CONSUMER MARKETS & CONSUMER BEHAVIOUR:

Marketing tries to meet and satisfy customer needs/wants. Consumer behaviour studies how individuals/groups select/buy/use and dispose goods/services/ideas and experiences to satisfy needs/ desires.

- Customers (Earlier on) could be understood through daily experience of selling to them.
- Today, direct control with customers is limited.
- Hence, marketing manager’s may rely on 7 O’s Framework for constant research to answer following questions.
  - Who constitutes the market? - Occupants.
  - What does the market buy? - Object.
  - Why does the market buy? - Objectives.
  - Who participates in buying? - Organizations.
  - When does market buy? - Occasion.
  - Where does market buy? - Outlets.

Example: - Milk Chocolates
- Children of all age group.
- Sweet & tasty, easy to digest, convenient hunger satisfier.
- Gifts, celebrations, overcome sadness.
- Packaging should be nice
- Full payment
- Birthdays, festivals, celebrations.
- Shops, general stores, medicals etc...

Marketers’ task is to understand:
- How do buyer’s characteristic influences buyer’s behaviour?
- How does buyer make purchasing decision?
Understanding Buyer’s Behaviour:

Stimulus Response Model:

```
(Marketing Stimulus + Other Stimuli) Act On Buyers Characteristic To Give Buyer’s Decision
```

**Decision:**
- Product Choice.
- Brand Choice.
- Dealer Choice.
- Purchase Timing.
- Purchase Amount.

**Marketing Structure:**
- Product.
- Price.
- Place.
- Promotion.

**Other Structure:**
- Economic.
- Technological.
- Political.
- Cultural.

**Buyer’s Character:**
- Social.
- Cultural.
- Personal.
- Psychological.

**Buyer’s Decision Process:**
- Problem recognition.
- Information search.
- Evaluation.
- Decision.
- Post-Purchase behaviour.
**Factors Influencing Buying Behaviour:**

- **Cultural:**
  - Culture.
  - Sub – culture.
  - Social class.

- **Social:**
  - Reference groups.
  - Families.
  - Roles/ Status.

- **Personal:**
  - Age/ Life cycle stage.
  - Occupation.
  - Economic circumstances.
  - Lifestyles.
  - Personality/ self concept.

- **Psychological:**
  - Motivation.
  - Perception.
  - Learning.
  - Beliefs/ Attitudes.

**CULTURAL FACTORS:**

**Culture:**

- Most fundamental determinant of a person’s wants & behaviour.
- Defined by-
  - Value Systems.
  - Perceptions.
  - Preferences.
  - Behaviour.

- Manifest through our approach to
  - Achievement/ Success.
  - Activity.
  - Freedom.
  - Efficiency/ Practicality.
  - Progress.
  - Material comfort.
  - Humanitarianism/ Spiritualism.

- The various culture in the world are as follows:
  - Indian sub-continenal culture.
  - Oriental culture.
  - Occidental culture (European).
  - Latin-American culture.
  - African culture.
  - Arabian culture.
  - Aboriginal culture.
Sub – Culture:
- Each culture consists of smaller sub-culture that provide even more specific identification & socialization for its members.
- Include:
  - State of origin.
  - Religion.
- Sub-culture may make up important market segment.
- Hence, marketer’s may design products & marketing programs tailored to their needs.

Social – Class:
- Manifestation of social satisfaction.
- Social classes are relatively homogenous & enduring division in a society, which are hierarchically ordered & whose members share similar values, interests & behaviour.
- May not be a reflection of income alone.
- Other indicators may be
  - Occupation.
  - Education.
  - Area of residence.
- Social class differ in an external characteristic such as.
  - Dress.
  - Speech pattern.
  - Recreation preferences.
- Social class identified by social scientists are:
  - **Upper Uppers:**
    - Live on inherited wealth.
    - Donate to charity.
    - Good market for jewellery/ Antiques/ Home/ Vacations.
    - Dress conservatively.
    - Reference group for others.
  - **Lower Uppers:**
    - Earn high income on professional ability.
    - Usually comes from middle class.
    - Active in social events.
    - Seek status symbols.
    - Display conspicuous consumption.
  - **Upper Middle:**
    - May not possess high family status/ wealth.
    - Primarily concerned with career.
    - Believe in education.
    - Like Ideas and High culture.
    - Quality market for homes/ clothes/ furniture/ white goods.
    - Enjoy entertaining friends.
  - **Middle:**
    - Average salary people.
    - Live on better side of town.
    - Buy popular goods to live up with trends.
    - Spend on worthwhile experiences for children.
    - Seek better brand names.
Chapter 4

Consumer Market & Consumer Behaviour

- Working Class:
  - Blue-collars workers.
  - Guided by relatives for assistance in times of troubles.
  - Maintain gender role division.
  - Lead working class lifestyles.

- Upper Lowers:
  - Perform unskilled work.
  - Poorly paid, strive for more money.
  - Educationally deficient.
  - Living standard just above poverty.

- Lower Lowers:
  - Poverty stricken.
  - Usually out of work.

Social class show following characteristics:
- Persons within a social class tend to behave alike.
- Persons are perceived as superior/ inferior in society based on social class.
- Social class indicated by a cluster of variables rather than a single variable.
- Individual can move from one social class to another, both, up or down.
  Social class show distinct product/ brand preferences in many areas.

SOCIAL FACTORS:
- Made up of
  - Reference groups.
  - Family.
  - Roles/ Status.

Reference Groups:
- A person’s reference group consist of all the groups that have a direct/ indirect influence on the person’s attitude/ behaviour.
- Reference groups are either
  - Membership Group.
  - Aspirational Group.
  - Dissociate Group.

- Membership Group: Are groups having direct influence on a person.
  - Primary: Family/ Friends/ Neighbours/ Co-workers with whom that person interacts continuously/ informally.
  - Secondary: Formal/ Less continuous interaction such as professional/ relational/ trade unions/ religious groups.

- Aspirational Group:
  - Groups in which a person would like to belong.

- Dissociative group:
  - Groups whose values one rejects.
Reference group influence consumer behaviour in three ways.
-Expose individual to new behaviour & lifestyle.
- Influences person’s attitude & self-concept.
- Create pressures for conformity that may affect the person’s actual product/brand choices.

- Marketers may try to reach out to opinion leaders.
  - Identifying demographic/psychology characteristic associated with opinion leader.
  - Identifying media read by opinion leaders.
  - Directing message at opinion leader.

Group influence is strong for products that are visible to others whom buyer respect.
Influence varies with
- Group cohesiveness.
- Person’s esteem for group.
- Group’s communication effectiveness.

Family:
- Most important customer-buying organization in society.
- Also most important primary reference group.
- Each buyer has two families.
  - Family of Orientation (parents/siblings). It gives a person
    - Orientation towards religion/politics/economics.
    - Source of personal ambition/self worth/love.
  - Family of Procreation (spouse/children). It influences a buyer based on position:
    - Husband: may dominate decision related to insurance/automobiles.
    - Wife: may dominate decision related to furniture/appliances.
    - Equal: for decision related to vacation/housing.
- Above patterns may change due to societal changes.
- Influence of children in buying behaviour is increasing.

Roles & Statuses:
- Person participates in many groups throughout life.
- Person’s position in group is defined by role/status.

Role: Activities a person is expected to perform.
Each role would influence person’s buying behaviour.
Status: Each role carries a status/position.
- People choose products that communicate their role/status.

Ex:- Dress.
- Farmer: Kurta/Payjama or dhoti/kurta + slippers/sandals.
- Factory worker: Shirt/Pant + sandals/shoes.
- Marketing Manager: Tie + shirt/pant + leather shoes.
PERSONAL FACTORS:
- Age/Life cycle stage.
- Occupation.
- Economic circumstances.
- Life style.
- Personality/ Self concept.

Age/ Life Cycle Stage:
- Buyer’s choice in many products related to age & family life cycle.
- Family life cycle stages could be:
  o Bachelor: Young/ Single people not living at home.
    ▪ Few financial burdens.
    ▪ Fashion opinion leaders.
    ▪ Recreation oriented.
    ▪ Buy basic kitchen equipment/ furniture/ vacations.
  o Newly Married Couple: Young/ No children.
    ▪ Better off financially than they would be in near future.
    ▪ High purchasing rate of consumer durables- furniture/ auto/ refrigerator (may be highest purchasing rate).
  o Full Nest 1: Youngest child under six.
    ▪ Home purchase.
    ▪ Low liquid assets.
    ▪ Dissatisfied with financial positions & savings.
    ▪ Interested in new products.
    ▪ Influenced by advertisements.
    ▪ Buy: washing m/c, T.V., Baby food, toys.
  o Full Nest 2: Youngest child above six years.
    ▪ Better financial position.
    ▪ Lower influence of advertisements.
    ▪ Buy large size packs/ multiple units.
    ▪ Buy: Food, Cleaners, Educational Accessories.
  o Full Nest 3: Older Married Couple with Dependent Children.
    ▪ Better financial position.
    ▪ Children may start getting jobs.
    ▪ Difficult to influence with advertisement.
    ▪ But: Furniture, Magazines, Appliances.
  o Empty Nest 1: Older Married Couples with NO Children Living with Them.
    ▪ Family head still working.
    ▪ Peak home owners.
    ▪ Most satisfied with financial position and savings.
    ▪ Buy: Travel, recreation, self education, gifts.
    ▪ Not interested in new products.
  o Empty Nest 2: Older Married Couple
    ▪ No children at home
    ▪ Head of family retired.
    ▪ Drastic decrease in income.
    ▪ Keep home.
    ▪ Buy medical care.
Marketers choose life cycle groups as target market.

**Occupation:**
- Person’s occupation influences his/her consumption pattern.
- Example:
  - Blue collar worker: work clothes + shoes.
  - Senior Manager: suits/ air travels/ club memberships.
- Marketers try to identify occupational group that would have above average interest in their products.
- At times, company may specialize its products for certain occupational groups.
  - Example: miner cap, sports shoe for different sports.

**Economic Circumstances:**
- Affects choice of products.
- Components of economic circumstances could be
  - Spendable income (level/ stability/ time pattern).
  - Savings & Assets (including liquid assets).
  - Debts/ Borrowing Power.
  - Attitude towards ‘Spending Vs Savings’.
- Marketers of income sensitive goods need to pay attention towards trends in
  - Personal income.
  - Savings.
  - Interest rates.
- In a recession, marketers may need to
  - Redesign.
  - Reposition.
  - Reprice their products.

**Lifestyle: (Psychographic):**
- Persons from same subculture/ occupation may lead different lifestyles.
- *Lifestyle:* Person’s pattern of living in the world, expressed in the person’s Activities/ Interests/ Opinion.
- Lifestyle portrays the whole person’s interacting with his/her environment.
- Marketers search for relationship between their products & lifestyle groups (coefficient of correlation, r > 0.7).
- Lifestyles classified through frameworks.
  - AIO Framework.
  - VALSI Framework.
Chapter 4

Consumer Market & Consumer Behaviour

AIO Framework:
- Concept & Application of lifestyle segmentation.
- Responders presented with question to measure their Activities/ Interests/ Opinions (AIO).

Likert Scale: (Five-Point)

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

Likert Scale: (Seven-Point)

<table>
<thead>
<tr>
<th>Strongly Agree</th>
<th>Mildly Agree</th>
<th>Agree</th>
<th>Neither Agree nor Disagree</th>
<th>Disagree</th>
<th>Mildly Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
</table>

Major Dimensions are:

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>INTERESTS</th>
<th>OPINIONS</th>
<th>DEMOGRAPHICS</th>
</tr>
</thead>
</table>

- Questions are in for of agreement/ disagreement:
  o I would like to become a singer.
  o I usually dress for fashion, not for comfort.
  o I enjoy seeing a movie in the theatre.

- In one particular research, based on answers, a lifestyle group is identified.
  o Example: For Males
    ▪ Self made businessman.
    ▪ Successful professional.
    ▪ Devoted family man.
    ▪ Frustrated employee/ worker.
    ▪ Retiring homebody.

- While developing advertisement campaign, marketers identify target lifestyle group & Ad agency develops advertisements appealing to AIO characteristic of group.
VALS-2 Framework: (Values to Lifestyles):
- Developed by Arnold Mitchell, to explain dynamics of social change (during 60’s)- Initial framework.
- Postulates that individual’s values, which develop to change over a lifetime, determines social change.
- Concept used in marketing to increase understanding of product, acceptance for special consumer group.
- In 1989, Stanford Research Institute (SRI) introduced VALS-2 to segment people into groups exhibiting distinction consumer behaviour.

VALS = Values & Lifestyles.

- Human beings are classified into eight categories. Each category has either greater/ fewer resources.

\[
\begin{array}{c}
\text{Actualisers} \\
\text{Full-Fillers} \\
\text{Believers} \\
\text{Strivers} \\
\text{Makers} \\
\text{Strugglers} \\
\end{array}
\]

\[
\begin{array}{c}
\text{PRINCIPLE ORIENTED} \\
\text{STATUS ORIENTED} \\
\text{ACTION ORIENTED} \\
\end{array}
\]

**Greater Resource Categories:**
- **Actualisers:** (Status Oriented)
  - Successful/ Active “take charge” people.
  - Purchases reflect upscale/ niche products.
- **Full-Fillers:** (Principle Oriented)
  - Mature/ Satisfied/ Comfortable/ Reflective.
  - Favour functionality/ durability/ value in product.
- **Achievers:** (Status Oriented)
  - Successful/ Career/ Work oriented.
  - Favour established/ prestige products that demonstrate success to peers.
- **Experiencers:** (Action Oriented)
  - Young/ enthusiasts/ impulsive/ rebellion.
  - Buy clothing/ fast food/ music/ videos.
Fewer Resources Categories:
- **Believers:** (Principle Oriented)
  - Conservative (conventional/traditional).
  - Favour familiar/ established products/ brands.
- **Strivers:** (Status Oriented)
  - Uncertain/ Insecure/ approval seeking/ resource constrained.
  - Buy stylish products that emulate purchases of wealthy people.
- **Makers:** (Action Oriented)
  - Practical/ self sufficient/ traditional/ family oriented.
  - Buy practical/ functional products like tools/ utility products/ vehicles.
- **Strugglers:** (Status Oriented)
  - Elderly/ resigned/ passive/ resources constrained.
  - Cautious consumer/ loyal to favourite brand.

**Personality / Self Concept:**
- Each person has a distinct personality that influences his/ her buying behaviour.
- Personality implies a person’s distinguishing psychological characteristic & enduring responses to his/her environment.
- Described by traits such as:
  - Self confidence.
  - Dominance.
  - Autonomy.
  - Deference.
  - Sociability.
  - Defensiveness.
  - Adaptability.

- Personality may be variable in analyzing consumer behaviour provided personality types can be accurately classified & their direct co-relation to product/ brand choices indicated.
- Related to personality is the person’s self concept.
- Self-concept is a person’s image about him/her self (self image).
- Marketers need to develop communication strategies so that:
  - Advertisements/ Communication appeal to personality traits.
  - Brand/ Products image relates target market’s self image.
**PSYCHOLOGICAL FACTOR'S:**
Buying preference influenced by four psychological factors:
- Motivation.
- Perception.
- Learning.
- Beliefs/ Attitudes.

**Motivation:**
- A person may have needs at any given time.
- Need could be
  - **Biogenic**: Arise from physiological state of deprivation/ Tension such as hunger/ thirst physical discomfort.
  - **Psychogenic**: Arise from psychological state of tension. Ex:- need for Esteem/ recognition/ belonging.
- Biogenic need may require immediate action.
- Psychogenic needs may not require immediate action.
- Need becomes motive when it reaches certain intensity level.
  - **Motive**: Need that is sufficiently pursuing to drive that person to act.
- Human motivation has implication for consumer analysis & market strategy.
- To understand “Motivation”, use theorem of
  - Segmund Freud.
  - Abraham Maslow.
  - Frederick Herzberg.

**Freud’s Theory Of Motivation:**
- Theory:
  - Real psychological forces shaping people’s behaviour are largely unconscious.
  - At times a person may not fully understand his/her motivation.
- To uncover deeper motives triggered by a product, motivation researchers may conduct
  - In-Depth Interviews.
  - Projective Techniques.
- Products characteristics may trigger associations/ emotions in a prisoners mind. These may stimulate or inhibit.
- Marketers may try to identify characteristic of products that may stimulate purchase.
- Example:- Computer.
  - **Direct Motive**: Increase work efficiency.
  - **Deeper Motive**: *Impress others.*
    *Make person feel up to date with Technology / sophistication.
  - Hence, marketer may introduce computer in various colours/ finishes.
  - Example:- black/matte finish or grey/white with matte finish.
- Projective techniques basically are:
  - Word association.
  - Sentence/ Story completion.
  - Role Play.
  - TAT (Thematic Appreciation)- Picture description.
  - Ink Blot.
  - Laddering (2nd level of Association).

\[ \text{Maslow's Theory of Motivation:} \]
- Tries to explain why people are driven by particular needs at particular times.
- Example:
  - Person A : Spends on personal safety/ security.
  - Person B : Pursues high opinion of others.
- Suggests that human needs are arranged in a hierarchy from most pressing to least pressing.
- People will try to satisfy their most important needs first. Order is 1-5 as per diagram.

\[ \text{Maslow’s theory helps marketers understand how various products fit into Plans/ Goals/ Lines of potential customers.} \]
Herzberg’s Theory of Motivation: (Two Factor Theory).
- Two factor theory of motivation that distinguishes dissatisfiers & satisfiers.
- To motivate a purchase, absence of dissatisfiers is not enough. Satisfier must be actively present.
- Example: Warranty of Two-Wheeler.
  ▪ Absence is a dissatisfier.
  ▪ Presence may not be adequate.
- Implications for Marketers:
  o Sellers should avoid dissatisfier as much as possible. Dissatisfier may not sell product but could unsell product.
  o Marketers should identify satisfiers/ motivators of purchase & try to provide them. This may determine brand choice.

Perception:
- A motivated person is ready to act.
- Action is influenced by perception.
- Perception:
  ▪ Process by which an individual selects, organizes, interprets information to create a meaningful picture of the world.
- Depends on
  o Physical stimuli.
  o Stimulations relation to surrounding field.
  o Conditions within individuals mind.
- Different people may presume similar situations differently due to perceptual processes within individuals.
- Perceptual processes are:
  o Selective Attention:
    ▪ People do not respond to all stimuli as the exposures are too many.
    ▪ Most likely to notice
      • Stimuli related to current need.
        ▪ We noticed MBA ads when we thought of doing MBA
      • Stimuli that we anticipate.
        ▪ School Bell, even faintest of the noise can be heard
      • Stimuli whose deviations are large compared to normal.
        ▪ Close up ad (Aap close up kyon nahi karte hain), quite different from regular themes.
  o Selective Distortion:
    ▪ People’s tendency to twist information into personal meanings & interpret information in a way that will support rather than challenge their preconception.
  o Selective Retention:
    ▪ Tend to retain information that support their attitude/ beliefs.
Learning:
- When people act, they learn.
- Learning involves changes in an individual's behaviour arising out of experience.
- Learning produced through interplay of
  - Drives: Internal stimulus impelling action.
  - Stimuli: Trigger.
  - Cues: Lead.
  - Responses
  - Reinforcement.
- Learning shows marketers that they can build up demand for a product by
  - Association it with strong drives.
  - Using motivating cues.
  - Providing positive reinforcement.

Beliefs/Attitudes:
- **Belief**: Descriptive thought that a person holds about something.
- **Attitude**: Person’s enduring Favourable/Unfavourable Evaluation/Emotional feelings/Action tendencies toward some Objects/Idea.
- Company should try & fit product into existing Beliefs/Attitudes rather than try to change them.
- **Attitude Circle**:

![Attitude Circle Diagram](image-url)
Buying Process:
- To be successful, marketers need to go beyond various influencers on buyers & understand how consumers make their buying decisions.
- Specifically, marketers need to understand
  - Who makes buying Decision/ Buying roles.
  - Types of buying decision.
  - Steps in buying process.

Buying Roles:
- For some products, it is easy to identify buyer.
- Example:-
  - Shaving equipment : Men.
  - Lipsticks : Women.
- However, in certain cases, people may play different roles in a buying decision.
- Roles could be
  - Initiator:
    - Persons who first suggests idea of buying Product/ Service.
  - Influencer:
    - Person whose advice influences decision.
  - Decider:
    - Person who decides whether/ what/ how/ where to buy.
  - Buyer:
    - Person who makes actual purchase.
  - User:
    - Person who consumes/ uses product/ services.

Types of Buying Decisions:
- Decision to buy
  - Toothpaste.
  - Tennis racket.
  - Personal computer.
  - Car.
- Differences analysed across (Henry Aesael Model)
  - Level of involvement of buyer.
  - Differences between brands available.
- Four types of buying behaviour.

<table>
<thead>
<tr>
<th>Significant Difference Between Brands</th>
<th>High Involvement</th>
<th>Low Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complex Buying Behaviour</td>
<td>Variety Seeking Buying Behaviour</td>
</tr>
<tr>
<td>Few Differences Between Brands</td>
<td>Dissonance Reducing Buying Behaviour</td>
<td>Habitual Buying Behaviour</td>
</tr>
</tbody>
</table>
`Complex Buying Behaviour`:
- Features:
  - Consumers highly involved in buying.
  - Significant difference among brands.
  
  - May occur when
  - Product is expensive.
  - Product bought infrequently.
  - Purchase may be risky.
  - Product is self expressive.
  - Example: cars, two-wheelers, color TV, washing machines etc…

- Complex buying behaviour involves
  - Developing belief about product (Learn).
  - Developing attitude about product (Feel).
  - Developing thoughtful purchase choice (Do).

- Marketers in such cases should
  - Assist buyer in learning about products attributes & thus relative importance.
  - Focus buyer attention to high standing of company’s Product/Brand on more important attributes.
  - Differentiate brand’s features or benefits through suitable communication strategy (may be print media).
  - Motivate sales personnel to influence brand choice.

`Dissonance Reducing Buying Behaviour`:
- Features
  - Consumers highly involved in purchase.
  - Consumer sees little difference in brands.
  - Example: carpets, B/W TV, Personal computer.

- After purchase, consumer may notice certain negative points about product purchased, or consumers may hear favourable reports about other products in same category.
- This may lead to Dissonance.
- Hence, marketer should
  - Provide information to customer that justifies purchase.
  - Supply Beliefs/Evaluations to make consumer feel good.

`Variety Seeking Buying Behaviour`:
- Features
  - Low consumer involvement.
  - Significant brand choices.

- May lead to brand switching to larger extent
  - Example: Biscuits, Candies.

- Switch occurs due to
  - Boredom.
  - Desire for variety.

- May not be due to dissatisfaction.
Marketing leader should try to convert buying behaviour to habitual buying behaviour through
- Dominating shelf space through more varieties.
- Avoiding stock-outs by replenishing retailers quite frequently, may be alternate days or so.
- Sponsoring frequent reminder advertisement, like, Britania khao world cup jao – short and forceful message.

- Others (challenger) may encourage variety seeking behaviour through
  - Lower prices.
  - Sales promotion or sales schemes.
  - Advertisements that provide reasons for trying something new.

**Habitual Buying Behaviour:**

- Features
  - Low involvement.
  - Few differences between brands.
  - Example:- salt, toothpaste, cigarettes.

- May happen with
  - Low cost.
  - Frequent purchase product.

- Consumer behaviour may not pass through Believe/Attitude/Behavioural sequence.
- Instead, they are passive recipients of information (may be through TV/Print).
- Consumers may select brand due to familiarity.
- Hence, buying process could be
  - Belief through passive learning.
  - Purchase.
  - Evaluation.

- Marketers may follow strategies such as
  - Induce trial through low prices / sales promotion.
  - Advertise on TV (High repetition / Short messages)
    - Link product to some involving issues
      - Toothpaste – No cavities.
    - Link product to involving personal issues.
      - Coffee – shake off sleepiness in the morning
    - Trigger strong emotions with products
      - Chocolate.
    - Add important product feature
      - Fortifying plain drink with vitamins.

- These may help to increase involvement of consumers in buying.
**Stages in the Buying Process:**

- Analysis of stages in buying process helps marketers to increased understanding of consumer’s behaviour.
- Marketers may try to understand the buying process through various methods.

- Methods may be
  - Introspective
    - Thinking within or by putting oneself in consumers place.
  - Retrospective
    - Interview few recent purchasers and ask them to recall events leading to purchase.
  - Prospective
    - Researching prospective buyer.
  - Prescriptive
    - Ask consumers ideal way to buy products.

- Based on above, five stage model for consumer buying process has been evolved.
- Stages are
  - Problem recognition.
  - Information search.
  - Evaluation of alternatives.
  - Purchase decisions.
  - Post purchase behaviour.
- For low involvement buying, consumers may skip or reverse some stages.

**Problem/Need Recognition:**

- Buying process starts with buyer recognizing need/ problem.
- Need/Problem = Difference between his/her actual state and desired state.
- May be triggered by
  - External stimuli.
  - Internal stimuli.
- Marketer needs to identify circumstances that trigger a particular need or most frequent stimuli that spark an interest in product category.
- Based on this marketing strategy to trigger consumer interest may be developed.

**Information Search:**

- An aroused consumer may search for information search.
- Information services could be
  - Personal : Family/ Friends/ Neighbours Acquaintance.
  - Commercial : Advertisements/ Sales staff/ Dealers/ Packaging/ Displays.
  - Public : Mass Media/ Consumers rating organizations.
  - Experimental : Handling/ Examining/ Using Product.

- Based on above, consumers learn about competing brands and their features.
  - Total Set : All brands available to consumer.
  - Awareness Set : Brands consumers know about.
  - Consideration set: Brands consumer considers & meet consumers initial buying criteria.
- Choice set: Strong contender for decision final choice / Decision made from this set.

- Marketers must strategize to get its brand into prospect.

- For this, company should
  - Plan its competitive appeal.
  - Identify consumer’s information source & evaluate their relative importance to consumer.

```
Passive Consumer  Need/Problem Recognition  Aroused Consumer  Information Search
              Purchase Buying Intent  Evaluation of Alternatives  Choice Set
```

```
Total Set
   (Knowledge)

Awareness Set
   (Absence of Dissatisifiers)

Consideration Set
   (Extent of Satisfier)

Choice Set
```
Evaluation of Alternatives:

Q: How does customer process competitive brand information to make final value judgment?

A: Customers evaluation done:
   - Not based on a single evaluation process
   - Based on simultaneous evaluation processes that are cognitively oriented, i.e., judgment made on conscious / rational basis.

- Consumer evaluation process could be
  - Understanding need to be satisfied.
  - Benefits required from product/ offering.
  - Seeing each product as a bundle of attributes with varying ability of delivering benefits sought by customer to satisfy need.
  - Example:-
    - Camera : Picture quality/ Speed/ Size/ Price.

- Customer may give different importance to different attributes. They would be more attentive to attributes that provide the benefits they seek. Customer segmentation may be done to cater to distinct customer groups (Alternative Evaluation Process).

- Based on above, customer decides where each Product/ Offering/ Brand stands on each attribute.

- This leads to a set of brand belief.

- Brand belief lead to brand image based on usage experience filtered by the effects of Selective Attention/ Selective Distortion/ Selective Retention.

- Knowledge of customer preference process keeps a marketer to influence buyer decision.

- Example:-

  Total Set : Hero Honda/ Bajaj Auto Ltd./ TVS/ Yamaha/ Kinetic/ LML/ Honda/ Enfield Motors.

  Awareness Set : Hero Honda/ Bajaj Auto Ltd./ TVS/ Yamaha/ Kinetic/ Enfield Motors.

  Consideration Set: Hero Honda (Splendor, CD-Dawn)/ Bajaj (Boxer)/ TVS (Victor, Star-City, Velocity, Challenger)

  Choice Set : CD-Dawn/ Boxer/ Star City.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Weight</th>
<th>CD- Dawn</th>
<th>Boxer</th>
<th>Star City</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Milage</td>
<td>0.40</td>
<td>7</td>
<td>2.80</td>
<td>8</td>
</tr>
<tr>
<td>2. Style</td>
<td>0.10</td>
<td>5</td>
<td>0.50</td>
<td>5</td>
</tr>
<tr>
<td>3. Power</td>
<td>0.15</td>
<td>6</td>
<td>0.90</td>
<td>6</td>
</tr>
<tr>
<td>4. Price</td>
<td>0.25</td>
<td>7</td>
<td>1.75</td>
<td>8</td>
</tr>
<tr>
<td>5. Maintenance cost</td>
<td>0.10</td>
<td>6</td>
<td>0.60</td>
<td>9</td>
</tr>
</tbody>
</table>

Brand Belief = 6.55 + 7.50 = 6.70

Brand Image = Brand Belief + Usage Experience filtered through our perceptual Processes of selective Attention/ Distortion/ Retention
A marketer (based on assessment) could
- Modify product (Real Repositioning).
- Alter brand beliefs (Psychological Repositioning).
- Alter beliefs, about competitive brands (Competitive Depositioning).
- Alter important weights.
- Call attention to neglected attributes.
- Shift buyer’s ideals (in terms of attributes evaluation).

- Outcome of evaluation is to form references.
- Among brands within choice set.
- May lead to buying intent for most preferred brand.

**Purchase Decision:**
- Intent to buy a brand gets converted to a purchase decision but for intervening factors.
  - Attitudes of others
    - Influence of others opinion/views depend on
      - Intensity of other people’s attitudes.
      - Customer motivation to comply with other people’s wishes.
  - Complications may arise if contradictory opinion are expressed by close associates.
- Unanticipated situational factors.
  - May suddenly erupt to change purchase intent.
    - Example: Fund shortage due to emergency.
- Purchase decision may be postponed/avoided/modified based on perceived risk of purchase.
- Risk varies with
  - Product Price.
  - Attributes Uncertainty.
  - Customer self confidence.
- Marketer should understand above factors and provide information & support to reduce perceived risk.
- Purchase decision made up of sub decision such as
  - Brand decision.
  - Quantity decision.
  - Timing decision.
  - Vendor decision.
  - Payment method decision.

**Post – Purchase Decision:**
- After purchasing product, consumer will experience some level of satisfaction/dissatisfaction.
- Marketer’s task does not end when product is bought, but continues into post-purchase period.
- Marketer need to monitor
  - Post purchase satisfaction.
  - Post purchase actions.
  - Post purchase use & disposal.
Post Purchase Satisfaction:
- Post purchase satisfaction depends on the closeness of buyer’s product expectations \& product perceived performance.
- Customers delight occurs when performance exceeds expectation.

Post Purchase Action:
- Actions depend on the post purchase satisfaction levels.
- High post purchase satisfaction leads to good word of mouth.
- Post purchase dissatisfaction lead to
  - Indifference
    - Exit option (Stop Buying).
    - Voice option (Warn Others).
  - Customer complaint
    - Need speedy/positive handling.
- Marketers should invest in lower post purchase dissatisfaction.

Post Purchase Use & Disposal:
- Needs to be monitored
  - If customer stores product rather than using it – Word of mouth may be weak.
  - If customer resells it quickly – New product sales will decrease.
  - If customer finds new uses of the product – Marketer needs to advertise new uses.