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MBEIV - 13 – Consumer Buying Behaviour

Program Objectives

- PO1:** Apply knowledge of management theories and practices to solve business problems.
- PO2:** Foster Analytical and critical thinking abilities for data-based decision making.
- PO3:** Ability to develop value based leadership ability.
- PO4:** Ability to understand, analyze and communicate global, economic, legal, and ethical aspects of business.
- PO5:** Ability to lead themselves and others in the achievement of organizational goals, contributing effectively to team environment.

Program Objectives

- PO6:** Ability to evaluate a business idea and formulate a feasible business plan.
- PO7:** Recognize the need for and have the orientation and ability to engage in an independent & lifelong learning in a dynamic business environment.
- PO8:** Ability to appraise and explain societal and environmental aspects of business.

Course Objectives Of CBB

- **CO1-** Students will be able to **formulate** promotional strategies of an organization
- **CO2-** Students will be able to **adapt** models of consumer behaviour to develop strategies for an organization.
- **CO3-** Student will be able to **choose** and combine various factors influencing purchase decision
- **CO4-** Student will be able to predict and **propose** factors motivating consumers to make a purchase decision.
- **CO5-** Student will be able to **imagine** life cycle stage of consumer and design strategies for the product
- **CO6-** Student will be able to **modify** consumer perception towards a product and develop repositioning strategies

Unit III: Individual determinants of CBB

Individual Determinants of CB: Perception: process, Consumer Imagery, perceived risk;

Learning: principles, theories ; Personality: nature, theories, self concept, psychographic and life style;

Attitude: Structural model of attitude, attitude formation & change; Motivation: needs/motives &

goals, dynamic nature of motivation, Arousal of motives, theories

Unit Objectives

Students must be able to comprehend the following concepts

- Motivation and its uses in Consumer behavior
- Process of Attitude formation
- Understanding Consumer Imagery and various factors affecting images of products and services.
- Understanding perception and the various factors affecting perception.
- Utilizing the Learning process to mold customer choices.

Perception

Process by which individuals select,organise and interpret stimuli into a meaningful and coherent picture

Consumers make decisions based on what they perceive rather than on basis of objective reality

They have perceived images about products , brands and services

Elements of perception

Sensation which is further classified

The absolute threshold

The differential threshold

Subliminal perception



Dynamics of perception

Perceptual selection

Consumers previous experiences
motives at the time of purchase

Selective perception

Selective Exposure

Selective Attention

Perceptual Defence

Perceptual Blocking

Perceptual interpretation

Dynamics of perception

Perceptual organisation

Figure and Ground

Grouping

Closure

Perceptual Distortion

Physical Appearances

Stereotypes

First impressions

Jumping to Conclusions

Halo Effect

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Consumer Imagery

Product Positioning

Product Repositioning

Perceptual Mapping

Perceived Price

Perceived Quality

Perceived Risk

Consumer Learning, Memory and Involvement

Consumer learning Process

Motivation & Drives

Cues

Response

Reinforcement

Consumer Learning, Memory and Involvement

Behavioural Learning Theories

Classical Conditioning

Instrumental Conditioning

Cognitive learning theory

Involvement theory

Media strategy

Central and peripheral routes to Persuasion

Measures of Involvement

Consumer Learning, Memory and Involvement

Structure of memory consists of

Sensory store

Short term Store

Rehearsal and Encoding

Retention

Consumer Learning, Memory and Involvement

Measures of consumer learning

Recognition and recall measures

Cognitive response to advertising

Attitudinal and behavioral measures of brand loyalty

Brand Equity

Attitude and Attitude Change

The basic concept of attitude (orientation or disposition)

Attitude, Opinions and Beliefs

Characteristics of Attitudes

(Object, Strength, Dynamic, Fundamental)

Understanding attitudes (Cognitive, Affective, behavioral)

Relationship between Attitude and Behaviour

Attitude (Continued)

Functions of Attitude (Utilitarian, Ego Defensive, Value Orientation and Knowledge)

Theories of Attitude

Balance theory

Congruity theory

Cognitive Dissonance Theory

Affective Cognitive Dissonance Theory

Motivation—An Introduction

The driving Force within individuals that impels them to actions

Produced by a state of uncomfortable tension

All individuals have needs, wants and desires

Purpose of motivation is to defeat our laziness and move us either reluctantly or willingly towards action

The relationship between needs and goals.

Needs and Goals

Needs fall into 3 broad categories as follows

Physiological, Psychological and Learned

Needs can be aroused by 4 Distinct stimuli

Physiological, Cognitive, Emotional, Environmental

Goals are also classified into two types

Generic goals or specific goals

Hulls drive Reduction Theory

Dynamic nature of motivation

Selection of goals depends on personal experiences, physical capacity, cultural norms and accessibility

Positive and negative motivation

Rational versus emotional motives

Frustration and defence mechanism

Hull's theory of Drives

The Structure of Emotions

Ten Fundamental Emotions People Experience:

- Disgust
- Joy
- Sadness
- Fear
- Shame
- Interest
- Surprise
- Anger
- Contempt
- Guilt

Theories of motivation

Maslows Hierarchical needs theory

Mac clellands Power, Achievement, Affiliation theory

Vrooms expectancy theory

Alderfers ERG (Existence, Relatedness and growth)

Role of Research

Applications in STP and advertising

Personality

Characteristic and distinctive trait of an individual helping a person to adjust to persons and situations

Personality reflects individual differences

Personality is consistent and enduring

Personality can change

Theories of Personality

Psychoanalytic Theory(Id,Ego and Superego)

Neo-Freudian Theory(Relationship)

Trait Theory

Social Learning theory

Humanistic approach Theory

Personality and consumer diversity

Consumer innovativeness

Dogmatism

Social character

Need for uniqueness

Optimum stimulation level

Variety novelty seeking

Consumer ethnocentrism

Brand Personality

Positioning brands with non functional values

Brand personality is with emotional associations whereas brand image with physical features and benefits

What if a brand came to life?

Totality of impressions

Self Concept

Consumers buy product that correspond with their self image

Actual self image

Ideal self image

Social self image

Ideal social self image

Extended self image

Altering the self

Virtual personality

Assessment Questions

1. Define perception and how it influences buying decision

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Students must be able to explain the meaning of the term perception and the various ways it affects purchasing decisions of consumers.

2. How is consumer buying behavior influenced by imagery?

Students should be able to explain the impact of the image of a product or service.

Book Reference

P. Kotler, “Marketing Management”, - Prentice Hall Inc.

V. S. Ramaswamy and S. Namakumari, “Marketing Management, Planning, Implementation and Control”, –
McMillan.

Integrate Marketing Communication---Oxford Publication ...Dr
Niraj Kumar