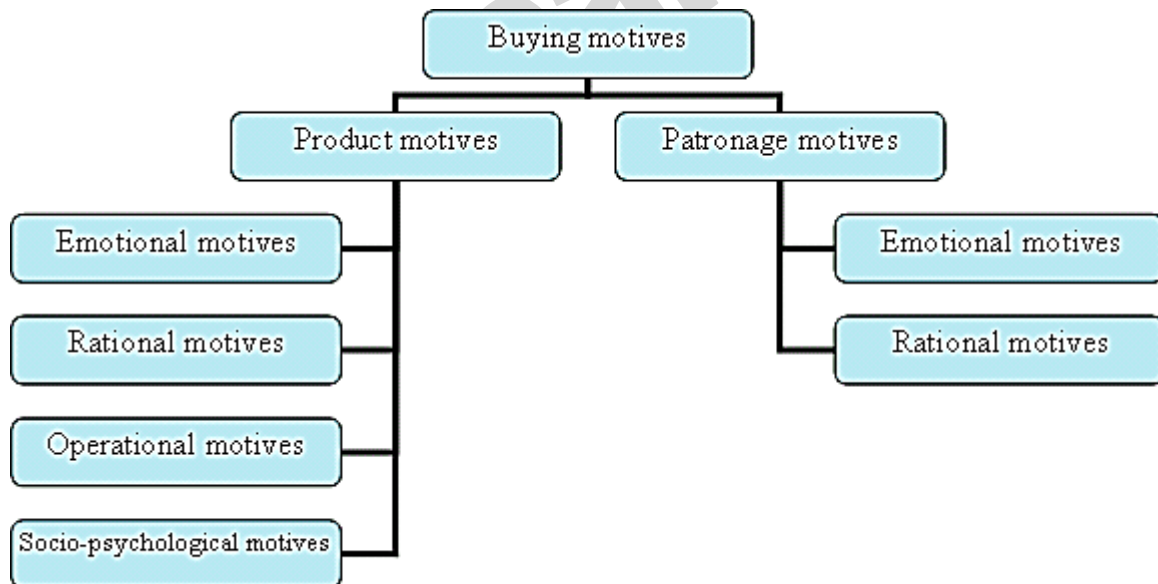
Defense Mechanism: Methods by which people mentally redefine frustrating situations to protect their self-images and their self-esteem

1. Aggression (attracting) may react with anger towards his/her boss for not getting enough money for one trip so frustrated consumers have boycotted manufacturers in an effort to improve product quality and have boycotted retailers in an effort to have price lowered.
2. Rationalization (Convince themselves)They may decide that goal is not really worth (reasoning for being unable to attain their goals)
3. Regression—People react to frustrating situations with childish or immature behavior
4. Withdrawal—withdrawing from the situation. Ex..Person who has difficulty achieving officer status in an organisation may simply quit the organisation or he may decide he can use his time more constructively in other activities.
5. Projection—An individual may projecting blame for his/her own failure and inabilities on other objects or persons. Ex..the driver who has an automobile accident may blame the other driver or the condition of the road Ex..cricket player blame the ground / climate.
6. Autism or Autism thinking Day dream that enables the Individual to attain unfulfilled needs (dreaming / thinking emotionally / romantically).

7. Identification Sometime people feel frustration by subconsciously identifying with other persons or situation that they consider relevant.Ex.. Mouth wash, shampoo, soap..to attract opposite sex

8. Repression– Another way that individuals avoid the tension arising from frustration is by repressing the unsatisfied need Ex..A couple who cannot have children may surround themselves with plants or pets .

TYPES OF CONSUMER BUYING MOTIVES

CONSUMER INVOLVEMENT MODEL

Consumer involvement affects the ways in which consumers seek, process, and transmit information, make purchase decisions and make post-purchase evaluation. As the level of consumer involvement increases, the consumer has greater motivation to gather, comprehend, elaborate and assimilate on information. A marketer needs to design his marketing mix in a manner that he can activate the involvement process to his favor, and marketing communication has a key role to play. A few models have been proposed that are based on consumer involvement; these are discussed below.

The Low-Involvement Learning Model: Marketing communication through audio visual media, i.e. TV and radio follows this principle. Through the advertisement, the marketer educates the consumers about his product offering and the brand; this may be a new product or a modified version of an existing product; he tries to create awareness and form beliefs about the brand.

The Learn-Feel-Do Hierarchy Model : With implications for marketing communication, the learn-feel-do-hierarchy model, was proposed by Vaughn and his colleagues in the 1980's at Foote, Cone and Belding; thus, it also acme to be known as the FCB Matrix,. According to the model, some purchases are backed by a lot of cognition and thinking, while others are based on feelings and emotions. The combination of these reference points produces a strategy matrix. The marketer has to choose appropriate strategies for different kinds of product/service offerings. He needs to analyze the nature of his product, and design his promotion strategy accordingly; the advertising medium should relate to the product category.

The Level of Message Processing Model : The level of involvement has an impact on the information gathering and processing. Based on this premise, the level of message processing model states that a consumer's attention to advertising is influenced by varying levels of involvement, and runs across

preattention, focal attention, comprehension, and elaboration. Each of these levels is indicative of different level of message processing, and is explained as follows:

a) **Preattention**: This level of involvement requires only a limited processing and, thus the desire is just to gain some amount of familiarity;

b) **Focal attention**: A degree greater than the first stage, here the consumer concentrates on the message source and context, and becomes receptive to basic information like product/brand name and usage.

c) **Comprehension**: At this level, the consumer focuses on the message content and tries to understand it in terms of features, attributes, benefits, price, availability etc.

d) **Elaboration**: During this highest stage of involvement, the consumer integrates the message into his memory, forms beliefs and either adds to or modifies the information that already exists in his memory.

The Product versus Brand Involvement Model : According to the model, consumers can be classified into four types according to their involvement with the product/service category and with the brand. These categories are as follows: Brand loyalists, Information seekers, Routine brand buyers and, Brand switchers. The model could hold relevance when involvement is used as a segmentation criteria.

UNIT – III & IV

"Perception in marketing is described as a process by which a consumer identifies, organizes, and interprets information to create meaning."

Perception is the process of selecting, organizing and interpreting information inputs to produce meaning.

This means we chose what info we pay attention to, organize it and interpret it. Information inputs are the sensations received through sight, taste, hearing, smell and touch. Thus we can say that the above definition of perception of perception lays emphasis on certain features:

- Perception is a mental process, whereby an individual selects data or information from the environment, organizes it and then draws significance or meaning from it.
- Perception is basically a cognitive or thinking process and individual activities; emotions, feelings etc. are based on his or her perceptions of their surroundings or environment.
- Perception being an intellectual and cognitive process will be subjective in nature.

The key word in the definition of perception is individual. We can say that it is the process by which an individual selects, organizes and interprets information received from the environment

- **Sensation**–Attending to an object/event with one of five senses
- **Organization–**Categorizing by matching sensed stimulus with similar object in memory, e.g. color
- **Interpretation–**Attaching meaning to stimulus, making judgments as to value and liking, e.g. bitter taste

One person might perceive a fast-talking salesperson as aggressive and insincere; another, as intelligent and helpful.

People can emerge with different perceptions of the same object because of three perceptual processes: **selective attention, selective distortion and selective retention.**

- **Selective Attention**. People are exposed to a tremendous amount of daily stimuli: the average person may be exposed to over 1500 ads a day. A person cannot possibly attend to all of these; most stimuli will be screened out.
  Selective attention means that marketers have to work hard to attract consumers' notice. Select inputs to be exposed to our awareness. More likely if it is linked to an event , satisfies current needs, intensity of input changes (sharp price drop).
- **Selective Distortion**. Even notice stimuli do not always come across in the way the senders intended. Selective distortion is the tendency to twist information into personal meanings and interpret information in a way that will fit our preconceptions. Unfortunately, there is not much that marketers can do about selective distortion.
- **Selective retention**. People will forget much that they learn but will tend to retain information that supports their attitudes and beliefs. Because of selective retention, we are likely to remember good points mentioned about competing products. Selective retention explains why marketers use drama and repetition in sending messages to their target market. Remember inputs that support beliefs, forgets those that don't.

ELEMENTS OF PERCEPTION

Perception is a process of sensory organs. The mind gets the information through the five sense organs, i.e., eyes, nose, ears, tongue, and skin. The stimulation comes to the organs through action, written messages, oral communication, taste, touch, etc. The perception starts with the awareness of these stimuli. Recognizing these stimuli takes place only after paying attention to them. These messages are then translated into action.

Perception involves several elements (sub processes) which are listed below:

Stimuli: The receipt of information is the stimulus which results in sensation. Knowledge and behaviour depend on senses and their stimulation. These senses are influenced by a larger number of stimuli. The family, social and the economic environment are important stimuli for the people. The physiological and psychological functions are impact of these stimuli. The intensive and extensive forms of stimuli have a greater impact on the sensory organs. The physical work environment, socio-cultural environment and other factors have certain stimuli to influence the employee's perception. In organizational settings, the supervisor may form the stimulus situation for the worker's perceptual process.

Attention: The stimuli that are paid attention depend purely on the people's selection capacity and the intensity of stimuli. Educated employees pay more attention to any stimuli, for example, announcement of bonus, appeal for efficiency, training, and motivation. The management has to find out suitable stimuli, which can appeal to the employees at the maximum level.

Recognition: The messages or incoming stimuli are recognized before they are transmitted into behaviour. Perception is a two-phase activity, i.e., receiving stimuli and translating the stimuli into action. The recognition process is dependent on mental acceptability. For example, if a car driver suddenly sees a child in front of his running car, he stops the car. He recognizes the stimuli, i.e., the life of the child is in danger.

Translation: The management in an organization has to consider the various processes of translating the message into action. The employees should be assisted to translate the stimuli into action. For example, the announcement of bonus should be recognized as a stimulus for increasing production. The employee should translate it into appropriate behavior. In other words, they should be motivated by the management to increase productivity.

Behaviour: Behaviour is the outcome of the cognitive process. It is a response to change incensory inputs, i.e., stimuli. Perceptual behaviour is not influenced be reality, but is a result of the perception process of the individual, his learning and personality, environmental factors and other internal and external factors at the workplace. The psychological feedback that may influence the perception of an employee may be superior behavior, his eye movement, raising of an eyebrow, the tone of voice, etc.

Performance: Proper behavior learns to higher performance. High performers become a source of stimuli and motivation to other employees. A performance-reward relationship is established to motivate people.

Satisfaction High performance gives more satisfaction. The level of satisfaction is calculated with the difference in performance and expectation. If the performance is more than the expectation, people are delighted, but when performance is equal to expectation, it results in satisfaction.

CONSUMER GROUPS/ GROUP DYNAMICS / CONSUMER REFERENCE GROUPS
Introduction

Humans are inherently social animals, and individuals greatly influence each other. Group dynamics exist in every formal and informal type of organisations. We need to study group dynamics to help us know and understand the impact of various types of groups on the individual's buying behavior In this lesson we will understand the concept of Group dynamics and also the different types of groups that exist.

Group

A group may be defined as the aggregation of small number of persons who work for common goals, develop a shared attitude and are aware that they are part of a group and perceive themselves as such. WE can also say that the identifiable features of a group are:

1) Two or more persons: At least two people have to be present to form a group.
2) Collective identity: Each member of the group must believe that he is a member of the group and also be aware of his participation in the group activity.
3) Interaction: The members of the group will interact with each other, share their ideas and communicate with each other.
4) Shared goal interest: Members of the group will also concur to the attainment of objectives. Each

member of the group must at least share one of the group concerns.

Reasons for formation of Group

It has been seen that the reasons why a group gets formed are:
1. Interpersonal Interactions:
2. The group acts as a vehicle of socialization
3. Group serves as a means of need satisfaction
4. A change from usual work environment
5. Helps in group decision making and getting the job done

Advantages of Groups

What do we gain if we form groups? There are a lot of advantages. Some of them are:
1. Greater sum total of knowledge and information
2. Greater number of approaches to the problem
3. Participation increases acceptance
4. Better comprehension of the problems and the solution
5. Group acts as a motivator

Disadvantages of Groups

But, there are disadvantages in a group also! Some disadvantages are:
1. Solution mindedness
2. Compromised results
3. Untimely decisions
4. Conflicts
5. Diffusion of responsibility
6. Free riding or social loafing
7. High coordination cost in time and money
8. Dominance
9. Pressures to conformity

Types of groups

Let us now identify the various types of groups that exist and operate in our daily life.
- **Primary versus secondary**
    - Depends on amount of interaction
· **Membership versus symbolic**
- Depends on whether group members recognize individual as member
- Formal versus informal
- Depends on degree of formality of conduct
- **Ascribed versus choice**
- Depends on whether membership is automatic or by Choice

Reference groups - *Primary* reference groups come with a great deal of influence— e.g., members of a fraternity/sorority. *Secondary* reference groups tend to have somewhat less influence—e.g., members of a boating club that one encounter only during week-ends are likely to have their influence limited to consumption during that time period.

Types of reference group influence

- **Informational -** Here consumers seek and accept advice from an individual because of their expertise.
· **Normative -** In this kind of reference influence, consumers allow their desire to conform with the expectations of others to influence their decisions.

· I**dentification -** In this case, consumers purchase products to be like someone else, that is, identify with some other Person. e.g. a celebrity.

SOCIAL CLASSES AND CONSUMER BEHAVIOR

Social Class - A major influence on one's purchasing habits and consumer behavior is the social class in which one finds him or herself. Social class is considered an external influence on consumer behavior because it is not a function of feelings or knowledge. Social class is often hard to define; in fact, many people dispute the existence of social classes in the United States. Usually, however, people are grouped in social classes according to income, wealth, education, or type of occupation. Perhaps the simplest model to define social class is a three-tiered approach that includes the rich, the middle class, and the poor. Other models have as many as a dozen levels. People in the same social class tend to have similar attitudes, live in similar neighborhoods, dress alike, and shop at the same type of stores.

Influence on Consumer Behavior - Social class can have a profound effect on consumer spending habits. Perhaps the most obvious effect is the level of disposable income of each social class. Generally, the rich have the ability to purchase more consumer goods than those with less income, and those goods are of higher quality . There is also a distinction in the type of goods purchased. For example, the upper class tend to be the primary buyers of fine jewelry and often shop at exclusive retailers. The lower class, in contrast, are much more concerned with simply getting by; they focus more on necessities.

Impact of social class
- Provides a sense of identity
- Imposes a set of 'normative' behaviours
- Classes share values, possessions, customs and activities
- Marketing response to customers of different economic means
- Marketing to the low-income consumer
- some marketers ambivalent as not perceived as long-term customers
- constitutes a substantial group
- target with value-oriented strategies

The role of Social Class in segmenting markets
It is evident that the concept of social class should help us to understand better the behavior of the various market segments. However, the marketing practitioner wants to know if segmentation on the basis of social class is an advantageous approach.

Social class segmentation involves two basic issues. First, opinions differ concerning which procedures are best for identifying social classes. This issue is beyond the scope of our discussion. However, it should simply be noted here that there are various approaches to social class measurement with each one offering certain advantages and disadvantages. A second and lower fundamental problem is whether even to use social class (which is, in effect a composite index consisting of several variables) in segmenting markets, or whether to use a single proxy variable such as income (for which data more readily exist) Thus, the basic question here is, which approach better explains consumer behavior?

Social class and Income related to lifestyle patterns:
While we are addressing this issue, it may be useful to examine the results of a study that correlated more than 200 lifestyle items with both social class and income. Although none of the correlations was as high as might be desired in order to clearly support the contention that lifestyle is the essence of social class. Those correlations obtained for social class were generally higher than those obtained for income. Two conclusions from this study should cite.

1) Many lifestyle items showed significant correlations with the index of social class, indicating definite but small differences between the social classes in terms of lifestyles.

2) Some items showed a much greater correlation with social class than with income, suggesting that social class is a better predictor of consumers' living patterns than in income.

Those items that were more related to social class than to income seemed to comprise two clusters one representing cultural activities the other representing a group of social interaction items. Cultural activities (such as concerts, ballet, and bridge games) are available to people of almost any income level. The fact that some people choose to engage in them and others do not is one of the things that makes social class a meaningful concept. Social interaction items (such as confidence, outgoingness, or good looks) may result from higher class people feeling a sense of belonging and recognition from having a secure place higher up in the social structure. However, upper social class people also seem to have less interest in the home in general and in children in particular that do upper income / lower class individuals.

How can the marketer use such information? General lifestyle items that correlate well with product usage might well explain characteristics of the markets activity, interest, and opinion to the seller. Such finding could give the marketer some direction for product, promotion, channel and pricing decisions. A preferred approach, however would be to design a lifestyle study especially for the particular firm or its product line..

A fundamental question not specifically addressed above, however, is whether social class or income is more closely associated with specific consumer activity, particularly with product purchase patterns.

Those who believe that social class is much better than income for market segmentation claim that income categories are quite often irrelevant in analyzing markets and explaining consumers' shopping habits store preferences and media usage. An example of the superiority of social class to income is the following comparison of three families, all earning approximately the same amount per year, but belonging to different social classes with radical differences in their spending patterns.

An upper middle class family headed, perhaps by a young lawyer or a college professor is likely to spend a relatively large share of its income on housing in a prestige neighborhood, on expensive furniture, clothing from quality stores, and on cultural amusements or club memberships.

A middle class family headed, let's say, by an insurance salesman or a successful grocery store owner probably has a better house, but in not as fancy a neighborhood as full a wardrobe although not as expensive; more furniture but none by name designers; and a much bigger savings account.

A working class family headed perhaps by a welder or cross country truck driver is likely to have a smaller house and neighborhood than the others; however it will have a larger newer car, more expensive kitchen appliances, and a larger TV set in the living room. This family will spend less on clothing and furniture but more on food and sports.
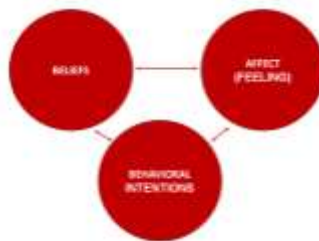
UNIT- V

Attitude and consumer behavior:- Meaning of attitude, nature and characteristics of attitude, types of attitude, learning of attitude, sources of influence on attitude formation, Model of attitude- Tri component attitude model, multi attribute attitude model, Consumer decision making process:- Introduction, levels of consumer decision ,consumer information processing model ,Hierarchy of effects model.

ATTITUDES

Introduction. Consumer attitudes are a composite of a consumer's (1) beliefs about, (2) feelings about, (3) and behavioral intentions toward some object--within the context of marketing, usually a brand or retail store. These components are viewed together since they are highly interdependent and together represent forces that influence how the consumer will react to the object.

Beliefs. The first component is *beliefs*. A consumer may hold both positive beliefs toward an object (e.g., coffee tastes good) as well as negative beliefs (e.g., coffee is easily spilled and stains papers). In addition, some beliefs may be neutral (coffee is black), and some may be differ in valance depending on the person or the situation

So we can say that - Attitudes are defined as a mental predisposition to act that is expressed by evaluating a particular entity with some degree of favor or disfavor.
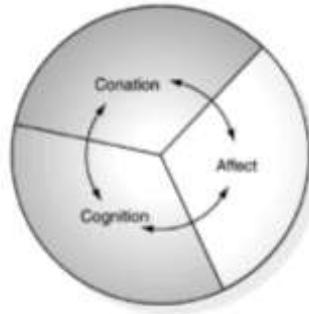
MODELS OF ATTITUDE

We will now look at the various models of attitudes. But before looking at these models, we have to understand the fact that many a times our attitudes depend on the situations. For example, we identify certain products and see how the specific situation shave made us form the said attitude.

Product	Situation	Attitude
Monaco Biscuits	Party going on and ordered snacks haven't arrived.	" I need to serve an instant substitute for snacks".
Vicks Action-500	Suffering from blocked nose And headache	"You need to take a double action tablet to get immediate relief".
Maxima Watches	Watch slipped from hand and Fell into water.	"There is nothing to worry since its an economical water proof wrist watch".
Complan	Mothers worried about children not taking balanced food.	"There is the need for giving children a planned food".
Ariel micro shine	Husband has to wash a pile of dirty clothes, when his wife is away from home	"You need to use an easy to use, very e powder".

TRICOMPONENT ATTITUDE MODEL

According to the tricomponent attitude model, attitude consists of three major components, viz., a cognitive component, an affective component, and a conative component.
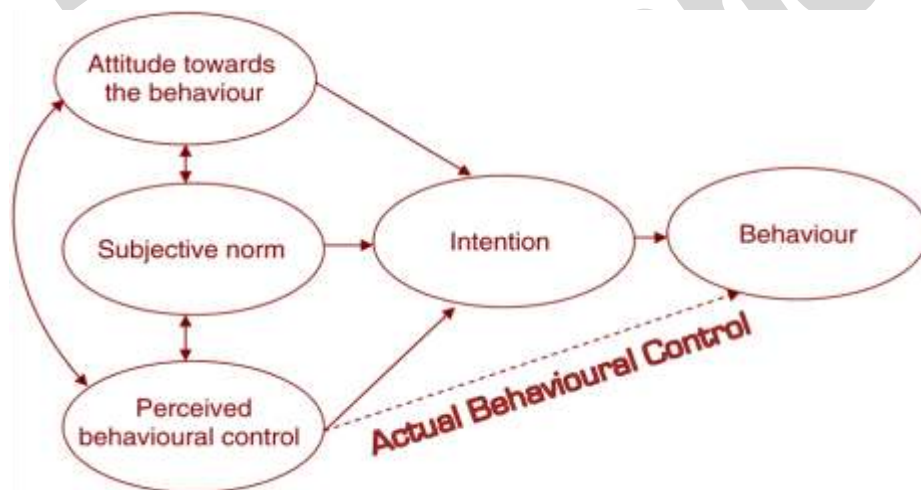

MULTI ATTRIBUTE ATTITUDE MODEL

Multiattribute attitude models portray consumers' attitudes with regard to an attitude "object" as a function of consumers' perceptions and assessment of the key attributes or beliefs held with regard to the particular attitude "object". The three models, which are very popular, are: the attitude-toward-object model, the attitude-toward-behaviour model, and the theory of- reasoned-action model.

1) **Attitude toward object model**. The attitude-toward object model is suitable for measuring attitudes towards a product or service category or specific brands. This model says that the consumer's attitude toward a product or specific brands of a product is a function of the presence or absence and evaluation of certain product-specific beliefs or attributes. In other words, consumers generally have favorable attitudes toward those brands that they believe have an adequate level of attributes that they evaluate as positive, and they have unfavorable attitudes towards those brands they feel do not have an adequate level of desired attributes or have too many negative or undesired attributes. For instance, *you may like BMWs.*

2) **Attitude toward behavior model**: This model is the individual's attitude toward the object itself. The crux of the attitude-towards-behaviour model is that it seems to correspond somewhat more closely to actual behavior than does the attitude-toward-object model. *So taking on from liking a BMW, we may say you are not ready to buy/drive one because you believe that you are too young/old to do so.*

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3) Theory of reasoned-action-model: This model represents a comprehensive integration of attitude components into a structure that is designed to lead to both better explanations and better predictions of behaviour. Similar to the basic tricomponent attitude model, the theory-of-reasoned-action model incorporates a cognitive component, an affective component, and a conative component; however these are arranged in a pattern different from that of the tricomponent model.