



NATIONAL OPEN UNIVERSITY OF NIGERIA

FACULTY OF AGRICULTURAL SCIENCES

Department of Agricultural Economics and Extension

Programme: Hospitality and Tourism Management

Course Title: CONSUMER BEHAVIOUR

Course Code: HTM 509

Credit Unit: 2 credit units

HTM 509

CONSUMER BEHAVIOUR

Course Developer/ Writer: **Dr. Folasade O. Oke**
Department of Agricultural Economics and Farm Management
Federal University of Agriculture, Abeokuta,
Nigeria.

Course Content Editor: **Ass. Professor Akerele Dare**
Consumer welfare and food economics,
Federal University of Agriculture,
Abeokuta.

Course Development Coordinator: **Dr. Esheya Samuel Esheya**
Department of Agricultural Economics and Extension,
Faculty of Agricultural Sciences,
National Open University of Nigeria.

Year Developed/Written: **June 2022.**

National Open University of Nigeria

National Headquarters

91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi, Abuja
Nigeria.

E-mail: centralinfo@nou.edu.ng

URL: www.nou.edu.ng

Published by

National Open University of Nigeria

Printed 2022

ISBN: 978-978-058-594-5

All Rights Reserved

HMT509 COURSE GUIDE

CONTENTS

PAGE

Introduction..... 3

What You will Learn in this Course.....3

Course Aim.....3

Course Objectives.....4

Working Through this Course.....5

Course Materials.....5

Study Units.....5

Textbooks and References.....6

Assessment 6

Tutor-Marked Assignment 6

Final Examination and Grading6

Summary7

Introduction

Consumer behaviour is a core course, which carries two (2) credit units. It is prepared and made available to all degree course students offering Hospitality and Tourism related Programme in the Faculty of Agricultural Sciences, Department Economics and Extension at the Nation Open University of Nigeria. It is the application of consumer behavioural principles to the operations of tourism and hospitality industry. This course material is useful in your academic pursuit as well as in your workplace as managers and administrators.

What You will Learn in this Course

This course consists of five modules which are sub-divided into 20 units. This course guide tells you what the course is all about. What course materials you will be using and also suggests some general guidelines for the amount of time you are likely to spend on each unit of the course in order to complete it on schedule. It also gives you guidance in respect of your Self- Assessment Exercises (SAEs) which will be made available in the assignment file. Please attend those tutorial sessions. The course will introduce you to the rudiments of consumer behaviour.

Course Aim

The main aim of this course is to arm you with adequate information on the concept of consumer behaviour in hospitality and tourism management. The course also aims at making you have a greater understanding of the fundamentals of consumer behaviour as applicable to hospitality and tourism management. This will prepare the student for a future career in hospitality and related disciplines.

Course Objectives

To achieve the aim set out, the course has a set of objectives which are set out as intended learners' outcome under each unit. You should read these objectives before you study the unit. After going through this course, you should be able to:

- define the origin of consumer behaviour

- define consumer behaviour
- mention five importance of consumer behaviour.
 - explain the major reason behind the need to study consumer behaviour
 - mention different areas where consumer behaviour is needed
 - mention three perspectives of consumer behaviour.
 - mention the three scopes of consumer behaviour;
 - explain the two areas where consumer behaviour affects government decision making;
 - explain any three scopes of consumer behaviour;
 - explain the concept of “de-marketing.”
- explain the meaning of personality;
- mention the three theories of personality;
- mention and explain three ways of measuring consumer personality;
 - define consumer involvement and its marketing implications;
 - explain the effects of satisfaction and dissatisfaction on the consumer;
- define the attitude and explain the different attitude models;
- give the three components of the tricomponent attitude model;
- give three various types of multi-attribute models of attitude discussed in this unit;

- explain the traditional and modern family life cycle;
 - define group and mention different types of consumer social groupings;
- explain the concept of symbols, myths and rituals in consumer behaviour;
 - explain the concept of cultural variation;
 - give two marketing applications for each of the four models of consumer behaviour;
 - explain the meaning of consumer research;
 - give the meaning of organizational buying;
 - identify the various determinants of organizational buyer behaviour;
 - describe the various choice situations that organizational buyers face;
 - explain the stages involved in corporate purchasing decisions.

Working through the Course

This course involves that you devote a lot of time to read and study the contents. Each unit contains self-assessment exercises for this course and at certain points in the course you would be required to submit assignments for assessment purposes. At the end of this course, there is a final examination. I would therefore advise that you attend the tutorial sessions where you would have the opportunity of comparing knowledge with your colleagues.

Course Materials

You will be provided with the following materials

- Course guide
- Study units
- References
- Assignments
- Presentation schedule

STUDY UNITS

There are five modules of 20 units in this course, which should be studied carefully.

Assessment

There are two components of assessment for this course:

- The Tutor Marked Assignment (TMA)
- The end of course examination.

Tutor-Marked Assignment

The TMA is the continuous assessment component of your course. It accounts for 30% of the total score.

You will be given four TMA's by your facilitator to answer before you can sit for the final examination.

Final Examination and Grading

This examination concludes the assessment for the course. The examination will account for 70% of total score. You will be informed of the time for the examination.

Summary

This course intends to provide you with underlying knowledge of consumer behavioural principles for the study of Hospitality Management and Tourism.

TABLE OF CONTENTS

MODULE 1	1
UNIT 1 ORIGIN, DEFINITION AND SIGNIFICANCE OF CONSUMER BEHAVIOUR	1
1.1 Introduction	2
1.2 Learning Outcomes	2
1.3 Origin of Consumer Behaviour	2
1.4 Definition of Consumer Behaviour	3
1.4.1 Types of Consumers	3
1.5 Significance of Consumer Behaviour	4
1.6 Summary	5
1.7 References/Further Readings	6
1.8 Possible Answers to Self-Assessment Exercises	6
UNIT 2 WHY STUDY CONSUMER BEHAVIOUR AND ITS APPLICATIONS	8
2.1 Introduction	8
2.2 Learning Outcomes	8
2.3 Reasons for Studying Consumer Behaviour	10
2.4 Application of Consumer Behaviour	11
2.5 Perspectives of Consumer Behaviour	12
2.6 Summary	13
2.7 References/Further Readings	13

2.8 Possible Answers to Self-Assessment Exercises	14
	16

UNIT 3 SCOPE OF CONSUMER BEHAVIOUR FIELD

3.1 Introduction	17
3.2 Learning Outcomes	18
3.3 Consumer Behaviour and Marketing Management	18
3.3.1 Consumer Behaviour, Non-profit and Social Marketing	19
3.4 Consumer Behaviour and Government Decision Making	19
3.5 Consumer Behaviour and De-marketing	20
3.6 Consumer Behaviour and Consumer Education	20
3.7 Summary	21
3.8 References/Further Readings	21
3.9 Possible Answers to Self-Assessment Exercises	22

UNIT 4 TERMINOLOGIES IN CONSUMER BEHAVIOUR

4.1 Introduction	25
4.2 Learning Outcomes	25
4.3 Buyer versus Consumer	25
4.3.1 Ultimate Consumer versus Industrial/Institutional Consumer	26
4.4 Consuming versus Purchasing	26
4.5 Customer versus Consumer	26
4.6 Summary	27
4.7 Glossary	28
4.8 References/Further Readings	28

4.9 Possible Answers to Self-Assessment Exercises	29
	31

MODULE 2

UNIT 1 PERSONALITY AND SELF CONCEPT IN CONSUMER BEHAVIOUR

1.1 Introduction	32
1.2 Learning Outcomes	32
1.3 Definition of Personality	32
1.3.1 Personality Theories	33
1.3.2 Measurement of Personality	35
1.3.2.1 Approaches to measuring Personality	35
1.4 Meaning of Self Concept	37
1.4.1 Self Concept Development	38
1.5 Brand Personality and Marketing Applications	40
1.6 Summary	41
1.7 References/ Further Readings	42
1.8 Possible Answers to Self-Assessment Exercises	43

UNIT 2 MOTIVATION, VALUE AND INVOLVEMENT

2.1 Introduction	46
2.2 Learning Outcomes	46
2.3 Motives and Motivation Concept	47
2.3.1 Theory of Motivation	47
2.3.1.1 Maslow's Motive Hierarchy and Marketing Strategy	48
2.3.2 Classification of Motives	49

2.3.2.1 Roles of Motives	53
2.4 Concept of Value	54
2.4.1 Application of Value to Consumer Behaviour	54
2.5 Meaning of Involvement	56
2.5.1 Dimension of Involvement	56
2.5.2 Types of Involvement and Marketing Implication	57
2.6 Summary	58
2.7 References/Further Readings	59
2.8 Possible Answers to Self-Assessment Exercises	59
UNIT 3 CONSUMER SATISFACTION	61
3.1 Introduction	62
3.2 Learning Outcomes	62
3.3 Meaning of Satisfaction	63
3.3.1 Features of Satisfaction	63
3.3.2 Causes of Satisfaction	64
3.4 Relationship between Performance and Satisfaction	64
3.4.1 Relationship between Choice and satisfaction	65
3.5 Consequences of Satisfaction and Dissatisfaction	66
3.6 Summary	67
3.7 References/Further Readings	68
3.8 Possible Answers to Self-Assessment Exercises	68
UNIT 4 ATTITUDE FORMATION AND CHANGE IN CONSUMER BEHAVIOUR	70

4.1 Introduction	70
4.2 Learning Outcomes	71
4.3 Meaning of Attitude and Attitude Models	71
4.3.1 Tricomponent Attitude Model	74
4.3.2 Multiattribute Attribute Model	75
4.3.3 Theory of trying-to-consume Model	76
4.3.4 Attitude-toward-the-advert Model	77
4.4 Attitudes Change among Marketers	77
4.5 The Power of Attitudes	79
4.6 Summary	81
4.7 Glossary	82
4.8 References/Further Readings	84
4.9 Possible Answers to Self-Assessment Exercises	84
MODULE 3	86
UNIT 1 FAMILY AND HOUSEHOLD	86
1.1 Introduction	87
1.2 Learning Outcomes	87
1.3 Meaning of Family and Household	88
1.3.1 Factors Influencing Purchase Decision in the Family	88
1.3.1.1 Traditional Family Life Cycle	89
1.3.1.2 Modern Family Life Cycle	92
1.4 Family Nature, Decision Making and Purchasing Roles	95
1.4.1 Roles of Family Members in Family Purchases	95

1.5 Family Decision Making and Marketing Strategy	96
1.6 Summary	97
1.7 References/Further Readings	98
1.8 Possible Answers to Self-Assessment Exercises	98
UNIT 2 SOCIAL GROUP	100
2.1 Introduction	100
2.2 Learning Outcomes	101
2.3 Meaning of Group	101
2.3.1 Classification of Group	101
2.3.2 Properties of Group	103
2.4 Meaning of Reference Groups	106
2.4.1 Types of Reference Groups	106
2.4.2 Nature and Influence of Reference Groups	106
2.4.3 Reasons for Accepting the Influence of Reference Group	108
2.5 Reference Groups and Marketing Strategies	108
2.6 Summary	109
2.7 References/Further Readings	110
2.8 Possible Answers to Self-Assessment Exercises	110
UNIT 3 CONSUMER SOCIAL CLASS	111
3.1 Introduction	112
3.2 Learning Outcomes	112
3.3 Definition of Social Class	113
3.3.1 Social Class Research Variables	113

3.3.2 Factors Influencing Social Class	115
3.4 Social Class Classification and Consumer Behaviour	117
3.5 Measurement of Social Class	119
3.5.1 Problems of Social Class Measurement	120
3.6 Summary	120
3.7 References/Further Readings	121
3.8 Possible Answers to Self-Assessment Exercises	122
UNIT 4 CULTURAL INFLUENCE AND CONSUMER BEHAVIOUR	123
4.1 Introduction	124
4.2 Learning Outcomes	124
4.3 Meaning and Nature of Culture	124
4.3.1 Features (Characteristics) of Culture	126
4.4 Concept and Types of Cultural Values	128
4.4.1 Dimension of Cultural Values: A case study of the United States of America	130
4.5 Cultural Change and Implications for Consumer Behaviour	132
4.6 Summary	134
4.7 Glossary	135
4.8 References/Further Readings	136
4.9 Possible Answers to Self-Assessment Exercises	137
MODULE 4	139
UNIT 1 CULTURE AND CONSUMPTION	139
1.1 Introduction	140
1.2 Learning Outcomes	140

1.3 Meaning of Consumption	141
1.3.1 Consumer Satisfaction and Dissatisfaction	142
1.4 Cultural Symbols, Myths and Rituals	142
1.5 Consumer Society	145
1.5.1 Features of Consumer Society	146
1.6 Lifestyle Influence on Consumer Behaviour	147
1.6.1 Features of Lifestyle	147
1.6.2 Activities, Interest and Opinion (AIO) Model	148
1.7 Summary	149
1.8 References/Further Readings	150
1.9 Possible Answers to Self-Assessment Exercises	150
UNIT 2 CULTURAL CHANGE PROCESS	152
2.1 Introduction	153
2.2 Learning Outcomes	153
2.3 Meaning of Cultural Change	153
2.3.1 Mechanism (Process) of Cultural Change	155
2.3.2 Causes of Cultural Change	156
2.3.3 Effects of Cultural Change	158
2.4 Summary	159
2.5 References/Further Readings	160
2.6 Possible Answers to Self-Assessment Exercises	160
UNIT 3 VARIATIONS IN CULTURAL VALUES	161
3.1 Introduction	162

3.2 Learning Outcomes	162
3.3 Concept of Variation in Cultural Values	163
3.4 Core and Secondary Values	163
3.5 Relevant Cultural Values to Consumer Behaviour	164
3.5.1 Relationship between Cultural Values and Consumer Behaviour	167
3.6 Summary	169
3.7 References/Further Readings	170
3.8 Possible Answers to Self-Assessment Exercises	171
UNIT 4 NON-VERBAL COMMUNICATIONS AND CULTURAL VARIATIONS	172
4.1 Introduction	173
4.2 Learning Outcomes	173
4.3 Concept of Non-verbal Communications	174
4.3.1 Translation Problems in International Marketing	174
4.3.2 Factors Influencing Non-verbal Communications	175
4.4 Differences between Monochronic and Polychronic Time Perspective	180
4.4.1 Marketing Strategy in Monochronic and Polychronic Culture	180
4.4.2 Perspectives on the Meaning of Time Usage	181
4.5 Summary	182
4.6 Glossary	183
4.7 References/Further Readings	184
4.8 Possible Answers to Self-Assessment Exercises	186
	188

MODULE 5

UNIT 1 MODELS OF CONSUMER BEHAVIOUR	188
1.1 Introduction	189
1.2 Learning Outcomes	189
1.3 Marshallian Economic Model	190
1.3.1 Behavioural Assumptions of the Marshallian Model	190
1.3.2 Application of Marshallian Economic Model in Marketing	191
1.4 Pavlovian Learning Model	191
1.4.1 Marketing Applications of the Pavlovian Model	193
1.5 Freudian Psychoanalytical Model	194
1.5.1 Marketing Applications of Freudian Psychoanalytical Model	194
1.6 Veblenian Social-psychological Model	195
1.7 Motivation-Opportunity-Abilities Model	196
1.8 Summary	197
1.9 References/Further Readings	197
2.0 Possible Answers to Self-Assessment Exercises	198
UNIT 2 CONSUMER BEHAVIOUR AND RESEARCH PROCESS	199
2.1 Introduction	199
2.2 Learning Outcomes	200
2.3 Meaning of Consumer Research	200
2.3.1 Importance of Consumer Research	200

2.3.2 Types of Consumer Research/Research Methods	201
2.3.3 Consumer Research Process	205
2.4 Summary	207
2.5 References/Further Readings	208
2.6 Possible Answers to Self-Assessment Exercises	208
UNIT 3 CONSUMER BEHAVIOUR AND DECISION-MAKING PROCESS	210
3.1 Introduction	210
3.2 Learning Outcomes	211
3.3 Concept of Consumer Decision Making	211
3.3.1 Motives of Consumer Decision	212
3.3.2 Consumer Decision-Making Levels	214
3.3.3 Stages Involved in Consumer Decision-Making Process	215
3.3.4 Factors Affecting Consumer Decision-Making Process	219
3.4 Summary	221
3.5 References/Further Readings	222
3.6 Possible Answers to Self-Assessment Exercises	222
UNIT 4 ORGANIZATIONAL BUYER BEHAVIOUR	224
4.1 Introduction	224
4.2 Learning Outcomes	225
4.3 Meaning of Organizational Buying	225
4.3.1 Features of Organizational Buyer	226
4.3.2 Organizational Buying Design	226
4.3.3 Organizational Buyer Behaviour Influences	229

4.4 Types of Decision Situations	233
4.4.1 Process of Organizational Buyer Decision Making	233
4.5 Summary	236
4.6 Glossary	237
4.7 References/Further Readings	238
4.8 Possible Answers to Self-Assessment Exercises	238

MODULE 1

Unit 1 Origin, Definition and Significance of Consumer Behaviour

Unit 2 Why Study Consumer Behaviour and its Applications

Unit 3 Scope of Consumer Behaviour Field

Unit 4 Terminologies in Consumer Behaviour

UNIT 1 ORIGIN, DEFINITION AND SIGNIFICANCE OF CONSUMER BEHAVIOUR

Unit Structure

1.1 Introduction

1.2 Learning Outcomes

1.3 Origin of Consumer Behaviour

1.4 Definition of Consumer Behaviour

1.4.1 Types of Consumer

1.5 Significance of Consumer Behaviour

1.6 Summary

1.7 References/Further Readings

1.8 Possible Answers to Self-Assessment Exercises



1.1 Introduction

The most arduous assignment any beginner faces in studying any course is defining the course and understanding the nature and scope of the course. However, once a student can overcome this hurdle, everything about the course falls into place. Therefore, units one and two of this module (module 1) have been devoted to the definitions of this course's subject matter, which is consumer behaviour and its importance.

In this unit, we will examine the origin of consumer behaviour, the definition of consumer behaviour, and the significance of consumer behaviour.



1.2 Learning Outcomes

At the end of this unit, you should be able to:

- define the origin of consumer behaviour
- define consumer behaviour
- mention five importance of consumer behaviour.



1.3 Origin of Consumer Behaviour

Consumer behaviour was developed as a distinct sub-discipline of marketing in the 1940s–1950s. Today, consumer behaviour is an interdisciplinary social science that integrates components from psychology, sociology, social anthropology, anthropology, ethnography, marketing, and economics, particularly behavioural economics. Consumer behaviour is an important topic of study from a marketing standpoint. According to the

marketing concept, marketers must first describe the benefits that consumers desire in the marketplace. Marketing plans are thereafter created to meet those desires. This strategy of gauging (examining) consumers needs and wants is a critical element of marketing often followed by most organizations when creating markets for their products/services. In a modern economy with several items per competitor and multiple competing distribution sites, it is critical for any organization to address consumer requirements as the key to success for both survival and profit production.

1.4 Definition of Consumer Behaviour

Consumer behaviour refers to how people determine whether, what, when, where, how, and from whom to buy goods and services (Walters, 1979). It is also "the study of buying units and exchange processes in the acquisition, consumption and disposal of products, services, experiences and ideas." This concept emphasizes purchasing units in an attempt to encompass individuals and groups who purchase goods or services (Mowen, 1993).

Consumer behaviour is also the behaviour of customers while they are looking for, buying, utilizing, assessing, and discarding items, services, and ideas (Schiffman and Kanuk 1997). It refers to how people's emotions, attitudes, and preferences influence their purchasing decisions.

1.4.1 Types of Consumer

Personal and organizational consumers are the two categories of consumers that can be identified.

Personal Consumers: Personal consumers buy things and services for their own use or to provide as a present to others.

Organizational Consumers: Organizational consumers, on the other hand, buy items and services to run a business, including for-profit and non-profit businesses, government agencies and educational institutions.

Summarily, consumer behaviour deals with people, groups and organisations, as well as all behaviours related to the acquisition, use, and disposal of goods and services.

Self-Assessment Exercises 1

1. What is consumer behaviour?
2. Identify and explain the two categories of consumers.

1.5 Significance of Consumer Behaviour

- It helps to create production policies tailored to the consumer's needs, tastes, and preferences.
- It helps to understand the impact of price on purchasing—this will assist you in comprehending the impact of price on purchasing. When the pricing is reasonable, and the product is inexpensive, more people will buy it.
- It aids in exploiting various market opportunities on the part of marketers.
- Important in approaching and building a marketing mix (product, price, place, and promotion).
- It helps to implement STP Strategies- This refers to how segmentation, targeting, and positioning strategies are executed based on consumer behaviour toward different brands.
- It assists in the comprehension of varied preferences among consumers.

- It helps recognise the many roles that consumers play in the decision-making process: initiators, influencers, deciders, users, buyers, and gatekeepers.
- Leads to customer satisfaction—that is, when the developed product meets the customer's expectations, it leads to customer contentment.

Self-Assessment Exercises 2

1. Mention any five significance of consumer behaviour.
2. Mention four other components of consumer behaviour.



1.6 Summary

In this unit, we have learnt about the origin of consumer behaviour, the meaning of consumer behaviour, the types of consumers and the significance of consumer behaviour.



1.7 References/Further readings

Bastels, R. (1962). *The Development of Marketing Thought*, Homewood: Richard D.

Irwin Inc.

Mowen, J.C. (1993). *Consumer Behaviour*, New York: Macmillan Publishing Company;

Toronto: Maxwell Macmillan.

Schiffman, L.G and Kanuk, L.L. (1997). *Consumer Behaviour*, Upper Saddle River, N.J.

: Prentice Hall.

Sheth, J. N., David, M. G. and Dennis G. (1985). Theories of Marketing, New York: Wiley & Sons.

Walters, C. G (1979). Consumer Behavior: An Appraisal. Journal of the Academy of Marketing Science. 7(3):273-284.



1.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1

1. What is consumer behaviour?
2. Identify and explain the two categories of consumer behaviour.

Answers to SAEs 1

1. Consumer behaviour deals with people, groups, and organisations, as well as all behaviours related to the acquisition, use, and disposal of goods and services.
2. Personal and Organizational consumers are the two categories of consumers.

Personal Consumers: Personal consumers buy things and services for their own use or to provide as a present to others.

Organizational Consumers: Organizational consumers, on the other hand, buy items and services to run a business, including for-profit and non-profit businesses, government agencies and educational institutions.

Self-Assessment Exercises 2

1. Mention any five significance of consumer behaviour.
2. Mention four other components of consumer behaviour.

Answers to SAEs 2:

1. Five significance of consumer behaviour are:
 - i. It helps to create production policies tailored to the consumer's needs, tastes, and preferences.
 - ii. It helps to understand the impact of price on purchasing—this will assist you in comprehending the impact of price on purchasing. When the pricing is reasonable, and the product is inexpensive, more people will buy it.
 - iii. It aids in exploiting various market opportunities on the part of marketers.
 - iv. It assists in the comprehension of varied preferences among consumers.
 - v. It helps recognise the many roles that consumers play in the decision-making process: initiators, influencers, deciders, users, buyers, and gatekeepers.

2. Four components of consumer behaviour are:
 - i. Psychology
 - ii. Sociology
 - iii. Social anthropology
 - iv. Anthropology

UNIT 2 WHY STUDY CONSUMER BEHAVIOUR AND ITS APPLICATIONS

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes
- 2.3 Reasons for studying Consumer Behaviour
- 2.4 Application of Consumer Behaviour
- 2.5 Perspectives of Consumer Behaviour
- 2.6 Summary
- 2.7 References/Further Readings
- 2.8 Possible Answers to Self-Assessment Exercises



2.1 Introduction

Attracting and maintaining clients is of the topmost importance in making businesses stay afloat. This task is accomplished through resource exchanges like knowledge, money, commodities, services, status and emotions with customers. When businesses inquire, "Who are our customers? How do we get in touch with them? What should we offer them as a product? What will entice them to purchase? What makes them content? They are asking questions that necessitate a thorough comprehension of consumer behaviour. This

unit gives you a quick overview of the consumer behaviour perspective, and why it is necessary to research customers.

In the previous unit, we examined the origin of consumer behaviour, the definition of consumer behaviour and the significance of consumer behaviour. In this unit, we will examine the reasons for studying consumer behaviour, the application of consumer behaviour and perspectives of consumer behaviour.



2.2 Learning outcomes

At the end of this unit, you should be able to:

- explain the major reason behind the need to study consumer behaviour
- mention different areas where consumer behaviour is needed
 - mention three perspectives of consumer behaviour.



2.3 Reasons for Studying Consumer Behaviour

Some of the reasons why consumer behaviour must be studied include:

- Consumer behaviour has a tremendous impact on our daily life. Consumer behaviour's importance in our lives is the most significant reason for studying it in general.
- Secondly, consumer behaviour is critical in decision-making since we spend so much time making purchases in different market scenarios, among other things. Consumers are frequently examined because their behaviour or predicted actions substantially impact certain decisions.

- Researching consumer behaviour also assists marketers in determining how to promote their products in a way that has the greatest influence on customers.
- The key to reaching and engaging your clients, as well as converting them, is to understand their buying behaviour and choices.
- Assists in the comprehension of consumer psychology.
- Assists in comprehending consumer motivations and choices.
- Assists in the understanding of consumer preferences because a business or enterprise that is unaware of consumer preferences would fail in the market.

2.4 Application of Consumer Behaviour

Understanding consumer behaviour is critical from a marketing standpoint for the successful delivery of a company's services in the marketplace. Consumer behaviour knowledge can be applied to a variety of marketing applications, including:

- **Market-Opportunity Analysis:** This entails evaluating market directions and situations to uncover unmet customer demands and wants.
- **Target Market Selection:** This entails identifying various groups of customers with distinct wants and needs and selecting a segment that complements the company's strengths and provides better chances.
- **Marketing- Mix Determination:** This entails devising and executing a plan for offering a productive mix of want-satisfying features to consumers in a pre-determined market.

- Marketing strategy: strategic marketing operations require a grasp of customer behaviour. This is because marketing plans and methods are based on explicit or implicit consumer behaviour beliefs.
- In terms of marketing techniques, effective regulatory policy necessitates a thorough understanding of customer behaviour.
- Social marketing also necessitates a thorough understanding of consumers' behaviours and views. The use of different strategies in marketing and methods to change or generate behaviours that benefit the target individuals and/or society as a whole is known as social marketing. Smoking has been reduced through social marketing, boosting the number of children who receive immunizations on time, encouraging ecologically friendly behaviours, limiting behaviours that may lead to AIDS, increasing charitable support, reducing drug usage, and a variety of other vital goals. Individuals or society as a whole is the targets.

Self-Assessment Exercises 1

1. Mention three reasons why consumer behaviour must be studied.
2. Define social marketing.

2.5 Perspective of Consumer Behaviour

Consumer behaviour research can be approached from three main angles. Consumer Influence Perspective, Wholistic Perspective, and Intercultural Perspective are the three perspectives.

1. Consumer Influence Perspective: Consumer behaviour is of particular interest to people who want to influence or change it for different purposes, such as marketing, consumer education and protection, and public policy.
2. Wholistic Perspective: According to this viewpoint, consumer behaviour extends beyond consumption. Consumer experts should evaluate all aspects of the value potentially provided when some living organism acquires, uses, or disposes of any product that might achieve a goal, fulfil a need, or satisfy a want, according to researchers in this field.
3. Intercultural Perspective highlighted the importance of consumer behaviour across cultures. According to this viewpoint, economic development and increasing self-sufficiency are being pursued on all continents.

Self-Assessment Exercises 2

1. Give two applications of consumer behaviour.
2. Mention two perspectives of consumer behaviour.



2.6 Summary

In this unit, you have learnt about the need to study consumer behaviour, applications of consumer behaviour and the perspectives of consumer behaviour.

In this unit, you have also learnt that:

- Consumer behaviour is of paramount importance because of its tremendous impact on our daily lives. It is widely applied in the marketing field.
- Consumer behaviour is critical in decision-making since we spend so much of our time making purchases in various market, among other things.
- Consumer behaviour knowledge can be applied to various marketing applications, including marketing mix, target market selection, among others.
- Consumer behaviour can be viewed from three perspectives.



2.7 References/Further Readings

Ayuba, B. (2005). Marketing: Principles and Management, Kaduna: Shukrah Printing

David, L. and Albert, J.D. (2002). Consumer Behaviour, New Delhi: Tata McGraw Hill.

Del, I.H., Roger, J.B. and Kenneth, A.C. (2001). Consumer Behaviour; Building Marketing Strategy, New York: McGraw-Hill Irwin.

Edward, J. and William J. (1963). Fundamentals of Marketing; New York, Mc Graw-Hill, Inc.

Eric, A. Linda, P. and George, Z. (2002). Consumer, New York: McGraw-Hill Irwin.

Geoff, R. (1988); Modern Industrial Marketing; New York: McGraw-Hill, Inc.

John, A.H. and Jagdish, N. S. (1969). Theory of Buyer Behaviour, New York: Wiley.

Kotler, P. (2002). Marketing Management 21C., Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.

Kotler, P. (2000). Marketing Management; New Delhi: Prentice- Hall, Inc.

Kotler, P. and Armstrong (1999). Principles of Marketing; New Delhi: Prentice- Hall, Inc.

Leon, G.S. and Leslie, L.K (2004). Consumer Behaviour, Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.

Levitt, T. (1960). The Marketing Mode; New Jersey, Prentice- Hall, Inc.



2.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. Mention three reasons why consumer behaviour must be studied.
2. Define social marketing.

Answers to SAEs 1:

1. Reasons, why consumer behaviour should be studied, include:
 - Assists in the comprehension of consumer psychology.
 - Assists in comprehending consumer motivations and choices.
 - Assists in understanding consumer preferences, because a business or enterprise unaware of consumer preferences would fail in the market.
2. Social marketing uses different marketing strategies and methods to change or generate behaviours that benefit the target individuals and/or society as a whole.

Self-Assessment Exercises 2:

1. Mention two applications of consumer behaviour.
2. Mention two perspectives of consumer behaviour.

Answers to SAEs 2:

1. Two applications of consumer behaviour include:
 - Market-Opportunity Analysis: this entails evaluating the market situation and directions to uncover unmet customer demands and wants.
 - Target Market Selection: this entails identifying various groups of customers with distinct wants and needs and selecting a segment that complements the company's strengths and provides better chances.
2. Two perspectives of consumer behaviour include:
 - Consumer Influence Perspective: Consumer behaviour is of particular interest to people who want to influence or change it for different purposes, such as marketing, consumer education and protection and public policy.
 - Wholistic Perspective: According to this viewpoint, consumer behaviour extends beyond consumption. Consumer experts should evaluate all aspects of the value potentially provided when some living organism obtains, make use or discard any product that might achieve a goal, fulfil a need, or satisfy a want, according to researchers in this field.

UNIT 3 SCOPE OF CONSUMER BEHAVIOUR FIELD

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Consumer Behaviour and Marketing Management
 - 3.3.1 Consumer Behaviour, Non-profit and Social Marketing
- 3.4 Consumer Behaviour and Government Decision-Making
- 3.5 Consumer Behaviour and De-marketing
- 3.6 Consumer Behaviour and Consumer Education
- 3.7 Summary
- 3.8 References/Further Readings
- 3.9 Possible Answers to Self-Assessment Exercises



3.1 Introduction

The field of consumer behaviour studies how people make decisions and act when they buy and use things. It also seeks to answer the following questions:

- What products do people buy?
- What motivates them to purchase them?
- How do they acquire them?
- When are they going to buy them?
- Where do they purchase them?
- How frequently do they purchase them?
- How the consumer's decision-making process is?

For example, if you want to make a new type of tooth paste, you should look into why people use tooth paste (to whiten their teeth/prevent tooth decay); which brand of toothpaste they buy (say, Oral-B or Colgate); and why they buy it (because they believe it will whiten their teeth better than competing brands); how he buys it (cash/credit); when he buys it (monthly/weekly); where he buys it (retail or supermarket); how frequently he buys it (every fortnight); and how much he buys (100 gram/200 gram). It should also be highlighted that behaviour will likely differ from one individual to the next, from one product to the next, and from one individual in one region to another individual in another region. As a result, analyzing consumer behaviour is a must, although the procedure is quite difficult. At the same time, a company's capacity to form and maintain satisfactory trade relationships depends on its understanding of purchasing behaviour.

In this unit, we will examine the different scopes of the consumer behaviour field: consumer behaviour and marketing management, consumer behaviour, non-profit and social marketing, consumer behaviour and government decision making, consumer behaviour and de-marketing, consumer behaviour and consumer education.



3.2 Learning Outcomes

At the end of this unit, you should be able to:

- mention the three scopes of consumer behaviour;
- explain the two areas where consumer behaviour affects government decision making;
- explain any three scopes of consumer behaviour;
- explain the concept of “de-marketing.”



3.3 Consumer Behaviour and Marketing Management

The scope of consumer behaviour studies how people make decisions and act when they buy and use things. , The formation and maintenance of a satisfactory trade relationship in any business, is dependent on its understanding of consumer purchasing behaviour.

Effective business leaders understand the importance of marketing to their company's success. Any marketing program's long-term effectiveness depends on a thorough grasp of consumer behaviour. In fact, it is regarded as a cornerstone of the marketing concept and a significant philosophical orientation for many marketing executives. The heart of

the marketing concept is encapsulated in three interconnected orientations: customer requirements and wants, corporate integrated strategy and company integrated strategy.

3.3.1 Consumer behaviour, Non-profit and Social Marketing

Even non-profit organisations such as government agencies, religious sects, universities, and philanthropic institutions must advertise their services to "target groups of customers or institutions" in today's society. At other times, these organisations are required to make public appeals for support of specific causes or views. They also contribute to the eradication of society's issues. As a result, a thorough grasp of consumer behaviour and decision-making will aid these efforts.

3.4 Consumer Behaviour and Government Decision Making

The importance of consumer behaviour principles to government decision-making has increased in recent years. There are two key areas of activity that have been impacted:

- i. Government services: An understanding of these services' consumers, or users, is becoming increasingly important in government provision of public services.
- ii. Consumer protection: Many government agencies at all levels are active in regulating company activities to safeguard consumers' welfare.

Self-Assessment

1. What do you understand by the term "scope of consumer behaviour?"
2. Explain the two areas where consumer behaviour affects government decision-making.

Exercises 1

3.5 Consumer Behavior and De-marketing

Regarding some natural gas and water, it has become increasingly evident that customers are entering a period of scarcity. Due to scarcity, promotions have emphasized conservation rather than consumption. In other cases, customers have been urged to reduce or eliminate their use of certain commodities that are thought to be dangerous. Examples include programmes aimed at reducing drug misuse, gambling, and other forms of conception. Government agencies, non-profit organisations and other private organisations have all taken part in these initiatives. All efforts to urge consumers to lower their usage of a certain product or service are called "De-marketing."

3.6 Consumer Behavior and Consumer Education

Consumers will directly benefit from systematic analyses of their behaviour. Individually or as part of more formal educational programmes, this can happen. Consumers may be more ready to plan to save money if they understand that a big amount of the billions spent yearly on grocery products is spent on impulsive purchases rather than on a pre-planned shopping list. In general, customers have the potential to better understand how they influence their behaviour as marketers who can influence their purchases.

Self-Assessment Exercises 2

- | |
|--|
| 1. Explain any three scopes of consumer behaviour. |
|--|

2. Explain the concept of “de-marketing.”



3.7 Summary

In this unit, we have examined the different scope of consumer behaviour and their relationship with buying behaviour. Some of these field/scopes include marketing, consumer education, government decision-making, social marketing, etc.

In this unit, you have learnt that:

- , The scope of consumer behaviour, asks various questions about the purchasing motives of consumers.
- Understanding and maintaining a healthy relationship between businesses and consumers are vital to business sustainability.
- The consumer behaviour scope of the study includes consumer behaviour and government decision making, consumer behaviour and de-marketing and consumer behaviour and consumer education.



3.8 References/Further readings

Ayuba B. (2005), Marketing: Principles and Management, Kaduna: Shukrah Printing.

Crain, R. and Danzig, F. (1987). “Patience and Perspective”, Advertising Age. August, pp. 148-160.

Edward, J. and William J. (1963): Fundamentals of Marketing; New York, Mc Graw-Hill, Inc.

Kotler P. (2002), Marketing Management 21C., Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.

Leon G.S. and Leslie L.K (2004), Consumer Behaviour, Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.

3.9 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What do you understand by the term “scope of consumer behaviour?.”
2. Explain the two areas where consumer behaviour affects government decision-making

Answers to SAEs 1:

1. The scope of consumer behaviour studies how people make decisions and act when they buy and use things.
2. The two areas where consumer behaviour affects government decision-making are:
 - i. Government services: An understanding of these services' consumers, or users, is becoming increasingly important in government provision of public services.
 - ii. Consumer protection: Many government agencies at all levels are active in regulating company activities in order to safeguard consumers' welfare.

Self-Assessment Exercises 2:

1. Explain any three scopes of consumer behaviour
2. Explain the concept of “de-marketing.”

Answers to SAEs 2:

1. The three scopes of consumer behaviour are:
 - i. **Consumer Behaviour and Marketing Management**

Effective business leaders understand the importance of marketing to their company's success. Any marketing program's long-term effectiveness depends on a thorough grasp of consumer behaviour. In fact, it is regarded as a cornerstone of the marketing concept and a significant philosophical orientation for many marketing executives. The heart of the marketing concept is encapsulated in three interconnected orientations: customer requirements and wants integrated corporate strategy, and company integrated strategy.

- ii. **Consumer Behavior and Consumer Education**

Consumers will directly benefit from systematic analyses of their behaviour. Individually or as part of more formal educational programmes, this can happen. Consumers may be more ready to plan to save money if they understand that a big amount of the billions spent yearly on grocery products is spent on impulsive purchases rather than on a pre-planned shopping list. In general, customers have the potential to better understand how they influence their own behaviour as marketers who can influence their purchases.

- iii. **Consumer Behavior and De-marketing**

Regarding some natural gas and water, it has become increasingly evident that customers are entering a period of scarcity. Due to scarcity, promotions have emphasized conservation rather than consumption. In other cases, customers have been

urged to reduce or eliminate their use of certain commodities that are thought to be dangerous. Examples include programmes aimed at reducing drug misuse, gambling, and other forms of conception. Government agencies, non-profit organisations, and other private organisations have all taken part in these initiatives.

2. De-marketing can be referred to as a situation where activities and efforts are aimed toward urging consumers to lower their usage of a certain product or service. Campaigns on drug abuse, smoking, and gambling are examples of programmes aimed at consumers using hard drugs, smoking, etc.

UNIT 4 TERMINOLOGIES IN CONSUMER BEHAVIOUR

Unit Structure

4.1 Introduction

4.2 Learning Outcomes

4.3 Buyer versus Consumer

4.3.1 Ultimate Consumer versus Industrial/Institutional Consumer

4.4 Consuming versus Purchasing

4.5 Customer versus Consumer

4.6 Summary

4.7 Glossary

4.8 References/Further Readings

4.9 Possible Answers to Self-Assessment Exercises



4.1 Introduction

Many students are unfamiliar with some of the most commonly used consumer phrases in consumer behaviour. This unit will clarify the distinctions between a few key concepts in order to reduce ambiguity.

In this unit, we will examine some terminologies: buyer versus consumer, ultimate consumer versus industrial/institutional consumer, consuming versus purchasing and customer versus consumer.



4.2 Learning Outcomes

At the end of this unit, you should be able to:

- mention at least five terminologies in consumer behaviour;
- define ultimate consumer and industrial consumer;
- explain the difference between consuming and purchasing;
- explain the difference between customer and consumer.



4.3 Buyer versus Consumer

Buyers are the people who make the formal agreements for the purchase, service, delivery and payment terms. Buyers are not often the ones who make the final choice.

Consumers are those who use a purchased product to meet a physical, social or psychological demand (s). Both of these terms are interchangeable. The establishment of two more notions - ultimate and industrial/institutional consumers - resulted from the synonymous use.

4.3.1 Ultimate Consumer versus Industrial/Institutional Consumer

The ultimate consumer is the person who buys things for his or her home from marketing middlemen.

The industrial/institutional consumer, on the other hand, receives the product for resale or use in manufacturing other marketable items.

4.4 Consuming versus Purchasing

Obtaining any market item from the distribution channel (the marketing intermediaries) is referred to as purchasing, and it is simply one component of the consumer decision process.

On the other hand, consuming entails using the product to fulfil motives that are either biological or secondary in nature(s).

Self-Assessment Exercises 1

1. Mention five terminologies in consumer behaviour.
2. Define ultimate consumer and industrial consumer.

4.5 Customer versus Consumer

The term "customer" usually refers to someone who purchases regularly from a specific retailer or company. For example, a person who shops at Justrite Shopping Mall or fills up at a Mobil gas station is considered a customer of these businesses.

Anyone who engages in any of the actions listed in our definition of consumer behaviour is called a "consumer." As a result, a customer is defined by a certain company, whereas a consumer is not. Consumers have traditionally been defined solely in terms of economic goods and services. According to this viewpoint, consumers are potential buyers of items and services for use.

Self-Assessment Exercises 2

1. Explain the difference between consuming and purchasing.
2. Explain the difference between customer and consumer.



4.6 Summary

In this unit, you have learnt the various terminologies in consumer behaviour. Understanding the differences between the various closely related concepts in consumer behaviour will reduce ambiguity and promote better understanding and mastery of the various concepts among the students.

In this unit, you have learnt that:

- The commonly used terminologies in consumer behaviour include consumer versus buyer, consuming versus purchasing and ultimate consumers versus institutional/industrial consumers.
- The unit also gave a distinctive explanation between customers and consumers.

4.7 Glossary

Consumer behaviour: This refers to how people determine whether, what, when, where, how, and from whom to buy goods and services.

De-marketing: This refers to all efforts aimed at urging consumers to lower their usage of certain products or services.

Organizational Consumers: Organizational consumers, on the other hand, buy items and services to run a business, including for-profit and non-profit businesses, government agencies and educational institutions.

Personal Consumers: Personal consumers buy things and services for their own use or to provide as a present to others.

Social marketing: Social marketing uses different marketing strategies and methods to change or generate behaviours that benefit the target individuals and/or society as a whole.



4.8 References/Further Readings

Crain, R. and Danzig, F. (1987). "Patience and Perspective", Advertising Age. August, pp. 148-160.

Eric A. Linda P. and George Z. (2002), Consumer, New York: McGraw-Hill Irwin.

Geoff, R. (1988); Modern Industrial Marketing; New York: McGrawHill, Inc.

John A.H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.

Kotler P. (2002), Marketing Management 21C., Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.

Leon G.S. and Leslie L.K (2004), Consumer Behaviour, Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.



4.9 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. Mention five terminologies in consumer behaviour.
2. Define ultimate consumer and industrial consumer.

Answers to SAEs 1:

1. Five terminologies in consumer behaviour are:
 - i. Consumer
 - ii. Customer
 - iii. Consuming
 - iv. Purchasing
 - v. Ultimate consumer
2. The ultimate customer is the person who buys things for his or her home use from marketing middlemen.

The industrial/institutional consumer, on the other hand, receives the product for resale or use in manufacturing other marketable items.

Self-Assessment Exercises 2:

1. Explain the difference between consuming and purchasing.
2. Explain the difference between customer and consumer.

Answers to SAEs 2:

1. Consuming versus Purchasing

Obtaining any market item from the distribution channel is referred to as purchasing, and it is simply one component of the consumer decision process.

Consuming, on the other hand, entails using the product to fulfil motives that are either biological or secondary in nature.

2. Customer and Consumer

The term "customer" usually refers to someone who purchases regularly from a specific retailer or company. For example, a person who shops at Justrite Shopping Mall or fills up at a Mobil gas station is considered a customer of these businesses.

Anyone who engages in any of the actions listed in our definition of consumer behaviour is called a "consumer." As a result, a customer is defined by a certain company, whereas a consumer is not.

MODULE 2 CONSUMER BEHAVIOUR: PERSONALITY AND ATTITUDES

Unit 1 Personality and Self Concept in Consumer Behaviour

Unit 2 Motivation, Value and Involvement

Unit 3 Satisfaction of Consumer

Unit 4 Attitude Formation and Change in Consumer Behaviour

UNIT 1 PERSONALITY AND SELF CONCEPT IN CONSUMER BEHAVIOUR

Unit Structure

1.1 Introduction

1.2 Learning Outcomes

1.3 Definition of Personality

1.3.1 Personality Theories

1.3.2 Measurement of Personality

1.3.2.1 Approaches to Measuring Personality

1.4 Meaning of Self Concept

1.4.1 Self Concept Development

1.5 Brand Personality and Marketing Application

1.6 Summary

1.7 References/Further Reading

1.8 Possible Answers to Self-Assessment Exercises



1.1 Introduction

Although personality tends to be stable and long-lasting, it can shift dramatically over time in reaction to big life events. This unit will examine the relationship between personality and self-concept and many aspects of consumer behaviour. It defines personality, reviews various main personality theories and discusses how these theories have sparked commercial interest in consumer personality research. The concept of brand personality will also be discussed, as well as how it ties to the consumer's self-image.



1.2 Learning Outcomes

At the end of this unit, you should be able to:

- explain the meaning of personality;
- mention the three theories of personality;
- mention and explain three ways of measuring consumer personality;
- explain the meaning of brand and self-concept nature.



1.3 Definition of Personality

The unique and persistent thought patterns, emotions and behaviours that describe each individual's adaptation to the events of his or her life are called personality. What we call personality is formed through an individual's constant self-representations.

1.3.1 Personality Theories

Three major theories or approaches to studying personality have been used in consumer research. They are psychoanalytic, social-psychological and trait-factor theories.

1.3.1.1 Psychoanalytic Theory

According to this theory, the id, ego and super ego make up the human personality system. The id is a psychic energy source that wants immediate satisfaction for biological and innate urges. The super ego is an ethical restraint on action representing social or personal norms. The ego mediates between the hedonistic id's cravings and the superego's moralistic restrictions. Unconscious motives are evident in observed human behaviour due to the dynamic interaction of these elements.

1.3.1.2 Socio-Psychological Theory

This theory differs from the former in two key ways. Firstly, rather than biological impulses, social variables are seen to be the most essential determinants of personality. Secondly, behavioural motivation is aimed at addressing those requirements (social variables). The Horney paradigm is a good example of socio-psychological personality theory. According to this paradigm, human conduct is influenced by three main interpersonal orientations: compliance, aggressiveness and disengagement. The Horney theory has been applied to marketing research in the form of the CAD scale, a 35-item scale developed by J.B. Cohen. It has been used when people want to link specific purchasing choices to their personalities.

1.3.1.3 Trait-Factor Theory

The Trait-factor theory is a quantitative approach to personality research. This idea proposes that a person's personality is made up of traits, which are pre-dispositional characteristics. A characteristic is any recognizable and relatively long-lasting feature that differentiates one person from the other. Traits can also be thought of as individual difference variables.

Three assumptions define the trait-factor theory. First, it is considered that these are common to many people and that their absolute levels vary. Furthermore, it is considered that these characteristics are very stable and have a pretty universal impact on behaviour regardless of the environment. The standard psychological inventory, such as the California psychological Inventory or the Edwards Personal Preference Scale (EPPS), is a frequently used measuring technique.

The basic foundation of marketing personality study has been the trait-factor theory. A typical study looks for a link between a collection of personality traits and various consumer behaviours like purchases, media selection, innovation, fear and social influence, product selection, opinion leadership, risk-taking and attitude change. Personality has been discovered to be linked to various product features. According to research, people can also make relatively good assessments about other people's qualities and how they relate to things like automotive brands, vocations, and magazines.

Self-Assessment Exercises 1

1. What do you understand by personality.
2. Mention the three theories of personality.
3. What do you understand by the term “characteristic.”

1.3.2 Measurement of Personality

From the preceding explanation, it is evident that personality is not a notion with a single quality. Rather, it is multifaceted in character with numerous interconnected elements. As a result, rather than focusing simply on one component of the complex entities, techniques for assessing the aggregate personality must account for this diversity in some way.

1.3.2.1 Approaches to Measuring Personality

Rating methods, situational tests, projective procedures and inventory schemes are four main approaches to measuring personality that gained popularity and handled the complex aspect of personality.

Rating Methods

Typically, the rating method entails one or more evaluators evaluating a subject's preset personality qualities using a variety of standardized rating scales. In some circumstances, the rating is based on a casual conversation with the subject. In other circumstances, the subject's conduct is observed instead of an interview. This observation can occur in a

specially created setting or in a part of the subject's usual environment, such as a home or a store. The type of scale used for evaluation, the personality traits studied, and the assessors' abilities all impact the final results.

Situational Tests

A situation that closely matches a typical real-life situation is created using this technique. In a group situation, numerous people are usually allowed to engage with one another. A topic or scenario is presented to them as a conversation point, and the subjects' behaviours are watched and measured. This could include tabulating the frequency of occurrence for specific behaviours (such as violence or submissiveness) or assessing the intensity of certain actions on standard scales.

The stress test is a situation technique in which an individual is placed in a high-pressure setting and his behaviour is evaluated to reveal aspects of his personality.

Projective Techniques

Most projective methods were created to reveal the core organization of a person's psyche, as well as his underlying conflict and goals. Typically, the person is shown an ambiguous individual image and asked to describe or relate any meaning it may have for him. Because the stimulus is vague, this is the assumption. The person is actually projecting his perceptions onto it, revealing aspects of his personality in the process.

Inventory Schemes

Subjective scoring is a potential drawback of rating methods, situational tests and projective procedures. That is, the evaluator's subjective interpretation of the information

received is crucial in determining an individual's personality. Furthermore, setting up, administering, and evaluating these procedures takes significant time and effort. By exposing people to many standardized questions with pre-specified answer possibilities from which they can choose, the personality inventory was introduced to reduce these possible difficulties.

The inventory is typically written, and the individual replies to it the same way he would to an "objective" test.

Self-Assessment Exercises 2

1. Mention the four approaches to measuring consumer personality.
2. Explain the rating approach of consumer personality.

1.4 Meaning of Self Concept

Self-concept can be defined as a person's perspective of him/herself, which comprises his/her physical self and other attributes such as strength, honesty and good humour in connection to others as well as specific goods and creations. Despite its complexity, the self-concept is well-organized and works predictably. To the untrained eye, a person's actions may appear nonsensical and inconsistent, but the person acting in this manner is acting in the only way he/she knows how given his/ her frame of reference. When the point of view of this person is understood, it is typically evident that she is not acting inconsistently. For example, we may believe it is illogical for a customer to shop at a retailer that charges more costs for the same products than its competitors. On the other hand, the customer may be loyal because of excellent service or because the salesmen

make her feel important. As a result, the somewhat increased cost of her store loyalty may be well worth the money in her view.

1.4.1 Self Concept Development

Various ideas of how people create their self-concepts have been developed by behaviourists. The majority of these theories are based on social interaction. The following are four different perspectives on self-concept development.

Self-Appraisal

Some theorists argue that a person creates a sense of self by identifying his dominating behaviour patterns regarding what is socially acceptable and unacceptable. Certain activities, for example, are regarded as "social," while others are characterized as "antisocial." A person may become aware that his behaviour falls under the general category of "antisocial" by observing his behaviour. A piece of the person's self-concept emerges from repeated affirmation of this label, which plays a major role in how he regards himself.

Reflected Appraisal

Reflected assessment, often regarded as the "looking-glass self," is the second hypothesis of self-concept creation. The basic premise of this idea is that a person's self-concept is shaped by the feedback he or she receives from others. The level of this influence is determined by the appraiser's and his or her appraisal's qualities. The appraiser is said to have a greater impact on the development of a person's self-concept when: (1) the appraiser is perceived as a highly credible source, (2) the appraiser takes a very personal interest in the person being appraised, (3) the appraisal is very different from the person's

self-concept at the time, (4) the number of confirmations of a given appraisal is high, and (5) appraisals are supportive of the person's own beliefs about himself or herself.

Self-concept formation is influenced by feedback from "significant others" such as parents, close friends, trusted colleagues, and other people whom you admire.

Social Comparison

Because it emphasizes that humans are passive and only reflect the judgments of others, the reflected appraisal theory paints a pretty bleak image of self-concept development. However, according to the social comparison theory, people's self-concepts are based on how they see themselves in relation to others. The principal proponent of this idea, Thorstein Veblen, was perplexed as to why individuals had such a strong desire to acquire more commodities and services than were required to meet their basic necessities. He believed that the relative amount accumulated, in contrast to others, was more important than the actual amount of items, property, and services. "The purpose of assimilation is to get a high ranking in contrast to the rest of the community." The regular, average person will live in continuous unhappiness as long as the comparison is distinctly unfavourable to him. This idea has a considerably more direct impact on formulating marketing tactics than the previous hypotheses. This view of how people perceive themselves is particularly influenced by their perceptions of their relative status in relation to social class, reference groups, and other key groups. Marketers can build communications that express the group's referent's use of particular items and brands by establishing which groups a person relates himself or herself to in terms of product and service consumption. The person would then see purchases as a means to increase relative position in the group.

Biased Scanning

Motivation and biased scanning are the major contents of this theory. This theory considers self-concept development in terms of identity ambitions and biased scanning of the environment for information to validate how effectively a person is attaining those aspirations. It implies that someone who wishes (is motivated) to be a successful lawyer, for example, will seek out information that supports that goal while ignoring information that contradicts it. As a result, perceptual scanning is skewed toward perceiving ourselves as we wish we were (that is, it is biased toward self-gratification).

1.5 Brand Personality and Marketing Application

The communication goals about the traits inherent in a product and the profile of views obtained by customers about certain brands, are referred to as brand personality. There are three dimensions to a brand. One dimension is physical characteristics, such as colour, price, and ingredients. The functional qualities, or the effects of utilizing a brand, are a second dimension. Both of these kinds of characteristics may be objectively verified. The third dimension is the characterization of brands, or their personality as seen by customers.

Brands like people can be described as trendy or traditional, vibrant or exotic. A more effective use of the concept of personality in marketing applications might be to characterize brands. People are no longer assumed to have consistent patterns (drives or qualities) that guide their decisions across all brands and consumption scenarios. Instead,

brands elicit consistent responses, which are not based on assumptions about the personality of the customers who are responding to the brands. However, such responses will be stronger in some types of consumers or personalities than in others. Brand personality is a part of a company's overall image that many customers understand but more appealing (or repulsive) to some than others.

Self-Assessment Exercises 3

1. What is brand personality?
2. What is self-concept?
3. Another name for a reflected appraisal is.....



1.6 Summary

In this unit, you have learnt about personality, ways and approaches of measuring consumer personality and the supporting theories. Furthermore, you learnt about self-concept and how it is developed. Brand involvement and its marketing application were also considered.

Personality refers to the distinct and long-lasting patterns of conduct that characterize each person's response to the conditions they find themselves in.

Personality is a deeply entrenched trait that influences a customer's product selection. They impact how customers respond to marketing activities, as well as when, where, and how they consume specific items or services. As a result, identifying specific personality

traits linked to consumer behaviour has been quite beneficial in formulating a company's marketing segmentation plan.

In consumer research, psychoanalytic, social-psychological and trait-factor theories of personality are commonly used.

Rating scales, situational assessments, projective techniques, and inventory systems are the most used approaches for assessing personality.



1.7 References/Further Readings

David L. and Albert J.D. (2002), Consumer Behaviour, New Delhi: Tata McGraw Hill.

Del I.H. Roger J.B. and Kenneth A.C. (2001), Consumer Behaviour; Building Marketing Strategy, New York: McGraw-Hill Irwin.

Edward, J. and William J. (1963): Fundamentals of Marketing; New York, Mc Graw-Hill, Inc.

Eric A. Linda P. and George Z. (2002), Consumer, New York: McGraw Hill Irwin.

Frederick E. Webster, Jr., and Yoram W. (1972), Organizational Buying Behaviour, Eaglewood Cliffs, N. J: Prentice-Hall.

James F. E. Roger D.B and Paul W.M. (1990), Consumer Behaviour, U.S.A: The Dryden Press.

John A.H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.

Robbins S.P. (2000), Organizational Behaviour, New Delhi: Prentice Hall.

Robbins S.P. (2001), Management, New Delhi: Prentice-Hall.



1.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What do you understand by personality.
2. Mention the three theories of personality.
3. What do you understand by the term “characteristic”?

Answers to SAEs 1:

1. Personality refers to the distinct and long-lasting patterns of conduct that characterize each person's response to the conditions they find themselves in. OR Personality also refers to unique and persistent thoughts patterns, emotions and behaviours that describe each individual's adaptation to the events of his or her life.
2. The three theories of personality are: Psychoanalytic, Social-psychological and Trait-factor theories.
3. Characteristics can be defined as any recognizable and relatively long-lasting feature that differentiates one person from another.

Self-Assessment Exercises 2:

1. Mention the four approaches to measuring consumer personality.

2. Explain the rating approach of consumer personality.

Answers to SAEs 2:

1. The four approaches to measuring consumer personality are: Rating methods, Situational tests, Projective procedures and Inventory schemes
2. The rating approach involves evaluating a subject's preset personality qualities using a variety of standardized rating scales by evaluators. In some circumstances, the rating is based on a casual conversation with the subject or by observing the conduct of the subject. The observation can occur in a specially created setting or a part of the subject's usual environment, such as a home or a store. The type of scale used for evaluation, the personality traits studied, and the assessors' abilities all impact the final results.

Self-Assessment Exercises 3:

1. What is brand personality?
2. What is self-concept?
3. Another name for reflected appraisal is _____

Answers to SAEs 3:

1. Brand personality: This refers to the communication goals about the traits inherent in a product and the profile of customers' views about certain brands.
2. Self-concept can be defined as a person's perspective of him/herself, which comprises his/her physical self and other attributes such as strength, honesty and good humour in connection to others as well as specific goods and creations.
3. Another name for a reflected appraisal is the "looking-glass self."

UNIT 2 MOTIVATION, VALUE AND INVOLVEMENT

Unit Structure

2.1 Introduction

2.2 Learning Outcomes

2.3 Motives and Motivation Concept

 2.3.1 Theory of Motivation

 2.3.1.1 Maslow's Motive Hierarchy and Marketing Strategy

 2.3.2 Classification of Motives

 2.3.2.1 Role of Motives

2.4 Concept of Value

 2.4.1 Application of Value to Consumer Behaviour

2.5 Meaning of Involvement

 2.5.1 Dimension of Involvement

 2.5.2 Types of Involvement and Marketing Implication

2.6 Summary

2.7 References/Further Readings

2.8 Possible Answers to Self-Assessment Exercises



2.1 Introduction

Individual customers' motivation is the drive that propels them to take action. This driving force is created by an uncomfortable state of tension resulting from an unmet desire. The essential demands that most customers have to inspire their behaviour are discussed in this unit. It investigates the impact of such needs on consumer behaviour. It also explains why and how these fundamental consumer wants or motivators manifest themselves in various ways.

In this unit, we will examine motives and motivation concepts, classification and roles of motives, theories of motivation, the concept of value and application to consumer behaviour, concept, dimension and types of involvement, and its marketing application.



2.2 Learning Outcomes

At the end of this unit, you are expected to be able to:

- define consumer involvement and its marketing implications;
- define motive and motivation;
- state Maslow's hierarchy of needs;

- explain the meaning of motives and their influential role on consumer behaviour.



2.3 Motives and Motivation Concept

Motivation can be defined as psychological forces that influence the direction of a person's behaviour, amount of effort and persistence in the face of adversity. To put it another way, motivation is the mechanism that accounts for an individual's level of effort, direction and tenacity in achieving a goal. The motive for one's actions is called motivation.

A motive is a concept that represents an unobservable inner force that inspires and compels a behavioural reaction and gives that response a specific direction. A person's motive is the reason for their actions.

2.3.1 Theory of Motivation

There are a variety of motivation theories, and many of them might provide important information to a marketing manager. Maslow's motive hierarchy approach to understanding customer motivation is described in this section. Abraham Maslow created a hierarchy comprising five major sorts of human needs. Maslow's concept of people meeting their needs in a specific order from bottom to top is depicted in the need hierarchy.

- a. Physiological needs (Food, Water, Sex, and Shelter)
- b. Safety needs (Protection against threat and deprivation)
- c. Belongingness needs (Friendship, Affection, Affiliation, and Love)
- d. Esteem needs (Independence, Achievement, Recognition, Self-respect, Accomplishment and Freedom).
- e. Self-Actualization (Realizing one's full potential or Self Fulfillment)

According to Maslow's approach to the hierarchy of needs, realising one's full potential is built on four concepts. They include

1. All humans have a comparable set of motivations through genetic endowment and social contact.
2. Some motives are more basic or vital than others.
3. The most basic motives must be satisfied to a minimum level before other motives are engaged.
4. As the basic motive becomes satisfied, more advanced motives come into play.

2.3.1.1 Maslow's Motive Hierarchy and Marketing Strategy

- a. **PHYSIOLOGICAL:** Physiological reasons include food, water, sleep and to some extent, sex. Products and foods for good health, medicines, sports, drinks, low-cholesterol foods and exercise equipment are all made available by marketing organisms.
- b. **SAFETY:** Physical safety and security, as well as stability and familiar surroundings, are examples of safety demands. Smoke detectors, anti-inflammatories, insurance, retirement savings, seat belts, burglar alarms, and

sunscreen are examples of products for safety needs. Hobbies, stores and automobiles are just a few examples.

- c. **BELONGINGNESS:** Desires for love, companionship, affiliation and group acceptability are all manifestations of belongingness reasons. Personal grooming, cuisine, entertainment, apparel, and various other products are available.
- d. **ESTEEM NEEDS:** Superiority, self-respect and status are examples of esteem requirements. These needs are linked to a person's sense of usefulness and accomplishment. Products like clothing, furnishings, liquors, hobbies, stores, and automobiles are just a few examples of products marketed to meet consumers' esteem needs.
- e. **SELF-ACTUALIZATION:** This refers to the desire to achieve one's full potential, to become all that one is capable of in life. Education, hobbies, sports, some vacations, museums, hobbies, stores, and automobiles, to name a few, are examples are marketed products.

2.3.2 Classification of Motives

McGuire created a technique for categorizing motives that is more specific in terms of understanding customer behaviour. McGuire's motivations that are most relevant to marketing include:

- **Need for Consistency**

One of the most basic desires is for all aspects to be consistent with one another. Attitudes, behaviours, opinions, self-images, other people's perspectives, etc are examples of these facets. Marketers use this in a variety of ways. For starters, it

emphasizes the importance of a consistent marketing mix. The second area of consistency marketing interest is cognitive dissonance. This refers to consumers' proclivity to second-guess large purchases after they have been made. Making a large purchase is frequently incompatible with the urge to preserve money or make subsequent purchases.

- **Need to Attribute Causation**

This group of motives is concerned with our desire to know who or what is responsible for the events in our lives. Do we blame ourselves for a favourable or unpleasant outcome, or do we blame something else? The cornerstone for using rhetorical theory to explain consumers' responses to persuasive communications is attributing a cause.

- **Need to Categorize.**

We need to categorize and organize knowledge and experiences in some way that is both meaningful and manageable. As a result, we create categories or mental partitions that allow us to process vast amounts of data.

- **Need for Cues**

These motivations stem from a desire for visible clues or symbols that allow us to infer what we feel and know. Viewing our conduct and that of others and drawing assumptions about what we feel and believe establishes subliminal impressions, sentiments, and attitudes. Clothing is significant in communicating the subtle meaning of the desired image and consumer lifestyle in many cases.

- **Need for Independence**

Some cultures have a strong desire for freedom and individuality. This is a need that almost everyone in every culture has at some point. Americans are taught that expressing and meeting this urge is proper, if not necessary. Fulfilling this need is discouraged in nations like Japan, although the fulfilment of the urge for affiliation is socially acceptable. One way consumers exhibit their independence is by owning or using distinctive items and services.

- **Need for Self-Expression**

This motive's focus is the need to convey one's identity to others. We feel compelled to let others know who we are and what we are by our behaviours (including buying and displaying of commodities). For instance, clothing and automobiles have symbolic or expressive meanings; therefore, consumers can use them to convey their identity to others.

- **Need for Ego-Defense**

Another key motivation is the desire to protect our identities or egos. When our identity is challenged, we feel compelled to defend it by engaging in defensive behaviours and attitudes. A variety of goods can provide ego-defense. A buyer who is uneasy may rely on well-known brands for socially noticeable things to avoid making a socially inappropriate purchase.

- **Need for Reinforcement**

We are frequently compelled to act in specific ways because we are rewarded for it. For example, clothing, furniture and artwork created for use in public spaces are frequently sold based on the amount and type of reinforcement that will be received.

- **Need for Affiliation**

The need to have mutually beneficial and pleasant relationships with others is referred to as affiliation. In advertising, marketers regularly utilize affiliation-based themes like "Your kids will love you for it" during advertisements.

- **Need for Modeling**

The requirement for modelling displays a proclivity to model one's conduct after that of others. Modelling is one of the most important ways for children to learn to be consumers. Some of the conformity that happens within reference groups can be explained by the urge to model. Marketers use this motivation by displaying desirable types of people wearing their products.

- **Need for Novelty**

We frequently desire variation and difference purely for the sake of novelty. Variety-seeking behaviour is what marketers call the result of this desire. This could be a major factor in brand switching and some impulse purchases. The desire for novelty follows a curve and evolves through time. Individuals exposed to quick change feel satiated and

seek stability, whereas those exposed to stable situations become "bored" and seek change.

- **Need for Assertion**

The need for assertion displays a consumer's want to engage in activities that will boost their self-esteem as well as their esteem in the eyes of others. When disappointed with a purchase, people with a strong need for assertion are more prone to complain.

Self-Assessment Exercises 1

- | |
|---|
| <ol style="list-style-type: none">1. What is motivation?2. Mention the four concepts under which Maslow's approach to the hierarchy of needs is built. |
|---|

2.3.2.1 Roles of Motives

The purpose of motives is to excite and drive consumer behaviour. The arousal component stimulates the release of body energy which can be used for both mental and physical activity. Motives have various significant purposes for influencing conduct in their directive role. The following are some of them:

- a. Defining Fundamental Strivings**

Consumers are influenced by motives to create and recognize their basic aspirations. Consumers aspire to obtain very generic goals such as safety, affiliation, achievement or other desirable states, which are included among basic strivings. They are used to steer behaviour in a broad sense across a range of decisions and activities.

b. Objects

Although there are exceptions, consumers frequently regard things or services as means of achieving their goals. In fact, many consumers take a step further and consider items to be their ultimate aims, not comprehending that they are merely means of gratifying motives. Marketers are very interested in this motivational drive that causes customers to identify things as goal objects, especially since it appears that they can be altered. Certainly, the characteristics built into a product can influence consumers' acceptance of it as a goal or means of accomplishing a goal.

c. Influencing Choice Criteria

Consumers are also guided by their motivations when formulating criteria for evaluating things. As a result, features like electronic speed control and automatic driver-seat adjustments would become more essential decision factors for a car customer driven heavily by convenience motivation than style or mileage.

d. Directing Other Influences

Individual variables of perception, learning, personality, attitudes and how people process information are influenced by motivations. This has directional effects on behaviour as well. Motives, for example, influence information processing, which controls how we understand and respond to our surroundings.

2.3 Concept of Value

Values describe the goals that motivate people and the suitable approaches to reach those goals by representing an individual's beliefs about life and approved behaviour. Values are

characterized as social or personal, with social values assuming shared views that characterize a group of people and thus defining acceptable "normal" behaviour for the group and personal values defining "normal" behaviour for an individual.

2.4.1 Application of Values to Consumer Behaviour

Despite its centrality, values have not been applied as widely as one might think to direct analyses of consumer behaviour. One reason is that broad ideals like independence, security and inner peace are more likely to influence general purchase patterns than brand differentiation within a product category. As a result, some researchers have found it useful to distinguish between broad-based cultural values like security or happiness, consumption-specific values like convenient shopping or prompt service and product-specific values like the ease of use or durability. All of these cultural values influence the relative importance people in various cultures place on possessions. We may conclude that nearly all consumer research is ultimately related to identifying and assessing values because values drive much of consumer behaviour.

People in different cultures place varying values on goods. This process can take many forms, from qualitative research techniques like ethnography to quantitative research techniques like lab tests and large-scale surveys. Consumer experience results in eight different sorts of value which include:

- a. **Efficiency:** refers to any products that strive to provide the consumer with different types of convenience.
- b. **Excellence:** refers to situations where the primary motivation is a positive quality experience.

- c. **Status:** when a consumer pursues success and engages in impression management and ostentatious consumption.
- d. **Self-Esteem:** conditions in which the pleasure of possession is emphasized, such as in materialism.
- e. **Play:** the value of having a good time while consuming.
- f. **Aesthetics:** the pursuit of beauty by purchasing designer goods, fashion or art.
- g. **Ethics:** the reasoning driving morally or politically right consumption decisions.
- h. **Spirituality** entails experiencing magical transformations or holiness in the consumption of goods.

2.5 Meaning of Involvement

Involvement is a manifestation of strong motivation in the form of a high perceived personal relevance of a product or service in a given situation. It is a continuum ranging from low to high, depending on the perceived connectivity between the individual's motivational impulses and the benefits supplied by the object. When intrinsic personal traits (needs, values, and self-concept) are confronted with appropriate marketing stimuli in a certain context, it becomes activated as felt engagement.

2.5.1 Dimension of Involvement

Involvement has a variety of key elements, making it a multidimensional notion. The following are some of these dimensions:

a. Antecedents

A number of factors are thought to influence the form and intensity of participation before it occurs. These so-called antecedents can be thought of as grounds or sources that interact

to determine the level of involvement a consumer will have at a time. Person, stimulus/object and situational categories are all antecedents' variables.

b. Involvement Properties

The consumer's internal state of involvement might be thought of as involvement. As previously stated, this mental state has arousal features and, like motivation, has a directional influence on how customers to act. Therefore, involvement can be defined as an internal state with three primary characteristics: intensity, direction, and persistence.

c. Response Factor

The response dimension describes how a customer acts under various levels of involvement. That is, it describes the consumer's mental and bodily behaviours or reactions. As a result, the response dimension is determined by the sort of engagement elicited and the events encountered.

2.5.2 Type of involvement and Marketing Implication

a. Cognitive involvement

This is characterized by increased thinking and processing of information about the objective item. Affective participation refers to heightened feelings and emotional energy as part of involvement. Marketing can encourage either one or both forms of participation.

b. Affective involvement

This is stimulated by advertisements that inspire individuals to experience the feelings and experiences associated with a product. Advertisements that list many details about a product or websites with many brand comparisons appeal to cognitive participation.

Self-Assessment Exercises 2

1. What is Motive?
2. Define involvement and mention the two types of involvement.
3. Identify McGuire's Psychological Motives.



2.6 Summary

In this unit, you have learnt about motive, motivation, value and consumer involvement. You have also learnt about their various marketing implications. Specifically, in this unit, you have learnt that:

- The motive for one's actions is called motivation.
- Physiological, Safety, Belongingness, Esteem and Self Actualization are the five human needs identified by Maslow.
- Need for Consistency, Need to Attribute Causation, Need to Categorize, Need for Cues, Need for Independence, Need for Self-Expression, Need for Ego-Defense, Need for Reinforcement, Need for Affiliation, Need for Modeling, Need for Novelty, and Need for Assertion are all included in McGuire's classification of motives.

- Motives play an important function in understanding customer behaviour.
- Motives can play various roles, including Defining Basic Strivings and Identifying Goal Objects.
- Differences in the intensity of interest with which customers approach their dealings with the marketplace are called involvement.
- The concept of involvement can be found in antecedent dimensions, involvement attributes and response factor dimensions.



2.7 References/Further Readings

Donald, E. V., Jerome, E. S. and Lawrence, R. L. (1977). 'The role of personal values in marketing and consumer behaviour'. *Journal of Marketing* 41: 44–50.

Edward, J. and William J. (1963): *Fundamentals of Marketing*; New York, Mc Graw-Hill, Inc.

Eric A., Linda P. and George Z. (2002), *Consumer*, New York: McGraw-Hill Irwin.

James F. E. Roger D.B and Paul W.M. (1990), *Consumer Behaviour*, U.S.A: The Dryden Press.

John, W., Steven, L., Tamara, G. and Leslie R. (2002). 'Cultural values and important possessions: A cross-cultural analysis', *Journal of Business Research* 55: 923–931



2.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is motivation?
2. Mention the four concepts under which Maslow's approach to the hierarchy of needs is built.

Answers to SAEs 1:

1. Motivation is the process that accounts for an individual's level of effort, direction and tenacity in achieving a goal. OR Motivation can be defined as psychological forces that influence the direction of a person's behaviour, amount of effort and persistence in the face of adversity.
2. The four concept under which Maslow's hierarchy of needs is based are:
 - a. All humans have a comparable set of motivations through genetic endowment and social contact.
 - b. Some motives are more basic or vital than others.
 - c. The most basic motives must be satisfied to a minimum level before other motives are engaged.
 - d. As the basic motive becomes satisfied, more advanced motives come into play.

Self-Assessment Exercises 2:

1. What is a Motive?
2. Define involvement and mention the two types of involvement.
3. Identify McGuire's Psychological Motives.

Answers to SAEs 2:

1. A motive is a concept that represents an unobservable inner force that inspires and compels a behavioural reaction and gives that response a specific direction. A person's motive is the reason for their actions.
2. Involvement is a manifestation of strong motivation in the form of a high perceived personal relevance of a product or service in a given situation. It is a continuum ranging from low to high, depending on the perceived connectivity between the individual's motivational impulses and the benefits supplied by the object.

The two types of involvement are Cognitive involvement and Affective involvement.
3. McGuire's Psychological Motives are:

Need for Consistency, Need to Attribute Causation, Need to Categorize, Need for Cues, Need for Independence, Need for Self-Expression, Need for Ego-Defense, Need for Reinforcement, Need for Affiliation, Need for Modeling, Need for Novelty and Need for Assertion.

UNIT 3 CONSUMER SATISFACTION

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Meaning of Satisfaction
 - 3.3.1 Features of Satisfaction
 - 3.3.2 Causes of Satisfaction
- 3.4 Relationship between Performance and Satisfaction
 - 3.4.1 Relationship between Choice and Satisfaction
- 3.5 Consequences of Satisfaction and Dissatisfaction
- 3.6 Summary
- 3.7 References/Further Readings
- 3.8 Possible Answers to Self-Assessment Exercises



3.1 Introduction

Marketers are becoming increasingly concerned about individual post-purchase consumer behaviour as they shift their focus from inducing customers to purchase items and services to developing profitable long-term relationships with them. Long-term connections are more likely to develop if marketers focus on how best to serve clients in the short and long term. As a result, consumers and marketers must debate the reasons that lead to satisfaction as well as the results of contentment.

In this unit, we shall examine satisfaction under its meaning, features and causes. Also, we will examine the relationship between performance and satisfaction, choice and satisfaction, and the consequences of satisfaction and dissatisfaction.



3.2 Learning Outcomes

At the end of this unit, you should be able to be able to:

- define satisfaction;
- identify the causes of satisfaction;
- explain the effects of satisfaction and dissatisfaction on the consumer;
- discuss the relationship between choice and satisfaction.



3.3 Meaning of Satisfaction

A judgement of a pleasurable level of consumption-related fulfilment, including levels of under-fulfilment or over-fulfilment, is known as satisfaction. Consumers can rate their happiness with any or all aspects or stages of the product and service experience. As a result, each feature or stage of a market offering becomes a possible point of differentiation. It is an error to think that all judgements add up to a total score. Satisfaction is a little more complicated. It is worth noting that satisfaction emerges throughout the service or product experience, and even when unpleasant things happen, events may unfold so that the experience is ultimately satisfactory.

3.3.1 Features of Satisfaction

a. Satisfaction focuses on Fulfillment

Fulfilment can come in a variety of forms. For example, when a bad state is removed, consumers may feel fulfilled or satisfied (e.g. repair of a computer hardware problem). Consumers can also be satisfied when a product or service experience provides more pleasure than expected in a given setting, even if it does not completely fill them up, which is known as under-fulfilment.

b. Satisfaction is an internal state

This means that customer satisfaction reports must emphasize the meanings that operate in their sphere of awareness. Various clients make different satisfaction judgements regarding the same level of performance; hence satisfaction evaluations vary. For example, without considering the customer's experience, we cannot declare unequivocally that "product quality leads to contentment." As a result, dissatisfaction might be characterized as an unsatisfactory amount of fulfilment from consuming. On the other hand, factors that contribute to higher levels of satisfaction may not always be the same as those that contribute to higher levels of dissatisfaction.

3.3.2 Causes of Satisfaction

Various scholars have identified the following as identifiable factors of satisfaction:

- a. A positive transformation from a previously perceived negative circumstance will provide the desired satisfaction to a customer.
- b. Satisfaction occurs when the sensation of accomplishment exceeds the expectations of the consumer's use of a good or service.
- c. Satisfaction is customized to the needs of the customer.

3.4 Relationship between Performance and Satisfaction

Most marketing executives believe that product or service quality is the key to customer pleasure. Quality is frequently claimed as a goal in mission statements, company slogans and promotional materials, and as a result, a direct relationship between quality and satisfaction is commonly asserted. Despite the fact that quality of service or product is a common organizational goal, a single managerially effective definition of quality and performance is yet to be found. There is no such thing as objective quality (judgments are always dependent on perception), thus, managers concerned with customer satisfaction must learn how customers (those who purchase the product or service) perceive quality. Nonetheless, a review of several definitions of quality reveals that perceived quality is influenced by personal preferences, is based on comparable standards, varies by client and situation, and is rooted in the use or consumption of the items or service. Furthermore, quality has cognitive (thinking) and affective (emotional) elements. Customer happiness is heavily influenced by perceived quality. Quality (product performance) and customer pleasure have a considerable link; however, it is not absolute.

Self-Assessment Exercises 1:

- | |
|---|
| <ol style="list-style-type: none">1. What is satisfaction?2. Mention two identifiable factors of satisfaction. |
|---|

3.4.1 Relationship between Choice and Satisfaction

In most cases, consumers generate satisfaction assessments based on product or service qualities. In other circumstances, however, the factors that influence consumer choice and satisfaction may differ, or their relevance to consumers may differ. Instead, sentiments of

peace with nature, connection to a community of adventurers and personal growth experiences that occur during the consumption experience and not during the pre-purchase decision process drive satisfaction. There are several reasons why factors that influence choice and satisfaction differ. One is that consumers have a problem anticipating potential difficulties and rewards from spending. Another possible explanation for the disparity between choice and satisfaction drivers is that components of the consumption situation that directly affect satisfaction and dissatisfaction are unpredictable and hence cannot be used as a criterion for choice. Another issue is that consumers' satisfaction evaluations are based on purchase outcomes. Therefore, if a company can set itself apart from competitors in terms of consumer outcomes, it may be able to align choice criteria and satisfaction drivers more closely.

3.5 Consequences of Satisfaction and Dissatisfaction

Consumers can choose one or more of three behavioural responses in response to satisfactory or dissatisfying purchase and consumption experiences. They include exit, voice and ongoing/continued patronage.

a. Exit

When a customer's purchase and consumption experience is unsatisfactory, he or she will leave. At the very least, a disappointed customer may try to avoid that product or service, opting for other options whenever they are available and viable. It is worth noting, however, that not all exit decisions are motivated by discontent, and not all unsatisfied customers leave.

b. Voice

Compliments to an organization when it delivers a particularly satisfying outcome, complaints to the company about performance failure, negative and positive word-of-mouth with other consumers, or third-party complaints or compliments are all examples of voice. Consumers' complaints and compliments to businesses provide useful information, and their interpersonal communications, both positive and negative, have a significant impact on other consumers' purchases.

c. **Continued Patronage**

Satisfaction is a short-term post-purchase emotion that expresses how well a product or service has performed. Customer loyalty is a firmly held commitment to buy or patronize a chosen product or service in the future, notwithstanding the possibility of altering behaviour due to situational circumstances and marketing efforts. As a result, persistent patronage encompasses the willingness to act (repeat purchase) and the opposition to alternatives.

Self-Assessment Exercises 2:

1. Satisfaction is an internal state. Explain
2. Mention two reasons why the drivers of choice and satisfaction differ.



3.6 Summary

In this unit, you have learnt what consumer satisfaction and dissatisfaction are, the relationship between choice and satisfaction and the consequences of choice and satisfaction. The behavioural responses are available to customers that determine whether a scenario is satisfactory or not were also investigated.

In this unit, you have learnt that:

- Satisfaction is a subjective assessment of a pleasant level of consumption-related fulfilment, including under and over-fulfilment.
- It entails both emotional and cognitive evaluations. Any or all aspects or stages of the product and service experience might be judged in terms of satisfaction.
- Different consumers are likely to make different satisfaction judgements regarding the same product or service performance level because satisfaction assessments are nested within the customer's life experience.



3.7 References/Further Readings

Arnould, E., Price, L., Zinkhan, G., (2002). 'Consumers'. New York: McGraw Hil

Bettman, J.R., Luce, M.F., Payne, J. W., (1998), "Constructive Consumer Choice Processes", Journal of Consumer Research, Vol. 25, pp. 187 – 217.



3.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is satisfaction?
2. Mention two identifiable factors of satisfaction.

Answers to SAEs 1:

1. Satisfaction is a judgement of a pleasurable level of consumption-related fulfilment, including levels of under-fulfilment or over-fulfilment.
2. Two identifiable factors of satisfaction are:
 - a. Satisfaction occurs when the sensation of accomplishment exceeds the expectations of the consumer's use of a good or service.
 - b. Satisfaction is customized to the needs of the customer.

Self-Assessment Exercises 2:

1. Satisfaction is an internal state. Explain
2. Mention two reasons why the drivers of choice and satisfaction differ.

Answers to SAEs 2:

1. This means that customer satisfaction reports must emphasize the meaning that operate in their sphere of awareness. Various clients make different satisfaction judgements regarding the same performance level, hence performance, hence performance level; satisfaction evaluations vary.
2. The reasons why the drivers of choice and satisfaction differ are:

- a. The components of the consumption situation that directly affect satisfaction and dissatisfaction are unpredictable and hence cannot be used as a criterion for choice.
- b. Consumers' satisfaction evaluations are based on purchase outcomes.

UNIT 4 ATTITUDE FORMATION AND CHANGE IN CONSUMER BEHAVIOUR

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 Meaning of Attitude and Attitude Models
 - 4.3.1 Tricomponent Attitude Model
 - 4.3.2 Multiattribute Attitude Model
 - 4.3.3 Theory of trying –to- consume Model
 - 4.3.4 Attitude-toward-the-advert Model

- 4.4 Attitudes change among Marketers
- 4.5 The Power of Attitudes
- 4.6 Summary
- 4.7 Glossary
- 4.8 References/Further Readings
- 4.9 Possible Answers to Self-Assessment Exercises



4.1 Introduction

We are requested to express an attitude whenever we are asked if we like or dislike a product or service (for example, Chicken Republic, Peppered Gizzard or Glo Network services). You and I, as consumers, have a wide range of opinions about items, services, marketing, direct mail, the internet, and retail stores. The meaning of attitude, different attitude models, how marketers change attitudes, and the strength of attitudes will all be examined in this section.



4.2 Learning Outcomes

At the end of this unit, you should be able to:

- define the attitude and explain the different attitude models;

- give the three components of the tricomponent attitude model;
- give three various types of multi-attribute models of attitude discussed in this unit;
- state the different ways through which attitude change among marketers;
- identify the sources of influence on attitude formation.



4.3 Meaning of Attitude and Attitude Models

Consumer researchers ask questions or draw conclusions from consumer behaviour to assess attitudes; this implies that attitude can be defined from the context of consumer behaviour. In the context of consumer behaviour, an attitude is a taught tendency to behave consistently favourably or unfavourably toward a specific object. Every section of this description defines an important aspect of an attitude and is essential to comprehending how attitudes influence consumer behaviour. Therefore, the need to look at them one after the other to have a better understanding.

a. The Attitude “Object.”

The term object refers to a specific consuming or marketing-related idea such as a product, product category, brand, service, assets, product use, causes or issues, people, advertisement, internet site, price, medium, or retailer in our consumer-oriented definition. An attitude can be considered a summary appraisal of a thing, according to most people. On the other hand, marketers tend to be object-specific while conducting attitude research. For example, if the research is on brand, the "object" will include Airtel, GLO, MTN, Etisalat and other mobile networks in Nigeria (i.e. if we are examining consumer attitudes toward these brands)

b. Attitude as a learned Predisposition

Attitudes, as widely acknowledged, are learnt. This indicates that attitudes about buying behaviour are formed from direct experience with the product, word-of-mouth information obtained from others or exposure to mass media advertising, the internet and other sources of information. It is vital to remember that attitudes are the product of behaviour and reflect a positive or negative appraisal of the attitude object. Furthermore, attitudes have a motivating quality since they are taught predispositions that can propel or repel a customer toward or away from certain behaviour.

c. Attitudes have consistency

Attitudes and the behaviour they reflect are largely consistent. However, this does not imply that they are permanent because they change. For example, if you say you want to study at the National Open University of Nigeria over the University of Lagos, we expect you to return to National Open University for your Master's degree after your first degree. Therefore, it is anticipated that your activities correspond to your attitudes. However, there are instances when circumstances prevent you from being consistent in your attitudes and behaviours, such as when your preferred course or programme is not now accessible.

d. Attitudes occur in a situation

The term "situation" refers to events or conditions that influence the relationship between an attitude and behaviour at a specific time. A certain situation can compel customers to act in ways that appear at odds with their beliefs. For instance, Morning Fresh may be your wife's or girlfriend's preferred kitchen utensil washing liquid, but when it runs out,

you can switch to a different brand of washing liquid, which may be less expensive. Though you may not be pleased with your brand-switching behaviour, it is affected by a specific circumstance, namely your desire to save money.

Attitude Models

Because of the need to understand the relationship between attitudes and behaviour, psychologists attempted to develop models that capture the underlying dimensions of attitude. They concentrated on defining the components of attitude in order to explain better and predict behaviour. Some important attitude models used to describe or predict behaviour include:

- a. Tricomponent Attitude Model.
- b. Multiattribute Attitude Model.
- c. Theory of Trying – to - consume Model.
- d. Attitude –toward-the- advert-Model.

4.3.1 Tricomponent Attitude Model

According to this model, attitudes consist of three major components, which are the cognitive, affective and conative components.

a. The Cognitive Component

The first component of a tricomponent attitude is cognition. This is the knowledge and perceptions required by combining direct experience with the attitude object and accompanying information from external sources. This information and the associated impressions are usually articulated as beliefs in which the consumer believes that the

attitude object has specified features and that specific behaviour will result in specific consequences.

b. The Affective Component

A consumer's emotions or feelings regarding a particular product or brand are the affective components of an attitude. Consumer researchers frequently treat these emotions and feelings as essentially evaluative in nature (i.e. the extent to which the individual rates the attitude object as favourable or unfavourable, good or bad, etc.), and these experiences manifest themselves as emotionally charged states such as happiness, sadness, shame, disgust, anger, distress etc.

c. The Conative Component

The tricomponent attitude model's final component is conation. It is concerned with the likelihood or inclination of an individual taking a specific action or behaving in a specific manner in relation to the attitude object. According to some interpretations, the conative component may also comprise the actual behaviour. The conative component is typically viewed as an expression of the consumer's intention to buy in marketing and consumer research. Buyer intention scales are used to determine the possibility of a customer purchasing a product or acting in a specific manner.

4.3.2 Multiattribute Attitude Model

Multiattribute Attitude Models depict consumers' attitudes toward an attitude object (such as a product, a service, a cause, or an issue) as a function of the consumer's perception and assessment of the primary traits or beliefs held about the attitude object. There are

many other types of multiattribute attitude models, but we will focus on three of them in this unit:

- a) The attitude-toward-object model.
- b) The attitude-toward-behaviour model.
- c) The theory- of-reasoned-action model.

a) The attitude-toward-object model

The attitude-toward-object paradigm is well suited to assessing attitudes toward a certain product or service category and specific brands. According to this paradigm, the existence or absence of certain product-specific beliefs and/or features influences the consumer's attitude toward a product or specific brands of a product. To put it in another way, consumers have favourable views toward brands that they believe have an appropriate amount of positive features, and have unfavourable attitudes toward brands that lack an adequate level of desirable traits or have too many negative or undesired negative attributes.

b) The attitude-toward-behaviour model

This approach is intended to represent an individual's attitude toward how they behave or act in relation to an object rather than how they feel about the object itself. The attitude-toward-behaviour model appeals because it appears to correspond more closely to actual behaviour than the attitude-toward-object model.

c) The theory-of-reasoned-action model

This theory is a full integration of attitude components into a structure intended to improve behaviour explanation and prediction. The theory of reasoned action model

includes a cognitive, affective and conative component; just like the basic tricomponent attitude model. However, they are organised differently than the tricomponent model.

4.3.3 Theory of trying –to- consume Model

This theory is designed to account for the many cases in which the action or outcome is not certain but instead reflects the consumer's attempts to consume or purchase. Personal barriers often exist when attempting to consume. For example, students who wish to pursue their education but are unable to pay the fees; in this situation, the product (or service) they are attempting to consume is knowledge. There are also environmental impediments, such as when a student tries to pay his or her fees and register for school but cannot fulfil the deadline, in which case only the first 20 pupils who happen to be in line between certain days will be registered. The important point here is that the outcome in these circumstances of trying is not and cannot be considered to be definite.

4.3.4 Attitude-toward-the-advert Model

Consumer behaviour researchers have focused on constructing Attitude-toward-the-Advert models to better understand the impact of advertising or other promotional mediums on consumer attitudes toward certain items or brands. According to this concept, when a customer is exposed to an advertisement, he or she develops numerous feelings (affects) and judgments (cognitions). These feelings and judgments influence the consumer's attitude toward the advertisement and beliefs about the brand due to exposure to the advertisement. The consumer's attitude toward the advertisement and beliefs about the brand influence his or her attitude toward the brand in the end.

Self-Assessment Exercises 1

1. What is attitude?
2. What are the three components of the Tricomponent Attitude Model?

4.4 Attitude change among Marketers

Advertisers constantly bombard us with messages like "BUY NOW!" on newspapers, the internet, billboards and other media, imploring us to change our attitudes and buy their products. These attempts at persuasion range from logical arguments to graphic images, from peers attempting to intimidate us and celebrities attempting to charm us. The success of marketing communications is determined by several elements that contribute to deciding how and if customers will adopt new attitudes or change existing ones. Persuasion is frequently used to change people's minds (which is the number one job for many marketing communications). The following are some of the psychological elements that encourage people to change their thoughts or comply:

a. Reciprocity

When people initially receive, they are more likely to give. Giving out smaller product samples improves the likelihood of people wanting to buy the larger pack. So also, including money in a small survey questionnaire boosts the response rate, just as promoting a product increases the chances of people wanting to buy the larger pack.

b. Scarcity

A beautiful lady, for example, is considerably more alluring when she is unavailable; the same is true for products. If you pay attention to children, you will find that when they have an abundance of sweets and chocolates, they tend to waste them and place little or no value on them, but if you take them away from them for a short time, they begin to

want them. Humans, in general, place a high value on limited resources. When products are in short supply, demand for them rises.

c. Authority

We all tend to trust an authoritative source far more than a less authoritative one. A publication in The Guardian Newspapers, for example, may have a greater influence on readers than a published in P.M. news (However, this is not intended to doubt the authenticity of the latter).

d. Consistency

People attempt not to contradict themselves regarding what they say and do about an issue, as we examined earlier in this lesson. For example, if you prefer to study at the National Open University of Nigeria over the University of Lagos, which also offers distance education, you should return to NOUN for your Master's Degree once your first degree is completed.

e. Liking

It is simple to agree with someone we like or admire. For example, in one study, university students dressed in rags for "Rag Day," a day dedicated to raising money for charity. It was found that attractive girls and boys (despite the "rags") raised far more money than their less attractive counterparts. This is also why most businesses, particularly new generation banks, staff their marketing teams with attractive men and women who can effectively advertise their products and expand their customer base.

f. Consensus

Most of the time, we evaluate what others do before making a decision. People are more likely to donate to a charity after seeing a list of their neighbours' names who have already done so. Most businesses publish the names of their customers or clients on the pages of newspapers at the end of each business year, either to express gratitude for their patronage or to convey season's greetings. When we see the vast list of these consumers, which includes people from many tribes, religions, and social classes, we could also be tempted to patronize them.

4.5 The Power of Attitudes

The term attitude can be applied to a wide range of situations. However, it refers to a long-term, broad assessment of people (including you and me), objects, marketing, or concerns in this context (Consumer Behaviour). Any object toward which we have an attitude is referred to as an Attitude Object. Because it tends to last throughout time, an attitude is long-lasting. It is broad because it encompasses more than a single incident, such as being harassed by a cop for a crime you did not commit may lead to a long-term bad attitude toward all cops. Consumers have opinions on a wide range of topics, ranging from product preferences (for example, you may prefer butter to margarine) to more general consumption habits (for example, how often you will want to spread fat on your bread). In most cases, your attitude decides your course of action. Two people can have opposing viewpoints on the same object for different reasons. It is, therefore, beneficial for marketers to understand why a particular mindset is held before attempting to change it. The following are the various attitude functions:

a. Utilitarian function

This has to do with the fundamentals of reward and punishment. We form certain attitudes toward items merely because they provide us pleasure or bring us grief. If you enjoy fruitcakes, you will develop a favourable attitude toward them. Advertisements that emphasize simple benefits appeal to the utilitarian purpose.

b. Value-expressive function

Value-expressive attitudes are those that relate to the consumer's core values. In this situation, a person develops a product attitude from what the product says about him or her as a person (for example, what sort of man has a private jet).

c. Value expressive attitudes

They are also important in lifestyle research, which looks at how people use a variety of activities, hobbies, and viewpoints to represent a certain identity.

d. Ego- defensive function

Ego-defensive attitudes are developed in order to defend ourselves from external threats or internal feelings. For example, products that promise to help them project an affluent image (e.g., advertising phrases like "it's for the big boys and big girls") appeal to their social fears.

e) Knowledge function

We develop a particular mindset because we require order, structure or significance. A knowledge function is used when a person is in an ambiguous circumstance, such as (it's okay to wear jeans to work on Fridays, but only on Fridays).

Self-Assessment Exercises 2:

1. List some of the key Attitude models you have learnt.
2. Identify three psychological elements that marketers use to influence consumers' decisions.



4.6 Summary

In this unit, you have learnt about attitude and attitude models, how consumers' attitudes are created and how they are modified. When it comes to attitude formation, it is important to remember that attitudes are created by experience and that different learning theories offer varied perspectives on how attitudes are formed. Direct personal experience facilitates attitude formation, which is influenced by the ideas and experiences of friends and family members and media exposure.

In this unit, you have also learnt that:

- An attitude is a taught tendency to behave in a consistent positive or negative manner toward a specific thing.
- Every aspect of this description is crucial to comprehend why and how attitudes matter in consumer behaviour and marketing.
- It is necessary to appreciate the structure and composition of an attitude in order to comprehend its function.
- The tricomponent attitude model, the multi-attribute attitude model, the trying-to-consume attitude model, and the attitude –the toward-the-advertisement model were the four major categories of attitude models explored.
- In creating attitudes, an individual's personality also plays a role.

- Acceptance and the speed with which attitudes are likely to change are influenced by the consumer's personality.

4.7 Glossary

Aesthetics: the pursuit of beauty by purchasing designer goods, fashion or art.

Brand personality: The communication goals about the traits inherent in a product as well as the profile of views obtained by customers about certain brands are referred to as brand personality

Characteristic: Characteristic can be defined as any recognizable and relatively long-lasting feature that differentiates one person from another.

Efficiency: refers to any products that strive to provide the consumer with different types of convenience.

Ethics: the reasoning driving morally or politically right consumption decisions.

Excellence: refers to situations where the primary motivation is a positive quality experience.

Motivation: This can be defined as psychological forces that influence the direction of a person's behaviour, amount of effort and persistence in the face of adversity.

Personality: This is the unique and persistent thought patterns, emotions and behaviours that describe each individual's adaptation to the events of his or her life.

Play: the value of having a good time while consuming.

Satisfaction: This is a judgement of a pleasurable level of consumption-related fulfilment, including levels of under-fulfilment or over-fulfilment.

Self-Esteem: conditions in which the pleasure of possession is emphasized, such as in materialism.

Status: when a consumer pursues success and engages in impression management and ostentatious consumption.



4.8 References/Further Readings

Fill, C. (2005) Marketing Communications. New Jersey: Prentice Hall Inc.

Hawkins, D.I., Best, R.J. and Coney K.A. (2001) Consumer Behaviour: Building Marketing Strategy New York: Irwin/McGraw- Hill.

Leon, G.S., Leslie, L.K. (2009) Consumer Behaviour. New Jersey: Pearson Education Inc.

Roberts, M.L. (2003) Internet Marketing. New York: McGraw –Hill Higher Education.

Solomon, M.R. (2011) Consumer Behaviour: Buying, having and being. New Jersey: Pearson Education Inc.



4.9 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is attitude?
2. What are the three components of the Tricomponent Attitude Model?

Answers to SAEs 1:

1. An attitude is a taught tendency to behave consistently favourably or unfavourably toward a specific object.
2. According to this model, attitudes consist of three major components, which are the cognitive, affective and conative components.

Self-Assessment Exercises 2:

1. List some of the key Attitude models you have learnt.
2. Identify three psychological elements that marketers use to influence consumer's decisions.

Answers to SAEs 2:

- 1a. Tricomponent Attitude Model.
- b. Multiattribute Attitude Model.
- c. Theory of Trying – to - consume Model.
- d. Attitude –toward-the- advert-Model.
2. Marketers can change attitudes through:

a) **Reciprocity**

This includes giving away free product samples, monetary gifts, and other incentives to persuade consumers to change their minds and buy a product.

b) **Liking**

We are more likely to agree with someone we like or admire, making it easier for them to persuade us to change our beliefs.

c) **Consensus**

Most of the time, we evaluate what others are doing before making our own decisions. We feel better going to places where everyone goes because we believe that if everyone buys a product or uses the services of a company, it must be good.

MODULE 3 CONSUMER BEHAVIOUR AND GROUP INFLUENCES

Unit 1 Family and Household

Unit 2 Social Group

Unit 3 Consumer Social Class

Unit 4 Cultural Influences

UNIT 1 FAMILY AND HOUSEHOLD

Unit Structure

1.1 Introduction

1.2 Learning Outcomes

1.3 Meaning of Family and Household

1.3.1 Factors Influencing Purchase Decision in the Family

1.3.1.1 Traditional Family Life Cycle

1.3.1.2 Modern Family Life Cycle

1.4 Family Nature, Decision Making and Purchasing Roles

1.4.1 Roles of Family Members in Family Purchases

1.5 Family Decision Making and Marketing Strategy

1.6 Summary

1.7 References/Further Readings

1.8 Possible Answers to Self-Assessment Exercises



1.1 Introduction

We will examine how the concept of family and household influences consumer behaviour in this unit. With the exception of a few loners, most people interact with other people regularly, notable members of their own families. The family frequently provides opportunities for product testing and exposure and establishes consumption values in its members. As a key consumer group, the family is a prime target for numerous products and services.

In this unit, we shall specifically examine the concept of family and household, factors influencing purchase decisions in the family, traditional and modern family life cycle, family nature: decision making and purchasing roles and family decision making and marketing strategy.



1.2 Learning Outcomes

At the end of this unit, you should be able to:

- give the meaning of family and household;
- explain the traditional and modern family life cycle;
- explain the factors influencing family purchase decisions;
- explain the importance of family influences on consumer behaviour.



1.3 Meaning of Family and Household

A family is a group of two or more people who live together and are connected by blood, marriage or adoption. Nuclear and extended families are the two basic forms of families. The nuclear family consists of the father, mother and children who live together. The nuclear family, and other relatives such as grandparents, uncles and aunts, cousins, and in-laws, make up the extended family. The family into which one is born is referred to as the family of orientation, whereas the family formed by marriage is referred to as the family of procreation.

Marketers regularly use the term "household" to describe customer behaviour. A household differs from a family in that it refers to all of the people who live in a certain dwelling unit, whether related or unrelated.

1.3.1 Factors Influencing Purchase Decision in the Family

Due to the increased number of employed individuals in families, families have higher average incomes than households. The age of the head of household or family, marital status, presence of children and work status are the four major factors that have the greatest impact on purchase decisions for both families and households. They are thus of prime importance to marketers. However, sociological characteristics such as cohesion, adaptation, and communication can help us better understand how families make decisions.

- **Cohesion**

Cohesion is the emotional link that exists between family members. It is a metric for how emotionally attached family members are to one another.

- **Family adaptability**

The ability of a marriage or family system to adjust its power structure, role relationships and relationship rules in response to environmental and developmental stress is known as family adaptability. Family adaptability is a metric that measures how well a family can adapt to changing requirements.

- **Communication**

Communication is a facilitating dimension necessary for movement in the other two dimensions. For example, families can convey their evolving needs and preferences

relating to cohesion and flexibility by using positive communication skills (such as empathy, reflective listening and supportive comments).

Self-Assessment Exercises 1

1. What is family?
2. List three sociological characteristics that affect decision-making in the family.
3. Mention four factors that influence purchase decision among consumers.

1.3.1.1 Traditional Family Life Cycle

The Single, Newly Married Couples, Full Nest I, Full Nest II, Full Nest III, Empty Nest I, Empty Nest II, The Solitary Survivor and The Retired Solitary Survivor are the nine stages of the traditional family lifecycle.

- **The Single Stage**

Although earnings are low, they are not subject to many rigorous demands. Therefore consumers in this period often have a lot of money to spend. A portion of this money is utilized to buy a car and basic equipment and furniture for their first apartment away from home. They are more fashion and recreation-oriented, spending a significant percentage of their money on clothing, beverages, out-of-home cuisine, vacations, leisure time pursuits and other mating-related products and services.

- **Newly Married Couple**

Because the wife is frequently employed, newlywed couples without children are usually better off financially than they were and will be in the near future. During this time,

families spend a considerable percentage of their income on automobiles, clothing, vacations and recreational activities. They also have the highest rate of purchase and average purchase of durable goods, such as furniture and appliances, as well as other high-priced items.

- **Full Nest I**

With the birth of the first child, some wives quit working outside the home, thus decreasing family income. Simultaneously, the small child causes new challenges, causing the family's spending habits to change. The couple is likely to acquire their first home, furniture and furnishings for the child, a washer, dryer and other home maintenance items, baby food, chest rubs, cough medicine, vitamins, toys, wagons, slides, and skates. These demands deplete family savings, leaving husbands and spouses dissatisfied with their financial situation.

- **Full Nest II**

The youngest child is six or older at this point, the husband's salary has increased, and the wife has returned to work outside the home. As a result, the financial situation of the family normally improves.

Children continue to strongly influence consumption patterns as the family begins to purchase larger packages of food and cleaning products, as well as bicycles, pianos and educational lessons.

- **Full Nest III**

Because the husband's income rises, the wife returns to work or earns a higher pay, and the children earn money from part-time jobs. The family's financial situation usually improves as they become older. Typically, the family replaces many pieces of furniture, gets a new car, invests in various luxury appliances and spends a significant amount of money on health care and education for the children.

- **Empty Nest I**

The family is most content with their financial situation and the amount of money saved at this stage because income has increased, and the children have left home and are no longer financially dependent on their parents. The pair frequently invests in their property, purchases luxury products and devotes a larger percentage of their money to holidays, travel and pleasure. This is more common in the Western world than in Africa.

- **Empty Nest II**

By this time, the household head has retired, and the couple's income has dropped significantly. As a result, expenditures become more health-focused, focusing on medical appliances, medical care goods that promote health, sleep and digestion and possibly a smaller home, apartment or unit in a more pleasant environment.

- **The Solitary Survivor**

Solitary survivors can still earn a nice living if they are still working. They may decide to sell their home and spend more money on vacations, recreation and the types of health-related products and services listed earlier.

- **The Retired Solitary Survivor**

The retired solitary survivor maintains the same general consumption pattern as the solitary working survivor, albeit on a smaller scale due to the lower income. Furthermore, these persons have unique requirements for care, compassion and security, which can be met in a smaller home or apartment in a more pleasant environment.

1.3.1.2 Modern Family Life Cycle

Many changes in the family have happened in recent years. This includes decreased family sizes, marriage postponement and increased divorce rates. As a result, a new perspective on the family life cycle has emerged, one that encompasses divorced, single parents, and middle-aged married couples without children. The modernized family life cycle is based on age (of the female household member, if applicable) and is traced through the categories of young, middle-aged and elderly people. Marriage and separation (by divorce or death), as well as the arrival of the first kid and departure of the last child, impact these varied ages. The following groupings are described as being part of this modernized version.

- **Bachelor I**

The household head is between 18 and 34 years old, unmarried (never married, divorced, separated, widowed), and has no dependent children.

- **Young Couple**

The household head is between 18 and 34, couple (married or not), and no children.

- **Full Nest I**

The head of the household is 18-34 years old, pair (married or not), and the youngest child is under the age of six.

- **Full Nest II**

The household head is 18-34 years old, a couple (married or not), and the youngest child is six years old or older.

- **Single Parent I**

The head of the household is 18-34 years old, single (never married, divorced, separated, widowed), and the youngest child is six or older.

- **Single Parent II**

The head of the household is 18-34 years old, single (never married, divorced, separated, widowed), and the youngest child is six or older.

- **Bachelor II**

The head is 35-64 years old, unmarried (never married, divorced, separated, or widowed), and has no children.

- **Childless Couple**

The head is 35-64 years old, a couple (married or not), and no dependent children.

- **Delayed Full Nest**

The household head is 35-64 years old, pair (married or not), the youngest child is under six years.

- **Full Nest III**

The head is 35-64 years old, pair (married or not), the youngest child is six or older.

- **Single Parent III**

The head is 35-64 years old, and the youngest child is six years or older.

- **Bachelor III**

The head of the household is 65 years or older, unmarried (never married, divorced, separated, widowed), and has no children.

- **Empty Nest**

The household head is 65 years or older, pair (married or single) with no dependent children.

1.4 Family Nature, Decision Making and Purchase Roles

The practice of making decisions that directly or indirectly involve two or more family members is known as family decision-making. Making decisions as a family differs from making decisions as an individual in many ways. Family expenditures are frequently compared to corporate purchases. While this can provide important information, it misses the point of family decision-making. Purchases are guided by certain objectives such as

profit maximization in organisations, and as such, families lack such clear and broad objectives.

Most importantly, many family purchases are fundamentally emotional and impact family connections. The methods and outcomes used by families to make purchasing decisions significantly impact the well-being of individual family members and the family as a whole.

1.4.1 Roles of Family Members in Family Purchases

In family decision-making, six positions regularly appear. It is vital to remember that different people will play different roles in different decisions:

- **Initiator(s):** The member of the family who first detects a need or initiates the purchasing procedure.
- **Information gatherer(s):** A person with knowledge and interest in a specific purchase. Individuals may seek information on different parts of the transaction at different times.
- **Influencer(s):** A person who impacts the alternatives considered, the criteria used and the ultimate decision.
- **Decision maker(s):** The person who makes the final call. Of course, collaborative decisions are also possible.
- **Purchaser(s):** The member of the family who makes the purchase. It is usually an adult or a teenager.
- **User(s):** The product's user. There are several users for many products.

1.5 Family Decision Making and Marketing Strategy

For most consumer items, developing an effective marketing strategy requires a deep understanding of the family decision-making process in the target markets. The family decision-making process varies significantly between market sectors, such as family life cycle stages and social class. As a result, marketers must examine family decision-making within each stated target audience. In addition, marketers need to:

- i) Determine which family members are involved at each stage of the decision-making process within each target market.
- ii) Figure out what motivates and intrigues them.
- iii) Create a marketing strategy that caters to the specific requirements of each participant.

Self-Assessment Exercises 2:

1. What is family decision-making?
2. Mention the six positions that show family members' role in family purchases.
3. Differentiate between Family and Household.



1.6 Summary

In this unit, you have learnt about family and household types, family decision making and factors influencing purchase decisions among households. Many customers' primary

reference group for many attitudes and behaviours is their family. The family is the primary target market for most products and product categories.

In this unit, you have also learnt that:

- A family is a group of two or more people who live together and are connected by blood, marriage, or adoption.
- Household refers to all people who share a housing unit, both related and unrelated.
- Cohesion, adaptability, and communication all influence how families make purchasing decisions.
- Single, Newly Married Couples, Full Nest I, Full Nest II, Full Nest III, Empty Nest I, Empty Nest II, The Solitary Survivor and The Retired Solitary Survivor are the nine stages of the traditional family lifecycle.
- Family decision-making is the process by which decisions involving two or more family members are made.
- Family members play six purchasing roles: initiator, information gatherer, influencer, decision maker, purchaser, and user.



1.7 References/Further Readings

David L. and Albert J.D. (2002), *Consumer Behaviour*, New Delhi: Tata McGraw Hill.

Del I.H. Roger J.B. and Kenneth A.C. (2001), *Consumer Behaviour; Building Marketing Strategy*, New York: McGraw-Hill Irwin.

Eric A. Linda P. and George Z. (2002), Consumer, New York: McGraw Hill Irwin.

James F. E. Roger D.B and Paul W.M. (1990), Consumer Behaviour, U.S.A: The Dryden Press.

John A.H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.



1.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is family?
2. List three sociological characteristics that affect decision-making in the family.
3. Mention four factors that influence purchase decision among consumers.

Answers to SAEs 1:

1. A family is a group of two or more people who live together and are connected by blood, marriage or adoption.
2. Three sociological characteristics that affect decision-making in the family are Cohesion, Adaptation and Communication.
3. Four factors influencing purchase decision among consumers are Age of the head of household or family, Marital status, Presence of children and Work status.

Self-Assessment Exercises 2:

1. What is family decision-making?
2. Mention the six positions that show family members' role in family purchases.
3. Differentiate between Family and Household.

Answers to SAEs 2:

1. Family decision-making refers to the practice of making decisions that directly or indirectly involve two or more family members.
2. The six positions that show the role of family members in family purchases are: Initiator(s), Information gatherer(s), Influencer(s), Decision maker(s), Purchaser(s) and User(s).
3. A family is a group of two or more people who live together and are connected by blood, marriage or adoption. WHILE Household differs from the family in that it refers to all of the people who live in a certain dwelling unit, whether related or unrelated.

UNIT 2 SOCIAL GROUP

Unit Structure

2.1 Introduction

2.2 Learning Outcomes

2.3 Meaning of Group

 2.3.1 Classification of Group

 2.3.2 Properties of Group

2.4 Meaning of Reference Groups

 2.4.1 Types of Reference Groups

 2.4.2 Nature and Influence of Reference Group

 2.4.3 Reasons for Accepting the Influence of Reference Group

2.5 Reference Group and Marketing Strategies

2.6 Summary

2.7 References/Further Readings

2.8 Possible Answers to Self-Assessment Exercises



2.1 Introduction

Every customer falls into one category or the other. The impact of the group to which they belong shapes their attitude and perception of products. The role of the group in

understanding customer behaviour in the marketplace is examined in this unit. Specifically, in this unit, we will examine the meaning, classification and properties of groups, meaning, nature types and influence of reference groups and marketing strategies across different reference groups.



2.2 Learning Outcomes

At the end of this unit, you should be able to:

- define group and mention different types of consumer social groupings;
- identify the features of a social group;
- describe the influence of a reference group on consumer behaviour.



2.3 Meaning of Group

A group is made up of people who feel connected to one another due to their interactions. Sociologists use the term "group" to describe a grouping of individuals. Actually, there are three types of human collections: aggregations, categories and groupings. Any group of people close to one another at the same time is called an aggregation. On the other hand, a category is a group of people with certain characteristics.

2.3.1 Classification of Group

Groups may be classified according to a number of factors such as function, degree of personal participation and degree of organization.

- **Group by Content of Function**

This is a classification based on the functions they perform. For example, students, manufacturing workers, church members etc. are examples of different types of groups. Actually, these are subtypes of the major categories of groupings we face in a complex society which can be classified along lines like family, ethnicity, age, sex, politics, religion, residential, occupational and educational.

- **Group by Personal Involvement Level**

We may distinguish two types of groupings using this criterion: primary and secondary. A primary group's distinguishing feature is that interpersonal ties are typically formed face to face, regularly and on a personal level. These groups have overlapping duties and shared norms. Such groupings include families, work groups and even recreational groups (if individuals have a high level of personal commitment).

Secondary groups are ones in which members' relationships are more formalized and impersonal. This is a residual category that encompasses all non-primary groups, including political parties, labour unions and occasional sports teams. Despite the fact that such organisations are secondary, the interpersonal interactions that develop may be face-to-face. The difference between the primary and secondary groups is in the lack of personal involvement's intimacy.

- **Group by Degree of Organization**

There are various types of groups ranging from relatively unstructured to highly structured. This spectrum is usually divided into two categories: formal and informal. Formal organisations have a defined structure (for example, a president, vice president, secretary and treasurer). They are most frequently secondary groupings with distinct objectives, whether economic, social, political or humanitarian. Informal groups are usually primary groups with a loose organization, no clearly defined aims or purposes, unstructured interaction, and no written rules. Informal organizations are arguably more important in understanding consumer behaviour because of the magnitude of their influence on individuals' values and actions.

2.3.2 Properties of Group

We must study numerous other essential ideas, including status, norms, role, socialization, and power and their implications for consumer behaviour, in order to better comprehend the nature of groups.

- **Status**

Status refers to an individual's attained or ascribed place in a group or society and the rights and responsibilities that come with that position. Status can also refer to a grouping based on age or gender, family, occupation, friendship or a shared interest.

- **Norms**

Norms are the rules and standards of behaviour that members of a group are expected to follow. The norms of informal groupings are largely unwritten, although they are usually well known. For example, as a general manager for a significant financial institution like Zenith Bank Nigeria Plc, you could be required to live in a specific area of town, drive a

specific automobile and dress professionally. If you act outside these parameters, you can move slower up the corporate ladder. As a result, as employees or consumers, we often know exactly what we can and cannot wear, drive, say, eat and so on in order to be approved by the appropriate groups.

- **Role**

This word refers to all of the behaviours that are linked with a specific condition. The dynamic part of status is the role which encompasses the attitudes, values and conduct attributed by society to those in this position. Part of the social structure dictates what kind of role conduct is appropriate and anticipated. An upper-class husband who is a successful Medical consultant, for example, may believe that because of his job, he is expected to drive a luxury automobile, live in a posh neighbourhood, dress in stylish clothes and give freely to charities. On the other hand, a lower-class husband who works on an assembly line might feel at ease driving a pickup truck, living in a bungalow, wearing jeans and boots and drinking beer with his pals.

The role has a significant and profound impact on consumer behaviour. Other people, for instance, have expectations about the things we buy to fulfil our roles' requirements. The places where we do our shopping, the clothes we wear, the cars we drive, the house we live in, and the recreational activities we engage in are just a few of the many consumption decisions that are directly influenced. As a result, marketers assist individuals in performing their roles by supplying the appropriate costumes and props to be employed in winning acceptance by a specific group. Again, it is the image representation of items that generates so much of the satisfaction associated with them.

- **Socialization**

The process by which a new member learns the group's set of values, standards and anticipated behavioural patterns is known as socialization. When a new student first enters the university campus, he or she quickly learns what is expected in terms of wardrobe, eating habits, class attendance, extracurricular activities etc from fellow students. As a result, people are constantly engaged in the process of socialization (which is more intensive at a young age) as they meet new people who impact their lives.

Consumer socialization is the process through which individuals learn skills, information, and attitudes related to their efficient functioning as consumers in the marketplace. This is particularly pertinent to young people, yet, as previously stated, it is also valuable in other settings as a continuous process.

- **Power**

Groups can affect the conduct of their members. Different social power sources may be at work in diverse social group contexts: reward power, coercive power, legitimate power, expert power and referent power. Marketers attempt to influence consumers by utilizing various sources of power.

Self-Assessment Exercises 1:

- | |
|---|
| <ol style="list-style-type: none">1. Define Group?2. Mention three factors by which a group can be classified. |
|---|

3. What are Norms?

2.4 Meaning of Reference Groups

Reference groups may be defined as those groups that individuals use to determine their judgments, beliefs and actions.

2.4.1 Types of Reference Groups

The following classification system explains the several forms of these groups.

Non-membership versus membership: Individuals' membership groups are those to which they belong. Because of the consumer's age, sex, education and marital status, membership in some groups is automatic. Therefore, before taking action, a customer should examine if buying or using a product is compatible with his or her function as a member of one of these groups, such as tribal associations or meetings.

Positive versus Negative: Individuals can be categorized according to whether reference groups attract or repel them. However, there are some bad organisations with which a person tries to avoid identification. An individual attempting to succeed as a new management trainee, for example, may strive to dissociate herself from her lower-social-class background through her voice, clothes and mannerisms to have a better chance of success in her profession.

2.4.2 Nature and Influence of Reference Group

Three forms of reference group influences can impact consumer conformity: They are informational, normative and identification.

It is critical to distinguish between various sorts of influence since the marketing strategy required depends on the type of influence involved.

- **Informational Influence**

When an individual considers the behaviours and opinions of reference group members as potentially beneficial in terms of knowledge, this is known as an informational influence. This influence is based on the group's members' likeness to the individual or the influencing group member's knowledge. As a result, numerous ingroup individuals may be seen drinking the same brand of coffee. He or she may then decide to try that brand because there is evidence (its use by friends) that it is a good brand. Alternatively, one may opt to acquire a specific brand model of the computer because a buddy with extensive computer experience has or recommends it. Conformity is the consequence of group members sharing information in these situations.

- **Normative Influence**

When an individual complies with group expectations in order to receive a direct reward or avoid a consequence, this is known as a normative influence. To gain the approval of your co-workers, you may acquire a specific brand of apparel. You can also avoid wearing the latest fashion since you are afraid of being teased by your peers. The presence of a direct reward or sanction is the essence of normative influence.

- **Identification Influence**

Value expressive influence is another term for identification influence. Individuals who have internalized the group's principles and standards have an expressive impact. These then guide the individual's activities without regard for reference group sanctions or

rewards. The person has adopted the organisation's values as his or her own. Because the person's and the group's values are the same, the individual acts according to the group's values.

2.4.3 Reasons for Accepting the Influence of Reference Group

Consumers generally accept reference-group influence because of the perceived advantages. It has been proposed that the nature of social interactions between individuals is governed by the individual's sense of the interaction's benefit. An interaction situation may yield benefits (such as friendship, information, satisfaction and so on). However, it will also entail costs (lost time, money spent and sacrifice of other persons and activities). Individuals will try to maximize the difference between these rewards and costs, or the net profit from the social trade. Thus, rather than incentives or expenses alone, individuals will choose their organisations and interact with members depending on their sense of the net benefit of that trade.

2.5 Reference Group and Marketing Strategies

When creating adverts, marketers consider all three types of reference group influence. In advertising, informational influence often depicts group members utilizing a product with the message that if you are or want to be a part of this group, you should use this product. The rationale is not because you will be welcomed or rewarded by the group members if you use it or because you will be penalized if you do not.

"These types of people find this brand to be the finest; if you are like them, you will too," the ad says.

The direct implication that using (or not using) the brand would result in members of a group you belong to or wish to join rewarding (punishing) you is known as normative group influence. One explanation for the decreased use of this strategy is the ethical concerns produced by insinuating that a person's friends might react to them based on their purchases.

Identification influence stems from an individual's internalization of the group's ideals. The advertising objective is to show that the marketed product is in line with the values of the groups and hence the person.

Self-Assessment Exercises 2:

1. What is Socialization?
2. What are Reference groups?



2.6 Summary

In this unit, you have learnt about group types and their properties. This unit examines the concept of a group within the context of consumer behaviour. Also learnt is how reference groups can influence marketing strategies among consumers. Furthermore, groups are one of the most important consumer socialization and learning mediators. As a result, understanding how groups work is critical to comprehending consumer behaviour.

In this unit, you have learnt that:

- A group is made up of people who feel connected to one another due to their interactions.
- A social group's essential characteristics are Status, Norms, Role, Socialization and Power.
- Individuals use reference groups to determine their judgments, beliefs and actions.
- Compliance and behaviour are influenced by reference group elements such as informational, normative, and identification.



2.7 References/Further Readings

David L. and Albert J.D. (2002), Consumer Behaviour, New Delhi: Tata McGraw Hill.

Del I.H. Roger J.B. and Kenneth A.C. (2001), Consumer Behaviour; Building Marketing Strategy, New York: McGraw-Hill Irwin.

James F. E. Roger D.B and Paul W.M. (1990), Consumer Behaviour, U.S.A: The Dryden Press.

John A.H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.

Robbins S.P. (2000), Organizational Behaviour, New Delhi: Prentice Hall.



2.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. Define Group?
2. Mention three factors by which group can be classified.

3. What are Norms?

Answers to SAEs 1:

1. A group is made up of people who feel connected to one another due to their interactions.
2. Three factors by which a group can be identified are: Function, Degree of personal participation and Degree of organization.
3. Norms are the rules and standards of behaviour that members of a group are expected to follow.

Self-Assessment Exercises 2:

1. What is Socialization?
2. What are Reference groups?

Answers to SAEs 2:

1. Socialization is the process by which a new member learns the group's set of values, standards and anticipated behavioural patterns.
2. Reference groups may be defined as those groups that individuals use to determine their judgments, beliefs and actions.

UNIT 3 CONSUMER SOCIAL CLASS

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Definition of Social Class
 - 3.3.1 Social Class Research Variables
 - 3.3.2 Factors Influencing Social Class
- 3.4 Social Class Classification and Consumer Behaviour
- 3.5 Measurement of Social Class
 - 3.5.1 Problems of Social Class Measurement
- 3.6 Summary
- 3.7 References/Further Readings
- 3.8 Possible Answers to Self-Assessment Exercises



3.1 Introduction

Marketers can use the notion of social class to understand consumer behaviour and plan marketing strategies better. This unit looks at how socioeconomic class affects consumer behaviour. This unit will examine the following topics: meaning of social class, social

class research variables, factors influencing social class, social class classification, measurement of social class and problems of social class measurement.



3.2 Learning Outcomes

At the end of this unit, you should be able to:

- describe the concept and meaning of social class;
- state the basic characteristics of a social class;
- describe social class classification and measurement;
- identify the problems associated with social class measurement;



3.3 Definition of Social Class

The term social class refers to the classification of persons based on their economic status in the marketplace. Whether individuals are conscious of their common circumstances or not, class membership exists and can be characterized as a statistical category.

3.3.1 Social Class Research Variables

Several factors emerged as the most important in the field of sociology and other studies on social class as a result of the scientific study of social stratification. These factors were discovered in an important synthesis of social class research. They are organized as follows:

- **Economic Variables**

Occupation, income and wealth are significant since what a person does for a livelihood not only impacts how much money the family has but also determines how much preference is given to family members. Wealth is the source of future income that may enable a family to maintain its high social class from generation to generation by accumulating prior revenue in specific forms such as business ownership or stock and bond ownership.

- **Interaction Variables**

Personal prestige, association (affiliation) and socialization are the core characteristics of social class. When other individuals appreciate or prefer them, they have high status. Prestige is a feeling people have that they do not always realize they have. Consumer analysts investigate prestige in two ways: asking people about their sentiments toward others and observing their behaviour in areas such as lifestyle copying and product consumption.

The variable of association is concerned with everyday relationships. People form intimate social bonds with others who enjoy doing the same things they do in similar ways and with whom they are at ease.

While socialization is the process by which a person acquires the skills, attitudes, and norms necessary to engage in community life. Many sociological studies have established that social class behaviour and values are learnt early in life. By the time they reach adolescence, children have clearly differentiated between their parents' social classes, not only in terms of basic behaviour patterns, but also in terms of personality factors such as self-esteem.

- **Political Variables**

Power, class consciousness, succession and mobility are all key political elements to consider while studying stratification systems. Individuals or organizations with power have the ability to impose their will on others. While this variable is important to many social class theorists, it is of less immediate importance to marketers.

The degree to which members of a social class recognize themselves as a distinct group with similar political and economic interests is referred to as class consciousness. People are more prone to form political parties, labour unions and other organisations as they become more aware of their collective interests. Because many Americans claim not to be class conscious, advertising that makes a blatant class pitch may not be favourably received. However, empirical sociological study, as well as observation of marketing patterns, suggest that Americans have a strong sense of class.

The terms success and mobility refer to the stability or instability of stratification systems. The process of offspring inheriting their parents' class rank, such as becoming Emir, Oba, Bale, Chief, etc, is known as succession. The process of going up or down in relation to their parents is called mobility. When customers' mobility moves higher, they may need to adopt a new set of consuming behaviours by consuming products and brands that reflect their new status.

3.3.2 Factors Influencing Social Class

Some factors have been identified in the field of consumer research to be influential in classifying individuals into one social class or the other. Some of these factors include:

- **Occupation**

"What type of work do you do?" is a common question when strangers meet. This inquiry reveals a lot about an individual's social class. Consumer experts believe that the best single measure of social status is one's occupation. Consumers' employment significantly impacts their lifestyles and is the single most important factor in determining prestige, honour, and respect.

- **Personal Achievement**

A person's standing might also be determined by his or her achievement compared to others in the same field through personal performance. Personal performance includes actions that are not tied to work. One's status in society may be enhanced by a reputation as a good mother or father.

- **Interactions**

People feel most at ease when they are surrounded by people who share their values and behaviours. Therefore, group membership and interactions are primary indicators of a person's social status in this approach. Interactions are arguably the best validity check in social class research, but due to the difficulties of quantifying social interactions, they are not as helpful a variable as an occupation. Even though the encounters are difficult to quantify, social intimacy indicates social equality.

- **Value Orientations**

The social class one belongs to is determined by values, which are common views about how people should behave. When a group of people has a set of abstract convictions that organize and relate a large number of specific traits, it is possible to classify each person in the group based on how many of these values he or she possesses.

- **Possessions**

Possessions are emblems (symbols) of class membership and not just in terms of the number of possessions but also in terms of the quality of the choices made. The choice of where to live is the most important possession selection that reflects a family's socioeconomic standing. This refers to both the type of home and the surrounding area. Club memberships favoured furniture types, apparel and appliances are among the other belongings that act as indicators of social standing.

Self-Assessment Exercises 1

1. Define Social class.
2. What is Class consciousness?
3. Mention five factors that influence social class.

3.4 Social Class Classification and Consumer Behaviour

Consumers tend to be able to categorize branded goods and services based on their perceived social status. The following are the social classes:

- **Upper Class**

This group of people is divided into Upper-Uppers and Lower-Uppers.

i. Upper-Uppers: Upper-class consumption habits differ significantly from those of other classes. Despite the fact that money is rarely an issue, they do not buy to impress others. They tend to be frugal consumers, purchasing fewer items and relying more on services than goods. Many of their possessions are passed down from generation to generation, which contributes to their minimal consumption of commodities.

ii. Lower-Uppers: Lower-uppers' consumer behaviour can be described as strongly focused on conspicuous consumption. They make purchases to demonstrate their riches and prestige such as luxury cars, vast mansions and expensive pieces of jewelry, among other things. While the upper class may be a big market for many high-priced pleasures, it can be overlooked for most new product launches. They can however, be effectively utilized as reference groups in advertising to others below them, and their consumption of certain products can sometimes trickle down to other socioeconomic classes.

- **Middle Class**

Upper-Middles and Working Class make up the middle class.

i. Upper-Middles: This group purchases significantly more goods than any other. Because they are successful, their purchasing habits have significant social consequences. They try to project a sense of success and accomplishment through their intake. Their purchases reflect higher social strata and demonstrate their accomplishment, not only for their peers but also for others farther down the social ladder. They do so because they buy higher-quality things and try to project a positive image.

ii. Working Class: Working-class people have fewer direct and indirect experiences, which is reflected in their consumption patterns. Expenditures are focused

on a smaller number of goods and services categories. Working-class families are more concerned with immediate gratification than middle-class families, but they avoid spending their money in out-of-place ways.

Although working-class consumers' hard-goods purchasing mirrors that of middle-class consumers, their service spending lags behind and is also lower. Some of the reasons for the working class's lack of service-oriented consumption compared to the middle class are that they are "do-it-yourselfers". Their educational expenditures are much lower, and they are more likely to spend their vacations at home or visiting relatives, saving on hotel and transportation costs they are not frequent expensive restaurants but prefer to eat their meals away from home with relatives.

- **Lower Class**

This group is prone to impulse purchases. Lower-class consumers are appealing to makers of food other commonly purchased commodities and certain durables. "Compensatory consumption" describes the purchasing habits of the lower classes.

3.5 Measurement of Social Class

In general, there are three ways to determine consumer social classes. They are Subjective, Reputation and Objective methods.

- **Subjective Method**

This approach involves individuals ranking themselves in the social-class hierarchy. However, because most people are hesitant to identify as a lower or higher class, the middle class ends up having a disproportionately big share.

- **Reputation Method**

In this method, community members are asked to rank each other in a status system. However, because citizens must know one another in order to rank one another, this approach is limited to small communities and as a result, marketers cannot use it widely.

- **Objective Method**

Individuals are ranked based on certain objective factors (such as work and education) and placed on the social-status ladder accordingly. A simplified proxy metric is adequate for the marketer seeking just suggestive proof of class's impact on a product area.

3.5.1 Problems of Social Class Measurement

Despite the numerous ways used to measure social classes, the premise of doing so has a number of flaws. The following are some of the issues that marketers frequently encounter while measuring social class.

- i. A simple average of a person's position on numerous status criteria is used to ranking social class. However, this ignores the contradictions that appear when a person scores well on one dimension but poorly on another.
- ii. The impacts of movement are neglected since a person's social status is presumed to be stable.

ii. An individual identifies only with the social class in which she or he is classified, ignoring the influence of other classes' reference groups.

iv. An entire family's social class can be determined by examining only the features of the adult male wage earner, ignoring the characteristics of other family members.

Self-Assessment Exercises 2:

1. What are the three methods for determining consumer social class?
2. Classify consumers into three according to their social class,



3.6 Summary

In this unit, we have examined the meaning of social class and consumer status as defined by social class, which includes occupation, performance and even the group to which he or she belongs. Marketers must understand how these classes are organised in order to create an appealing market strategy that meets their needs and desires

In this unit, you have that:

- Consumer social class refers to people who behave similarly based on their economic status in the marketplace.
- Occupation, Personal Performance, Interactions, Possessions and Value Orientations have all been recognized as drivers of social class.
- Three approaches for determining customer social class are Subjective method, Reputation method, and Objective method.



3.7 References/Further Readings

David L. and Albert J.D. (2002), Consumer Behaviour, New Delhi: Tata McGraw Hill.

Del I.H. Roger J.B. and Kenneth A.C. (2001), Consumer Behaviour; Building Marketing Strategy, New York: McGraw-Hill Irwin.

Edward, J. and William J. (1963): Fundamentals of Marketing; New York, Mc Graw-Hill, Inc.

Eric A. Linda P. and George Z. (2002), Consumer, New York: McGraw Hill Irwin.

James F. E. Roger D.B and Paul W.M. (1990), Consumer Behaviour, U.S.A: The Dryden Press.

John A.H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.

Robbins S.P. (2000), Organizational Behaviour, New Delhi: Prentice Hall.



3.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. Define social class.
2. What is class consciousness?
3. Mention five factors that influence social class,

Answers to SAEs 1:

1. The term social class refers to the classification of persons based on their economic status in the marketplace.

2. Class consciousness refers to the degree to which members of a social class recognize themselves as a distinct group with similar political and economic interests
3. Five factors that influence social class are: Occupation, Personal achievement, Interactions, Value orientation and Possessions

Self-Assessment Exercises 2:

1. What are the three methods for determining Consumer Social Class?
2. Classify consumers into three according to their social class.

Answers to SAEs 2:

1. The three methods for determining Consumer Social Class are: Subjective, Reputation, and Objective methods.
2. The three consumer social classes are: Upper, Middle and Lower classes.

UNIT 4 CULTURAL INFLUENCE AND CONSUMER BEHAVIOUR

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 Meaning and Nature of Culture
 - 4.3.1 Features (Characteristics) of Culture
- 4.4 Concept and Types of Cultural Values
 - 4.4.1 Dimension of Cultural Values: A case study of the United States of America

4.5 Cultural Change and Implications for Consumer Behaviour

4.6 Summary

4.7 Glossary

4.8 References/Further Readings

4.9 Possible Answers to Self-Assessment Exercises



4.1 Introduction

It is challenging and complex to market across cultures. We will examine the role and utility of cultural analysis in developing marketing strategies in this unit. This section emphasizes the importance of culture in understanding human behaviour, from definition through features and basic cultural ideals.



4.2 Learning Outcomes

At the end of this unit, you should be able to:

- explain the meaning of culture and its key characteristics;
- explain what cultural values are and how they influence consumer behaviour;
- describe the impact of cultural shifts on strategic marketing approaches;



4.3 Meaning and Nature of Culture

Culture is a set of values, ideas, artefacts and other important symbols that enable people to communicate, interpret and evaluate themselves as members of society. Culture does

not include instances and idiosyncratic behaviour that occurs as a one-time answer to a particular challenge.

Culture gives people a feeling of self and teaches them what is and is not acceptable in society. The following are some of the more significant culturally impacted attitudes and behaviours: Sense of self and space; communication and language; dress and appearance; food and feeding habits; time and time consciousness; relationships (family, organisations, government etc.); values and norms (expectations); mental processes and learning; beliefs and attitudes; working habits and procedures.

Culture, for our discussion on consumer behaviour, can be described as the total of taught beliefs, values and conventions that drive the consumer behaviour of members of a particular society, notwithstanding the concept's diversity.

In other words, culture is a multifaceted whole that encompasses human knowledge, belief, art, law, morals, conventions, and any other abilities and habits gained as members of society.

Several characteristics of culture need to be clarified. First and foremost, culture is a broad term. It encompasses practically everything that impacts a person's mental process and actions. While culture has little bearing on the kind or frequency of biological impulses like hunger or sex, it impacts whether, when and how these drives are satisfied. It affects our preferences and how we make decisions and view the world around us.

Secondly, culture may be learned. Inherited reactions and predispositions are not included. On the other hand, culture affects a wide range of actions because most human behaviour is learned rather than inherited.

Thirdly, because modern cultures are so complicated, culture rarely provides specific guidelines for appropriate behaviour. Instead, culture provides parameters within which most people think and act in most industrial societies.

Finally, cultural impacts are so subtle that we are rarely aware of them. It appears natural or right to act, think and feel in a way that is congruent with other members of the same culture. Culture's effect is analogous to the air we breathe in that it is pervasive and generally taken for granted unless its nature changes rapidly.

4.3.1 Features (Characteristics) of Culture

Although the previous definitions of culture are wonderful, they simply attempt to describe a culture in a few words. It is clear that any definition will struggle to communicate the concept clearly. Despite the difficulties in defining the term, many social scientists agree that the following characteristics are necessary.

- **Culture is Invented**

Culture does not just exist and awaits discovery. Culture is created by people. This invention is made up of three interconnected elements: (1) an ideological component, which consists of the ideas, beliefs, values, and ways of reasoning that humans learn to accept in defining what is desirable and undesirable; (2) a technological component, which consists of the skills, crafts and arts that enable humans to produce material goods derived from the natural environment; and (3) an organizational component (such as family and social class) that allows humans to coordinate their activities.

- **Culture is Taught**

Culture is not instinctive. It is learnt from a young age and is laden with strong emotions. The cultural mark passed down from generation to generation is so strong that children are imbued with their culture's ways of acting, thinking and feeling from an early age. This has clear ramifications for consumer behaviour because their preconditions for such conduct are shaped by their culture from infancy.

- **Culture is a shared Social Experience.**

Culture is a social phenomenon shared by people who live in organized communities and kept largely uniform by social pressure. The sharing group might be anything from an entire civilization to a smaller entity like a family.

- **Cultures are Similar but also Distinct**

All civilizations have some characteristics. A calendar, cooking, courtship, dancing, education, family, gestures, governance, housing, language, law, music and religious ritual are all present in all cultures. However, the nature of each of these variables varies greatly from society to society, which could lead to significant variances in consumer behaviour worldwide.

- **Culture is Gratifying and Persistent**

Culture satisfies both basic biological and learned requirements. It comprises behaviours that will be maintained and encouraged as long as those who practice them are happy. Cultural characteristics are passed down from father to son due to this pleasure. As a

result, people are at ease doing things the traditional way, such as traditional marriage in Nigeria.

Culture is so deeply ingrained in us that it persists even when we are exposed to other civilizations. We cannot escape our cultural background no matter where we go or what we do.

- **Culture is Flexible**

Cultures change gradually and consistently, despite our reluctance to change. Some cultures are fairly static with little change, while others are highly dynamic with frequent changes.

- **Culture is Well-structured and Integrated**

A culture's components hang together or fit together. Even while every culture has certain inconsistencies, it generally comes together to form a coherent and integrated whole.

- **Culture is Prescriptive**

Culture entails ideal norms or patterns of behaviour so that members of society can agree on how to think, feel and act in a certain way. Norms are societal rules or guidelines that indicate acceptable or unacceptable behaviour in specific situations.

4.4 Concept and Types of Cultural Values

Cultural value can be defined as a commonly held view or emotion that some activities, relationships, feelings or aspirations are significant to the community's identity or wellbeing from a sociological standpoint.

Milton Rokeach describes values as centrally held and enduring ideas that influence actions and judgments across specific contexts and beyond immediate goals to more ultimate end states of life in a psychological sense. As a result, values develop tendencies to respond to specific stimuli in predictable ways. That is, particular conduct is expected to aid or hinder attaining a particular value or set of values. As a result, consumers are encouraged to engage in certain activities designed to facilitate the attainment of certain values while avoiding those habits that are thought to make it difficult to achieve specific goals or states of value.

Values are culturally determined, meaning we learn them through social contact, primarily through our family and friends in places like schools and places of worship like mosques and churches. Consumer behaviour is greatly influenced by values; while individual situations may necessitate slightly different behaviours, there is a great deal of commonality in consumer behaviour within a given culture, such as tastes, purchasing tactics, etc.

It is critical for marketers to grasp society's fundamental value structure, so that strategy decisions do not contradict deeply ingrained cultural trends. Harmonizing with the culture is considerably easier than attempting to modify core cultural principles.

Types of Cultural Values

Values are not limited to specific items or situations. Instead, they are concerned with styles of behaviour (also known as instrumental values) and the final state of existence (called terminal values). That is, a person with "value" believes that one form of behaviour or end-state of existence is preferable to another.

Values are guidelines or criteria that inform us how to act, want, and think, as well as allow us to judge and compare ourselves to others.

Self-Assessment Exercises 1

1. What is Culture?
2. Mention five culturally impacted attitudes and behaviours among consumers.
3. Mention three interconnected elements of cultural invention.

4.4.1 Dimension of Cultural Values: A case study of the United States of America

Core values which are the main cultural principles that people accept without inquiry, exist in every culture. Although values in America are not always evident or easy to examine, major trends can be detected. This does not imply that "American values" are unique to the United States or that all Americans share them. However, the American value system differs significantly from that of other cultures, and the majority of Americans follow the cultural pattern indicated below:

- **Individualism**

This virtue is multifaceted and intertwined with concepts like liberty, democracy, nationalism and patriotism. It is based on the conviction in the individual's dignity, value, and kindness. Freedom exists in a situation where external constraints do not bind on people. They are not, however, free of all social constraints and must act as responsible actors.

- **Time**

Time is incredibly important to Americans, who believe that efficiently conserving time is valuable. On the other hand, many cultures promote a slower, more relaxed lifestyle that emphasizes relationships. If an American tries to force members of another culture to adhere to his pace, they may be offended and lose business, as in Nigeria.

- **Thought and Communication Patterns**

Americans speak and think directly or linearly, whereas other cultures do it in a more roundabout manner. Communication in low-context societies like the United States is mostly based on explicit expressions both orally and in reports, contracts and other written messages. High-context cultures, on the other hand, work more slowly since communication is more dependent on the context of verbal and nonverbal parts of the circumstance. As a result, doing business in Japan may take much longer because people need to learn more about each other before forming a business relationship.

- **Materialism and Achievement**

The American mindset is "more and/or bigger is better," equating success with material wealth. Another culture may place little value or importance on material items and consider such displays of riches to be vulgar, selfish and insulting. Another culture may value the quality of family time and connections as symbols of success and prestige rather than achievement.

- **Family Role**

In many other nations, family roles are quite traditional. However, in America, families demonstrate equality and shared roles. The husband is the provider in such communities, where males occupy prominent positions and the woman controls the family.

- **Competitiveness and Individualism**

Individual ambition is encouraged and rewarded in the United States as a natural and desirable attribute. Many other cultures, on the other hand, encourage modesty, teamwork, collectivity and patience. Thus, among those cultures, fiercely competitive and individualistic behaviour by Americans in interpersonal, verbal conversations, physical gestures, status symbols and so on is undesirable.

- **Social Behaviour**

While Americans consider loud eating and belching to be unpleasant, they are expected in some cultures as a sign of fulfilment. In contrast, actions that Americans consider normal, such as exhibiting the sole of one's foot, delivering an object with the left hand or speaking first, may be considered unacceptable in other cultures.

- **Religion**

While Americans are religious, religion does not dominate their daily lives as in some civilizations, such as the Arabs. Prayer times, religious holidays and festivities dominate Arab daily life. The rationale for significant disasters is "It was Allah's will." Foreign business people must respect their hosts' conventions, such as prayer and diet, in an

atmosphere where religion governs economic and social practices. Furthermore, religious and government leaders will oppose any changes that harm religious and cultural norms.

4.5 Cultural Change and Implications for Consumer Behaviour in Marketing

Values are dynamic and evolving parts of our civilization rather than being permanent or static. Cultural change can happen slowly through time in an evolutionary process or quickly, putting more strain on the system. The marketer must be aware of the fact that cultures evolve and the ramifications this may have for consumer behaviour.

Cultural Change Implications

Cultural shifts have substantial consequences for many aspects of marketing strategy as they shape new consumers' behaviour. These decisions include product planning (development), distribution, advertising and market segmentation.

Product Planning: Identifying new product opportunities and improving product positioning among consumer segments can be aided by assessing customers' current and emerging value orientations.

Some value segments have a large number of consumers, implying that items can be positioned by including features connected to the global values that identify that market segment. Periodic audits of product and service lines are required in today's marketing offerings to determine how well they suit changing consumers' complicated needs and wants.

Channels of Distribution: Changes in consumer value systems may result in altered shopping habits, and new venues may be required to reach consumers. For example, the

marketplace's "ego-centred" and self-gratifying values present various retailing obstacles and opportunities. Retailers may offer in-home catalogue shopping or toll-free telephone ordering of items to time-pressed customers. Stores may use discounts and special offers to move unemployed customers to off-peak hours, allowing the most time-pressed customers to shop faster.

Promotion: To communicate with evolving consumers memorably and persuasively, new approaches in content and artwork are required. More advertising that names and debates competitors; segmented toward higher-educated and higher-income groups; honestly acknowledges mounting public cynicism about advertising; greater stress on ecology, and realistic appeals to the value of this new society.

Market segmentation: Understanding customer value orientations provides a quantitative collection of needs-related characteristics that allows marketers to see beyond demographic and psychographic aspects. Individual tastes are becoming more diverse, and this, combined with a hedonistic worldview and rising incomes, are leading to greater market segmentation. Understanding such societal value swings could thus be valuable in predicting changing product consumption trends. Additionally, a marketer may be able to identify broad market segments based on value profiles and then build programmes that stress the values that are essential to each consumer segment.

Self-Assessment Exercises 2

1. What are cultural values?
2. Differentiate between instrumental and terminal values.



4.6 Summary

In this unit, you have learnt the meaning of culture and its key characteristics, cultural values and influence on consumer behaviour and the impact of the cultural shifts on marketing approaches.

In this unit, you have learnt that:

- Culture is described as the sum amount of taught beliefs, values, and customs that guide people of a given society's consumer behaviour.
- Culture is created, learned, socially shared, similar yet distinct, rewarding and persistent, adaptable, organised and integrated and prescriptive.
- Understanding consumer behaviour in the marketplace requires cultural knowledge. This covers what they purchase, how they acquire it and when they acquire it.
- The success of a marketer's plan is decided by how well it captures key cultural characteristics.

4.7 Glossary

Aggregation: This refers to any group of people who are in close proximity to one another at the same time.

Category: A category is a group of people who share certain characteristics.

Class consciousness: This is the degree to which social class members recognize themselves as a distinct group with similar political and economic interests.

Cohesion: This is the emotional link that exists between family members. It is a metric for how emotionally attached family members are to one another.

Family: A family is a group of two or more people who live together and are connected by blood, marriage or adoption.

Family adaptability: This is the ability of a marriage or family system to adjust its power structure, role relationships and relationship rules in response to environmental and developmental stress.

Family decision-making: This is the practice of making decisions that directly or indirectly involve two or more family members.

Group: A group is made up of people who feel connected to one another as a result of their interactions

Household: Household differs from the family in that it refers to all of the people who live in a certain dwelling unit, whether related or unrelated.

Norms: Norms are the rules and standards of behaviour that members of a group are expected to follow.

Role: This refers to all of the behaviours that are linked with a specific condition.

Socialization: This is the process by which a new member learns the group's set of values, standards and anticipated behavioural patterns.

Status: This refers to an individual's attained or ascribed place in a group or society, as well as the rights and responsibilities that come with that position



4.8 References/Further Readings

David L. and Albert J.D. (2002), Consumer Behaviour, New Delhi: Tata McGraw Hill.

Del I.H. Roger J.B. and Kenneth A.C. (2001), Consumer Behaviour; Building Marketing Strategy, New York: McGraw-Hill Irwin.

Eric A. Linda P. and George Z. (2002), Consumer, New York: McGraw-Hill Irwin.

John A.H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.

Leon G.S. and Leslie L.K (2004), Consumer Behaviour, Upper Saddle River, U.S.A: Pearson Education, Inc. Pearson Prentice Hall.



4.9 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is Culture?
2. Mention five culturally impacted attitudes and behaviours among consumers.
3. Mention three interconnected elements of cultural invention.

Answers to SAEs 1:

1. Culture is a set of values, ideas, artefacts and other important symbols that enable people to communicate, interpret and evaluate themselves as members of society.

2. Five culturally impacted attitudes and behaviours among consumers are: Sense of self and space; Communication and language; Dress and appearance; Food and feeding habits and time and time consciousness.
3. Three interconnected elements of the cultural invention are an ideological component, a technological component, and an organizational component.

Self-Assessment Exercises 2

1. What are Cultural Values?
2. Differentiate between Instrumental and Terminal values.

Answers to SAEs 2:

1. Cultural value can be defined as a commonly held view or emotion that some activities, relationships, feelings or aspirations are significant to the community's identity or wellbeing from a sociological standpoint.
2. Values concerned with behaviour styles are known as an instrumental value, while those related to the final state of existence are called terminal values.

MODULE 4 CONSUMER BEHAVIOUR AND CULTURAL VARIATIONS

- Unit 1 Culture and Consumption
- Unit 2 Cultural Change Process
- Unit 3 Variations in Cultural Values
- Unit 4 Non-Verbal Communications and Cultural Variations

UNIT 1 CULTURE AND CONSUMPTION

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Meaning of Consumption
 - 1.3.1 Consumer Satisfaction and Dissatisfaction
- 1.4 Cultural Symbols, Myths and Rituals
- 1.5 Consumer Society
 - 1.5.1 Features of Consumer Society
- 1.6 Lifestyle Influence on Consumer Behaviour

1.6.1 Features of Lifestyle

1.6.2 Activities, Interest and Opinion (AIO) Model

1.7 Summary

1.8 References/Further Readings

1.9 Possible Answers to Self-Assessment Exercises



1.1 Introduction

This unit looks at how the culture we live in shapes the meaning of common objects and how those meanings are passed down via society to consumers. This indicates that marketing vehicles like advertising which correlate things with symbolic traits, have a big role in the transfer.

These items, in turn, are utilized to construct and maintain consumer identities by instilling meaning in them through various forms of ritual.

It further focuses on how objects communicate cultural values and symbols and how consumers appropriate these symbols through consumption rituals.

In this unit, we will specifically examine consumption, cultural symbols, myths and rituals, consumer society and lifestyle influence on consumer behaviour.



1.2 Learning Outcomes

At the end of this unit, you should be able to:

- explain the meaning of consumption;
- explain the concept of symbols, myths and rituals in consumer behaviour;
- define the concept of consumer society;
- mention four features of consumer society.



1.3 Meaning of Consumption

Culture is the prism through which individuals view items and attempt to make sense of their and others' consumption behaviour. The act of using the acquired commodity or service is known as consumption. Consumption can take place right away or afterwards. When instructions are not included or read, consumers may utilize things as intended or as they choose. It is critical for marketers everywhere to establish a good awareness of the local culture, including beliefs, values and practices. People make sense of their society, institutions and social order through culture. Culture shapes how and what individuals communicate, how they convey correct and improper behaviour, and what is good and undesirable. Marketers who do not understand culture are not speaking the correct language to the customers they want to reach.

Consumption is often considered the final goal of economic activity by neoclassical economists. So, the level of consumption per person is recognized as a key indicator of an economy's productive success.

Consumption aspects include rituals and artefacts, collections, compulsive consumption, satisfaction, cognitive dissonance etc.. In understanding consumption, consumers are

studied using different methods like surveys, interviews, focus group discussions, laboratory experiments etc.

Consumption styles can be broadly classified into five main groups, which include: Conspicuous Consumption, Symbolic Consumption, Addictive Consumption, Compulsive Consumption and Sacred Consumption.

1.3.1 Consumer Satisfaction and Dissatisfaction

How well the product performs in comparison to consumers' expectations determines the level of pleasure (satisfaction) or discontent (dissatisfaction). To determine satisfaction, a defined period of possession is required. However, satisfaction is difficult to quantify because:

- i. It signifies different things to different people.
- ii. Satisfaction levels might fluctuate over time.
- iii. When a consumer's demands and preferences change, satisfaction can shift.
- iv. Satisfaction has a social component (the experience of other consumers may add or subtract from your satisfaction).

1.4 Cultural Symbols, Myths and Rituals

- **Symbols**

Depending on the culture, a symbol represents an object, a word or an action representing something else. Everything a person does in their life is dependent on cultural symbolism. Symbols can signify a person's affiliation with a group or organization, and might mean different things to different individuals. This makes it impossible to predict

how a certain culture would interpret something. Some symbols come from personal experience, while others come from culture. Language is one of the most common cultural symbols.

- **Myths**

The stories and activities that define a culture are known as myths and rituals. A myth is a story that contains symbolic components and embodies the ideals of civilization. Each culture constructs its own stories to assist its members understand the world. Many businesses (and possibly most advertising agencies) are in the myth business since they feed us with stories we all internalize. Some marketers are more open about telling these stories than others.

Functions of Myths in Culture

Myths perform the following roles in culture.

- i. Emphasize the interconnectivity of cultural aspects.
- ii. Maintain social order by authorizing a social code and highlighting moral laws (i.e. urban legends).
- iii. Provide psychological models for individual behaviour and identity.

- **Rituals**

A ritual is a combination of various symbolic behaviours that occur in a predetermined order and are repeated regularly (Rook, 1984). We all have secret consumer rituals, whether the same daily grooming routine or the compulsory detour to Starbucks on the way to school. Birthdays, weddings, anniversaries, housewarmings and even Valentine's Day are examples of events that include gift-giving customs. We also share public rituals

as members of a culture, such as watching the Olympics or the World Cup or simply checking in every week to vote on our favourite reality show (such as Nigerian Idol or BB Naija). Advertisers frequently use myths and rituals to generate messages that will support the marketing of some products.

Cultures employ rituals and observational learning to teach people what is essential. Young persons interested in becoming Buddhist monks, for example, are frequently subjected to ceremonies designed to help them overcome sentiments of specialness or superiority, which are contrary to Buddhist philosophy. They may be required to wash their teacher's feet, scrub toilets or perform other menial activities to accomplish this. Similarly, many Jewish teenagers go through the bar and bat mitzvah procedure. This is a ceremonial reading from the Bible that needs Hebrew study and symbolizes that the youth is ready to participate fully in public worship when completed.

Rituals as a formal behaviour systems include four elements which are

- i. Actors.
- ii. An audience.
- iii. Planned episodic behaviour.
- iv. Artifact.

Consumer rituals types include:

- i. **Possession rituals:** Involves transporting commodities from the point of purchase (marketplace) to the point of consumption (i.e. house or workplace), for example, taking things from a nearby store.

- ii. **Grooming rituals:** Transitioning from a private to a public place and vice versa. For example, dressing up to go to work.
- iii. **Divestment rituals:** Involves the relinquishment of products. For example, recycling used products.
- v. **Exchange rituals:** Rites of passage (i.e. changes in social status) are examples of exchange rituals that involve the changeover of commodities. For example, birthday gifts; unique foods for various events (e.g. moon cakes for the Chinese Midsummer celebration, almond pastries for Christmas in Greece etc).

Self-Assessment Exercises 1:

1. List three reasons why satisfaction is difficult to quantify among consumers.
2. What are the four elements in Ritual behaviour?
3. Give the five main groups of consumption styles.

1.5 Consumer Society

A consumer society is one in which the entire society revolves around the consumption and display of commodities as a means for individuals to obtain respect, identity and status.

Global mass media, tourism, immigration, the export of popular culture and multinational corporations' marketing operations contribute to increased consumer expectations and wishes. Global consumer culture conceptualization can be discussed under four unique and interconnected methods. This includes expanding multinational firms that

manufacture and market consumer products; proliferation of global capitalism, global consumerism and globalized consumption ethic.

Shopping and consumption demands have infiltrated daily life to the point where people increasingly seek meaning in life, forming identities and maintaining relationships through consumption. Individuals are increasingly interpreting happiness in terms of their relative achievement in obtaining high consumption levels. Global consumerism is extended to global consumption homogenization in the fourth perspective on global consumer culture.

Consumers worldwide are increasingly eating the same meals, listening to the same music and wearing the same clothes. The same television shows and films are watched, the same automobiles are driven, the same restaurants are visited, and the same hotels are stayed in.

1.5.1 Features of Consumer Society

Features of consumer society include:

- i. Consumption is the surest perceived route to personal happiness, social status and national success in a consumer society.
- ii. Consumers use spending and materialism to build a new ego or become a new person by buying products that support their self-image.
- iii. People must be dissatisfied with what they have to keep the economic machine moving.

- iv. There is tension because persons who engage in isolated, intimate, private moments of consumption (buying, usage, and enjoyment), domestic work and cultural endeavours perceive them as private when they are inextricably linked to global economic and political processes.
- v. Consumer decisions (taste and style) are considered markers of who they are as people and of their moves within the games of class, prestige, position, hierarchy, and fashionability (free up time and energy to shop and provide more items to buy).
- vi. Consumer society is a market religion (a set of beliefs) that appropriates components of our humanity and spirituality.
- vii. Cultural homogenization leads to a loss of cultural diversity.

1.6 Lifestyle Influence on Consumer Behaviour

A person's lifestyle can be defined as the way or approach in which they live and spend their time and financial resources (money). Some qualities such as innate characteristics, past experience and current life events influence lifestyle. A person's lifestyle can readily be determined by current needs, goals and motives and external variables such as family, culture, peer group and social class.

A person's lifestyle includes his consumption pattern, market behaviour, routines, habits, and traditional ways of doing things, income allocation and reasoned action. In addition, it reflects a person's attitudes, values, interests, and perspectives on society.

1.6.1 Features of Lifestyle

- i. It is influenced by societal changes, i.e., a person's level of living and lifestyle improves as the standard and quality of the society in which he or she lives improves.
- ii. It has an impact on all aspects of one's life and determines one's purchasing habits.
- iii. It is a group phenomenon, which means it has an impact on others in a social group.
- iv. It denotes a central life interest, implying that a person's main passion or jobs, such as music, food, or fashion, is impacted by his core interest.

A consumer's lifestyle is influenced by numerous elements, and any change in any of these aspects will result in a change in the consumer's lifestyle. Some of these elements are: Age, Income, Culture, Education, Occupation, Social group and Buying power.

1.6.2 Activities, Interest and Opinion (AIO) Model

The products we use are a part of our way of life. As a result, our consumption patterns can be used to identify our lifestyles. A group's activities, interests and attitudes are used to categorize lifestyles. Marketers utilize the AIO model to learn about their customers' lifestyles.

Activities: How one spends his or her time.

Interests: Are formed by a person's priorities and preferences.

Opinions: One's feelings about various life situations.

Activities	Interests	Opinions
Work/Occupation	Music	Products
Religious	Food	Politics
Sport	Fashion	Education
Studying	Recreation	Business
Social	Acting	Past and Future
Recreating	Gadgets	Religion
Technical	Book	Death
Vacation	Family	Finances

Self-Assessment Exercises 2:

1. Define Consumer Society.
2. Mention three features of Lifestyle.
3. Mention five elements that influence a Consumer lifestyle.



1.7 Summary

In this unit, you have learnt about the concept of symbols, myths and rituals in consumer behaviour; consumer society and its features, and consumer lifestyle.

In this unit, you have learnt that:

- Consumption is a social and cultural activity that involves the use of cultural symbols and signs.
- Culture is defined as a way of life. Consumer attitudes, behaviours and lifestyles are influenced by a variety of factors.
- Consumers in practically every corner of the globe can now eat the same foods, listen to the same music, dress in the same fashions, watch the same television shows and films, drive the same automobiles, dine in the same restaurants and stay in the same hotels as a result of globalization.
- Consumers do not all have the same tastes or values despite the growth of a global society.
- People from other countries, even with opposing opinions, engage in a shared dialogue using common symbols.



1.8 References/Further Readings

Aytekin Firat, Kemal Y. Kutucuoglu, Isil Arikan Saltik and Ozgur Tuncel (2013).

"Consumption, consumer culture and consumer society," *Journal of Community Positive Practices*, Catalactica NGO, issue 1, pages 182-203.

Bocock, R. (1974). *Ritual in Industrial Societies*, London: George Allen and Unwin Ltd.

Rook, D. W. (1984), "Ritual Behavior and Consumer Symbolism", in NA - Advances in Consumer Research Volume 11, eds. Thomas C. Kinnear, Provo, U. T: Association for Consumer Research, Pages: 279-284.

Solomon, M., White, K. and Dahl, D.W. (2017). Consumer Behaviour: Buying, Having, Being Seventh Canadian Edition. Pearson Education Inc.



1.9 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. List three reasons why satisfaction is difficult to quantify among consumers.
2. What are the four elements in Rituals' behaviour?
3. Give the five main groups of consumption styles.

Answers to SAEs 1:

1. Three reasons why satisfaction is difficult to quantify among consumers are:
 - i. It signifies different things to different people.
 - ii. Satisfaction levels might fluctuate over time.
 - iii. When a consumer's demands and preferences change, satisfaction can shift.
2. The four elements in Ritual behaviour are: Actors, Audience, Planned episodic behaviour and Artifacts.
3. The five main groups of Consumption styles are: Conspicuous Consumption, Symbolic Consumption, Addictive Consumption, Compulsive Consumption, and Sacred Consumption.

Self-Assessment Exercises 2:

1. Define Consumer Society.
2. Mention three features of Lifestyle.
3. Mention five elements that influence a Consumer lifestyle.

Answers to SAEs 2:

1. A consumer society is one in which the entire society revolves around the consumption and display of commodities as a means for individuals to obtain respect, identity and status.
2. Three features of lifestyle include:
 - i. It is influenced by societal changes, i.e., a person's level of living and lifestyle improves as the standard and quality of the society in which he or she lives improves.
 - ii. It impacts all aspects of one's life and determines one's purchasing habits.
 - iii. It is a group phenomenon, which means it has an impact on others in a social group.
3. Five elements that influence a consumer lifestyle are: Age, Income, Culture, Education, and Occupation.

UNIT 2 CULTURAL CHANGE PROCESS

Unit Structure

- 2.1 Introduction
- 2.2 Learning Outcomes

- 2.3 Meaning of Cultural Change
 - 2.3.1 Mechanism (Process) of Cultural Change
 - 2.3.2 Causes of Cultural Change
 - 2.3.3 Effect of Cultural Change
- 2.4 Summary
- 2.5 References/Further Readings
- 2.6 Possible Answers to Self-Assessment Exercises



2.1 Introduction

All cultures are innately oriented to change while also resisting change. Dynamic processes at work foster the acceptance of new ideas and objects while others promote changeless stability. Culture is dynamic. Every day new objects are added to material culture and impact the non-material culture as well. When anything new (such as trains or cellphones) opens up new ways of life or when new ideas enter a society, cultures evolve

(say, as a result of travel or globalization), and change occurs in society. We will examine the cultural change process in this unit as well as the causes and effects of cultural change.



2.2 Learning Outcomes

At the end of this unit, you should be able to:

- describe the meaning of cultural change;
- describe the mechanism of cultural change;
- describe the causes of cultural change;
- give three effects of cultural change.



2.3. Meaning of Cultural Change

Cultural change is a process in which a society can be changed through creativity, invention, discovery or contact with other communities. Cultural change is a policy phrase that highlights the impact of cultural capital on individual and group behaviour. It is also known as the repositioning of culture, which refers to reconstructing a society's cultural paradigm. It emphasizes the role of social and cultural capital as decision-making determinants and how these interact with other factors, such as information availability and financial incentives, to influence behaviour.

Parenting, families and close companions; institutions such as schools and businesses; towns and neighbourhoods and broader societal influences such as the media are all examples of cultural capital influences.

It is proposed that cultural capital manifests as distinct values, attitudes, or social standards, which then shape individuals' behavioural intents in relation to specific decisions or courses of action. These behavioural intentions interact with other elements that influence behaviour, such as financial incentives, regulation and law, or information levels, to influence actual conduct and, in turn, feed back into underlying cultural capital.

Cultural preconceptions, in general, are resistant to changing and redefining themselves. Because cultural mutations occur in stages, culture appears fixed to the observer at any given time. Cultural transformation takes time. Policymakers must work hard to improve some fundamental components of a society's cultural characteristics.

Cultural change can be internal or external. They are distinct from each other, although inherent similarities exist.

2.3.1 Mechanism (Process) of Cultural Change

We live in a world where globalization has accelerated the rate of change in our cultures. There are three basic mechanisms of cultural change in addition to globalization. They are diffusion, independent (autonomous) invention and acculturation.

- **Diffusion**

Borrowing cultural qualities between cultures, either directly or through intermediaries, is known as diffusion (Kottak 2012). It is merely the exchange of tangible goods and ideas between cultures. Direct transmission happens when two cultural groups engage directly, such as in trade, tourism or even during times of conflict. Diffusion occurs when cultural objects and qualities are transferred from one culture to another through a third-party such that there is no direct interaction between the two cultures. Finally, forcible

diffusion occurs when a dominating cultural group, such as colonialism, imposes its beliefs and values on a subjugated community. The majority of cultural borrowing is the product of indirect transmission amid most of the developments in technology, mass media, and the Internet.

- **Independent Invention**

Independent invention is the process by which humans innovate, creatively discovering answers to challenges. Agriculture's emergence in the Middle East and Mesoamerica is a well-known example. Pyramid-like constructions can also be found throughout the Middle East, North Central and South America. Since culture is an interwoven totality, changes in one area impact other aspects of the culture. Agriculture influenced other aspects of society, such as social and political structures, religions and economic systems. When different cultural groups find comparable solutions to similar issues, this is one basis for cultural generalizations.

- **Acculturation**

Acculturation is the process of change that occurs due to a continuing exchange of cultural traits between groups that have regular first-hand contact (Kottak, 2012). Despite the fact that both groups may alter as a result of their interactions, they remain two different cultural groups. One example is pidgin, a hybrid language that emerges when two cultures communicate regularly. Music, dance, dress and technology are all examples.

Self-Assessment Exercises 2:

1. What is Cultural Change?
2. Mention five examples of cultural capital influences.

2.3.2 Causes of Cultural Change

Cultural change is a term that refers to the internal and external influences that cause changes in society's cultural patterns. In nature, the cause can be either material or non-material.

Cultural change can happen from various factors, but the most common factors include contact, technology development and geographical and environmental factors.

- **Contact**

Through the processes of cultural diffusion and acculturation, contact between two societies will undoubtedly influence both societies' cultures.

- **Technology Development**

Any technological advancement in the country will result in a cultural shift. For example, changes in manufacturing technology, communication technology, transportation technology etc.

- **Geographical and environmental factors**

Natural or physical factors include geographical and ecological factors. Climate, location's altitude and proximity to the sea all influence people's culture and lifestyle. Any change in their physical characteristics will change their culture, habits and way of life.

Other causes of cultural change include:

- i. Members of a society are occasionally presented with customs that are different from those they have learned to accept. They adopt some of the new customs, reject others and follow modified versions of others in this situation. This is known as cultural eclecticism.
- ii. New conventions and practices are more likely to be embraced if two conditions are met.
 - a. If they represent what is considered socially acceptable and valuable.
 - b. If they do not conflict with re-established and still cherished norms and practices.
- iii. During the cultural encounters, changes in culture are always superimposed on existing culture.
- iv. Not all cultural shifts are equally significant. Some cultural modifications are made because they are vital for human survival. Other alterations are tolerated to meet socially acquired requirements that are not survival-critical.
- v. It is well-known that crises tend to precipitate or accelerate cultural shifts. If reforms are accepted once because of the crisis, they are more likely to stick. For example, women were included in the military during World War I and are still there today.

- vi. When a change is absorbed into the culture and labelled as a "social necessity," additional requirements emerge, prompting the urge for even more changes to complement or supplement the initial change.

2.3.3 Effect of Cultural Change

Every culture undergoes cultural shifts that result in new demands or marketing opportunities. Individuals or groups' behaviour is influenced by culture change in the following ways:

- i. Cultural shifts in the form of increased leisure, fun and enjoyment have fueled the growth of the hospitality and tourism industries.
- ii. The need to save time has resulted in a demand for both quick and safe vehicles.
- iii. With the rise in the number of working-class mothers, fast food restaurants, convenience foods, and cooking aids have sprung up.
- iv. The desire to live a better life after retirement has increased demand for comprehensive health care and direct housing services.
- v. Demand for natural herbal medicines and supplements has grown as customers seek a more natural and healthier lifestyle.
- vi. Natural fibres are replacing synthetic fibres in furniture.

Self-Assessment Exercises 2:

- 1. What are the three mechanisms of Cultural change?
- 2. Define Acculturation.



2.4 Summary

In this unit, you have learnt about the meaning, mechanism and effect of cultural change.

In this unit, you have learnt that:

- Cultural change is a process in which, through creativity, invention, discovery or contact with other communities, a society can be changed.
- Cultural change is brought about through three major processes in society, and these changes influence the behaviour of the consumer in the marketplace in certain ways.
- In addition to globalization, there are three main mechanisms of cultural change: diffusion, independent invention and acculturation.
- Cultural change can be brought about by either internal or external factors.



2.5 References/Further Readings

Chigbu, U. E. (2015). "Repositioning culture for development: Women and development in a Nigerian rural community". *Community, Work and Family*. 18 (3): 334–350.

Petrakis, P., and Kostis, P. (2013). "Economic growth and cultural change". *The Journal of Socio-Economics*. 47: 147-157.

Kottak, Conrad P. *Mirror for Humanity: A Concise Introduction to Cultural Anthropology*. New York, N.Y: McGraw-Hill, 2012.



2.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is Cultural Change?
2. Mention five examples of cultural capital influences.

Answers to SAEs 1:

1. Cultural change is a process in which a society can be changed through creativity, invention, discovery or contact with other communities.
2. Examples of Cultural capital influences are: Parenting, Families and close companions, Institutions such as schools and businesses, Towns and neighbourhoods and Media.

Self-Assessment Exercises 2:

1. What are the three mechanisms of Cultural change?
2. Define Acculturation.

Answers to SAEs 2:

1. The three mechanisms of Cultural change are: Diffusion, Independent invention and Acculturation.
2. Acculturation is the process of change that occurs as a result of a continuing exchange of cultural traits between groups that have regular first-hand contact

UNIT 3 VARIATIONS IN CULTURAL VALUES

Unit Structure

3.1 Introduction

3.2 Learning Outcomes

3.3 Concept of Variation in Cultural Values

3.4 Core and Secondary Values

3.5 Relevant Cultural Values to Consumer Behaviour

3.5.1 Relationship between Cultural Values and Consumer Behaviour

3.6 Summary

3.7 References/Further Readings

3.8 Possible Answers to Self-Assessment Exercises



3.1 Introduction

Cultural values influence day-to-day living and impact consumer behaviour in society.

Cultural values are the most important factor influencing people's consumer behaviour.

It's challenging and complex to market across different people and cultures as demographics, language, non-verbal communication and values differ across cultures.

Global marketers' success is determined by their ability to comprehend and adapt to these

variances. We will examine variations in cultural value in this unit and cultural variation in non-verbal communication in the next unit.



3.2 Learning Outcomes

At the end of this unit, you should be able to:

- explain the concept of cultural variation;
- mention the three categories of cultural variations relevant to consumer behaviour;
- define core and secondary values.



3.3 Concept of Variation in Cultural Values

Cultural variation refers to the wide range of social practices displayed by many civilizations worldwide. Gender roles, economic systems and social hierarchy, among other humanly organised behaviours, all shift from one culture to the next.

Cultural variation can be studied across cultures (for example, a cross-cultural study of rituals in Indonesia and Brazil) or across generations (for example, a generational comparison of Generations X and Y), and it is frequently studied by anthropologists, sociologists and cultural theorists with subspecialties in economic anthropology, ethnomusicology and health sociology.

3.4 Core and Secondary Values

Core values

These are values and beliefs transmitted to children by parents and are reinforced through schools, churches, businesses and government.

Purchasing behaviour is a cultural and core value that dominates a person's way of life and is not static. Furthermore, some essential values of a given group in a given community vary over time. However, others, such as belief in God, having family ties even when completely grown up and valuing the elderly, will remain relatively static.

Secondary values

Secondary beliefs and values are more adjustable. For example, a basic belief is that marriage is important, while a secondary belief is that people should marry young. Marketers are experiencing a shift in secondary values in the Western world as certain habits, such as drinking and smoking, have impacted cultural values.

According to the above, there are two categories of cultural values: They are instrumental and terminal cultural values.

Self-Assessment Exercises 1:

1. What is a cultural variation?
2. Define core values.
3. What are the two categories of cultural values.

3.5 Relevant Cultural Values to Consumer Behaviour

Understanding the ideals that various cultures embrace is a valuable technique for understanding cultural differences in behaviour. Various values differ between cultures and influence consumption habits.

A classification scheme consists of three major types of cultural values. They include other-oriented, environment-oriented and self-oriented values. These three broad categories can be used to classify the cultural values that have the greatest influence on consumer behaviour.

- **Other-oriented values**

These represent a society's perspective of appropriate interpersonal and collective relationships. These connections have a significant impact on marketing strategy. For example, consumers will look to others for direction in buying selections if society emphasizes communal effort and will not respond favourably to promotional appeals to "be an individual." Examples of other-oriented values include:

- i. **Individual/Group:** Are individual's initiative and action valued more than group effort and conformity?
- ii. **Romantic orientation:** Is it true that "love conquers all" in this culture?
- iii. **Child/Adult:** Is your family set up to fulfil the requirements of your children or adults?
- iv. **Masculine and feminine characteristics:** To what extent do males naturally get social power?

- v. **Collaboration/competition:** Is it better to succeed by outperforming others or collaborating with them?
- vi. **Age/Youth:** Are wisdom and prestige bestowed on culture's younger or elderly members?

- **Environment-oriented values**

This describes how society interacts with its economic, technological and physical surroundings. Marketing managers are saddled with the responsibility of devising a different marketing strategy for a society that emphasizes problem-solving, risk-taking and performance-oriented approaches to its surroundings than for a fatalistic, security, and status-oriented society. Examples of environment-oriented values include:

- i. **Cleanliness:** How far is cleanliness pursued beyond what is required for health?
- ii. **Performance/Status:** Is the culture's reward system based on performance or the belief that new patterns of behaviour are intrinsically superior?
- iii. **Risks/security:** Are those who put their careers on the line to overcome difficulties or achieve lofty goals valued more than those who do not?
- iv. **Problem-solving/Fatalistic:** Are people encouraged to solve all problems, or do they accept "what will be"?
- v. **Nature:** Is nature something to be admired or something to be conquered?

- **Self-oriented values**

This reflects the goals and ways of life that various members of society find appealing. These ideals have significant consequences for marketing management. For example, a

society's perspective on the importance of delayed gratification versus rapid gratification influences the adoption and use of credit.

Examples of self-oriented values include:

- i. **Passive/active:** Is a physically active way of life appreciated more than a less active way of life?
- ii. **Non-material/material:** How important is it to acquire or accumulate material wealth?
- iii. **Work/play balance:** Is a person who works more than is necessary for economic reasons admired more than someone who does not?
- iv. **Immediate gratification/delayed gratification:** Is it encouraged for people to "save for a rainy day" or "live for today?"
- v. **Abstinence/sensual satisfaction:** To what extent are sensuous pleasures like food, drink, and sex acceptable?
- vi. **Serious/humour:** Is life to be treated as a serious matter or as something to be cherished?

3.5.1 Relationship between Cultural Values and Consumer Behaviour

According to Bradley (2002), understanding the attitudes and aims held by members of society regarding ideals, state of life and way of conduct is critical for international marketers. Consumers' underlying values are shaped by the society which influences their behaviour and how they respond to certain situations. The views of members and their receptivity to foreign products and services are linked.

Marketers evaluate cultural values in relation to customer behaviour by language, conventions, tastes, attitudes, lifestyle and moral standards. These values will motivate consumers, impact their needs and wants, and how marketers satisfy them.

Cultural values are evaluated in relation to consumer behaviour while building marketing programmes to develop a programme that people from various cultures and countries will understand. Practically, every country has cultural characteristics that influence consumer requirements and wants, consumer behaviour, and how marketers respond to these demands.

Marketers must be careful when deciding what products/services to provide to other cultures based on their beliefs and the relationship between the things offered and the cultures of a certain society and how they are regarded.

Members of society share common beliefs, interests and behaviour to the extent that sub-cultural groups have unique needs and consumer behaviour, therefore marketers can choose sub-cultural groups as their target audiences.

Many organisations and marketers find it difficult to comprehend cultural values and customer behaviour within the borders of a single country, but failing to understand these conventions and behaviours from country to country and culture to culture spells doom for a company and its products and programmes.

Cultural values influence consumer behaviour by influencing people's everyday habits and ways of living and their shared interest in entertainment, sports, news, and even advertising. When and how the desires are satisfied is also influenced by cultural values.

Secondary cultural values influence the functioning of institutions like the family structure. Thus, cultural values create a framework within which individual and household lifestyles evolve in consumer behaviour.

A company's goods and initiatives will suffer if its culture and values diverge. Cultural norms set boundaries for how most people think and act, and their influence on consumer behaviour is so subtle that we are rarely aware of it. However, the impact of cultural values on consumer behaviour is pervasive and typically taken for granted unless the nature of the influence changes rapidly.

Marketers must recognize that cultural values are not static and must comprehend both existing and emerging societal values since they influence customer behaviour in the quest to meet needs.

Furthermore, environmental-oriented cultural values influence consumer behaviour by influencing relationships between people and their consumption/buying behaviour, such as health needs, performance and traditional clothing.

Self-oriented values influence consumer behaviour through the approaches that society finds desirable in life. For instance, people are expected to take minutes of physical activity to work, while cultural values determine how people react to various situations and choose products to buy.

Self-Assessment Exercises 2:

- | |
|--|
| 1. Define environment-oriented values. |
|--|

2. Mention five examples of other-oriented values.



3.6 Summary

In this unit, you have learnt the meaning of cultural variations, the categories of cultural variations that are relevant to consumer behaviour and core and secondary values.

In this unit, you have learnt that:

- Self-oriented values, environmental-oriented values, and other values are some of the cultural values that are particularly relevant to consumer behaviour.
- Other-oriented values reflect a society's view of the appropriate relationships between individuals and groups within that society.
- Relevant values of this nature include individual/ collective, youth/age, extended/limited family, masculine/feminine, competitive/cooperative and diversity/uniformity.
- Environment-oriented values prescribe a society's relationships with its economic, technical, and physical environments.
- Examples of environmental values are cleanliness, performance/status, tradition/change, risk taking/security, problem solving/fatalistic and nature.
- Self-oriented values reflect the objectives and approaches to life that individual members of society find desirable. These include active/passive, sensual gratification/ abstinence, material/nonmaterial, hard work/leisure, postponed gratification/immediate gratification, and religious/secular. There is a need to

understand the variations across different cultures for marketers to speak the right language for the targeted consumer.



3.7 References/Further Readings

Bristow, D., Amyx, D., Castleberry, S. B. and Cochran, J. J. (2011). "A cross-generational comparison of motivational factors in a sales career among Gen-X and Gen-Y college students". *Journal of Personal Selling and Sales Management*. 31 (1): 77–85.

Bradley F. (2002). *International marketing strategy* (4th ed.) London Prentice Hall Irwin

Kotler J, Mahens J, (2002). *Marketing for hospitality and tourism* (2nd ed.) Pearson education Singapore Indian Branch.

Kotler, P. (2003). *Marketing management* (11th ed.) London Pearson education Indian

Mason, P.H. (2016). "Fight-dancing and the Festival: Tabuik in Pariaman, Indonesia, and Iemanjá in Salvador da Bahia, Brazil". *Martial Arts Studies*. 2 (2): 71–90.



3.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is Cultural Variation?
2. Define Core values.
3. What are the two categories of Cultural Values?

Answers to SAEs 1:

1. Cultural variation refers to the wide range of social practices displayed by many civilizations worldwide.
2. Core values are values and beliefs transmitted to children by parents and are reinforced through schools, churches, businesses and government.
3. The two categories of cultural values are: Instrumental and Terminal cultural values.

Self-Assessment Exercises 2:

1. Define Environment-oriented values.
2. Mention five examples of other-oriented values.

Answers to SAEs 2:

1. Environment-oriented values describe how society interacts with its economic, technological and physical surroundings.
2. Five examples of Other-oriented values are: Individual/Group, Romantic orientation, Child/Adult, Masculine and feminine characteristics, Collaboration/competition.

UNIT 4 NON-VERBAL COMMUNICATIONS AND CULTURAL VARIATIONS

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes

- 4.3 Concept of Non-verbal Communications
 - 4.3.1 Translation Problems in International Marketing
 - 4.3.2 Factors influencing Non-verbal Communications
- 4.4 Differences between Monochronic and Polychronic Time Perspective
 - 4.4.1 Marketing Strategy in Monochronic and Polychronic Culture
 - 4.4.2 Perspectives on the Meaning of Time Usage
- 4.5 Summary
- 4.6 Glossary
- 4.7 References/Further Readings
- 4.8 Possible Answers to Self-Assessment Exercises



4.1 Introduction

Anyone entering a foreign culture will quickly notice differences in verbal communication systems (languages). For example, an American travelling to the United Kingdom or Australia will be able to speak, but there will be disparities in pronunciation, time and meaning. For example, the word "pile" in the United Kingdom refers to haemorrhoids or the product of a dog urinating itself, whereas Dogpile, a U.S.-based meta-search engine (www.dogpile.com), altered its name to WebFetch in Europe after detecting the meaning of pile. We will examine cultural variation in non-verbal communication in this unit.



4.2 Learning Outcomes

At the end of this unit, you should be able to:

- explain the meaning of Non-verbal Communication
- mention three examples of translational problems in marketing;
- give four factors influencing Non-Verbal Communication.



4.3 Concept of Non-verbal Communications

Non-verbal communication systems are the arbitrary meanings other than words that a society or culture gives to non-verbal behaviours, events and objects.

4.3.1 Translation Problems in International Marketing

Translations of marketing communications from one language to another can be unproductive. The difficulties of literal translations and slang expressions are compounded by symbolic connotations attached to words, the absence of specific terms in certain languages and the difficulty of pronouncing some words. Some typical examples include:

- Colgate's Cue toothpaste caused issues in France because the cue is a slang term for "butt" in French.
- Sunbeam sought to break into the German market with the Mist-Stick, a curling iron that produced mist. Unfortunately, in German, mist means "dung" or "manure."
- Pet milk ran into problems in French-speaking areas, where pet meant "to break wind," among other things.
- In Swedish, Kellogg's Bran Buds mean "burned farmer."
- The cover of United Airlines' Pacific Rim in-flight magazine featured Australian actor Paul Hogan in the bush. "Paul Hogan Camps It Up," read the caption. "Camps it up" is slang meaning "flaunts his homosexuality" in Australia.
- In Mexico, American Airlines debuted their new leather first-class seats with the slogan "Fly in Leather," which translates to "Fly Naked."

4.3.2 Factors influencing Non-verbal Communications

Humour, style, tastes and tempo are some communication factors that might cause issues among different cultures, even people who speak the same core language. Nonetheless, as long as we are diligent, vocal language translations rarely cause substantial issues. Many

of us, however, are unaware that, like spoken languages, each culture has non-verbal communication systems or languages unique to that society. Some of the factors or variables influencing non-verbal communications include: space, time, symbols, agreements, relationships, things and etiquette.

- **Symbol**

A newborn dressed in pink clothing would most likely be assumed to be a girl by an American. The inferred gender would be male if the garment was blue. In the United States, these assumptions would be correct most of the time, but not in many other parts of the world, such as Holland. Colours, animals, shapes, numbers and music have different cultural connotations. Failure to recognize a symbol's significance can lead to major difficulties.

Implications of Numbers, Colours and Symbols across Culture

White: In the far East, it is a symbol of grief or death; in the United States, it is a symbol of purity.

Purple: In many Latin American cultures, purple is associated with death.

Blue: It has a feminine connotation in Holland but a masculine connotation in Sweden and the United States.

Red: In Chad, Nigeria, and Germany, it implies bad luck, while in Denmark, Romania, and Argentina, it implies good luck.

Yellow flowers: Are associated with death in Mexico and mean infidelity in France.

White lilies: In England, white lilies are associated with death.

Number 7: Ghana, Kenya, and Singapore consider the number 7 unlucky, while Morocco, India, the Czech Republic, Nicaragua, and the United States consider it lucky.

Triangle: In Hong Kong, Korea and Taiwan, the triangle is negative; in Colombia, it is positive.

Owl: Represents wisdom in the United States, while in India, it represents bad luck.

Deer: In the United States, it connotes speed and grace, while in Brazil, it implies homosexuality.

- **Relationship**

Another non-verbal cultural component is the rights and obligations imposed by relationships and friendships. Americans, more than people from other cultures, build relationships, make friends quickly and readily, and then let them go just as quickly. This could be due to the fact that America has always had a high level of social and geographic mobility.

- **Agreements**

For ensuring that business obligations are met and resolving disputes, Americans rely on an extensive and, in general, highly efficient legal system. However, many other cultures lack such a framework but instead rely on relationships, friendship and kinship as well as local moral precepts and informal norms to guide commercial behaviour. The Chinese, for example, tend to prioritize relationships over contracts.

- **Space**

Another variable of non-verbal communication is people's use of space and the meanings they attribute to it. "Bigger is better" in America. As a result, corporate office space is typically assigned based on status or prestige rather than need. The president's office will be the largest, followed by the executive vice president's, etc .

Personal space is a second important use of space. It is the closest point at which others can approach you in various scenarios without making you feel uncomfortable. For example, in the United States, conventional professional interactions take place at a distance of 3 to 5 feet. In contrast, very personal conversations take place at a distance of 18 inches to 3 feet. Distances are slightly longer in regions of northern Europe, and throughout most of Latin America it is extremely shorter.

- **Things**

The cultural significance of items leads to purchase patterns that would otherwise be unexpected. For example, one observer saw a great demand among those Russians who were beginning to benefit monetarily from capitalism for premium, status brands with a reasonable absolute cost. They may stick to their locally produced toothpaste, but they want Levi's, Mont Blanc pens, and Mot & Chandon wine to demonstrate their self-esteem and social standing.

Gift giving is particularly challenging due to the different meanings that different cultures attach to things, including products. For example, giving a lovely desk clock to a Chinese business customer or distributor is an improper gift. Clocks are improper gifts in China because the term for a clock is similar to the word for burial.

The circumstances in which a gift is suitable, as well as the products that are appropriate as gifts, vary greatly. Cutlery, for example, is considered undesirable in Russia, Japan, Taiwan and Germany. Small presents are expected in many business contexts in Japan, while they are less so in China. Gifts should be given secretly in China, whereas in Arab countries, they should be offered in public.

- **Etiquette**

Etiquette is a set of guidelines about how to act in social circumstances. For example, assume an American is working on an advertisement that depicts individuals having an evening dinner, with one person about to take a mouthful from a fork. The fork will be held in the right hand, while the left hand will be hidden beneath the table. This will appear natural to an American audience. On the other hand, a well-mannered individual would hold the fork in the left hand and the right hand on the table in many European traditions.

What is deemed unpleasant or offensive in one culture may be perfectly acceptable in another. For example, in many Eastern cultures, the common and acceptable American behaviour of crossing one's legs when sitting such that the sole of a shoe displays is immensely offensive. The sole of the foot or shoe should never be visible in these cultures.

While most Americans are not afraid to express their displeasure with a service experience, many Asians are. This also appears true of the British, who have long been known for their quiet demeanour. Such variables may cause American executives to misinterpret client response to their offerings in other countries.

The normal voice tone, pitch, and pace of speech, as well as the usage of gestures, differ throughout cultures and languages. Westerners frequently misinterpret the loud, volatile speech of some Asian cultures as indicating anger or emotional turmoil (as it would if employed by a Westerner) when it is simply typical speech for the situation.

A Japanese executive, for example, will rarely say "no" outrightly during a negotiation, as doing so is considered disrespectful. "That will be very difficult," would be his response which invariably implies "no."

Despite the fact that etiquette differs per culture, there is nevertheless a strong emotional sensation that "our way is natural and right."

- **Time**

Time has two distinct meanings in different culture. The first is what we refer to as time perspective, or a culture's overall attitude toward time. The interpretations attributed to certain uses of time is the second.

Time Perspective: Most Americans, Canadians, Western Europeans, and Australians regard time as unavoidable, linear and unchangeable. It is a path that leads into the future with discrete sections (hours, days, weeks, etc). Consequently, we may schedule, waste, lose and so on with time, almost as if it were a tangible item.

Monochronic time perspective refers to a situation when we have a strong focus on the present and the near future because there is a conception that people do one thing at a time.

Time is less defined and less responsive to schedule for most Latin Americans, Asians and Indians. They consider it natural to engage in multiple tasks at the same time. People and relationships take precedence over schedules, and activities at their own pace rather than on a set schedule. These cultures are concerned with both the present and history. The above scenario is considered from a polychronic time perspective.

Self-Assessment Exercises 1:

- | |
|--|
| <ol style="list-style-type: none"> 1. What is etiquette? 2. Define monochronic time perspective. |
|--|

4.4 Differences between Monochronic and Polychronic Time Perspective

Monochronic Time Perspective Individuals	Polychronic Time Perspective Individuals
Do one thing at a time	Do a lot of things at once
Concentrate on the task at hand	Are easily distracted and interrupted
Prioritize deadlines and timetables	Do not prioritize deadlines and timetables
Committed to career or task	Committed to people and relationship
Value short-term relationships	Value long-term relationships

4.4.1 Marketing Strategy in Monochronic and Polychronic Culture

Personal selling, negotiation approaches and strategies differ between monochronic and polychronic cultures. In monochronic societies, contests and sales with deadlines would be more effective than in polychronic ones. In polychronic societies, where time-saving is not part of the cultural thought processes, convenience meals usually fail when positioned in terms of time-saving and convenience. In polychronic cultures, the impact of time perspective on fast-food outlet positioning strategy is seen in the following quote.

McDonald's has an image in Argentina as an expensive, modern restaurant with most customers being teenagers and young adults. They frequently visit McDonald's to demonstrate their modern and liberated value systems. This is also true in countries like Turkey. In truth, neither convenience nor affordability is a key factor in the appeal of fast-food restaurants in many developing countries. In these countries, -saving is not as important as in the United States. Consumers can show their aspirational links with wealthy countries by dining at these establishments.

4.4.2 Perspectives on the Meaning of Time Usage

Various cultures have different interpretations of how time is used. In many parts of the world, the time it takes to make a decision is proportionate to its importance. Americans may mistakenly diminish the importance of the company being discussed by being well prepared with ready replies. Similarly, Japanese and Middle Eastern executives are

turned off in business dealings by Americans' emphasis on swiftly and directly getting to the point.

In both America and Japan, promptness is valued highly. Furthermore, whether you are the one making the call or the one receiving it, promptness is described as being on time for appointments. According to one professional, time is a symbol of rank, responsibility, and money. In monochronic civilizations, being kept waiting is considered insulting and a message, whereas it is not in polychronic cultures.

The meaning of "being kept waiting" varies greatly depending on the culture. For example, thirty minutes may seem like an eternity in the United States, but in other nations, such as the Middle East, it is a fairly short time. As you can see, understanding such variations is crucial before doing business in a particular country.

Self-Assessment Exercises 2:

1. Mention five factors influencing non-verbal communications.
2. In tabular form, differentiate between monochronic and polychronic time perspective individuals.



4.5 Summary

In this unit, you have learnt the meaning of Non-verbal communication, factors influencing non-verbal communication, translation problems in international marketing, time usage perspectives and differences between monochronic and polychronic time perspective individuals.

In this unit, you have learnt that:

- Differences in verbal communication systems are immediately obvious across cultures and must be considered by marketers wishing to do business in those cultures.
- Non-verbal communication systems are probably more important; however, they are certainly more difficult to recognize.
- Major examples of nonverbal communication variables that affect marketers are time, space, symbols, relationships, agreements, things and etiquette.
- Failure to recognize a symbol's significance can lead to major difficulties.
- Time usage perspective varies across cultures.
- Marketing strategies varies across monochronic and polychronic culture.

4.6 Glossary

Acculturation: This is the process of change that occurs due to a continuing exchange of cultural traits between groups that have regular first-hand contact.

Consumer society: A consumer society is one in which the entire society revolves around the consumption and display of commodities as a means for individuals to obtain respect, identity and status.

Core values: These are values and beliefs transmitted to children by parents and are reinforced through schools, churches, businesses and government.

Cultural change: This is a process in which, through creativity, invention, discovery or contact with other communities, a society can be changed.

Cultural variation: Cultural variation refers to the wide range of social practices displayed by many civilizations worldwide.

Diffusion: This is the borrowing of cultural qualities between cultures, either directly or through intermediaries.

Lifestyle: A person's lifestyle can be defined as the way or approach in which they live and spend their time and financial resources (money).

Monochronic time perspective: This refers to a situation when we have a strong focus on the present and the near future because there is a conception that people do one thing at a time.

Myth: A myth is a story that contains symbolic components and embodies the ideals of civilization.

Non-verbal communication: Non-verbal communication systems are the arbitrary meanings other than words that a society or culture gives to non-verbal behaviours, events and objects.

Ritual: A ritual is a combination of various symbolic behaviours that occur in a predetermined order and are repeated regularly.



4.7 References/Further Readings

Brodowsky, G. H. and Anderson, B. B. (2000). "A Cross-Cultural Study of Consumer Attitudes toward Time," *Journal of Global Marketing* 3, pp. 93–109.

- Dogpile Kwintessential. www.kwintessential.co.uk/translation/articles/cross-cultural-issues.html, accessed March 20, 2005.
- Fan, P. and Zigang, Z. (2004). "Cross-Cultural Challenges When Doing Business in China," *Singapore Management Review* 26(1):81–90.
- White, J. and Lee, J. (2004). Dispute Resolution in the Korean and U.S. Markets, *Mid-American Journal of Business* 19 (2): 23–30.
- Herbig, P. A. and Kramer, H. E. (1992). "Do's and Don'ts of Cross-Cultural Negotiations," *Industrial Marketing Management* 4, p. 293.
- Hui, M. K. and Au, K. (2001). "Justice Perceptions of Complaint Handling," *Journal of Business Research* 52: 161–73.
- Lee, M. and Ulgado, F. M. (1997). "Consumer Evaluations of Fast-Food Services," *Journal of Services Marketing* 1:39–52.
- Lindquist, J. D. and KaufmanScarborough, C. F. (2004). "Polychronic Tendency Analysis," *Journal of Consumer Marketing* 21(5):332–342.
- Manrai, L. A. and Manrai, A. K. (1995). "Effect of Cultural-Context, Gender, and Acculturation on Perceptions of Work versus Social/ Leisure Time Usage," *Journal of Business Research*, February, pp. 115–128
- See, S. Zhang and Schmitt, B. H. (2001). "Creating Local Brands in Multilingual International Markets," *Journal of Marketing Research*. February, pp. 313–325.
- See, N., Spears, X. L. and Mowen, J. C. (2001). "Time Orientation in the United States, China, and Mexico," *Journal of International Consumer Marketing* 1:57–75.

Wang, J., Piron, F. and Xuan, M. V. (2001). “Faring One Thousand Miles to Give Goose Feathers,” *Advances in Consumer Research*, vol. 28, ed. M. C. Gilly and J. Meyers-Levy (Provo, UT: Association for Consumer Research, 2001), pp. 58–63.



4.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is etiquette?
2. Define monochronic time perspective.

Answers to SAEs 1:

1. Etiquette is a set of guidelines about how to act in social circumstances.
2. Monochronic time perspective refers to a situation when we have a strong focus on the present and the near future because there is a conception that people do one thing at a time.

Self-Assessment Exercises 2:

1. Mention five factors influencing non-verbal communications
2. In tabular form, differentiate between Monochronic and Polychronic Time Perspective individuals.

Answers to SAEs 2:

1. Factors influencing non-verbal communications include time, space, symbols, relationships and agreements.

2. Differences between Monochronic and Polychronic Time Perspective Individuals.

Monochronic Time Perspective Individuals	Polychronic Time Perspective Individuals
Do one thing at a time	Do a lot of things at once
Concentrate on the task at hand	Are easily distracted and interrupted
Prioritize deadlines and timetables	Do not prioritize deadlines and timetables
Committed to career or task	Committed to people and relationship
Value short-term relationships	Value long-term relationships

MODULE 5 CONSUMER BEHAVIOUR RESEARCH AND DECISION

PROCESS

- Unit 1 Models of Consumer Behaviour
- Unit 2 Consumer Behaviour and Research Process
- Unit 3 Consumer Behaviour and Decision-Making Process
- Unit 4 Organizational Buyer Behaviour

UNIT 1 MODELS OF CONSUMER BEHAVIOUR

Unit Structure

- 1.1 Introduction
- 1.2 Learning Outcomes
- 1.3 Marshallian Economic Model
 - 1.3.1 Behavioural Assumptions of the Marshallian Model
 - 1.3.2 Application of Marshallian Economic Model in Marketing
- 1.4 Pavlovian Learning Model
 - 1.4.1 Marketing Applications of the Pavlovian Model
- 1.5 Freudian Psychoanalytical Model
 - 1.5.1 Marketing Applications of Freudian Psychoanalytical Model
- 1.6 Veblenian Social-psychological Model
 - 1.6.1 Marketing Applications of the Veblenian Social-psychological Model
- 1.7 Motivation-Opportunity-Abilities (MOA) Model
- 1.8 Summary
- 1.9 References/Further Readings
- 2.0 Possible Answers to Self-Assessment Exercises



1.1 Introduction

It is critical for a manufacturer to comprehend and recognize how consumers react to various product features, prices and advertising appeals, as well as how this affects the product's ability to compete with other items.

Four models will be examined in this unit, together with their marketing applications, to gain a better understanding of consumer behaviour.



1.2 Learning Outcomes

At the end of this unit, you should be able to:

- mention the four models of consumer behaviour;
- give two marketing applications for each of the four models of consumer behaviour;
- state the assumptions of each of the models of consumer behaviour.



1.3 Marshallian Economic Model.

According to the Marshallian economic model, individual purchasers will spend their money on things that will provide the most satisfaction, based on their preferences and the relative pricing of commodities.

Both Adam Smith and Jeremy Bentham can be seen as forerunners of the Marshallian doctrine. Man is considered to be motivated by self-interest in all of his actions, according to a concept of economic progress articulated by Smith. Alfred Marshall's theoretical

work, which consolidated the classical and neo-classical traditions in economics, aimed at realism. This school of thought is based on examining the effect of a single variable, such as price, while all other variables are held constant based on simplified assumptions.

1.3.1 Behavioural Assumptions of the Marshallian Model

A variety of useful behavioural assumptions can be found in the Marshallian model.

1. The lower the price of a thing, the higher the product sales will be.
2. The lower the price of a substitute product is, compared to the price of a certain product, the higher the substitute product's sale will be.
3. If real income is higher, product sales will be higher, assuming the product is not inferior.
4. As promotional spending increases, more sales will follow.

In conclusion, economic variables alone cannot explain all variances in the sales and buying process. Also, the principles of how brand and product preferences are developed are overlooked in this approach. The model provides a valuable framework for examining only a section of the consumer's mind.

1.3.2 Applications of the Marshallian Economic Model in Marketing

The Marshallian model's value in behavioural science can be viewed from diverse perspectives.

- i) The model is misleading because it portrays the buyer as acting in his/her own best interests.

- ii) The model gives logical norms for buyers who want to be "reasonable," making it a normative rather than descriptive model of behaviour. The consumer is unlikely to use economic analysis for all purchases but rather selects which economic theories to use.
- iii) Economic considerations should be included in any full analysis of buying behaviour because economic factors affect all marketplaces to some extent.

1.4 Pavlovian Learning Model

The Pavlovian learning hypothesis arose from the research of Russian scientist Ivan Pavlov, who conducted his studies by ringing a bell each time before feeding a dog. Pavlov soon learned that ringing the bell could make the dog salivate regardless of whether or not the food was supplied to the dog. Pavlov deduced from this experiment that learning occurs through association and that a considerable portion of human behaviour is conditioned in this way.

Pavlov's research method was continued by experimental psychologists utilizing rats, other animals and humans. The goal of laboratory studies was to investigate processes like learning, forgetting and discrimination. The study's findings led to the development of a stimulus-response model of human behaviour based on four key concepts: drive, cue, reaction (response) and reinforcement.

- **Drive**

In the Pavlovian learning model, drive, often known as "needs" or "motives," refers to powerful internal cues that activate the action. Psychologists distinguish between two sorts of drives: fundamental physiological and acquired drives. Basic individual factors like

hunger, thirst, pain, cold and sex are primary physiological urges. Factors like cooperation, fear and acquisitiveness are examples of socially learned drives.

- **Cue**

Cues are also seen as weaker stimuli in the individual and the environment. It determines where, when and how a subject responds. A coffee commercial, for example, may operate as a trigger, stimulating the thirst drive. This cue and other factors such as the time of day and availability of other thirst-quenchers will influence the reaction.

- **Reaction (Response)**

The reaction to the cues' configuration is called response. It should be emphasized, however, that the identical combination of cues will not always produce the same response. The same response is contingent on how enjoyable the event was.

- **Reinforcement**

A rewarding encounter will cause a certain response to be reinforced. As a result, it is inferred that when the same configuration of stimuli emerges, a tendency is established to repeat the same response. However, if a taught reaction or habit is not reinforced, the habit may eventually die out as the habit's power diminishes. It is worth noting that, unlike extinction, forgetting happens when learned associations weaken due to non-use rather than a lack of reinforcement.

1.4.1 Marketing Applications of the Pavlov Model

1. The introduction of a new brand into a highly competitive market is an illustration of the model's use for the marketer. By extinction of previous brand behaviours, the

organization may strive to establish new habits for its new brand. The organization would face difficulty convincing customers to test the new brand by picking between strong and weak cues. Although strong cues, such as product samples, are more expensive, they are frequently the preferred way to target markets with high brand loyalty. In light of the model's reinforcing component, it is also critical that enough quality is integrated into the brand to generate a pleasant experience. In addition to the foregoing, determining the most effective cues in major brands may be beneficial.

2. The Pavlovian model provides insight in the form of advertising strategy advice. The model emphasizes advertising repetition since a single encounter is extremely likely to be a weak cue, unable to activate the individual's attention sufficiently to inspire the desire addressed in the model. Advertising repetition has two positive benefits.

Self-Assessment Exercises 1:

1. Mention four behavioural assumptions of the Marshallian model of consumer behaviour.
2. What are the four main concepts of the Stimuli-Response model of consumer behaviour?

1.5 Freudian Psychoanalytical Model

This model assumes that the psychological forces influencing people's behaviour are mostly unconscious, thus, leaving people unable to comprehend their own intentions completely. According to Freudian philosophy, a child enters the world with instinctive wants that cannot be met by themselves, as explained by Kotler. The youngster immediately and painfully realizes his independence from this world and his dependence

on the world. As a result, the child tries to use others to satisfy its demands through overt techniques such as supplication and intimidation.

Human desires, particularly sexual urges, bring shame and guilt and are suppressed from conscious awareness. As a result, a person develops defence mechanisms such as rationalization and sublimation, which result in the rejection or translation of such urges into acceptable social expressions. However, these urges, according to Freud, are never completely eliminated or controlled. They occasionally resurface as slips of the tongue, in dreams, in neurotic and obsessive behaviour and eventually in mental breakdowns where the ego is unable to maintain the balance between the oppressive power of the superego and the impulsive power of the psyche.

1.5.1 Marketing Applications of the Freudian Psychoanalytical Model

1. Consumers are motivated by both symbolic and economic-functional product concerns, according to the Freudian paradigm. For example, the transformation of a bar of soap from a square to a round shape has more of a sexual than a functional connotation.
2. The model's significance can also be seen from a research standpoint. While direct observation and interviewing can be used to get more surface features such as age, gender and family income, these research methods cannot determine an individual's mental state, which is thought to be profoundly "hidden."

1.6 Veblenian Social-psychological Model

According to this model, man is regarded as a "social animal" who adheres to the norms of his wider culture and the more specialized standards of subcultures and face-to-face

groups in which humans work. In essence, this means that current group affiliations shape human behaviour and wants.

Veblen hypothesized that, for the so-called leisure class, a large amount of economic expenditure is influenced and motivated by prestige seeking rather than wants or fulfilment. Therefore, Veblen placed a special emphasis on emulative elements that impact people's purchase decisions, such as cars and houses, and less expensive items like clothes.

The model is criticized because it is overdone in the eyes of more modern perspectives. For example, not everyone considers the leisure class to be a reference point, and many people aspire to the social class immediately above their own. In addition to the foregoing, more affluent members of society would rather underspend on prominent products than overspend, preferring to "blend in" rather than "stand out."

1.6.1 Marketing Applications of the Veblenian Social-psychological Model

1. The Veblenian model is useful to marketers because it allows them to determine the most important social forces influencing product demand.
2. The impact of many social elements, such as socioeconomic class, subculture, reference groups, and face-to-face groups, is critical for marketers to consider.

Self-Assessment Exercises 2

- | |
|---|
| <ol style="list-style-type: none">1. Mention the four behavioural models of consumer.2. Give two applications of the Marshallian Economic model. |
|---|

1.7. Motivation-Opportunity-Abilities (MOA) Model

The Motivation-Opportunity-Abilities model aims at constructing an integrative model for consumer action. The model was proposed by Ölander and Thøgersen (1995). They pointed to the improvements in predictive power achievable by incorporating an ‘ability’ concept and a concept of facilitating conditions or ‘opportunity’ to perform the behaviour into the model. The important structural feature of the MOA model is its attempt to integrate motivation, habitual and contextual factors into a single model of pro-environmental behaviour. This is even more important as energy behaviour is mainly habitual behaviour, rather than based on conscious decisions.

The ‘motivation’ component of the MOA model is a simplified version of the Theory of Planned Behaviour.

The ‘ability’ component is meant to incorporate both a habit and a task knowledge element. Its inclusion in the model draws support from various sources, including previous research on waste separation and recycling behaviours (Kok and Siero 1985, Pieters 1989, 1991, Thøgersen 1994a). Habit is both an independent determinant of behaviour and a

moderator of intention. The influence of situational factors on consumer behaviours has been raised a number of times in this review.

The ‘opportunity’ component of the MOA model is clearly related to Triandis’ concept of facilitating conditions and Stern’s notion of external conditions. Though Ölander and Thøgersen prefer to see opportunity as ‘objective preconditions for behaviour’, this aspect of the model also has some similarities with Ajzen’s concept of perceived behaviour control – at least in so far as the latter concept is regarded as being a proxy for actual behaviour control. Evidence for the importance of situational factors as a precondition for pro-environmental behaviour is numerous (Johansson, 1993; Thøgersen 1990; Guagnano et al., 1995).



1.8 Summary

In this unit, you have learnt about the models of consumer behaviour, their assumptions, and their marketing implications. This unit analyzed a variety of human behaviour models.

In this unit, you have learnt that:

- Consumer (human) behaviour is shaped based on four models.
- The various models have different marketing implications for consumers.
- Marshallian model opined that economic variables alone could not explain all variances in the sales and buying process.
- The principles of how brand and product preferences are developed are overlooked in the Marshallian model.



1.9 References/Further Readings

Gould, J. S. 1979. Marketing Anthology. New York, West Publishing Co.

Kotler, P. 2000. Marketing Management: The Millennium Edition. London, Prentice-Hall International.

Kotler, P., Behavioral Models for Analyzing Buyers, in Gould, J. S. 1979. Marketing Anthology. New York, West Publishing Co.

Kotler, P., and Armstrong, G. 2001. Principles of Marketing. Ninth Edition. London, Prentice Hall International, Inc.



2.0 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. Mention four behavioural assumptions of the Marshallian model of consumer behaviour.
2. What are the four main concepts of the Stimuli-Response Model of consumer behaviour?

Answers to SAEs 1:

1. The four assumptions of the Marshallian model are:
 1. The lower the price of a thing, the higher the sales of that product will be.
 2. The lower the price of a substitute product is, compared to the price of a certain product, the higher the substitute product's sale will be.

3. If real income is higher, product sales will be higher, assuming the product is not inferior.
 4. As promotional spending increases, more sales will follow.
2. The four main concepts of the Stimuli-Response Model of consumer behaviour are: Drive, Cue, Response and Reinforcement.

Self-Assessment Exercises 2:

1. Mention the four behavioural models of consumer.
2. Give two applications of the Marshallian Economic model.

Answers to SAEs 2:

1. The four models of consumer behaviour are:
 - Marshallian Economic Model.
 - Pavlovian Learning Model.
 - Freudian Psychoanalytical Model.
 - Veblenian Social-psychological Model.
2. Two applications of the Marshallian model application in marketing are:
 - i. The model is misleading because it portrays the buyer acting in his best interests.
 - ii. The model gives logical norms for buyers who want to be "reasonable," making it a normative rather than descriptive model of behaviour.

UNIT 2 CONSUMER BEHAVIOUR AND RESEARCH PROCESS

Unit Structure

- 2.1 Introduction

2.2 Learning Outcomes

2.3 Meaning of Consumer Research

2.3.1 Importance of Consumer Research

2.3.2 Types of Consumer Research/Research Methods

2.3.3 Consumer Research Process

2.4 Summary

2.5 References/Further Readings

2.6 Possible Answers to Self-Assessment Exercises



2.1 Introduction

Consumer research is undertaken when there is the need to develop a new product to learn what consumers want or need in a product, what attributes are lacking and what they are seeking. Organizations can perform effective research with the use of effective survey software. A company must understand what customers believe when they purchase a product or service from them.

In this unit, we will examine the meaning of consumer research, the importance of consumer research, the types of consumer research and the consumer research process.



2.2 Learning Outcomes

At the end of this unit, you should be able to:

- give the meaning of consumer research;
- list two importance of consumer research;
- give the two broad classifications of consumer research.



2.3 Meaning of Consumer Research

Consumer research is a type of market research that identifies a target customer's propensity, motivation and buying behaviour. It is also a kind of fundamental research used to learn about customers' interests and preferences so that the company may promote products that cater to their changing preferences.

2.3.1 Importance of Consumer Research

1. Consumer research assists firms and organisations in gaining a better understanding of their customers' psychology and developing detailed purchase behaviour profiles.
2. It employs research methods to provide systematic data on what clients require. Brands can use this data to improve their products and services by making them more customer-centric and thereby enhancing consumer happiness. This will help to increase business.
3. An organization with a thorough grasp of the customer decision-making process is more likely to design a product, assign a price, set up distribution centres and

promote it based on consumer research insights, resulting in higher consumer interest and purchases.

4. It helps to delve into many aspects of consumer psychology to better understand their buying habits, preferred packaging and other similar characteristics that help firms market their products and services.
5. Consumer research can also help you penetrate new markets, develop your products and give highly personalized purchasing experiences.

Self-Assessment Exercises 2:

1. Define consumer research.
2. Give two importance of consumer research.

2.3.2 Types of Consumer Research

In general, there are two approaches to conducting consumer behaviour research. You can utilize **primary or secondary research methods**, depending on your budget and marketing objectives. The former includes any studies, surveys, polls or other procedures that you design and implement yourself.

For example, a company might survey customers to see how they rate a product or service on a scale of 1 to 10. That is quantitative analysis. On the other hand, an open-ended questionnaire delivers qualitative data. Focus groups, interviews and other qualitative research methods can reveal your customers' fundamental motives and justifications.

Secondary research is based on the previously collected information. There is no need to conduct surveys and interviews if you want to establish a real estate business and want to know the median age or income of homebuyers in your location. You can instead acquire information from industry studies, government sources, homeowner associations and other sources.

Whether primary or secondary, consumer research methods can aid in business planning, product development, customer service and marketing. Finding the optimal solutions may take some trial and error, but it is well worth it. It also helps to discover why customers choose one product over another and what influences their purchasing decisions as a marketer. Sales data alone do not tell the whole story. To better understand your customers, the following research methodologies can be employed:

- **Consumer Behaviour Survey**

Because of their simplicity and low cost, surveys are frequently employed in consumer behaviour research. For example, online surveys can be performed anywhere at no cost. The data may be immediately collected and examined. Marketers may readily examine consumers' thoughts, feelings, views and motives with this research strategy.

Small businesses, in particular, no longer need to hire market research firms to acquire data. Instead, to obtain consumer data, they can simply use internet platforms and tools like Qualtrics, Survey Monkey and Typeform. According to a review published in the Palgrave Handbook of Survey Research in October 2017, Survey Monkey distributes over 90 million monthly surveys. Large corporations also use these platforms.

Depending on its structure, this research method is more or less effective. It involves setting a clear and attainable goal first, then using it to prioritize the questions you want to ask afterwards. The survey must be brief and straight to the point. Attention must be paid to language to avoid bias or ambiguous queries. Before delivering the survey to your consumers, test it with a small group of people.

- **Consumer Focus Group**

If done correctly, focus groups can provide important insights into consumer behaviour. They typically comprise six to ten persons who participate in an open conversation led by a moderator. As a result, the answers are more detailed and open-ended than those received by questionnaires. For instance, you may conduct a focus group to learn what customers expect from a new product or what sorts of advertising they prefer.

Focus groups are more adaptable than other types of research. Participants can engage in active conversation, exchange ideas and communicate with one another. Marketers, on the other hand, have the opportunity to study their body language and delve deeper into the subject. This type of interaction might reveal new ideas and potential problems that your team may not have considered.

- **Case Studies in Research**

Case studies are used by organisations to gain a full understanding of how customers engage with and respond to a product or service. Case studies are designed to produce a comprehensive assessment of customer satisfaction, product use and product attitudes in a

relevant setting. This strategy provides in-depth data collection, although it is usually time-consuming.

- **Data Collection Through Surveys**

A survey is one of the most used research methodologies because it allows researchers to collect vast volumes of data rapidly and cheaply. Because surveys are so widely used, a sound technique plus a large number of samples make it very simple to put together a sound survey that collects meaningful data. The disadvantages of surveys are disadvantages of people in the target market not responding, partially completed surveys and shallow information on the target market.

- **Interview Method**

Interviews frequently use the same questions as surveys, but they provide participants with the opportunity to react more fully. This method usually produces detailed information regarding a single person's experience with a product, service or company. One of the major advantages of this research method is the ability to ask follow-up questions to understand a person's response better. Unfortunately, interviews are time-consuming, and irresponsible interviewers can distort interviewee responses.

- **Product Discussion Focus Groups**

A focus group is a small group of people discussing a product or service and representing the target market. Focus groups are a good compromise between different research approaches. They provide a broader sample group than interviews or a case study while preserving the depth of interviews. However, like with interviews, the facilitator who

leads the discussion may unintentionally tilt responses in a certain direction, making analysis of the data gathered during the focus group problematic.

2.3.3 Consumer Research Process

The following are some of the important steps in the consumer research process

Step 1: Problem Statement

Step 2: Come up with a solution to the problem

Step 3: Formulation of the Research Design

Step 4: Data Collection or Field Work

Step 5: Preparation and Analysis of Data

Step 6: Prepare and Present Your Report

Step 1: Problem Statement

In any marketing research study, the first stage is to describe the problem, considering the study's aim, relevant background information, what information is needed and how it will be used in decision-making. Discussions with decision-makers, interviews with industry experts, secondary data analysis, and possibly qualitative research, such as focus groups, are all part of this step.

Step 2: Come up with a solution to the problem

Formulating an objective or theoretical framework, analytical models, research questions, hypotheses and identifying features or factors that can influence the research design are all part of the second step. In addition, discussions with management and industry

experts, case studies and simulations, secondary data analysis, qualitative research and pragmatic considerations are involved in this process.

Step 3: Formulation of the Research Design

A research design is a blueprint or template for performing marketing research. Its objective is to design a study that will test the hypotheses of interest, discover possible answers to the research questions and offer the information required for decision-making. Decisions are also made about what information should be collected from respondents (e.g. by conducting a survey or an experiment). In order to identify the most appropriate respondents for the study, a questionnaire and sample plan are also created.

Step 4: Data Collection or Field Work

Fieldwork, also known as data collection, entails a field force or staff that conducts interviews in the field (focus groups, in-home, mall intercept, or computer-assisted personal interviewing), over the phone (telephone or computer-assisted telephone interviewing/CATI), or through the mail (traditional mail and mail panel surveys with pre-recruited households). The field force should be properly selected, trained, supervised and evaluated to reduce data gathering errors.

Step 5: Preparation and Analysis of Data

Inspection, cleaning, transforming, and modelling data to emphasize relevant information, drawing conclusions and assisting decision-making is known as data analysis. Data analysis has several dimensions and approaches, spanning various procedures in various business, science and social science disciplines under various names. Data mining is a type of data analysis that focuses on knowledge acquisition and

modelling for predictive rather than descriptive purposes. Marketers use databases to extract relevant data that identify customer patterns, attributes and activities.

Step 6: Prepare and Present Your Report

The entire project should be documented in a written report that addresses the specific research questions identified, describes the approach, research design, data collection and data analysis procedures used and presents the results and major findings during the report preparation and presentation step. This permanent document is also beneficial because it may be easily accessed by individuals who were not involved in the study.

The findings should be provided in an easily understandable way so that they can be used in decision-making. In addition, to improve clarity and effect, an oral presentation to management should be made utilizing tables, figures and graphs.

Self-Assessment Exercises 2

1. What are the two types of the consumer research process.
2. List the six steps involved in the consumer research process in a sequential order.



2.4 Summary

In this unit, we have examined the meaning of consumer research, the importance of consumer research and the consumer research process.

In this unit, you have learnt that:

- Customer research is recognized and valued by various business categories

- Multinational corporations use advanced analytics and large-scale studies to better understand their target market.
- Surveys, questionnaires, and focus groups can provide significant information to small and medium-sized enterprises. They can also use existing data to define and reach their audiences, such as industry reports.
- In order to determine brand placement among customers, consumer insights are required. To be competitive, businesses worldwide are attempting to keep up with these developments and foster innovation.



2.5 References/Further Readings

Eric Dontigney (2019). Types of Business Research Methods. Updated January

Rick Suttle (2022). The Consumer Research Process. Heart Newspaper.



2.6 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1

1. What is Consumer Research?
2. Mention two importance of Consumer Research.

Answers to SAEs 1:

1. Consumer research is a type of market research that identifies a target customer's propensity, motivation and buying behaviour.
2. Two importance of Consumer Research are:

- Consumer research assists firms and organisations in gaining a better understanding of their customers' psychology and developing detailed purchase behaviour profiles.
- It employs research methods to provide systematic data on what clients require. Brands can use this data to improve their products and services by making them more customer-centric, thereby enhancing consumer happiness. This will help to increase business.

Self-Assessment Exercises 2

1. What are the two types of the consumer research process
2. List the six steps involved in the consumer research process in a sequential order

Answers to SAEs 2:

1. Primary and Secondary research process
2. The following are some of the important steps in the consumer research process

Step 1: Problem Statement

Step 2: Come up with a solution to the problem

Step 3: Formulation of the Research Design

Step 4: Data Collection or Field Work

Step 5: Preparation and Analysis of Data

Step 6: Prepare and Present Your Report

UNIT 3 CONSUMER BEHAVIOUR AND DECISION-MAKING PROCESS

Unit Structure

- 3.1 Introduction
- 3.2 Learning Outcomes
- 3.3 Concept of Consumer Decision Making
 - 3.3.1 Motives of Consumer Decision
 - 3.3.2 Consumer Decision-Making Levels
 - 3.3.3 Stages Involved in Consumer Decision-Making Process
 - 3.3.4 Factors affecting Consumer Decision Making Process
- 3.4 Summary
- 3.5 References/Further Readings
- 3.6 Possible Answers to Self-Assessment Exercises



3.1 Introduction

Marketing activities, culture, subculture, values, social standing, demography, family type, emotions, personality traits, reasons, perception and learning all influence consumer decisions. These influences are linked to consumers through information search and processing.

In this unit, we will examine consumer decision-making; consumer decision-making levels; stages involved in the consumer decision-making process and factors affecting the consumer decision-making process.



3.2 Learning Outcomes

At the end of this unit, you should be able to:

- give the meaning of consumer decision making;
- mention the stages in consumer decision making;
- mention three factors affecting consumer decision making.



3.3 Concept of Consumer Decision Making

Consumer Decision Making refers to the steps customers take to decide what to buy, including problem identification, information gathering, alternative evaluation, decision making and post-purchase evaluation.

Consumer decisions are influenced by perceived issues (such as thirst) and possibilities (like, being in a marketplace). Consumer issues develop in certain circumstances and can trigger one or more stages of the consumer decision-making process.

It is worth noting that most buyers put relatively little effort into this process and emotions and feelings often have as much as or more influence on the conclusion than facts and product qualities. The experiences that affect or preserve the consumer's existing or desired lifestyle are the outcomes of the consumer decision process.

Researchers in the field of consumer behaviour have created a very complex model of the consumer decision-making process. Nicosia Model, Howard-Sheth Model, and Engel-Kollat-Blackwell (EKB) Model are some well-known models

In academic circles, no single model from the aforementioned list is accepted by everyone. However, one of the most essential features of the EKB model is that it considers the concept of high and low consumer involvement in a buying situation.

3.3.1 Motives of Consumer Decision

In today's society, a consumer has numerous options while making a purchase. However, the customer has five decision aspects in general. The following are some examples:

- i. What should I buy?
- ii. How much should I spend?
- iii. Where can I buy it?
- iv. When to buy?
- v. How do I make the purchase?

- i. **What to buy:** The most crucial duty is to decide what to buy. A consumer cannot buy anything until and unless a decision is made. The consumer must also choose from a variety of products on the market. Consumers purchase products after

making a decision. The consumer must then decide which brand to purchase. This can be combined with the product's pricing and features.

- ii. **How much should I spend:** The second decision the consumer must make is how much of the product they want to buy. The type of product to be purchased determines whether or not purchases can be made. The quantity to be purchased by the consumer is determined by the product's availability and frequency of use.
- iii. **Where can I buy:** Another choice the consumer must make is where to purchase the goods or products. Consumers are more likely to visit a location where the services are outstanding. Consumers also decide on other aspects, such as cost and retail venues. The customer anticipates a product discount. As a result, buyers frequently travel to places where the amount and quality of a product may be determined just by glancing at other brands of the same product to be purchased. Many products have distinct features, so the purchase is made after a comprehensive examination.
- iv. **When to buy:** The consumer must also determine when the purchase must be made. The availability of the products also has an impact. Due to the great volume of discounts, a consumer's purchase is usually very high during the holiday season. This not only ensures that the buyer will receive discounted goods. It is also determined by the things purchased, such as operating hours, sale and clearing periods, transportation, etc.
- v. **How to buy:** The customer must choose between paying cash or using a credit card. The consumer also expects the retailer to deliver the things they have purchased. The ability to pay in instalments and acquire things online may also

help increase product sales. The retailer's revenue will increase if this section is cautiously handled. So, dispatching the items is not an issue if all of the consumer's requirements are met. Every day, we are faced with making decisions concerning numerous elements of our life. Typically, such decisions are made without the involvement of any specific decision-making process.

3.3.2 Consumer Decision-Making Levels

Buying shaving cream, a tennis racket, a computer, or a new car are all quite different decisions. If all purchasing decisions took considerable effort, then consumer decision-making would be time-consuming and leave little time for other activities. Levels of consumer decision-making process refer to different types of customer buying behaviours and scenarios. The varieties of purchasing decisions affect consumer decision-making. However, if all purchases were routine, they would become monotonous and offer little pleasure or variety.

We can discern four unique levels of consumer decision-making on a continuum of effort ranging from very high to very low:

1. Complicated purchasing habits.
2. Buying habits that reduce dissonance.
3. Consistent purchasing habits.
4. Purchasing behaviour that seeks a variety.

High Involvement:

1. Significant brand differences – complex purchasing behaviour.

2. Few brand differences – Dissonance-reducing purchasing behaviour.

Low Involvement:

1. Significant variances between brands – buying behaviour that seeks a variety.
2. Few distinctions between brands - Purchase patterns.

Self-Assessment Exercises 1:

1. What is consumer decision-making?
2. What are consumer decision-making levels?

3.3.3 Stages Involved in Consumer Decision-Making Process

Consumer behaviour refers to how people and businesses decide how to spend their limited resources, such as time and money. Consumer behaviour is divided into two categories: business-to-consumer and business-to-business.

The procedure is divided into five stages:

Stage 1: Identifying the Problem

The purchase process begins when consumers understand they need to meet. This is the stage of problem recognition. Imagine leaving class to find one of the campus's oldest trees had been blown right onto your automobile by strong winds. You rely on your car to get to school, work and social gatherings with friends and family. You would quickly understand that you require new transportation because your existing vehicle has been ruined. You will need to get a new car in this situation owing to a lack of public transit and the distance you must go to meet your daily duties.

It's critical to remember the following two significant aspects related to problem identification from a marketing standpoint:

i. To produce goods that improve or enhance consumers' lives, marketers must grasp all elements of their concerns, including those that are less evident. Marketing specialists for example, are unlikely to devise strategies that will resonate with you if they do not know what problem you want to solve with a new car beyond the requirement for transportation.

Do you wish to get additional prestige or save money on your monthly payments? Marketers must also understand that customers may purchase the same car to solve quite different problems.

ii. Marketers must keep in mind that if a customer is unaware of a problem or a need, he or she is unlikely to engage in any subsequent steps of the purchasing process.

Stage 2: Information Gathering

Once a problem has been identified, customers seek information to assist them in making the best decision possible about whether or not to purchase a product to remedy the issue. Consumers will spend time looking for information dependent on how important the transaction is to them.

Larger purchases, such as buying a house or a new automobile, frequently necessitate extensive research. However, because of the importance of the purchase, smaller expenditures, such as a gift for a new boyfriend or new car speakers, may also necessitate significant information searches. There are two types of information searches: external and internal.

- **External Information Search**

When customers look for information outside their own knowledge and experience to help them make a purchasing decision, they use external information. Advertisements and product websites can help marketers fill in knowledge gaps for consumers. Because it gives consumers on-demand product information in a way that allows them to get as much or as little data as they want, the Internet has become a more potent tool.

Many businesses utilize social media to help customers find external information. Ford, for example, uses Facebook, Twitter, YouTube, Flickr, and Scribd to share information and strengthen customer relationships.

Perhaps the most vital sources of external information are the consumer's friends and family. For example, consider the purchase of a new car and what others in your life may say about certain brands or types of vehicles. You may be impressed by salespeople and advertising for a certain car, but if your parents or friends tell you about a poor experience they had with it, their advice is likely to be more trusted.

Because of the significance of these personal external information sources, marketers must cultivate positive relationships with all customers. It is hard to know how one customer's experience may influence the purchasing decision and information of another.

- **Internal information Search**

Consumers are not required to conduct external research for all purchases. Internal data is typically sufficient for deciding frequently purchased commodities such as shampoo or toothpaste. Consumers use their past experiences with items from the same brand or product class as sources of knowledge when doing an internal information search.

You may readily recall your favourite soft drink or vacation spot, which will most likely impact what you have for lunch today or where you spend spring break next year.

Stage 3: Evaluating Alternatives

Once consumers have gathered information, they can use it to compare and contrast different options, focusing on recognizing the products' merits. Consumers' evaluative criteria are characteristics of a product that are essential to them.

Stage 4: Purchase Decision

A customer will most likely purchase a product after weighing the options. In most cases, the marketer has limited influence over this aspect of the consumer decision-making process. Consumers must still make various decisions at this time. For example, once you have decided on the car you want, you have to decide where to buy it. Price, sales team and past experience with a specific dealership can directly impact this decision. If you decide to lease a car rather than buy one, you will make that decision during this step.

A successful marketing strategy should aim to promote ritual consumption. Ritual consumption refers to consumption behaviours that are repeated regularly. These patterns can be as simple as buying the same soft drink every morning or stopping at the same brunch spot. Repeat purchases generally result in increased profitability and a consistent stream of customer sales for businesses.

- **Stage 5: Post-Purchase Evaluation**

Consumers' feelings about the purchase will likely influence whether or not they become repeat buyers of that particular good or service. You have probably experienced cognitive dissonance as a consumer, which is the mental conflict that occurs when people receive new information that contradicts their beliefs or assumptions.

Cognitive dissonance is sometimes referred to as a buyer's regret and often emerges when buyers begin to doubt if they made the appropriate purchasing decision.

After making a purchase, cognitive dissonance can occur for a variety of reasons. Perhaps you discover that the automobile you just bought doesn't get a good highway gas mileage as you had hoped for, or you learnt that a member of your extended family purchased the same car for a lesser price, or you overhear a buddy raving about another brand of car.

Due to the availability of consumer reviews strength on the internet, post-purchase evaluation is even more crucial to marketers today. Such reviews can be crucial in a company's attracting new clients.

Consumers don't always follow the orderly stages mentioned in the decision-making process, which provides marketers with a framework for understanding how they decide to purchase a product. Therefore, marketers should not assume that if one stage of the consumer decision-making process is successful, the next will be as well.

3.3.4 Factors affecting Consumer Decision Making Process

The following four elements influence a consumer's purchasing decision process:

1. Demographic-related factors.
2. Psychological factors.
3. Environmental variables.

4. Personality (Lifestyle) factors.

1. **Demographic factors**

A person's demographic characteristics are unique. Demographic statistics such as sex, income, age and marital status are objective, quantitative and easily recognized. They also entail determining who is responsible for the purchasing choice and who is the ultimate consumer.

2. **Psychological factors**

The fundamental or inner qualities of an individual are referred to as psychological elements. The marketers' segmentation strategy is guided by their grasp of consumer psychology. Because of their unique goals, personality, perception, learning, level of involvement and attitude, consumers respond differently to the same retail marketing mix.

3. **Environmental factors**

Physical items (goods and outlets), geographical links (location of the shopping centre and merchandise in stores) and social elements (opinion leaders, the person's family, co-customers, reference groups, social class and culture) are all covered by environmental factors.

4. **Lifestyle**

Lifestyle refers to a person's way of life as defined by his activities, hobbies and viewpoints. Consumers' daily activities and interests were identified to determine

lifestyle factors. Consumer values and personality are thought to be strongly linked to lifestyle.

A person's lifestyle is influenced by various factors, including his social group and occupation.

Self-Assessment Exercises 2:

1. Mention the stages of consumer decision making?
2. What is lifestyle?
3. What is cognitive dissonance?



3.4 Summary

In this unit, you have learnt about the meaning, motives, and stages of consumer decision-making, as well as factors influencing the consumer decision-making process.

In this unit, you have learnt that:

- Consumer Decision Making refers to the steps customers take to decide what to buy, including problem identification, information gathering, alternative evaluation, decision making, and post-purchase evaluation.
- Consumer decision motives answer questions like what, when, where, how much and how to purchase an item in the market.
- There are four levels of consumer decision-making.
- Decision-making involves five stages.

- It is affected by some factors, which may be demographic, environmental or psychological.



3.5 References/Further Readings

Bradley F. (2002). International marketing strategy (4th ed.) London Prentice Hall Irwin

Jobber, D. (2001). Principle and practice of marketing (3rd ed.)New York: McGraw Hill

Kotler J, Mahens J, (2002). Marketing for hospitality and tourism(2nd ed.) Pearson Education Singapore Indian Branch.

Kotler, P. (2003). Marketing management (11th ed.) London Pearson education Indian



3.6 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is Consumer Decision-Making?
2. What are Consumer Decision-Making Levels?

Answers to SAEs 1:

1. Consumer Decision Making refers to the steps customers take to decide what to buy, including problem identification, information gathering, alternative evaluation, decision making and post-purchase evaluation.
2. Levels of consumer decision-making process refer to different types of customer buying behaviours and scenarios. The varieties of purchasing decisions affect

consumer decision-making. However, if all purchases were routine, they would become monotonous and offer little pleasure or variety.

Self-Assessment Exercises 2:

1. Mention the stages of Consumer Decision Making.
2. What is Lifestyle?
3. What is Cognitive dissonance?

Answers to SAEs 2:

1. The Stages of Consumer Decision Making are:
 - Identifying the Problem.
 - Information Gathering.
 - Evaluating Alternatives.
 - Purchase Decision.
 - Post-Purchase Evaluation.
2. Lifestyle refers to a person's way of life as defined by his activities, hobbies and viewpoints.
3. Cognitive dissonance is the mental conflict that occurs when people receive new information that contradicts their beliefs or assumptions. It is also sometimes referred to as buyer's regret and often emerges when buyers begin to doubt if they made the appropriate purchasing decision.

UNIT 4 ORGANIZATIONAL BUYER BEHAVIOUR

Unit Structure

- 4.1 Introduction
- 4.2 Learning Outcomes
- 4.3 Meaning of Organizational Buying
 - 4.3.1 Features of Organizational Buyer
 - 4.3.2 Organizational Buying Design
 - 4.3.3 Organizational Buyer Behaviour Influences
- 4.4 Types of Decision Situations
 - 4.4.1 Process of Organizational Buyer Decision Making
- 4.5 Summary
- 4.6 Glossary
- 4.7 References/Further Readings
- 4.8 Possible Answers to Self-Assessment Exercises



4.1 Introduction

Organizational buying is similar to consumer buying in certain aspects because the individuals within the organisations make the purchasing decisions, not the firms themselves. This section delves into the concept, types, methods, and variables that drive organizational buying and buyer behaviour.



4.2 Learning Outcomes

At the end of this unit, you should be able to:

- give the meaning of organizational buying;
- identify the various determinants of organizational buyer behaviour;
- describe the various choice situations that organizational buyers face;
- explain the stages involved in corporate purchasing decisions.



4.3 Meaning of Organizational Buying

Organizational buying is the decision-making process through which businesses determine the demand for acquired items and services and locate, analyze and select alternative brands and suppliers. Organizational purchasers, like end consumers, make purchasing decisions to achieve their objectives. However, the objectives differ. Organizations have the objective of creating a good, providing a service, or selling an item and so they purchase products and services that will allow them to do so efficiently.

4.3.1 Features of Organizational Buyer

Several major organizational buyer traits (features) that distinguish them from end consumers are commonly noted. For example, organisational buyers have the following characteristics: group involvement, technical expertise and rational motivation.

- **Group Involvement**

Because the products acquired by organizational purchasers are sometimes expensive and complex, a group of individuals may be involved in the selection. For example, a

significant purchase decision could involve people from engineering, production, finance, purchasing and even senior management.

- **Technical Expertise**

Professional buyers, who are generally fairly educated about the products or services being purchased, make the purchase decision or may be steered to the proper purchase decision based on a group decision by other technically competent individuals such as engineers.

- **Rational Motivation**

Rational reasons frequently drive organizational buyers. Such characteristics are typically economic and can be converted into monetary values, allowing costs and advantages to be properly examined.

4.3.2 Organizational Buying Design

Organizational buying habits differ from those of final customers in terms of the decision process and purchase patterns. They are as follows:

- **Formality**

Many corporate purchasing behaviours are more formal than those of ultimate customers. For example, proposals, bid requests, and purchase contracts are frequently used, adding to the formality.

- **Complexity**

This is a major driver of the formality required in purchasing. Because organizational buyer behaviour is much more complicated than consumer behaviour, products and services are more technically complex, and financial risks are generally much higher than those faced by consumers, greater formality in decision-making necessitates deliberate consideration of the large number of factors involved in the decision.

- **Long Negotiation**

Much organizational purchasing necessitates more thorough negotiation over a longer period than is normal for final consumers. The following are some of the causes for this situation: the order quantity is high, the purchase price is essential, a large number of individuals are involved in the decision, and most importantly, the product is complex, and specifications must be thoroughly agreed upon.

- **Multiple Suppliers**

Organizational purchasers are hesitant to buy an item from a single source since their supply could be compromised by unforeseen circumstances such as a strike. As a result, company policy may prohibit a single vendor from meeting more than a specific percentage of the organization's needs. Buyers instead acquire the same goods from two or more vendors to ensure a consistent supply of the item.

As a result, company policy may prohibit a single vendor from meeting more than a specific percentage of the organization's needs. Buyers instead acquire the same goods from two or more vendors to ensure a consistent supply of the item.

- **Reciprocity**

This occurs when two firms agree to buy from each other which is more common in businesses with homogeneous products and low price sensitivity. However, this informal and innocent reciprocity among enterprises should always be justified based on obtaining a competitive quality product, price, delivery, terms, and service from suppliers; otherwise, it makes poor economic sense and is a source of aggravation for professional buyers.

- **Service is crucial**

Organizational purchasers, more than end customers, require service since it directly influences their value to enterprises that would otherwise be unable to stand out in a market with homogeneous products and services. Companies known for their great service tend to excel in an industry, which is especially important for firms unable to stand out in a market with homogeneous items and prices.

- **Large Orders**

The average organizational buy is substantially larger than the average consumer transaction. Resellers also buy in bulk, divide it into smaller amounts, and sell it to other organizational purchasers or end users. The average organizational buy is substantially larger than the average consumer transaction. Resellers also buy in bulk, divide it into smaller amounts, and sell it to other organizational purchasers or end users.

- **Infrequent Purchase**

Obviously, large-scale and expensive objects such as buildings and large computers would be purchased seldom by organisations. As a result, the organizational marketer must be looking for selling chances, which may happen only occasionally.

- **Direct Buying**

Because of order size, product complexity and volume, technical support before and after the sale, and customer geographic closeness, a direct link between producers and buyers has become commonly used in various organizational purchasing scenarios.

Self-Assessment Exercises 1

- | |
|---|
| <ol style="list-style-type: none">1. What is organizational buying?2. Mention three features of organizational buyers. |
|---|

4.3.3 Organizational Buyer Behaviour Influences

Environmental, organizational, interpersonal and individual factors all have a significant impact on corporate buying behaviour.

1. Environmental

Physical, technological, economic, political, legal, ethical and cultural considerations all have an impact on organizational purchasing. The physical environment of the organization comprises characteristics such as the climate and geographical location, which can influence organizational members' behaviour and establish the limits and alternatives for the purchasing organization. The varieties of goods and services available to the organizational buyer are defined by technological advancement. Furthermore, it influences the quality of the purchase process by developing improved purchasing

technology that employs more sophisticated equipment, such as computers, to assist in difficult purchasing and inventory control decisions.

The buying organization's economic environment is influenced by pricing and wage circumstances, money and credit availability, consumer demand, and inventory levels in major industry sectors. These factors will influence the availability of goods and services, the ability of buyers to finance purchases, and the pricing paid. Similarly to end consumers, the economic situation will influence organizational purchasers' optimism or pessimism, thus their purchasing behaviour. Country trade agreements, tariff obstacles, lobbying operations, defence spending, government help to certain industries or firms, and government attitudes toward business in general, could all have a political impact. In addition, local, state, and federal legal and regulatory contexts all impact the purchasing activities that take place.

Government regulation establishes requirements for what must be purchased to be included on a product. Terms of sale and competition conditions are also legally imposed on organizational buyers. In the buyer-salesperson connection, the ethical atmosphere is critical. Buyers and salespeople must act ethically in order to be considered professionals. As a result, each group must understand what constitutes ethical and unethical behaviour. Culture establishes values that members share and impact their purchasing behaviour. Large enterprises, like small businesses, have created their own corporate culture with distinct values, norms, habits, traditions, and rituals. These disparities in values, styles, and behaviour may be visible in the organization's purchasing behaviour.

2. **Interpersonal**

The interaction of two or more people substantially influences corporate purchasing decisions. People involved in a purchasing decision interaction may share information and attempt to influence the purchasing outcome to their advantage. This is what we mean by interpersonal influence, and it frequently occurs in organizational purchasing within the context of a group known as the "buying centre." The Buying Center comprises employees who deal with customers during the purchasing process.

3. Individual

Participants in the organizational purchasing process add their unique thoughts, feelings and actions to the circumstance. Motivation, perception, and learning are all important psychological elements. It is difficult to adequately measure the motivations of buying centre members. They have been divided into task-related and non-task-related categories. Needs such as product quality, pricing, service, and delivery or receiving the right product at the right price at the right time from the right source are examples of task-related motives.

Non-task-related motivations include the possibility of advancement, wage increases and increased job stability. The perceptions of organizational buying centre members are critical in formulating effective marketing strategies. This factor has two important dimensions: impressions of the selling company's products and people, and perceptions of their involvement in the buying centre decision process.

Another factor that substantially influences the individual in the organizational purchasing process is learning. Learning occurs when customers make buying decisions, which enhances their likelihood of making the same decision in future similar scenarios.

4. Organizational

In order to build a successful strategy to impact the organizational buying process, the marketer must first grasp four aspects of the process. These four groups of interrelated organizational factors concern the tasks, structure, technology and people involved in the purchasing process. First, the organization completes the purchasing tasks in order to achieve its goals. These duties can be categorized in various ways, including purpose, level of expenditure, type of goods or service acquired, whether the process is routine or not, and if purchasing responsibilities are centralized or dispersed. The purchasing structure of the organization influences the purchase process. An organization's structure is both formal and informal. Marketers must grasp both the formal and informal organization to sell to a buyer effectively. Technology can affect not just what is purchased, but also the purchasing decision process itself. Marketing success necessitates a grasp of the organization's technology so that any new product or service fits into the existing system. Finally, people in the organization involved in the purchasing scenario will play a significant role in the organizational purchasing process. These individuals are self-sufficient and interact with one another in order to influence members' purchasing decisions. The marketing task is to identify those within the organization with responsibility and authority over purchasing choices and persuade them to buy.

4.4 Types of Decision Situations

Organizational purchasing decisions are made in three scenarios. These purchasing situations are classified as a new task, modified re-buy and straight re-buy. Task situations that are new to the organization are referred to as new task situations.

These first-time or one-of-a-kind acquisitions necessitate extensive information collection and meticulous creation of the criteria for evaluating the goods for purchase. When purchasers re-evaluate and maybe adjust their available buying alternatives, they are in a modified re-buy position. Some evidence from organizational buying suggests that new tasks and modified re-buys are similar, while straight re-buys are substantially different. Straight re-purchases are rather routine purchases made under comparable terms of sale to suit ongoing or recurring needs.

4.4.1 Process of Organizational Buyer Decision Making

In contrast to the ultimate consumer buying process, the organizational buyer goes through eight decision stages: problem recognition, need description, product specification, vendor search, proposal request, vendor selection, purchase routine selection and post-purchase evaluation.

- **Problem Recognition**

A problem is recognized when someone in the organization notices a significant difference between the desired condition and the actual state of affairs. Either external or internal factors can cause problem recognition.

- **Need Description**

After identifying the problem, the organization must generalize the quantity and define the required item qualities. This is akin to the ultimate consumer selecting how much of a specific sort of product will meet his demands. However, the level of complexity for the organization may be much higher.

- **Product Specification**

Once the requirement has been described, the using department must produce detailed product specifications to explain precisely what is required. These specifications may include precise performance requirements, product qualities, and service support requirements, among other things. Using departments, as well as technical specialists and finance executives, are frequently involved in developing sophisticated items.

- **Vendor Search**

At this stage, the organization attempts to discover businesses that may be suitable suppliers of the stated product. In fact, in many cases, this level is more closely related to earlier phases than appears to be the case here.

- **Request for Proposal**

At this stage, the business sends a request for proposal to eligible vendors, requesting them to bid on the product specifications. Responding suppliers will submit a proposal by catalogue, sales call, or full written offer detailing product or service features, terms of supply, and pricing.

- **Supplier/Product Selection**

Based on the bids provided, one or more buying centre members make the supplier/product selection decision. According to one conception of the vendor selection decision-making process, a corporation may adopt one of two strategies: simultaneous scanning or sequential evaluation. A corporation arrays and examines possible suppliers simultaneously in simultaneous scanning. In sequential assessment, potential vendors are first rated and then examined sequentially until one that meets buy requirements is located.

- **Purchase Routine Selection**

This entails placing an order with a vendor who then processes and ships the product. It is then received, authorized, and paid for. Company status reports will inform management whether or not timetables are being fulfilled. Rather than writing a purchase order for each transaction in a straight re-buy situation, businesses frequently negotiate a contract to cover purchases over a particular period.

- **Post-Purchase Evaluation**

The buyer evaluates the supplier's performance at the end of the purchase selection process. This is a key stage in offering feedback so that the buyer and seller can work better together.

Self-Assessment Exercises 1

1. What are the three purchasing decision situations in organizational buying?
2. List the eight decision-making stages in organizational buying.



4.5 Summary

In this unit, you have learnt the meaning of organizational buying, the features of organizational buyer, choice situations that organizational buyer faces and the stages involved in a corporate purchasing decision.

In this unit, you have learnt that:

- Organizational buying refers to the decision-making process by which businesses determine the need for acquired items and services and identify, assess, and select among different brands and suppliers.
- Organizational buying requires group participation, technical expertise, and reasonable incentive.
- Organizational buying patterns are distinguished from final consumer buying patterns by a number of differences in their decision process and purchase patterns.
- Formality, Complexity, Lengthy Negotiation, Multiple Suppliers, Large Orders, Infrequent Purchases, Direct Buying, Reciprocity and Service Importance, are among the differential factors.
- Environmental, organizational, interpersonal, and individual factors all have a significant impact on corporate purchasing.
- The decision of what to buy, when to buy, and from whom to buy is based on eight stages of analysis. They are as follows: Problem Recognition, Need

Description, Product Specification, Vendor Search, Proposal Request, Vendor Selection, Purchase Routine Selection, and Post-Purchase Evaluation.

4.6 Glossary

Cognitive dissonance Is sometimes referred to as a buyer's regret and often emerges when buyers begin to doubt if they made the appropriate purchasing decision.

Consumer behaviour: Consumer behaviour refers to how people and businesses decide how to spend their limited resources, such as time and money.

Consumer decision making: This refers to the steps customers take to decide what to buy, including problem identification, information gathering, alternative evaluation, decision making and post-purchase evaluation.

Consumer research: This type of market research identifies a target customer's propensity, motivation and buying behaviour.

Lifestyle: It refers to a person's way of life as defined by his activities, hobbies and viewpoints.

Organizational buying: This is the decision-making process through which businesses determine the demand for acquired items and services and locate, analyze and select among alternative brands and suppliers.



4.7 References/Further Readings

David L. and Albert J.D. (2002), Consumer Behaviour, New Delhi: Tata McGraw Hill.

Del I.H. Roger J.B. and Kenneth A.C. (2001), Consumer Behaviour; Building Marketing Strategy, New York: McGraw-Hill Irwin.

Edward, J. and William J. (1963): Fundamentals of Marketing; New York, Mc Graw-Hill, Inc.

Eric A. Linda P. and George Z. (2002), Consumer, New York: McGraw-Hill Irwin.

Frederick E. Webster, Jr., and Yoram W. (1972), Organizational Buying Behaviour, Eaglewood Cliffs, NJ: Prentice-Hall.

Geoff, R. (1988); Modern Industrial Marketing; New York: McGraw-Hill, Inc.

John A. H. and Jagdish N. S. (1969), Theory of Buyer Behaviour, New York: Wiley.



4.8 Possible Answers to Self-Assessment Exercises

Self-Assessment Exercises 1:

1. What is Organizational Buying?
2. Mention three features of Organizational Buyers.

Answers to SAEs 1:

1. Organizational buying is the decision-making process through which businesses determine the demand for acquired items and services and locate, analyze and select alternative brands and suppliers.

2. Three features of Organizational Buyers are:
Group involvement, Technical expertise and Rational motivation.

Self-Assessment Exercises 2:

1. What are the three purchasing decision situations in organizational buying?
2. List the eight decision-making stages in organizational buying.

Answers to SAEs 2:

1. These purchasing situations are classified as:
 - New task.
 - Modified re-buy
 - Straight re-buy.
2. The organizational buyer goes through eight decision stages. They are:
 - Problem recognition.
 - Need description.
 - Product specification.
 - Vendor search.
 - Proposal request.
 - Vendor selection.
 - Purchase routine selection.
 - Post-purchase evaluation.