UNIT-I

CONSUMER BEHAVIOUR

Meaning and Definition:

Consumer behaviour is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

Consumer behaviour and marketing action

Marketing strategies and tactics are normally based on explicit and implicit beliefs about consumer behaviour. Decisions based on explicit assumptions and sound theory and research are more likely to be successful than the decisions based solely on implicit intuition.

Knowledge of consumer behaviour can be an important competitive advantage while formulating marketing strategies. It can greatly reduce the odds of bad decisions and market failures. The principles of consumer behaviour are useful in many areas of marketing, some of which are listed below:-

1. Analyzing Market Opportunity

Consumer behaviour helps in identifying the unfulfilled needs and wants of consumers. This

requires scanning the trends and conditions operating in the market area, customer's lifestyles, income levels and growing influences.

2. Selecting Target Market

The scanning and evaluating of market opportunities helps in identifying different consumer segments with different and exceptional wants and needs. Identifying these groups, learning how to make buying decisions enables the marketer to design products or services as per the requirements.

3. Marketing-Mix Decisions

Once the unfulfilled needs and wants are identified, the marketer has to determine the precise mix of four P's. i.e., Product, Price, Place, and Promotion.

Product

A marketer needs to design products or services that would satisfy the unsatisfied needs or wants

of consumers. Decisions taken for the product are related to size, shape, and features. The marketer also has to decide about packaging, important aspects of service, warranties, conditions, and accessories.

Price

The second important component of marketing mix is price. Marketers must decide what price to be charged for a product or service, to stay competitive in a tough market. These decisions influence the flow of returns to the company.

Place

The next decision is related to the distribution channel, i.e., where and how to offer the products and services at the final stage. The following decisions are taken regarding the distribution mix –

- Are the products to be sold through all the retail outlets or only through the selected ones
- Should the marketer use only the existing outlets that sell the competing brands
- Or, should they indulge in new elite outlets selling only the marketer's brands.
- Is the location of the retail outlets important from the customers' point of view. Should the company think of direct marketing and selling.

Promotion

Promotion deals with building a relationship with the consumers through the channels of marketing communication. Some of the popular promotion techniques include advertising, personal selling, sales promotion, publicity, and direct marketing and selling.

The marketer has to decide which method would be most suitable to effectively reach the consumers. Should it be advertising alone or should it be combined with sales promotion techniques. The company has to know its target consumers, their location, their taste and preferences, which media do they have access to, lifestyles, etc.

Consumer Involvement and buying behaviour

Like motivation, involvement too is an internal state of mind which a consumer experiences. It makes one analyze and rationalize his/her choice. Involvement of consumers can be induced by external sources and agencies. Involvement is the embodiment of time, effort, consideration given and the enjoyment that is derived by consumer while choosing a product or service.

Types of consumer involvement in buying

Certain factors affect the degree of involvement of buyers in making purchase decisions. These include their level of knowledge, information, psychology, culture, lifestyle, social system, etc.

Even for the same product or service the degree of involvement of an individual may vary depending upon the circumstances. There are five types of involvement.

1. **Ego involvement**: Ego involvement is intended to satisfy one's ego. For example, all the members of the family involve themselves in purchasing a product for a single member belonging to that family. Wife involves herself in the purchase of garments for her husband and husband involves himself in the purchase of cosmetics for his wife. Sons and daughters of the family significantly influence the purchase of laptop, TV, car, household furniture, etc. The ego of each family member is satisfied by consulting him/her before the purchase.

2. **Commitment**: Commitment is another important form of involvement. When a member of the family falls sick, the other family members are committed to arrange medical treatment for the suffering members. Similarly, functions like marriages entail the commitment of the entire family.

3. **Communication in involvement**: Communication involvement signifies sharing the available information with others in the family or organization. If one member has some information on the subject matter of decision, he should communicate it with the other members before arriving at a decision.

4. **Purchase importance**: Involvement of individuals depends upon the degree of importance of purchase. Suppose e flat costing lakhs of rupees is purchased, then the purchase decision assumes a great deal of importance in respect of location and area of the flat. The title deeds should be free from encumbrance.

5. **Extent of information**: Once the consumer recognizes the need, he then engages in a search process. Search means acquisition of information from the environment. The extent of information search is part of purchase importance. When the purchase is important, information is sought from all possible sources. But in the case of routine purchase of products and services, information search will be rather minimum.

Consumer Decision - Making Process

Consumer decision making process involves the consumers to identify their needs, gather information, evaluate alternatives and then make their buying decision. The consumer behaviour may be determined by economic and psychological factors and are influenced by environmental factors like social and cultural values.

The consumer decision making behaviour is a complex procedure and involves everything starting from problem recognition to post-purchase activities. Every consumer has different needs in theirdaily lives and these are those needs which make than to make different decisions.

Stages of Consumer Decision Making Process

The buying behaviour model is one method used by marketers for identifying and tracing the decision making process of a customer from the start to the end. The process is categorized into 5 different stages which are explained as follows:

1. Need Recognition

Need recognition occurs when a consumer exactly determines their needs. Consumers may feel like they are missing out something and needs to address this issue so as to fill in the gap. When businesses are able to determine when their target market starts developing these needs or wants, they can avail the ideal opportunity to advertise their brands.

An example who buys water or cold drink identifies their need as thirst. Here; however, searching for information and evaluating alternatives is missing. These consumer decision making steps are considered to be important when an expensive brand is under buying consideration such as cars, laptops, mobile phones, etc.

2. Information Search

The information search stage in the buyer decision process tends to change continually as consumers require obtaining more and more information about products which can satisfy their needs. Information can also be obtained through recommendations from people having previous experiences with products.

At this level, consumers tend to consider risk management and prepare a list of the features of a particular brand. This is done so because most people do not want to regret their buying decision. Information for products and services can be obtained through several sources like:

- **Commercial sources:** advertisements, promotional campaigns, sales people or packaging of a particular product.
- **Personal sources:** The needs are discussed with family and friends who provided product recommendations.
- **Public sources:** Radio, newspaper and magazines.
- **Experiential sources:** The own experience of a customer of using a particular brand.

3. Evaluation of Alternatives

This step involves evaluating different alternatives that are available in the market along with the **product lifecycle**. Once it has been determined by the customer what can satisfy their need, they will start seeking out the best option available. This evaluation can be based upon different factors like quality, price or any other factor which are important for customers. They may compare prices or read reviews and then select a product which satisfies their parameters the most.

4. Purchase Decision

When all the above stages have been passed, the customer has now finally decided to make a purchasing decision. At this stage, the consumer has evaluated all facts and has arrived at a logical conclusion which is either based upon the influence from marketing campaigns or upon emotional connections or personal experiences or a combination of both.

5. Post Purchase Behaviour

The purchase of the product is followed by post-purchase evaluation which refers to analyzing as to whether the product was useful for the consumer or not. If the product has matched the expectations of the customer, they will serve as a brand ambassador who can influence other potential consumers which will increase the customer base of that particular brand. The same is true for negative experiences; however, it can halt the journey of potential customers towards the product.

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Purchasing behaviour and marketing implications

When consumer behaviour changes, it can mean that customers want something new and different or that they are spending less or more in a specific category. Businesses need to look at their product lines to determine if they should drop obsolete products, add new ones or change their features.

For example, a junk food company wouldn't respond to growing consumer preferences for healthy foods by spending more on advertising their sugary snacks. The company might move from an artificial sweetener to natural honey or might add sugar-free or baked snacks.

1. Consumer Behaviour Affects Pricing Strategies

Some consumer behaviour changes revolve around prices. For example, during a recession, consumers have less to spend on discretionary purchases and spend more of their budgets on staples such as food, clothing and utilities. Companies that make discretionary items look to lower their prices during the recession, offer rebates, provide free shipping, run buy-one-get-one-free deals, offer coupons or engage in downsizing.

During good times, consumers often spend their extra income on items they couldn't afford before. Businesses might decide to add a higher-priced product to their lines, end coupon or discount promotions, or raise their prices.

2. Consumer Behaviour Affects Distribution

As consumer preferences for purchasing moved from driving to a store to ordering online, businesses began selling online on their websites, added a third-party e-commerce solution to their websites, or used third-party seller sites such as Amazon, eBay, Etsy or Shopify.

Marketers must look at all the costs of selling using different methods, including fees, shipping, warehousing and technology platform costs. As consumers move toward more digital payments, businesses must deliver this payment option wherever they sell.

3. Consumer Behaviour Affects Marketing Communications

When consumer behaviour regarding content consumption changes, marketers must change their advertising and public relations strategies. As consumers move away from watching TV to

getting more of their content online, marketers are spending less on broadcast advertising and more on social media campaigns.

4. Change in Income Level of Buyers

People buy more of a product when their income level goes up. For example, as incomes increase, consumers are more likely to buy brand-name groceries instead of generic products. Products that shift the demand curve to the right are known as "normal" goods.

In the short term, prices stay the same, but in the long run, sellers react to the increased demand for normal goods by raising prices.

5. Change in Consumer Tastes or Preferences

Changes in fashion are good examples of changes in consumer tastes. Styles of clothes are constantly changing. Fashions that were popular in the '60s are no longer marketable to today's consumers.

6. Changes in Prices of Related Goods

Sometimes, goods can be substituted for one another. A change in the price of one good changes the demand for the other good.

Take ice cream, for example. If the price of ice cream drops, people buy more of it and buy fewer candy bars. They satisfy their needs for sweets at a lower price. The demand curve for candy bars shifts to the left.

7. Changes in Buyers' Expectations

Buyers' expectations about future prices can affect the demand curve. If consumers expect prices to increase, they buy more of a product now, and the demand curve moves to the right.

On the other hand, if consumers expect a product to go on sale soon, they delay their purchases, and the demand curve shifts to the right.

8. Implications of Changes in Demand Curves

Marketers pay attention to these four factors that affect demand. Changes in demand curves have implications for pricing strategies, marketing campaigns and production

If you're looking to increase sales without adding a completely new product and changing your scheduling.

production methods, adapting a new product to provide different benefits can help you expand your business. It can also help you keep up with changing times and attitudes within the market.

9. Product Modification

One way to adapt a product to meet a need in the marketplace is to modify it by changing the

features. Some consumers don't need or want all the bells and whistles you're offering, while others are willing to pay more for extra features. A hair salon that offers a basic wash and cut might start offering perms and tinting, or bring in a nail professional. This will help bring in a wider variety of customers. A golf manufacturer that's been unsuccessful selling high-end bags to country club golfers might add a walking stand and sell it for a lower price to recreational golfers who play at municipal courses.

10. Product Pricing

The only thing you might need to change about your product to adapt to customer demand is

the price. If you've been unsuccessful trying to sell in big boxes at a bargain price, change your brand and sell it for a higher price in boutiques and specialty retailers. This might entail changing the name and packaging to create a higher perceived value. In some cases, you can sell virtually the same product for different prices if you segment the market correctly with a careful branding strategy.

11. Quality Adaptation

Reducing the quality of a product doesn't have to mean selling a poor product. In some

instances, consumers don't need the most expensive materials or incremental benefits more sophisticated production offers. Tennis manufacturers that sell rackets costing $200 or more with the latest technology also offer pre-strung $10 rackets with less-sophisticated materials and lower-quality strings for people looking to try the game. They also sell championship balls only in pro and specialty shops, selling a ball for a lower price in grocery stores and big boxes.

Consumer behaviour models

A consumer behaviour model is a theoretical framework that aims to decode why consumers behave and make the buying decisions they do. Many models exist today with varying perspectives that range from acting on pure impulse to following complex rational processes.

1. Learning model

Have you ever heard of Maslow's Hierarchy of Needs? Psychologist Abraham Maslow broke down the needs of humans into categories and ranked them in a pyramid. At the bottom are the most basic and essential physiological needs. Then, they gradually shift to psychological needs as you go up. Here's a look at his hierarchy:

- **Self-actualization (top)**: achieving your full potential and exploring creative activities
- **Esteem needs**: psychological needs involving prestige and feeling accomplished
- **Belongingness and love needs**: a psychological need for intimate relationships and friends
- **Safety needs**: a mix of a basic and psychological need to feel safe and secure
- **Physiological needs (bottom)**: What our body requires to stay alive — rest, warmth, water, and food

The Learning Model of consumer behaviour theorizes that consumer purchases are dictated

by this pyramid. It says consumers will generally fulfill their basic, essential needs at the bottom of the pyramid before moving up to the higher-level learned needs. For example, a person will spend their money on food and ensure they have a safe home before investing in outings with friends, trendy clothes, or a nicer car.

2. Psychoanalytical model

The next model stems from the father of psychoanalysis, Sigmund Freud. His theories say that individual consumers have various motives driving them to make purchases that are both conscious and unconscious. For example, motives may lie in suppressed desires or hidden fears. Being that some of these motives are unconscious, consumers may not know why something appeals to them but they feel like they need it.

3. Sociological model

The Sociological consumer behaviour model says that people buy based on their places in societal groups. These societal groups can range from a person's family and friends to their work circles, generation group, and hobbies.

For example, say that you are into rock climbing and join an indoor rock climbing gym. Everyone at the gym has certain brands of clothes, climbing shoes, and gear like harnesses, chalk bags, belay devices, and even water bottles.

4. Economic model of consumer behaviour

The Economic Model of consumer behaviour focuses on price alone. It says that consumers want to meet their needs for the lowest price possible and enables companies to predict sales based on a product's price and their customer's income. For example, Wal-Mart offers a wide range of products at very low prices to serve its target audience. .

5. Engel-Kollat-Blackwell (EKB) model

The EKB model sums up the consumer's buying journey into five steps that follow a rational thought process. It says that when making a purchase, the consumer will start in the stage of awareness and continue to the outcome analysis. Here's a closer look at each of the steps:

- **Awareness:** Consumers become aware of a need or want for a product or service (often through ads)
- **Information processing:** Consumers think about the product or service and how it could fit into their lives
- **Evaluation:** Consumers shop around to find the best deal on the product or service

- **Purchasing decision:** Consumers decide on the best deal and make the purchase or decide not to
- **Outcome analysis**: The consumer reflects on their purchase to see if it met their expectations, and they may become a repeat customer or may begin to look for another solution

By understanding the process that your customers go through, you can create content that meets them at each step of the process. For example, if you want to bring more people into the buyer's journey with your company, you need to raise awareness. You can do that through content marketing that involves search engine optimization, ads, social media campaigns, and email sequences.

6. Black Box model

The Black Box Model, also known as the stimulus-response model, theorizes that each consumer's mind is like a "black box." When they come into contact with external stimuli from your business (like a marketing message), they relate it to their existing knowledge and then make a decision on whether they will buy or not.

But what all exist's in the buyer's mind (black box) that factors into the decision-making process? A combination of internal influences such as their beliefs, values, motives, perception, and lifestyle. By understanding these things about your customer, you can speak to them in a way that helps the right customers find your products.

7. Hawkins Stern impulse buying model

The next buying model claims that purchases aren't always made from a rational mindset, as the Learning and EKB Models suggest. Instead, it claims that sometimes purchases are made on impulse, and more specifically, the following four types of impulses:

- **Escape impulse**: A purchase that's made that's not on a person's list and isn't routine. This provides a bit of an escape from the mundane and ordinary.
- **Reminder impulse**: A purchase made on the reminder impulse happens when a shopper is reminded that a product exists in an opportune moment. For example, a chip bag clip is placed in the chip section.
- **Suggested impulse**: People buy based on a suggested impulse when something is suggested to them. For example, if you're buying a new phone and the salesperson suggests a phone case and screen protector.

8. Howard Sheth model

Back to the models that lean into a buyer's rational side, this one says there are three levels of decision-making that buyers use. It's kind of like a condensed version of the EKB Model.

First, customers who are aware of a product or service perform extensive research to find out which one will suit them best. Next, they slow down and compare their options. Once they've made a purchase of a particular product or service and are satisfied, they continue to make similar purchases from the trusted brand.

9. Nicosia model

The Nicosia Model was created by Nicosia, an expert in consumer behaviour and motivation. It focuses on the relationship between consumers and businesses. He breaks the model into four major "fields" which are like stages.

1. The first is a combination of the business's marketing and the target audience. During this stage, consumers come into contact with a business's messaging and form an opinion or attitude about it.
2. Next, if interested, the consumer begins to perform research about the business and compares it to competitors.
3. If successful, a brand motivates the seller to buy from it which results in a purchase.
4. Then, the firm and customer review their satisfaction with the transaction to decide on future steps.
5. This model is similar to the EKB and Howard Sheth Models, suggesting that businesses need to nurture customers through multiple stages of a buying journey.

Conclusion

With a thorough understanding of consumer behaviour and how it can be used for your marketing strategy, you too will be able to reap the benefits of higher sales growth, boosted revenue, and ofcourse, marketing which drives the results you desire.

From learning about the types of consumer behaviour and factors that influence it to undertaking the research process and applying these behaviour techniques to a marketing strategy, this in-depth guide has provided you with the knowledge, step-by-step methodology, and relevant tools you need to succeed.

UNIT-II

ENVIRONMENTAL INFLUENCES ON CONSUMER BEHAVIOUR

Consumer behaviour is influenced by many factors such as situation, psychological, environmental and marketing factors, personal factors, family, and culture. Businesses try to collect data so that they can make decisions on how they can reach their target audience in the most efficient way.

Major Factors Influencing Consumer Behaviour

1. Psychological Factors
2. Social Factors
3. Cultural Factors
4. Personal Factors
5. Economic Factors

Consumer behaviour is influenced by many different factors. A marketer should try to understand the factors that influence consumer behaviour. Here are 5 major factors that influence consumer behaviour:

1. Psychological Factors

Human psychology is a major determinant of consumer behaviour. These factors are difficult to measure but are powerful enough to influence a buying decision.

Some of the important psychological factors are:



i. Motivation

When a person is motivated enough, it influences the buying behaviour of the person. A person has many needs such as social needs, basic needs, security needs, esteem needs, and self-

actualization needs. Out of all these needs, the basic needs and security needs take a position above all other needs. Hence basic needs and security needs have the power to motivate a consumer to buy products and services.

ii. Perception

Consumer perception is a major factor that influences consumer behaviour. Customer perception is a process where a customer collects information about a product and interprets the informationto make a meaningful image of a particular product.

When a customer sees advertisements, promotions, customer reviews, social media feedback, etc. relating to a product, they develop an impression about the product. Hence consumer perception becomes a great influence on the buying decision of consumers.

iii. Learning

When a person buys a product, he/she gets to learn something more about the product. Learning comes over a period of time through experience. A consumer's learning depends on skills and knowledge. While skill can be gained through practice, knowledge can be acquired only through experience.

Learning can be either conditional or cognitive. In conditional learning the consumer is exposed to a situation repeatedly, thereby making a consumer to develop a response towards it.

Whereas in cognitive learning, the consumer will apply his knowledge and skills to find satisfaction and a solution from the product that he buys.

iv. Attitudes and Beliefs

Consumers have certain attitudes and beliefs which influence the buying decisions of a consumer. Based on this attitude, the consumer behaves in a particular way towards a product. This attitude plays a significant role in defining the brand image of a product. Hence, marketers try hard to understand the attitude of a consumer to design their marketing campaigns.

2. Social Factors

Humans are social beings and they live around many people who influence their buying behaviour. Humans try to imitate other humans and also wish to be socially accepted in the society. Hence their buying behaviour is influenced by other people around them. These factorsare considered as social factors. Some of the social factors are:

i. Family

Family plays a significant role in shaping the buying behaviour of a person. A person develops

preferences from his childhood by watching family buy products and continues to buy the same products even when they grow up.

ii. Reference Groups

A reference group is a group of people with whom a person associates himself. Generally, all the people in the reference group have common buying behaviour and influence each other.

iii. Roles and status

A person is influenced by the role that he holds in the society. If a person is in a high position, his buying behaviour will be influenced largely by his status. A person who is a Chief Executive Officer in a company will buy according to his status while a staff or an employee of the same company will have different buying pattern.

3. Cultural factors

A group of people is associated with a set of values and ideologies that belong to a particular community. When a person comes from a particular community, his/her behaviour is highly influenced by the culture relating to that particular community. Some of the cultural factors are:

i. Culture

Cultural Factors have a strong influence on consumer buying behaviour. Cultural Factors include the basic values, needs, wants, preferences, perceptions, and behaviours that are observed and learned by a consumer from their near family members and other important people around them.

ii. Subculture

Within a cultural group, there exists many subcultures. These sub cultural groups share the same set of beliefs and values. Subcultures can consist of people from different religion, caste, geographies and nationalities. These subcultures by itself form a customer segment.

iii. Social Class

Each and every society across the globe has the form of social class. The social class is not just determined by the income, but also other factors such as the occupation, family background, education and residence location. Social class is important to predict the consumer behaviour.

4. Personal Factors

Factors that are personal to the consumers influence their buying behaviour. These personal factors differ from person to person, thereby producing different perceptions and consumer behaviour.

Some of the personal factors are:

i. Age

Age is a major factor that influences buying behaviour. The buying choices of youth differ from that of middle-aged people. Elderly people have a totally different buying behaviour. Teenagers will be more interested in buying colorful clothes and beauty products. Middle-aged are focused on house, property and vehicle for the family.

ii. Income

Income has the ability to influence the buying behaviour of a person. Higher income gives higher purchasing power to consumers. When a consumer has higher disposable income, it gives more opportunity for the consumer to spend on luxurious products. Whereas low-income or middle-income group consumers spend most of their income on basic needs such as groceries and clothes.

iii. Occupation

Occupation of a consumer influences the buying behaviour. A person tends to buy things that are appropriate to this/her profession. For example, a doctor would buy clothes according to this profession while a professor will have different buying pattern.

iv. Lifestyle

Lifestyle is an attitude, and a way in which an individual stay in the society. The buying behaviour is highly influenced by the lifestyle of a consumer. For example when a consumer leads a healthy lifestyle, then the products he buys will relate to healthy alternatives to junk food.

5. Economic Factors

The consumer buying habits and decisions greatly depend on the economic situation of a country or a market. When a nation is prosperous, the economy is strong, which leads to the greater money supply in the market and higher purchasing power for consumers. When consumers experience a positive economic environment, they are more confident to spend on buying products.

Whereas, a weak economy reflects a struggling market that is impacted by unemployment and lower purchasing power.

Economic factors bear a significant influence on the buying decision of a consumer. Some of the important economic factors are:

i. Personal Income

When a person has a higher disposable income, the purchasing power increases simultaneously. Disposable income refers to the money that is left after spending towards the basic needs of a person.

When there is an increase in disposable income, it leads to higher expenditure on various items. But when the disposable income reduces, parallelly the spending on multiple items also reduced.

ii. Family Income

Family income is the total income from all the members of a family. When more people are earning in the family, there is more income available for shopping basic needs and luxuries. Higher family income influences the people in the family to buy more. When there is a surplus income available for the family, the tendency is to buy more luxury items which otherwise a person might not have been able to buy.

iii. Consumer Credit

When a consumer is offered easy credit to purchase goods, it promotes higher spending. Sellers are making it easy for the consumers to avail credit in the form of credit cards, easy installments, bank loans, hire purchase, and many such other credit options. When there is higher credit available to consumers, the purchase of comfort and luxury items increases.

iv. Liquid Assets

Consumers who have liquid assets tend to spend more on comfort and luxuries. Liquid assets are those assets, which can be converted into cash very easily. Cash in hand, bank savings and securities are some examples of liquid assets. When a consumer has higher liquid assets, it gives him more confidence to buy luxury goods.

v. Savings

A consumer is highly influenced by the amount of savings he/she wishes to set aside from his income. If a consumer decided to save more, then his expenditure on buying reduces. Whereas if a consumer is interested in saving more, then most of his income will go towards buying products.

Cultural Influences Cultural Factors affecting

Consumer Behaviour

Cultural Factors have a strong influence on consumer buying behaviour. Cultural Factors include the basic values, needs, wants, preferences, perceptions, and behaviours that are observed and learned by a consumer from their near family members and other important people around them.

Cultural Factors affecting Consumer Behaviour

Consumer behaviour deals with the study of buying behaviour of consumers. Consumer behaviour helps us understand why and why not an individual purchases goods and services from the market.

There are several factors which influence the buying decision of consumers, cultural factors being one of the most important factors.

1. Cultural Factors

Cultural factors comprise of set of values and ideologies of a particular community or group of individuals. It is the culture of an individual which decides the way he/she behaves. In simpler words, culture is nothing but values of an individual. What an individual learns from his parents and relatives as a child becomes his culture.

Let us understand the influence of cultural factors on buying decision of individuals with the help of various examples.

Females staying in West Bengal or Assam would prefer buying sarees as compared to Westerns. Similarly a male consumer would prefer a Dhoti Kurta during auspicious ceremonies in Eastern India as this is what their culture is. Girls in South India wear skirts and blouses as compared to girls in north India who are more into Salwar Kameez.

A. Subcultures

Each culture further comprises of various subcultures such as religion, age, geographical location, gender (male/female), status etc.

B. Religion (Christianity, Hindu, Muslim, Sikhism, Jainism etc)

A Hindu bride wears red, maroon or a bright colour lehanga or saree whereas a Christian bride wears a white gown on her wedding day. It is against Hindu culture to wear white on auspicious occasions. Muslims on the other hand prefer to wear green on important occasions.

For Hindus eating beef is considered to be a sin whereas Muslims and Christians absolutely relish the same. Eating pork is against Muslim religion while Hindus do not mind eating it.

A sixty year old individual would not like something which is too bright and colorful. He would prefer something which is more sophisticated and simple. On the other hand a teenager would prefer funky dresses and loud colours.

In India widows are expected to wear whites. Widows wearing bright colours are treated with suspicion.

C. Status (Upper Class, Middle class and Lower Class)

People from upper class generally have a tendency to spend on luxurious items such as expensive gadgets, cars, dresses etc.You would hardly find an individual from a lower class spending money on high-end products. A person who finds it difficult to make ends meet would rather prefer spending on items necessary for survival. Individuals from middle class segment generally are more interested in buying products which would make their future secure.

D. Gender (Male/Female)

People generally make fun of males buying fairness creams as in our culture only females are expected to buy and use beauty products. Males are perceived to be strong and tough who look good just the way they are.

2. Social Factors

Consumer Behaviour is an effort to study and understand the buying tendencies of consumers for their end use.

Social factors play an essential role in influencing the buying decisions of consumers.

Human beings are social animals. We need people around to talk to and discuss various issues to reach to better solutions and ideas. We all live in a society and it is really important for individuals to adhere to the laws and regulations of society.

Social Factors influencing consumer buying decision can be classified as under:

- Reference Groups
- Immediate Family Members
- Relatives
- Role in the Society
- Status in the society

A. Reference Groups:

Every individual has some people around who influence him/her in any way. Reference groups comprise of people that individuals compare themselves with. Every individual knows some people in the society who become their idols in due course of time.

Co workers, family members, relatives, neighbours, friends, seniors at workplace often form reference groups.

Reference groups are generally of two types:

Primary Group - consists of individuals one interacts with on a regular basis.

Primary groups include:

- Friends
- Family Members
- Relatives
- Co Workers

All the above influence the buying decisions of consumers due to following reasons: They have used the product or brand earlier.

They know what the product is all about. They have complete knowledge about the features and specifications of the product.

Tim wanted to purchase a laptop for himself. He went to the nearby store and purchased a Dell Laptop. The reason why he purchased a Dell Laptop was because all his friends were using the same model and were quite satisfied with the product. We tend to pick up products our friends recommend.

A married individual would show strong inclination towards buying products which would benefit not only him but also his family members as compared to a bachelor. Family plays an important role in influencing the buying decisions of individuals.

A consumer who has a wife and child at home would buy for them rather than spending on himself. An individual entering into marriage would be more interested in buying a house, car, household items, furniture and so on. When an individual gets married and starts a family, most of his buying decisions are taken by the entire family.

Every individual goes through the following stages and shows a different buying need in each stage:

- **Bachelorhood:** Purchases Alcohol, Beer, Bike, Mobile Handsets (Spends Lavishly)
- **Newly Married:** Tend to purchase a new house, car, household furnishings. (Spends sensibly)
- **Family with Children:** Purchases products to secure his as well as his family's future.
- **Empty nest (Children getting married)/Retirement/Old Age:** Medicines, Health

  Products, and Necessary Items.

A Ford Car in the neighbourhood would prompt three more families to buy the same model.

a. **Secondary Groups -** Secondary groups share indirect relationship with the consumer. These groups are more formal and individuals do not interact with them on a regular basis, Example - Religious Associations, Political Parties, Clubs etc.Role in the Society

Each individual plays a dual role in the society depending on the group he belongs to. An individual working as Chief Executive Officer with a reputed firm is also someone's husband and father at home. The buying tendency of individuals depends on the role he plays in the society.

B. Social Status:

An individual from an upper middle class would spend on luxurious items whereas an individual from middle to lower income group would buy items required for his/her survival.

3. Personal Factors

Consumer Behaviour helps us understand the buying tendencies and spending patterns of consumers. Not all individuals would prefer to buy similar products.

Consumer behaviour deals with as to why and why not an individual purchases particular products and services.

Personal Factors play an important role in affecting consumer buying behaviour.

A. Occupation

The occupation of an individual plays a significant role in influencing his/her buying decision.

An individual's nature of job has a direct influence on the products and brands he picks for himself/herself.

Tim was working with an organization as Chief Executive Officer while Jack, Tim's friend now a retired professor went to a nearby school as a part time faculty. Tim always looked for premium brands which would go with his designation whereas Jack preferred brands which were not very expensive. Tim was really conscious about the clothes he wore, the perfume he used, the watch he wore whereas Jack never really bothered about all this.

B. Age

Age and human lifecycle also influence the buying behaviour of consumers. Teenagers would be more interested in buying bright and loud colours as compared to a middle aged or elderly individual who would prefer decent and subtle designs.

A bachelor would prefer spending lavishly on items like beer, bikes, music, clothes, parties, clubs and so on. A young single would hardly be interested in buying a house, property,

insurance policies, gold etc. An individual who has a family, on the other hand would be more interested in buying something which would benefit his family and make their future secure.

C. Economic Condition

The buying tendency of an individual is directly proportional to his income/earnings per month. How much an individual brings home decides how much he spends and on which products?

Individuals with high income would buy expensive and premium products as compared to individuals from middle and lower income group who would spend mostly on necessary items. You would hardly find an individual from a low income group spending money on designer clothes and watches. He would be more interested in buying grocery items or products necessary for his survival.

D. Lifestyle

Lifestyle, a term proposed by Austrian psychologist Alfred Adler in 1929, refers to the way an individual stays in the society. It is really important for some people to wear branded clothes whereas some individuals are really not brand conscious. An individual staying in a posh locality needs to maintain his status and image. An individual's lifestyle is something to do with his style, attitude, perception, his social relations and immediate surroundings.

E. Personality

An individual's personality also affects his buying behaviour. Every individual has his/her own characteristic personality traits which reflect in his/her buying behaviour. A fitness freak would always look for fitness equipments whereas a music lover would happily spend on musical instruments, CDs, concerts, musical shows etc.

Opinion leadership and diffusion of innovation

Opinion leaders are the people in a social network who have the greatest influence on other people's acknowledgment or adoption of products/services in the diffusion process of technological innovation.

Characteristics of an opinion leader

Opinion leaders have several qualities that help them be successful as a trusted source of information in their area of expertise in the market. Characteristics of an opinion leader are:

1. Sense of charisma

Opinion leaders have a sense of charisma that allows them to convey their message in a likable and influencing way. They tend to have personalities that we like and want to be around. Opinion

leaders act as role models and we typically want to emulate their way of living.

2. **Respectability**

Opinion leaders are respected, which allows us to have the ability to trust them. They earn their level of trust by becoming experts in their field. Their knowledge is a source for us that helps us determine what products we want to purchase and consume.

3. **Interest in issues**

Opinion leaders are interested in an issue that influences their area of expertise. The way opinion leaders become experts is by acquiring knowledge from issues that pique their interest. When they focus their time and energy on these issues, they can influence the way we see these issues and how we respond to them.

4. **Ability to influence**

Opinion leaders can influence the formation of public opinion with products or services. By having charisma and knowledge, opinion leaders can influence our perceptions and actions through the words and actions they use.

5. **Knowledge**

Opinion leaders are knowledgeable about whatever products or services they are promoting. To become experts, they have to take the time to learn and gain knowledge on a product or service that they want to have influence over.

6. **Ability to easily convey information**

Opinion leaders can digest, clarify and communicate information from the media to their audience. They are masters at public relations efforts and have a way with words that can influence their audience.

7. **Strong social media presence**

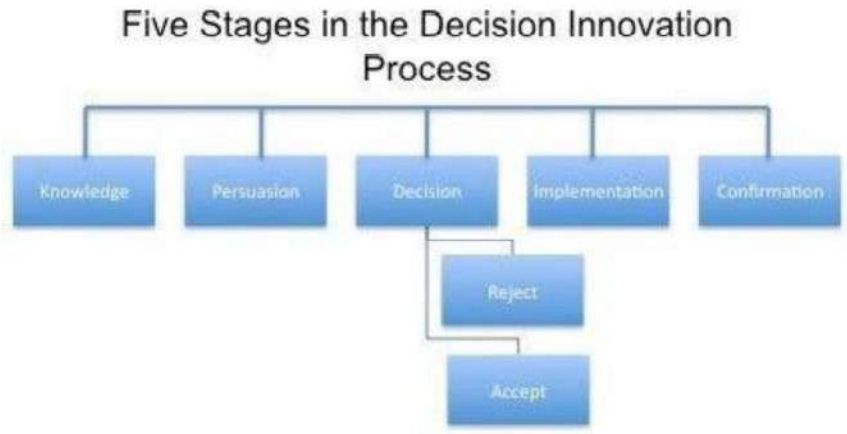
Opinion leaders understand the best way to find and reach their audience is to be active on social media. Being active on social media and sharing their information and opinions can easily influence the decisions of their followers. It's an easy way to interact with their followers, as well. By making us feel special, it creates more of an opportunity to create influence and to relay their message to a broader audience.

Diffusion and innovation

The diffusion of innovation theory explains the rate at which consumers will adopt a new product or service. Therefore, the theory helps marketers understand how trends occur, and helps

companies in assessing the likelihood of success or failure of their new introduction.

The Process for Diffusion of Innovation



Rogers' draws on Ryan and Gross's work to deliver a 5 stage process for the diffusion of innovation.

1. Knowledge

The first step in the diffusion of innovation is knowledge. This is the point at which the would-be adopter is first exposed to the innovation itself. They do not have enough information to make a decision to purchase on and have not yet been sufficiently inspired to find out more.

At this stage marketers will be looking to increase awareness of the product and provide enough education that the prospective adopter moves to the 2nd stage.

2. Persuasion

Persuasion is the point at which the prospective adopter is open to the idea of purchase. They are actively seeking information which will inform their eventual decision.

This is the point at which marketers will be seeking to convey the benefits of the product in detail. There will be a conscious effort to sell the product to someone at this stage of the diffusion of innovation.

3. Decision

Eventually the would-be adopter must make a decision. They will weigh up the pros and cons of adoption and either accept the innovation or reject it.

It is worth noting that this is the most opaque part of the process. Rogers cites this as the most difficult phase on which to acquire intelligence. This is, at least in part, due to the fact that people do not make rational decisions in many instances. They make a decision based on their

underlying perceptions and feelings and following the decision they attempt to rationalize that decision. Thus, obtaining an understanding of the decision making process is challenging –

the reasons given following a decision are not likely to be representative of the actual reasons that a decision was made.

4. Implementation

Once a decision to adopt a product has been made the product will, in most cases, be used by the purchaser. This stage is when the adopter makes a decision as to whether or not the product is actually useful to them. They may also seek out further information to either support the use of the product or to better understand the product in context.

This phase is interesting because it suggests that designers and marketers alike need to consider the ownership process in detail. How can a user obtain useful information in the post-sale environment? The quality of the implementation experience is going to be determined, to a lesser or greater extent, by the ease of access to information and the quality of that information.

5. Confirmation

This is the point at which the user evaluates their decision and decides whether they will keep using the product or abandon use of the product. This phase can only be ended by abandonment of a product otherwise it is continual. (For example, you may buy a new car today – you are highly likely to keep using the car for a number of years – eventually, however, you will probably sell the car and buy a new one).

UNIT-III

CONSUMER BUYING BEHAVIOUR

The consumer decision-making process involves five basic steps. This is the process by which consumers evaluate making a purchasing decision. The 5 steps are problem recognition, information search, alternatives evaluation, purchase decision and post-purchase evaluationThe Six Stages of the Consumer Buying Process

Far too often, retailers think that consumer buying is randomized. That certain products appeal to

certain customers and that a purchase either happens or it doesn't. They approach product and service marketing in the same way, based on trial and error. What if there were a distinctive set of steps that most consumers went through before deciding whether to make a purchase or not? What if there was a scientific method for determining what goes into the buying process that could make marketing to a target audience more than a shot in the dark

The actual purchase is just one step. In fact, there are six stages to the consumer buying process, and as a marketer, you can market to them effectively.

1. Problem Recognition

Put simply, before a purchase can ever take place, the customer must have a reason to believe that what they want, where they want to be or how they perceive themselves or a situation is different from where they actually are. The desire is different from the reality – this presents a problem for the customer.

However, for the marketer, this creates an opportunity. By taking the time to "create a problem" for the customer, whether they recognize that it exists already or not, you're starting the buying process. To do this, start with content marketing. Share facts and testimonials of what your product or service can provide. Ask questions to pull the potential customer into the buying process. Doing this helps a potential customer realize that they have a need that should be solved.

2. Information Search

Once a problem is recognized, the customer search process begins. They know there is an issue and they're looking for a solution. If it's a new makeup foundation, they look for foundation; if it's a new refrigerator with all the newest technology thrown in, they start looking at refrigerators – it's fairly straight forward.

3. Evaluation of Alternatives

Just because you stand out among the competition doesn't mean a customer will absolutely purchase your product or service. In fact, now more than ever, customers want to be sure they've done thorough research prior to making a purchase. Because of this, even though they may be sure of what they want, they'll still want to compare other options to ensure their decision is the right one.

4. Purchase Decision

Somewhat surprisingly, the purchase decision falls near the middle of the six stages of the consumer buying process. At this point, the customer has explored multiple options, they understand pricing and payment options and they are deciding whether to move forward with the purchase or not. That's right, at this point they could still decide to walk away.

This means it's time to step up the game in the marketing process by providing a sense of security while reminding customers of why they wanted to make the purchase in the first time. At this stage, giving as much information relating to the need that was created in step one along with why your brand, is the best provider to fulfill this need is essential.

5. Purchase

A need has been created, research has been completed and the customer has decided to make a purchase. All the stages that lead to a conversion have been finished. However, this doesn't mean it's a sure thing. A consumer could still be lost. Marketing is just as important during this stage as during the previous.

6. Post-Purchase Evaluation

Just because a purchase has been made, the process has not ended. In fact, revenues and customer loyalty can be easily lost. After a purchase is made, it'sinevitable that the customer must decide whether they are satisfied with the decision that was made or not. They evaluate.

If a customer feels as though an incorrect decision was made, a return could take place. This can be mitigated by identifying the source of dissonance, and offering an exchange that is simple and straightforward. However, even if the customer is satisfied with his or her decision to make the purchase, whether a future purchase is made from your brand is still in question. Because of this, sending follow-up surveys and emails that thank the customer for making a purchase are critical.

Marketing implications

Marketing campaigns can influence consumer behaviours because they elicit reactions, utilizing imagery and word associations tied to emotional responses. This article is for professionals and entrepreneurs who want to improve their persuasive ability in sales and business relationships.

Marketing strategies of organizations revolve around the consumer behaviour of their target audience. Consumer behaviour is the study of individuals, groups, or organizations, who demonstrate emotional, mental, and behavioural responses while making a purchase. By understanding the psychology of their consumers, businesses can understand how their consumers think, feel, reason, and choose between different options of brands and products. Businesses can also determine the kind of culture and environment their consumers expose themselves to, which affects their purchasing decisions. All these psychological aspects help marketers create marketing strategies and campaigns that can leave a lasting impression on the minds of consumers..

1. Understanding consumer decision-making via internet research

Consumer decision-making is a complex behaviour that involves a lot of research on the consumer's part. Whether it's a product or a service, consumers will look at reviews of numerous brands before coming to a well-informed decision. Since consumers base most of their research on the internet, companies have started analyzing consumer behaviour by monitoring their search activities.

Their research findings will help companies figure out the best product attributes, the right price to set, and the optimal market conditions to market their product. In addition, the flexibility of the internet encompasses the changing consumer behaviour, which can help companies focus on profitable market areas.

2. Assessing a product's supply and demand

Supply and demand is a long-standing economic concept, which quantifies the proportion between the amount of supply for a product and the demand for it. Supply and demand situations are of two types. In the first situation, the supply is abundant, and the demand is scarce. In the second situation, it's vice versa; the supply is scarce, and the demand is abundant. Consumer behaviour affects both cases.

The first situation stimulates companies to investigate why their product didn't meet the consumer's required needs to create sufficient demand. The second situation enables the companies to identify reasons for their product's success and increase production for the same. Consumer behaviour also helps companies redesign their marketing strategies to remarket their products.

3. Determining the sales forecast by studying consumer behaviour

To estimate the expected amount of sales for a given market in a given time, companies implement quantitative and qualitative techniques in their sales forecasting. Quantitative forecasting makes a prediction based on past sales data. On the other hand, qualitative forecasting predicts product sales based on expert opinions. Studying consumer behaviour helps businesses implement the best of both techniques.

4. Impact of advertisements on consumer behaviour

Advertisements can leave a strong impression on the minds of the consumers. It can impact the way consumers purchase products or consider options such as watching a movie or subscribing to a streaming platform. This marketing strategy aims to challenge the embedded beliefs about brands within consumers and change their perception about the brands for the better. Therefore, carrying out such promotional activities require a thorough understanding of consumer behaviour. It includes studying the likes and dislikes of consumers and ranking important aspects of brands like color, product quality, user-experience, etc.

5. The increasing use of psychographic marketing

Just like demographic marketing segregates consumers based on age, gender, education, etc., psychographic marketing targets their psychological attributes. The methodology of psychographic marketing is to understand the emotional aspects of the audience and accordingly market products and services. Businesses can classify consumers based on attitudes, aspirations, personalities, lifestyles, interests,etc. It will help marketers to identify methods of communication based on the personalities of customers. It will also assist them in sending out messages or emails that can either influence their consumers or capitalize on their existing opinions, thus nurturing them towards becoming brand advocates.

Consumer perceptions

Customer perception is the opinions, feelings, and beliefs customers have about your brand. It plays an important role in building customer loyalty and retention as well as brand reputation and awareness.

Customer perception can be influenced by external factors, some of which are listed below:

1. Personal experience

Customer perception is highly influenced by the personal experience that a customer had while buying and using a particular product. If the quality, customer service, price, logo, color, discounts, etc. were able to make an excellent impression on the minds of the customers, they would build a good perception of the brand. But in case they did not enjoy the experience with the brand, it will leave an everlasting impression.

2. Advertising

Customers get to see the products first through advertisements and therefore become one of the biggest factors that influence customer perception. The advertisement and campaigns that a company runs will help to build a positive customer perception.

3. Influencers

People generally buy things when another person has tried and tested them. Such people who have bought it first and tried the product become influencers. When people hear about a great product that the influencer has tried out, it will influence the person to buy it and test it out, as the recommendation has come from a known person whom they trust.

4. Customer reviews

Many people look into customer reviews before buying a product. This shows that customer reviews are an important factor in defining customer perception. If the consumers see that a product has a lower number of stars it means that the product does not have good customer reviews. The impression that it creates on the consumer's mind is negative.

5. Social Media

Social media has become the strongest medium to manage customer perception. When a social media audience gets consistent communication regarding a product, the users build an image of the product. Social media can be used to post content, images, videos, etc. which helps to build the kind of perception intended by the company.

Learning and Attitudes

Being a successful learner starts with having a positive attitude towards learning. A positive attitude lets you relax, remember, focus and absorb information as you learn. You're ready to welcome new experiences and recognize many different kinds of learning opportunities.

1.Consumer attitudes describe a set of emotions, behavioural intentions, and cognitive beliefs regarding behaviour or product. When customers purchase one item, they may fall for shopping

momentum where they purchase other unrelated items. This shows the power of big sales in influencing consumer attitudes.

2. **Consumer behaviour** is the action a consumer takes while choosing and buying a product. Consumers have different attitudes toward purchasing different products and use different thought processes when making a decision. Understanding consumer behaviour is crucial since it can help in consumer differentiation to identify the target group. It can also help design market campaigns and keep customers happy to retain them. Different aspects of consumer behaviour influence a customer to make a purchase. Include their thought processes, culture, influence by personality, and the buying scenario.

3. **Consumer Behaviour Decision-Making**

When consumers make a decision regarding a purchase, they undergo a certain thought process. This begins with becoming aware and identifying one's needs, after which one collects information on how different products can help address the need. One then evaluates the available alternatives, decides on the most suitable product or service, and then evaluates the purchase.

Suppose a person wants to purchase a house. One would need to understand the house that would suit them best. Afterward, the consumer would research the best location and compare the available houses before making a purchase. After making the decision, the customer would evaluate their decision to confirm that they made the right choice.

A. Cultural Influences

Cultural factors play a significant role in influencing consumer behaviour. Some of these factors are values, beliefs, preferences, behaviours, perceptions, and wants. Most of these are shaped by how people were raised, where they come from, and who they associated with. For example, while Muslims do not eat pork, Hindus do not. Similarly, Muslims eat beef, while Hindus do not. Social class is another notable aspect of cultural influences. People generally have the desire to be associated with people of certain socioeconomic status. This can influence their purchase behaviours.

B. Personality Influences

Personality refers to a person's inner traits that shape their response to the environment. People mainly buy products and services that align with their personalities. Motivation and perception are critical aspects of personality that influence consumer behaviour. When a person is experiencing negative feelings such as low self-esteem or depression, they tend to make purchases that fill the void in them or give them control over their lives. Most of these purchases tend to be impulsive.

C. Buying Scenarios

When a customer has evaluated different products and settled on the best, various other factors can influence their purchase decisions. These factors include discount codes, paying later in installments, and free shipping. Discount codes make the customers feel that they are getting more value for less money. The perceived bargain persuades the customer to act. Similarly, free shipping eliminates the barrier associated with shipping costs. Consumers also believe that having items shipped to them for free is convenient.

D. Changing Customer Attitudes

There are three components that influence consumer attitudes; behavioural, affective, and cognitive. The affective component is concerned with the emotions and feelings toward a product. The cognitive aspect is concerned with beliefs and thoughts, while the behavioural component is concerned with the tendency to behave in a certain way toward a product. One can change a customer's attitude by altering one or more of these components.

Motivation and personality

Characteristics/Features of Motivation:

1. Interaction between the individual and the situation:

Motivation is not a personal trait but an interaction between the individual and the situation.

2. Goal-directed behaviour:

Motivation leads to an action that is goal oriented. Motivation leads to accomplishment of organizational goals and satisfaction of personal needs.

3. Systems oriented:

Motivation is influenced by two forces:

a. Internal forces:

These forces are internal to the individual, i.e., their needs, wants and nature.

b. External forces:

These forces are external to the individual, which may be organizational related such as management philosophy, organizational structure, and superior-subordinate relationship, and also the forces found in the external environment such as culture, customs, religion and values.

4. Positive or negative:

Positive motivation or the carrot approach offers positive incentives such as appreciation, promotion, status and incentives. Negative motivation or stick approach emphasizes penalties, fines and punishments.

5. Dynamic and complex in nature:

Human behaviour is highly complex, and it becomes extremely difficult to understand people at work. Motivation is a dynamic and complex process.

Personality

Personality signifies the inner psychological characteristics that reflect how a person reacts to his environment. Personality shows the individual choices for various products and brands. It helps the marketers in deciding when and how to promote the product.

1. Use the Big Five personality model

The Big Five personality model is a five-factor model that encompasses five key characteristics of a person's personality. It ranks people high or low on these five personality traits:

- **Openness:** Openness is correlated with characteristics such as creativity, imagination curiosity and adventurousness. It can reveal how open someone is to new experiences.
- **Contentiousness:** Contentiousness corresponds with traits like organization, work ethic, dependability and self-discipline.
- **Extraversion:** Extraversion relates to qualities like friendliness, sociability and activity level. It can reveal how outgoing someone is.
- **Agreeableness:** Agreeableness reveals how cooperative and compassionate someone is and how well they're able to get along with others. It corresponds with traits like being group-oriented, good-natured and helpful.
- **Neuroticism:** Neuroticism relates to how reactive and emotional someone is. It's associated with emotional stability, anxiety, depression and vulnerability.

This framework can be used to analyze and interpret various data collections.

2. Use web analytics

Web analytics is the measurement and analysis of data on the behaviour of visitors to a website. This data provides key information, including where a person lives, their age, interests and overall consumer behaviour. Web analytics can yield an abundance of data, so it's important to recognize what information is most relevant to your business objectives and effectively use it to

guide decision making. Integrating web analytics in your research can provide actionable insights that can help to clearly identify the various personality segments that make up your consumer base.

3. Analyze digital footprint

Digital footprint refers to the available information about a person as a result of their online activity. A person's digital footprint includes:

- Browsing history
- Purchasing history
- Preferred social media platforms
- The type of content they engage with
- How they engage with content, including commenting, sharing and liking posts

Analyzing digital footprints can reveal behavioural tendencies and thinking patterns that correspond with certain personality traits. They can provide detailed insight into the psychology and personality of your target audience.

4. Use market segmentation

Market segmentation aims to divide an entire consumer base into smaller groups, or segments, based on different criteria. Some criteria researchers use are demographics, geography, psychology and behaviour. Dividing consumer bases into segments provides businesses with a more detailed look at the personality traits that make up their target audience and helps them to avoid drawing inferences based on generalizations.

5. Conduct surveys

Conducting surveys is one way to get to know your customers better. It's important to formulate targeted questions that will provide you with information that corresponds to your marketing needs. Surveys don't have to be extensive or elaborate, and they can be delivered in many forms. Creating polls containing one or two questions on social media platforms, for example, can provide you with valuable information about specific personality traits and overall consumer behaviour.

How to use personality science in marketing

Businesses and marketers can analyze and draw conclusions about their target audience by applying personality science frameworks and theories to their data collections and research. The detailed information derived from their data can be used to inform marketing strategies and drive

action accordingly. Here are ways you can integrate personality science into your marketing efforts:

1. Create customer profiles

A customer or consumer profile is a comprehensive document that provides a detailed and unique description of a company's ideal customer based on gathered and analyzed data. It's typically presented as an in-depth description of an actual person and goes into detail about various aspects of a potential customer's lifestyle, including:

- Education level
- Occupation
- Values
- Goals
- Habits
- Hobbies
- Interests
- Pets

The specifications provided by customer profiles can provide direct insight on what a consumer wants and how they want to attain it. With this information, you can improve the performance of targeted messaging.

2. Deliver targeted communication

Understanding a person's psychological patterns can reveal the preferred style and mode of your consumers. Traditionally, business-to-consumer communication delivered one generalized message that didn't take personality traits and their corresponding communication preferences into consideration. One way to target communication is by creating variations of your messaging that are tailored to the specific segments of your ideal customer. Consider the tone of any language used, word choice and the means used for communicating.

3. Customize visual content

Leverage the information derived from your data to deliver compelling visual content most likely to resonate with your target audience. Certain personality traits can reveal preferences with visual components such as font styles, color schemes and the overall layout of content. It can also reveal which medium they prefer to engage with, including images, videos or infographics.

4. Launch targeted campaigns

Targeted campaigns that are representative of your consumer base can dictate every phase of their buying journey. A detailed look into your target audience is essential in understanding the complete buying process, starting from initial brand awareness to their decision to purchase your product or service. Carefully curating strategies based on research is key in optimizing your marketing efforts.

Psychographics, Values and Lifestyles

Meaning

Psychographics is the qualitative methodology of studying consumers based on psychological characteristics and traits such as values, desires, goals, interests, and lifestyle choices. Psychographics in marketing focus on understanding the consumer's emotions and values, so you can market more accurately.

Psychographic Factors

Psychographic factors may include personality characteristics, lifestyle, social class, habits, behaviours, and interests. Each of these unique psychological factors greatly influences a consumer's behaviour. You then use these factors to segment your audience based on their psychographic makeup.

- **1. Personality Characteristics**

Personality characteristics determine the way a person interacts with the world around them. It's likely that people in your target audience share some personality characteristics that you can tailor your marketing campaign to.

- **2. Lifestyle**

Lifestyle psychographics tell the story of how a person views themself within society. This factor can be influenced by relationships, occupation, and other significant life choices.

- **3. Social Class**

Although there are no official social classes in the United States, consumers sometimes classify themselves into lower, middle, and upper classes and make buying decisions that are loosely based on them.

- **4. Habits**

Habits are psychographic factors that a person has become accustomed to in their daily lives. Habits aren't easily broken, so marketers tend to consider these quite heavily when creating campaigns and advertisements.

- **5. Behaviours–**

How a person acts is a behavioural psychographic factor. Behaviours are exhibited through a person's buying patterns, product usage, and even the frequency at which they purchase a product.

- **6. Interests**

This psychographic factor can influence the way a person interacts with a brand. Interests will vary from person to person, but generally, the target audience will share common interests that can be woven into marketing campaigns to elicit a particular response.

Psychographic segmentation is similar to behavioural segmentation in that groups are created based on more personal or individual criteria.

For instance, if you want to segment your audience using lifestyle as a psychographic factor, you need to decide whether your buyers are attending school, working full-time jobs, engaging in active activities, or living a primarily sedentary lifestyle

Now that you know the psychographic factors you can use, you can officially begin collecting

1. Personality Traits

What is your target buyer like? Are they the type of person to research a product extensively before buying it? Or do they like to take risks and try something new? Knowing the personality traits of your target buyer can help you write verbiage that appeals to them specifically.

You can think of personality traits in terms of popular personality tests, such as the Big Five and the Myers-Briggs Type Indicator.

If you'd prefer to spend as little time as possible on choosing personality traits, we'd recommend placing your target consumer on one side of a binary:

- Extraverted vs. Introverted
- Emotional thinker vs Logical thinker
- Pragmatic vs Idealist
- Spontaneous vs Planner
- Creative vs "By-the-books"

Come up with your own binaries to decide on the wording and imagery of your marketing campaign.

2. Lifecycle Stage

Lifecycle marketing is all about knowing where your target customer stands in their purchasing

lifecycle. Is your target buyer aware of the product or potential solution yet? Have they made contact with your company?

The lifecycle stages are as follows:

- Reach
- Acquisition
- Conversion
- Retention
- Loyalty

Knowing your target buyer's lifecycle stage can help you decide which marketing channels you should use. Someone who's not even aware of their problem might be reached through a Google ad or an organic content strategy.

3. Interests

What's your target buyer interested in? Touch upon those interests in your marketing campaign, and you'll be much more closer to getting their business.

4. Interests can closely align with activities, though not always. For example, your target buyer might be interested in hiking, but in reality, they don't have the time or feel confident enough to go hiking on their own. Attitudes or Beliefs

Your target buyer's attitudes or beliefs tells you how they see the world. Knowing the views your buyer upholds can help you create a campaign that resonates with them rather than alienates them.

Continuing the example of the nutritional program above, you might find out that your target buyer upholds the positivity movement and believes that "healthy" looks differently on different people. In your campaign, you might choose to include photos of people of all sizes who are equally healthy or on the path to healthfulness.

5. Activities

A consumer's activities can tell you about the things they've already spent resources, time, and money participating in. If your target customer loves yoga and you're trying to sell them your nutritional counseling program, you can incorporate images or offers that involve yoga. Alternatively, you might advertise your program at yoga studios.

UNIT-IV

STRATEGIC MARKETING APPLICATIONS

Market segmentation strategies:

Market segmentation is a marketing term that refers to aggregating prospective buyers into groups or segments with common needs and who responds similarly to a marketing action. Market segmentation enables companies to target different categories of consumers who perceive the full value of certain products and services differently from one another.

Marketing strategic applications

1. Precise and Personalised Targeting

With no market segmentation, it's like shooting in the dark instead of targeting the ideal customers. Now, with digital marketing and segmentation tools like Google Adwords to filter out the masses, you can hone in on exactly who you want and how.

2. Increased ROI

Through customer segmentation and personalized marketing campaigns, you can reduce the risk of showing ads to uninterested consumers. This clearly increases the efficiency of the campaign and hence produces ROI-producing efforts.

3. Increased Competitiveness and Conversions

By focusing on a specific subset of prospects, your competitiveness in that market segment will automatically increase. If your product or service primarily caters to working women, putting Your time and money towards targeting them will yield the maximum conversions. This will alsoensure brand recall and loyalty, eliminating other competitors.

4. Reduced Time and Money

Launching marketing campaigns is a costly affair, and it's important to strategize and cut your expenses and time at every stage. Channelizing your campaign's budget towards prioritized customer segments that are more likely to engage and convert will reduce the time, resources, and money spent compared to regular campaigning across all segments.

5. Better Relationships and Customer Retention

This whole process of market segmentation leads to a better understanding of your customers in aspects involving their age, preferences, income level, buying behaviour, etc. That ultimately

helps you serve their needs better. Also, the improved relationships make it harder for the customers to leave you, leading to greater customer retention.

Types of Market Segmentation Strategies

With countless ways to divide customers into groups, you need to understand the types of market segmentation to choose the best strategy.

Market segmentation is the foundation of any successful long-term marketing strategy. In this blog, I'll walk you through the four main types of market segmentation:

1. Demographic

2. Psychographic

3. Geographic

4. Behavioural

1. Demographic segmentation

Widely used by D2C ecommerce brands, demographic segmentation is one of the most simple yet effective kinds of segmentation. You can use demographic segmentation to split your audience and create customer personas based on objective information, such as:

- Age
- Gender
- Income
- Level of education
- Religion
- Profession/role in a company

For example, if you segment your audience based on your customers' income, you can target them with products that fall within the constraints of their budget. If you're a small business or new to ecommerce, this is a straightforward type of segmentation with three key advantages:

- It's easy to collect information
- It's simple to measure & analyze
- It's cost-effective

Luxury goods manufacturer Montblanc worked with Yieldify to present a selection of offers across their website. They lifted conversions by 118% with a Father's Day deal offering a free gift to customers spending over £200 – a threshold that took the spending expectations of

Montblanc's target audience into account.

2. Psychographic segmentation

Psychographic segmentation is the process of grouping people together based on similar personal values, political opinions, aspirations and psychological characteristics.

For example, you can group customers according to their:

- Personality
- Hobbies
- Social status
- Opinions
- Life goals
- Values and beliefs
- Lifestyle

Because these characteristics are subjective, psychographic is a harder segment to identify – but it's also the most valuable. The best places to gather data for psychographic segmentation are through your audience analytic tools and social media, but you should also use surveys, interviews and focus groups to strengthen your customer understanding in this segment.

Through psychographic segmentation, you can get a deep insight into your customers' likes, dislikes, needs, wants and loves. You can then create marketing campaigns that resonate with their psychographic profile.

3. Geographic segmentation:

Geographic segmentation is the process of grouping customers based on where they live and where they shop. People who live in the same city, state or zip code typically have similar needs, mindsets and cultural preferences.

The real advantage of geographic segmentation is it provides an insight into what your customers' location says about a number of geo-specific variables, such as their:

- Climate
- Culture
- Language
- Population density – (urban vs. rural) As with all segmentation methods, you'll need to analyze your data to understand how each factor influences your customers' shopping behaviour.

For example, people living in colder
climates are likely to be in the market for winter clothing and home heating appliances.

4. Behavioural segmentation

Behavioural segmentation is the process of grouping customers based on common behaviours they exhibit when they interact with your brand.

For this type of segmentation, you can group your audience based on their:

- Spending habits
- Purchasing habits
- Browsing habits
- Interactions with your brand
- Loyalty to your brand
- Product feedback

Gather this objective data through your website analytics and you can identify patterns in your customers' behaviour that help predict how they'll interact with your brand in the future. Then you can leverage this hypothesis to provide personalized recommendations that address your customers needs. For example, Spotify provides its users with curated daily mixes based on the types of genres and artists they've listened to previously.

Positioning strategies for new and existing products

Product positioning is the process of determining new products' position in the minds of consumers. It includes analyzing the market and competitors' positions, defining the position of a new product among the existing ones, and communicating a particular brand's product image.

5 Product Positioning Strategies

While a lot of time is devoted to product development, only a few companies think about how consumers will perceive the product when it's already in the market. Product positioning is about understanding the products you decide to introduce to the masses. That's why it's critical to pay attention to what your customers think. Let's explore the key strategies that will help you define the position of your product.

1. **Characteristics-based positioning.** Brands give certain characteristics to their products that aim at creating associations. It's done to make consumers choose based on brand image and product characteristics. Let's take the automobile industry, for example. A person who worries about safety will probably choose Volvo because of the brand's positioning. At the same time, another customer who pays attention to reliability would prefer Toyota.

2. **Pricing-based positioning.** This strategy involves associating your company with competitive pricing. Brands often position themselves as those that offer products or services at the lowest price. Let's take supermarkets, for example. They can afford to provide customers with products for lower prices because of the lower costs they pay for shipping and distribution, huge turnover, and a large procurement of goods. As a result, many consumers already know the supermarkets with attractive prices and choose them without considering other options.

3. **Use or application-based positioning.** Companies can also position themselves by associating with a certain use or application. People who adhere to a healthy lifestyle create a great demand for products that help increase performance in the gym. Hence, many businesses offer nutritional supplements. These brands sell supplements that are high in calories, vitamins, and minerals.

4. **Quality or prestige-based positioning.** The brands we are talking about now don't concentrate on their price point; they focus on their prestige or high quality instead. Sometimes, the reputation that makes a brand attract customers. Let's take Rolex, for example. This famous watch brand is associated with achievement and excellence in sport and is popular among powerful and wealthy people.

5. **Competitor-based positioning.** The strategy involves using competitors' alternatives to differentiate products and highlight their advantages. It helps brands distinguish their products and show their uniqueness.

The difference is clear now, so it's time to jump to the steps required for successful product positioning.

The way your customers perceive your brand is crucial since they define your sales volume, the success of your business, and the profits your company will earn. Therefore, you should be ready to present your products honestly and effectively. To do this, you need to consider the following steps.

1. **Define your target audience.** Knowing your customers' needs, wants, demographics, and interests allows you to give them the product they strive for. This way, you can reach your target audience and motivate them to buy your products. For this purpose, you need to be well-prepared and operate the necessary information.

2. **Identify the key benefits of your product.** Benefits are a top priority for any customer who wants to solve a particular problem. As a business owner, you need to know all the peculiarities of your products or services, including their features and advantages. You need to identify your key

perks and communicate them to the masses so that they can consider your product when reviewing several options.

3. **Establish brand credibility.** You need to create a brand that people can rely on to build trusting relationships and encourage your customers to make repeat purchases. Consumers are more inclined to make repeat purchases from companies with a good reputation and credibility. Remember not to make promises you can't keep and claims that can't be verified. high

Prioritize honesty and transparency since they will help you build a healthy product positioning strategy.

4. **Offer a unique value proposition.** Communicate the value your product can bring to your

target audience. You need to be aware of the fact that consumers won't choose a product if they can't benefit from it. Explore your product, find its benefits, and search for the most appropriate communication channels to convey them to your leads andcustomers effectively.

5. **Consider audience segmentation.** If you want to obtain the best results, you need to

segment your audience since your product can't satisfy all your customers' needs. You can divide them into groups based on their interests, traits, and needs to create customized messages. As a

result, you'll be able to appeal to their individual wants and needs and provide them with your

product as a solution.

6. **Craft your messaging.** Once you segment your customers, it's necessary to select the right

communication channels for each group. Some of them might prefer social media platforms, but others might use traditional channels like TV and radio. Give some thought to writing a positioning statement (a description of a product, its target audience, and how this product can solve a problem that arises). It will help you prepare personalized and effective messages that speak to the needs and preferences of each group.

7. **Do a competitive analysis.** Once your message is ready, you need to evaluate your competitors' businesses and the products or services they offer. Competitor research gives you a clear understanding of your rivals, their offers, and what makes your product different in a

positive way. Afterward, you'll be aware of the distinctive features and benefits your product has, your core values, innovations, and various improvements your company provides consumers with.

8. **Demonstrate your expertise.** Explain to your customers why they should choose you over your competitors. You should also prove that your product is better and that it has several benefits useful for consumers. There are several ways to show the quality of your product or its benefits: testing, trials, demonstrations, etc.

9. **Focus on your competitive advantage.** These are the factors that enable your company to manufacture better or cheaper products and outperform your competitors. You need to speak about the actual benefit your product provides. Customers should truly need this product and obtain its visible value. It also includes staying up-to-date and adapting to new trends and innovations.

10. **Maintain your brand's position.** Once you reach this step, you need to maintain your brand's position so that customers continue buying your products. If you aim to operate this successfully, you should never compromise on quality and increase or reduce prices drastically since it can make customers suspicious.

Re –positioning, Perceptual mapping

Many successful companies incorporate customer perceptions and feedback into their planning and position efforts. Doing this can help them appeal to their target markets, gain a competitive advantage in their industry and identify areas for growth successfully. Perceptual mapping is one tool companies can use to build new strategies based on customer perceptions. In this article, we describe what perceptual mapping is, share who uses it, explain how it helps companies and list steps on how to create a perceptual map.

1. Perceptual mapping

Perceptual mapping is a process businesses use to visualize customer perceptions. Perceptual maps are diagrams that examine how customers perceive various brands, products and items. Businesses can compile customer data to get a comprehensive sense of sentiments and viewpoints. The result can make it easier to understand how customers might perceive a specific brand or offering.

2. Perceptual maps vs. positioning maps

Although both processes help companies understand their standing within their markets, positioning maps look at the actual traits of a product or brand. In contrast, perceptual maps rely on perceived traits. Customer perception can vary based on many factors. For example, a first-time homebuyer might look at a house differently than someone who performs home appraisals for a living. Even though they both might view the same house, their perceptions differ because of their unique experience.

Perceptions can be inaccurate. Sometimes, a perceptual map reveals a disconnect between a company's actual offerings and a customer's perceived understanding of their offerings. A positioning map wouldn't reflect these differences.

How to create a perceptual map

If you're interested in creating a perceptual map of your own, here are some steps you can take:

1. Select attributes

Attributes are the variables the customer factors into their decision to purchase a product or service. You can select attributes for your product or service by looking at the characteristics of the product. For example, attributes for a food product can be its taste, texture, smell and quality and attributes for a vehicle can be its price, performance and model year. You can select the most prominent attributes for your product or brand. The attributes can be at least two characteristics, and they can be attributes your average customer finds important.

2. Identify competition

You can identify your top competition, which can be several businesses or organisations that provide similar products and services to what you provide. This step can help you develop a perceptual map showing where you and your competitors rank in the thoughts and perceptions of your customers. Choosing your top competitors makes it easier to focus your own efforts.

3. Survey consumers

You can create and distribute a questionnaire that surveys a group of consumers. The survey can ask questions related to the selected attributes. For a food product, your survey could ask consumers whether they prefer their food to be sweet or bitter and ask their preferences concerning soft food versus chewy food. The survey can ask consumers to rate your product or brand on a five-point scale and to rate your competitors according to the same system.

4. Analyse survey data

You can analyse the survey response data to see how the respondents rate your brand in comparison with competitor brands. You can review their preferences to see how respondents felt about your product or service and how they feel about competing brands. The survey response data can show the preferences and perceptions of consumers.

5. Create your map

You can create your perceptual map using computer software and the survey's data. Basic software programmes can graph a two-dimensional perceptual map featuring an X-axis and Y-axis that intersect. The map can show where you and your competitors fall on the chart that may depict consumer preferences for attributes like quality and trustworthiness. Advanced software programmes can create more sophisticated perceptual maps that factor in consumer perceptions of

multiple attributes and may showcase how different demographic groups perceive you and your competitors.

Marketing communication

Companies don't succeed by accident. They are performing thorough research to produce efficient marketing campaigns. This allows them to penetrate new markets, build their presence, and become a customer resource.

This connection is strengthened by an effective promotional campaign led by a powerful marketing communication plan. But some planning is necessary to get started. You will have to think about your brand and its goals, your clients and their behaviours, and your industry's current trends. You also have to be sufficiently flexible to modify your strategy, depending on what works and doesn't.

How to build an effective marketing communication strategy

You should keep the above concepts in mind while creating your marketing communications strategy. You can ensure that your MC strategy is as efficient as possible with a few simple actions. The following stages can help your business to flourish, from analyzing your target audience to selecting your marketing communication mix strategy.

Step 1: Get to know your target audience

Unless you know to whom your products are targeted, you can establish a marketing plan. Take a little time to interpret and understand your target audience. You can adjust your marketing plan to those customers after you know more about your audience. You should specify the traits and preferences of the audience at the beginning of your marketing communication plan.

Some businesses have difficulty understanding what their audience wants. Just ask your audience what they need to accomplish by offering them interviews and surveys of existing customers and find out why they choose to purchase from you.

Customers prefer live chat over social media, email, and even phone support when asked about their preferred communication channels. The reason is live chat support is quick, easy, and convenient. A good live chat help center can increase agent productivity, help you better understand your customers, and inform product decisions.

Step 2: Identify your unique selling proposition (USP)

You must take the USP of your organization into account when building your marketing communication plan. The USP is what distinguishes you and explains why people choose to buy.

You should reflect your USP on all your marketing communications and branding tactics. You must explain this when you clarify your USP. You need to keep yourself branded. It is also easier to make enticing pitches for the media if you have a clear, known USP.

A SWOT analysis helps you understand the audience. This analysis will also help you figure out what your USP is. You know, for example, that there are a lot of rivalries when you're a solar panel installation. Until they repair their roof, many homeowners don't want to install solar. This problem can be resolved with a USP working with a roofing firm in order to reduce expenses on both components, or you can devise a way of installation that does not hinder the replacement of the roof.

Step 3: Decide your marketing mix

It is time to consider your marketing communication mix, after having identified your target audience and your USP. This mix is made up of various channels to reach your clients. You may want to use some of the following channels depending on your business.

- Print publications
- Television
- Billboard
- Events
- Word of mouth

You will find whole teams in a global company focusing on each of these operations. When a customer contacts your business on any of these digital marketing channels it is very helpful to have customer service software that automatically creates a ticket. For example, if the customer uses a real-time channel, such as the phone or live chat, the system automatically starts ringing to alert online support agents. Of course, if you run a small firm, you cannot spend as many resources on each business. Only a few of these marketing channels can be used in your marketing mix. If you have a limited budget, public relations is the best way to obtain results.

Step 4: Create content that delivers consistency among channels

In order to ensure an efficient integrated marketing communication strategy, the content of the brand message you deliver is essential. You should be able to develop the brand message content consistently throughout the different platforms and channels you use.

In an integrated marketing strategy, it is one of the essential primary focuses of this approach to identify the content that communicates to your audience most successfully.

Step 5: Determine your success metrics to measure results objectively

Once you have determined your promotional mix for your marketing communications plan, you must also plan for all communication channels the proper number of success measures.

For each component of your communication mix, you need to develop metrics. These indicators indicate if you meet the major goals of your communications plans. The goals must be identified to have a reference for determining if your strategy is working. The goals might be your business goals (revenue), your marketing mix goals (new sales, lead generation, etc.), or your reach and engagement KPI.

Step 6: Determine your branding

For your whole marketing plan, branding is essential. To build a brand, all your marketing materials must be viewed consistently. These materials can include items such as applications, direct marketing, business cards, social platforms, websites, and promotional activities.

Your brand image is beyond a normal marketing tool. It is your company's identity. Your brand image is essentially the core of your company and your presence on a global scale. You should establish your brand image with all of your marketing communications.

Step 7: Execute your plan

You are now ready to work with your marketing strategy. You only have to implement your plan. You may then measure how your plan works to determine if it meets its objectives. Now that you know the steps towards an effective, integrated marketing strategy, the time has now come to learn the hard thing: how you can design one that works.

Large firms and established companies have departments focused on market research, strategy, and implementation, and the process of trial and error still takes place to build the perfect campaign. A robust plan allows marketers to remain organized and educated while adjusting their strategy as necessary.

Store choice and shopping behaviour

Consumers go through a set of sequential steps while buying a product. A buying process is the sequence of steps that a consumer takes while making a purchasing decision. A normal consumer purchase includes the recognition of needs and wants. Next comes the information search, followed by an evaluation of all the choices. Finally, the purchase happens, and post-purchase evaluation follows a purchase.

Let's go over each stage of a consumer buying process:

1. Identify the Problem

This is the first stage of the buying process. A consumer will not initiate a purchase without the recognition of the needs or wants. When a consumer feels the need to buy a particular product, he will go for a purchase decision. There is an unmet need or there is a problem that can be solved by buying a particular product.

Needs arise as there is a problem. For example, you broke the table that you were regular ling using for your business. And due to this problem, you now have to buy a new table.

Wants arise either because you have need a product or just because you are influenced by external factors. For example, you see your friends using a laptop for their project work. You might also have seen numerous advertisements about how a laptop can help you in your project work. Due to this influence, you feel you want to upgrade to a laptop though you may already have a desktop.

2. Information search

At this stage, the consumer is aware of his need or want. He also knows that he wants to buy a product that can relieve his problem. Therefore, he wants to know more about the product that can relieve his problem. This leads to the information search stage.

The consumer will try to find out the options available and the best solution for his problem. The buyer will look for information in internal and external business environments. A consumer may look into advertisements, print, videos, online and even might ask his friends and family..

3. Evaluation of Alternatives

By now the consumer has done enough research about the kind of product that can solve his problem. The next step is to evaluate alternative products that can solve his problem. Various points of information gathered from different sources are used in evaluating alternatives.

Generally, consumers evaluate the alternatives based on a number of attributes of the product. Looks, durability, quality, price, service, popularity, brand, social media reviews are some of the factors that consumers consider.

4. Purchase Decision/Purchase

At this point, customers have already explored multiple options. They are aware of the pricing and payment options available. Here, consumers are deciding whether to buy that product or not. Yes, even at this stage they can still drop the purchase and walk away.

Philip Kotler (2009) says the final purchase decision may be 'interrupted' by two factors.

Customers may get negative feedback from friends or other customers who bought it

5. Post-Purchase Evaluation

This is the last stage and is most often ignored by marketers.

After buying the product, customers compare products with their expectations. There can be two outcomes: Either satisfaction or dissatisfaction. Consumers will be happy after buying the product if it has satisfied their needs. But in case the product was not up to his expectations, the consumer will be dissatisfied. A consumer can be lost even at this stage.

A dissatisfied customer might feel as though he took an incorrect decision. This will result in returns! Offering an exchange will be a straightforward action

Store image and loyalty

Definition

Store image is argued to be useful if it predicts phenomena such as satisfaction, loyalty, customer retention and other attitudinal and behavioural outcomes. Previous researches show that customers are affected by the store attributes and consider them to assess perceived benefits and attitudes

1. **Purpose:** This study aims to identify the influence of store image on store loyalty in the context of the Bangladesh retail market. It also observes the mediating roles of trust and customer satisfaction on store image and store loyalty.
2. **Methods:** This is a quantitative cross-sectional study based on survey data. Data were collected through a structured questionnaire. The study used a non-probability, convenience sampling technique. Responses from 534 supermarket shoppers were included for analysis. Partial Least Square (PLS) based Structural Equation Modeling (SEM) was used to analyze the data.
3. **Results:** The results revealed that the store image has a direct relationship with store loyalty. The study also validates an indirect relationship between store image and store loyalty via customer satisfaction and trust.
4. **Implications:** This paper contributes to the theoretical and practical knowledge to formulate effective retail marketing strategies which may affect customer loyalty. The results of the study also have a contribution to the overall development of the retailing industry of Bangladesh.
5. **Originality:** This study envisioned a unique model considering the multi-dimensional hierarchical concept of store image and customer loyalty. Additionally, this study validated the

intervening role of trust between store image and store loyalty which is a pioneering attempt in this regard.

6. **Limitations:** The study would have been made more effective if other variables like service quality, store choice, purchase intention, store reputation affecting store loyalty, etc. were also included. In addition, the use of non-probability sampling (convenience sampling) also restricts the generalizability of the findings.

Consumerism

Consumerism is the idea that increasing the consumption of goods and services purchased in the market is always a desirable goal, and that a person's well-being and happiness depend fundamentally on obtaining consumer goods and material possessions.

In the economics sense, consumerism is related to the predominantly Keynesian idea that consumer spending is the key driver of the economy and that encouraging consumers to spend is a major policy goal. From this point of view, consumerism is a positive phenomenon that fuels economic growth.

Consumer rights and Marketers responsibilities

The government enacted the Consumer Protection Act, 2019 ('Act') to protect consumer rights and interests. The Consumer Protection Act, 2019 replaced the Consumer Protection Act, 1986. The Act aims to achieve public welfare by enabling consumers to participate directly in the market. It covers all goods and services by the private and public sectors. It is a weapon in the hands of the consumers for enforcing consumer rights and fighting against exploitation by manufacturers, traders, sellers and providers of services.

Types of Consumer Rights

The Consumer Protection Act provides six consumer rights to people**,** which are as follows**:**

1. **Right to be Protected**

The right to be protected protects consumers against marketing products, goods or services that are hazardous to property and life. A manufacturing defect in the goods like electrical appliances, gas cylinders, etc., can cause harm/loss to the consumer's health, life and property. The right to be protected gives consumers the right to insist on the goods' guarantee and quality before purchasing. They should choose an AGMARK or ISI-approved good or product.

2. **Right to be Informed**

The right to be informed provides that the customers must be informed about the quantity,

quality, standard, purity, potency and price of products, goods or services to protect the consumers against unfair trade practices. Sellers or manufacturers should provide all the required product details to the buyers or consumers so they can act wisely while purchasing goods. The manufacturers must give all the relevant information on the label and package of the product.

3. **Right to Choose**

The right to choose gives consumers the right to access various products, goods or services at competitive prices. A competitive price means a fair price. The sellers, retailers or traders cannot force consumers to purchase the goods of a specific brand. The consumers can choose the brand they find suitable from their point of view. The right to choose assures that good quality and services are given to consumers at reasonable prices in case of a monopoly. It also includes the right to basic services and goods.

4. **Right to be Heard**

The right to be heard assures the consumer's interests will be heard and considered at the

appropriate forum. The consumers will have adequate means to raise their issues in the relevant forum, and their interests will be considered. Consumers can file a complaint in case of unfair trade practices by the seller in appropriate forums. The appropriate forums will give them a fair chance to the consumers to state their grievances. They may take the help of consumer organizations set up to protect consumers to enforcing this right.

5. **Right to Redressal**

Consumers have the right to seek redressal against restrictive trade practices, unfair trade practices or unscrupulous exploitation of consumers. It also includes the right to a fair resolution of a consumer's grievances. Consumers can file a complaint when they have a legitimate grievance. They can also seek redressal of their problems with the support of various consumer organisations. The compensation can be money, repair of defective goods or replacement of goods according to the issue of the consumer.

6. **Right to Consumer Education**

The right to consumer education means consumers should be aware of their rights to avoid exploitation. Under this right, the consumer has the right to acquire the required skills and knowledge to be an informed consumer. When consumers know their rights, existing acts and agencies set up for their protection; they can take action. The government has also introduced consumer education to the school curriculum and university courses.

Consumer Responsibilities

Consumers have responsibilities towards other consumers and society members and help them fight against unfair trade practices and create awareness regarding consumer rights**.** Government and non-government organizations have made various efforts to protect the interest of consumers. These efforts will be helpful and can stop the exploitation of consumers only when they understand their responsibilities and take actions to safeguard their interests.

1. **Responsibility to be Aware**

Consumers must be mindful of the safety and quality of products and services before purchasing them. They should not trust the seller blindly and must get the information on the price, quality, standard, etc., of the product.

2. **Responsibility to Think Independently**

Consumers should know what they want and need. They must make wise choices and not settle on the quality or standard of a product or service. They need to make independent choices and refrain from buying products under the influence of the sellers.

3. **Responsibility to Speak Out**

Consumers should express their grievances and file complaints against contaminated or substandard products even when the loss is small. When consumers do not speak out against the loss they suffered and do not file a complaint, it encourages businessmen to practice unfair trade practices and supply defective goods.

4. **Responsibility to Complain**

Consumers should take responsibility for filing complaints against sellers or manufacturers when they are unsatisfied with the goods or services. Consumer rights can only be enforced when consumers take responsibility and exercise them.

5. **Responsibility to be an Ethical Consumer**

Consumers must be ethical and fair and not file fraud complaints against dealers or manufacturers for personal reasons. They should not engage themselves in deceptive practices. They should discourage any illegal trade, hoarding, black marketing, etc.

6. **Responsibility to be Quality Conscious**

The problems of duplicate, adulterated and substandard products can be resolved when consumers stop compromising on the quality of goods. Thus, consumers should be aware of a product's quality and look for products with Agmark, ISI mark, etc.

UNIT-V

The Global Consumer Behaviour and Online Buying

Behaviour Factors that Influence Customer Buying Behaviour Online

Now is an era where customers take the center stags influencing business strategies across industries. No business can afford to overlook factors that could either break the customer experience or even pose a risk of any disruptions. This becomes a vital fact influencing your ecommerce business too.

In fact, for an ecommerce business enhancing the customer experience becomes the top priority, especially, when you look around and find your competitors strategizing towards their growth at an equally fast pace. Within that, your first step towards delivering a compelling customer experience understands the customer's buying behaviour. To make it easier to estimate the influence of customers' top 10 factors that potentially influence your online shoppers' buying decisions.

1. Quality of Product Description

For instance, the information about the product's dimensions, weight, material immediately Your Customers are highly informed. They are accustomed to going deep into your product details once they like it. Here, your responsibility is to and quality, etc should be readily available.

2. Shipping Costs

It may often turn out that a customer would decide not to buy your product after seeing the final payable amount. Remember, the customer has nothing to do with the shipping that you bear with. So, its better they see the minimum shipping costs or rather a free shipping.

3. Return Policy

Easy returns make the backbone of an online shopping business. In fact, a number of customers prefer buying stuff online considering the easy returns. Amazon, for instance, has managed to size up its sales by running a fantastic return policy. It asks the customers no questions, allows 30 good days to decide about returns.

4. Convenience in Searching Products

Your app's user interface plays a crucial role in influencing the buying prospects of your customers. A customer will likely leave your page or app if he is unable to find the relevant product within two search attempts.

5. Ease of Navigation via Categories

Again, this is about a good user interface. The more convenience a customer finds in your page or app, the better are his chances of converting or buying your product. A good navigation helps him know where he currently is and what is the direction to move. The well designed interface is a crucial part of web-development and you need thinks as your client with the purpose to create a convenient platform.

6. Complexity Levels in Checkout Process

If your checkout process is too cumbersome asking for too many efforts and involving several page redirection, your customer is likely to abandon you. Customers are accustomed to faster services.

7. Relevance of Product Recommendations

Product recommendation is a crucial strategy in ecommerce and it can lead to impulse buying too. However, too many irrelevant recommendations can divert the attention of your customers and even sometimes put them off.

8. Categorization of New Products

Even though you change the content on the homepage every day, customers will still get bored of seeing it regularly and end up overlooking the newer stocks. But, if they see a special icon for new products, they are much likely to land there straight and purchase.

9. The inclusion of Special Product Category

This works quite similar to the above. You must always have this category of special products where you place your most sought-after products and grab the attention of your customers quickly.

10. Customer Reviews

This is a really important factor affecting your customers' buying decisions. Given the fact that customer reviews are genuine, your new customers are much likely to consider this peer to peer feedback. Make sure you earn maximum good reviews amid a few poor ones. Now that you know a lot about what matters to the customers while making a purchase, its time you look back at your processes and interface and maximize your sales.

Consumers buying habits and perceptions of emerging Non –Store choices

The process of consumer buying can be broken down into several parts:

1. Problem recognition

Consumers are only motivated to buy if they have a problem that needs solving. This can be an actual need like the need for food or shelter- or a perceived need- like the desire for a new car because you are tired of your old one.

2. Information search

Once consumers recognize a problem, they will begin searching for information about how to solve it. This process is called information search.

3. Alternatives evaluation

After evaluating the information, consumers will decide which alternative best solved their problem and meets their needs. They will then make a purchase decision based on this evaluation.

4. Purchase decision

The purchase decision is a process of selecting or buying a particular product or service. The decision process can be affected by various factors, including the consumer's personality, lifestyle, and environment. The result is that consumers may purchase more than one of the same products to satisfy their needs.

5. Post-purchase evaluation

After purchasing an item, consumers will evaluate whether or not they made the right choice. They will also assess if they received value for money spent and whether or not they would make the same choice again in future situations.

This post-purchase evaluation is often referred to as "post-decision dissonance" because it can cause frustration after making an expensive purchase that doesn't fulfill all expectations.

Seven O's framework of consumer behaviour



The Seven O's framework of consumer behaviour is a set of seven principles that can help marketers understand how people decide what to buy and use.

1. Occupants

Occupants are the people who use a product or service.

2. Objects

Objects are the things that occupy a person's time and attention. They can be tangible, like a car or computer, or intangible, like a song on the radio or a TV show.

3. Objectives

Objectives are what you want to accomplish with your possessions or activities. You may have one objective for each object you use or goals that span multiple objects.

4. Organizations

The organization has a significant impact on consumer behaviour. An organization's missionstatement, values, and vision all serve as a guide for consumer behaviour.

5. Operations

The operations of an organization influence consumers. For example, if a customer buys clothes from a store that does not serve the customers effectively, they will be less likely to buy from that store in the future. Additionally, if the prices are too high or the quality is low, it would be difficult for consumers to continue purchasing from this company.

6. Occasions

Consumers buy things for different occasions, such as birthdays, holidays, etc., which can affect their buying behaviours.

7.Outlets

Consumers shop at many grocery stores, drug stores, department stores, and online retailers; therefore, they must decide where they want to shop based on price and selection, among other factors.

Research and applications of consumer responses to direct marketing approaches

Consumer research has cultivated a very unique reputation for being the way to gain information about a brand's consumers. With dedicated consumer insights, brands and stakeholders can make sure that they are creating not only the right products but also the right business strategies and communicating in the right way to immerse consumers in their brand experience. And because of this success, the term consumer research has become synonymous with market research.

Consumer research is the first thing that typically comes to mind when stakeholders are asked to think about market research and its popular use cases.

The phrase 'consumer research' is typically used interchangeably with 'customer research' across all industries, with the term 'consumer' here taken to mean 'those who consume the brand's experience, product and services'. So in this context, consumers and customers are one and the same.

1. Referral Program

One of the most powerful forms of marketing is word of mouth marketing (WOMM). Studies show that 83% of people trust recommendations they get from family, friends, or colleagues. That's why one of the best examples of effective direct response marketing is a referral program. A typical example would be running a campaign where you ask your current customers to refer your brand or product to their family and friends. You could do this by:

This is direct response marketing because you're asking your customers to take immediate action on your offer. Here's an example from MeUndies in the form of an email they send to customers after they've received their purchase:

Executed well, this type of referral marketing is a great way to drive both sales and brand awareness at the same time.

2. Upselling

Upselling is the act of encouraging a customer to buy a more expensive version of a product they have or are in the process of buying. It's a powerful technique for driving sales as it's easier to sell to an existing customer than to a new prospect.

Before a customer completes the buying process on your website, you can send a message asking them if they would rather have the more superior version of the product or service they're buying.

3. Social Media Ads

With approximately 4 billion users globally, social media has become one of the most powerful marketing platforms to deploy direct response marketing campaigns.

Whether you're selling a physical or digital product, a service, or promoting a lead magnet, you can use social media to get your prospects to act quickly on your offer.

4. Contests or Giveaways

Everyone loves contests.

They are full of excitement with the prospect of getting something for free.

For marketers, contests and giveaways are terrific for grabbing attention and generating buzz.

Yet, the biggest advantage of giveaways is that they are good at obtaining an immediate response from your target audience, which is precisely why they make for good and effective direct response marketing.

5. Text Messaging

Research shows that 77 percent of consumers say they use texting more than other forms of communicating. Add to that the fact that people regularly check their text messages, and you've got the perfect channel for your direct response marketing.

To leverage text messaging in direct response marketing, your target audience must sign up to receive marketing communication from you. As with email marketing, you must segment your contact list to ensure your campaigns are personalized and targeted..

6. Chatbots and Social Media Messaging

Chatbots have been the rage in marketing for some time now. The reason for that is simple: They help you communicate with your customers in real-time.

That's why chatbots are excellent tools for direct response marketing. After all, what better way to drive engagement and encourage customers to take action than by communicating instantly with them. That's where the powerful combination of chatbots and social media comes to play.

7. Google Ads

Google Ads are a great way to market your brand and product with the ability to reach a wider audience than other direct response marketing channels. Besides that, you can easily target a particular audience by using the right keywords, location, and other criteria.

Because your ads appear when a prospect is searching for something related to your product, it's easier to grab their attention and get them to respond to your ad.

8. Direct Response Marketing for Job Recruiting

This strategy can also be used in recruiting talent for your brand. It's particularly effective in a cutthroat industry where talent is scarce and speed is of the essence. Direct response

marketing can also be used by recruiting agencies to source talent for their clients..

9. Use Pop-Ups to Generate Leads

Lead generation is an integral part of marketing, and direct response marketing is one of the best ways to drum up valuable leads for your business.

One of the best methods for lead generation is to use pop-ups on your website. The fact that a visitor has landed on your website shows they're interested in what you have to offer.

Don't miss the opportunity to build a relationship with them. Use personalized pop-ups to encourage them to sign up for your email list.

10. Direct Mail Still Works

Sure, it may be old-fashioned, but direct mail still works. Because many brands have abandoned it, your direct response marketing campaign will stand out when sent through the mail. Use assets like brochures, coupons, newsletters, etc.

While it may be old school, you can still align direct mail with modern techniques to increase its impact. For example, you could use QR codes to transition your prospects from the mail to your website.

Conclusion

If you want to run a campaign that gets you results fast, consider the examples above. Speed up the buyer journey and get your prospects to take action now.

Because it can be used across many different channels to achieve various marketing goals, its versatility makes it one of the best marketing strategies in the marketer's toolbox.

Issues of privacy and ethics

Meaning

Features of ethical behavioural tracking Privacy breaches disturb trust and run the risk of diluting or losing security; it is a show of disrespect to the law and a violation of ethical principles. Data privacy (or information privacy or data protection) is about access, use and collection of data, and the data subject's legal right to the data.

Industry research has identified several best practices related to customer behaviour data for marketing purposes. Marketers who adhere to these universal criteria can better meet the highest standards of ethical tracking:

1. **Responsible data management**:

Customer data should be used responsibly and stored securely at all times. When sharing information with third-party software providers, make sure you use reputable tools only (i.e.,

ones that won't sell your data) and understand what happens when you delete customer records from their platforms.

2. **Ensure transparency about data collection**:

Make it clear how each piece of personally identifying information will be used for marketing

purposes and why it's necessary to collect this information. Customer data should also be stored no longer than necessary, as detailed in each company's privacy policy (clearly stating how long the business retains customer records).

3. **Ensure transparency about how customer data is shared**:

The sharing of personally identifying information with third parties must meet standards set forth by industry self-regulation. Customer data should never be shared without first obtaining customers' explicit consent unless extenuating circumstances exist.

4. **Be transparent about customer rights**:

Customer data should be used in a way that meets customers' expectations, provides them with access to their records, and enables them to delete or correct the information you have collected. Any stakeholders involved must also abide by these rules.

5. **Utilize reputable third-party tools**:

Customer data should only be collected through reputable third-party tools, such as Google Analytics, with a proven track record of complying with industry standards and best practices. They must meet specific requirements for safeguarding customer privacy or provide clear disclosures about how their customers' information is used.

Ethical consumer behaviour tracking should not be hard to do. It's the only way for marketers to fully realize the benefits of digital behaviour tracking while protecting their brands' reputations and consumer trust.

Features of unethical behavioural tracking

Any practices that do not meet the previously mentioned criteria for ethical customer behaviour tracking can be considered unethical and should be avoided at all costs. Additional unethical behavioural tracking methods include:

1. Manipulating customer data to meet business goals:

Customer data must always serve a business purpose. Therefore, it's never okay to use it in ways

that don't align with customers' interests. The potential consequences of approaching behavioural tracking in this way are severe, particularly in the wake of new legislation like theGDPR, which holds businesses liable for mishandling customer data.

2. Using customer data without transparency:

Failed transparency is arguably worse than no transparency because it leaves consumers unaware about how their data will be used and vulnerable to exploitation by any number of

bad actors. There are many negative consequences to adopting this method of behavioural tracking, from fines to prosecution.

3. Data mining:

Data mining refers to extracting and analyzing customer behaviour from different sources for personal gain or profit without consent or knowledge. One example would include marketers using cookies on an individual's computer without notifying them to track their online activity across multiple sites. Consequences of this are also dire and can consist of fines, lawsuits, or even jail time.

4. Infringing privacy rights:

Consumers' privacy is protected under federal law in the United States, and there are several privacy laws on a state level. Businesses that violate these rights by leaking information or illegally distributing it may be subject to penalties or fines if customers choose to sue for damages.

Unethical consumer behaviour tracking should be avoided by adopting the best practices outlined

in this article and beyond. It's the only way for marketers to fully realize the benefits of digital behaviour tracking while protecting their brands' reputations and consumer trust.

**** END ****