

Role of Research in understanding Consumer Behavior

Module 2

- https://www.youtube.com/watch?v=R1j0c_v

Consumer Research

- Primary research
- Secondary Research

Role of Research in CB

- Better consumption Experience
- Potential for Building Customer Relationship
- Determining Consumer Needs
- Identifying the problems
- Minimising losses
- Obtaining Industry Information

Consumer Research Paradigm

1. Qualitative Research
2. Quantitative Research



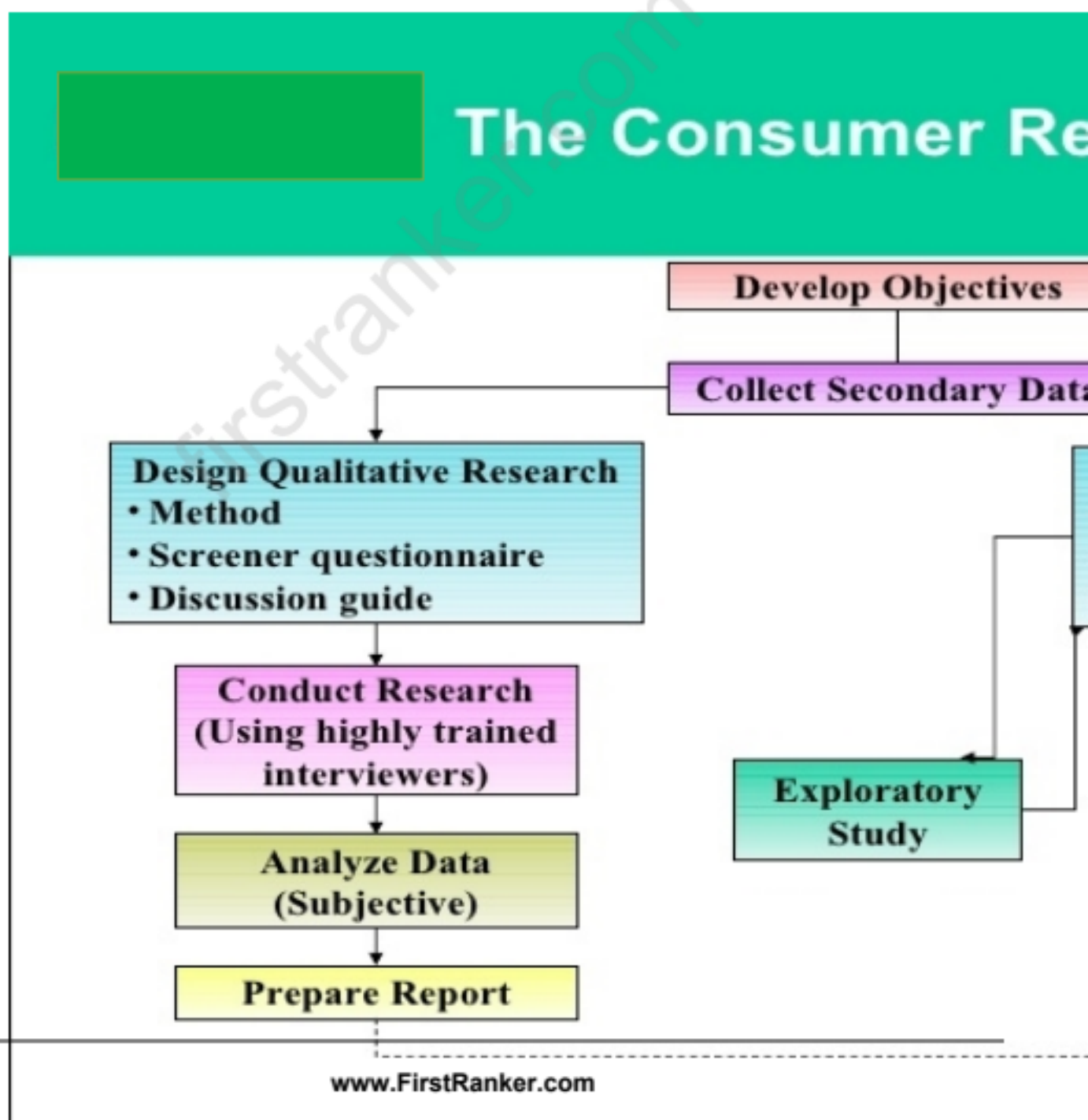
Quantitative Research

- Quantitative Research is used to quantify generating **numerical data** or data that can be used to generate useable **statistics**. It is used to quantify behaviours.
- Quantitative data collection methods are much more structured than Qualitative data collection methods.
- Quantitative data collection methods include:
 - online surveys, paper surveys, mobile surveys, face-to-face interviews, telephone interviews, website interceptors, online polls, and system logs.



Qualitative Research

- Qualitative Research is primarily **exploratory** to gain an understanding of underlying motivations. It provides insights into the problem and ideas or hypotheses for potential quantitative research.
- Qualitative data collection methods vary using unstructured techniques.
- Some common methods include focus groups, individual interviews, and participation/observation.
- The sample size is typically small, and responses fulfill a given quota.



Models of Consumer Behaviour

Model Framework

- **Input-Process-Output** (McGraw-Hill)



Inputs are properties of group structure, the task, and properties of the environment

Process represent interdependent acts; convert inputs to outcomes through cognitive, verbal, and behavioral action directed toward taskwork to achieve collective goals



INPUT

- **External Environment**

- **FIRM'S MARKETING EFFERTS**

- Product
- Promotion
- Price
- Channels of distribution

- **Socio**

- Fami
- Infor
- Socia
- Sub c



PROCESS

- - CONSUMER DECISION MAKING

- Need recognition
- Pre-purchase search
- Evaluation of alternatives





Output

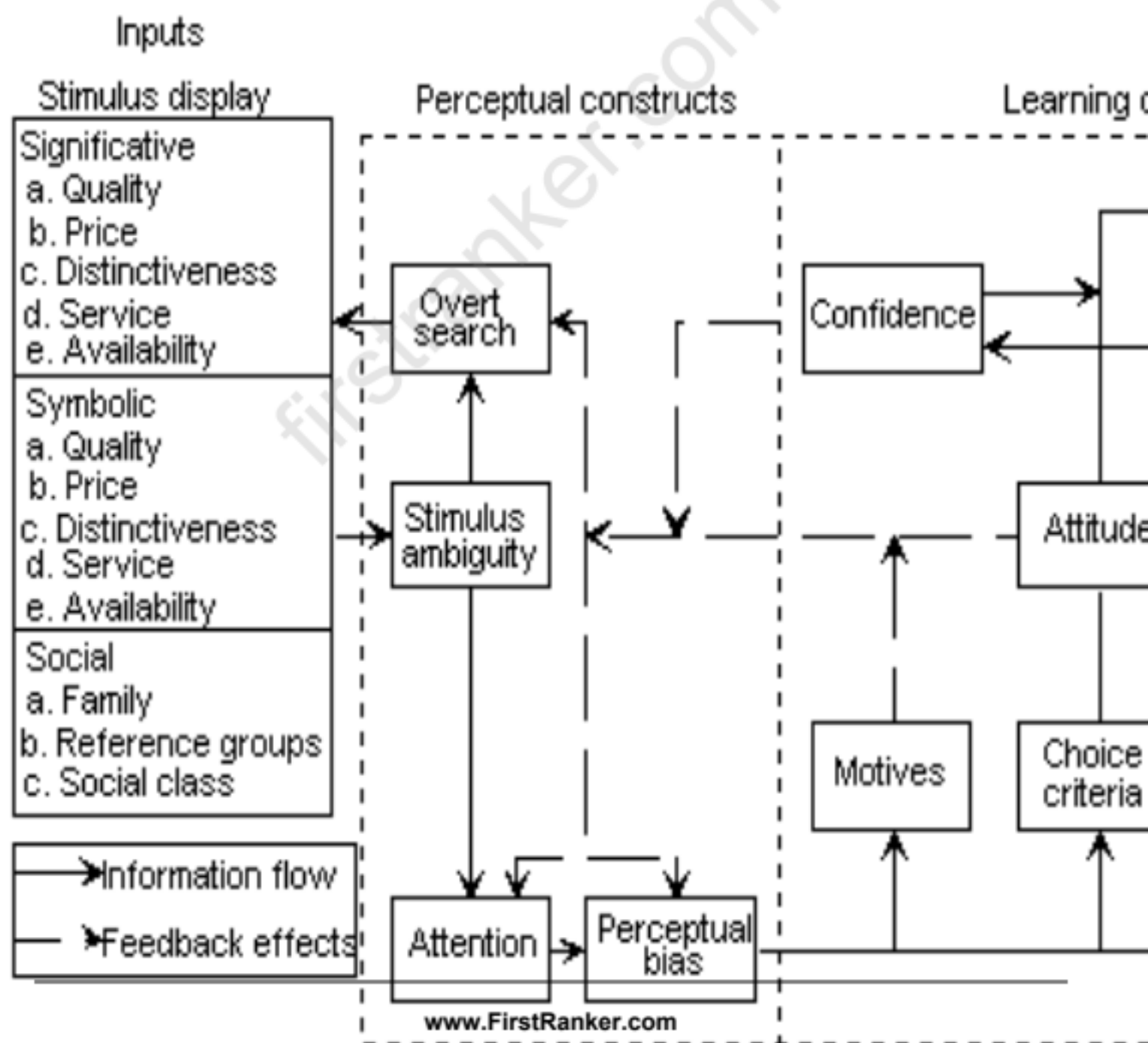
- Post Decision Behaviour
 - Purchase
 - Trial
 - Repeat Purchase
- Post Purchase Evaluation

The Howard-Sheth Model

- Inputs in the form of stimuli
- Output beginning with the attention to stimulus & ending with purchase

HOWARD-SHETH MODEL

- ASSUMPTIONS:
 - Consumer behaviour is a rational exercise problem solving
 - It is a systematic & orderly approach cause stimuli & results like output
 - This model is based upon the theory that relationship between the receipt of stimuli ie: input output is consumer behaviour



Implications

- It identifies variables which influences customer behavior and how they interact each other.
- Helps in customer problem solving and information gathering.
- Helps marketers to understand how customer behavior changes over time.

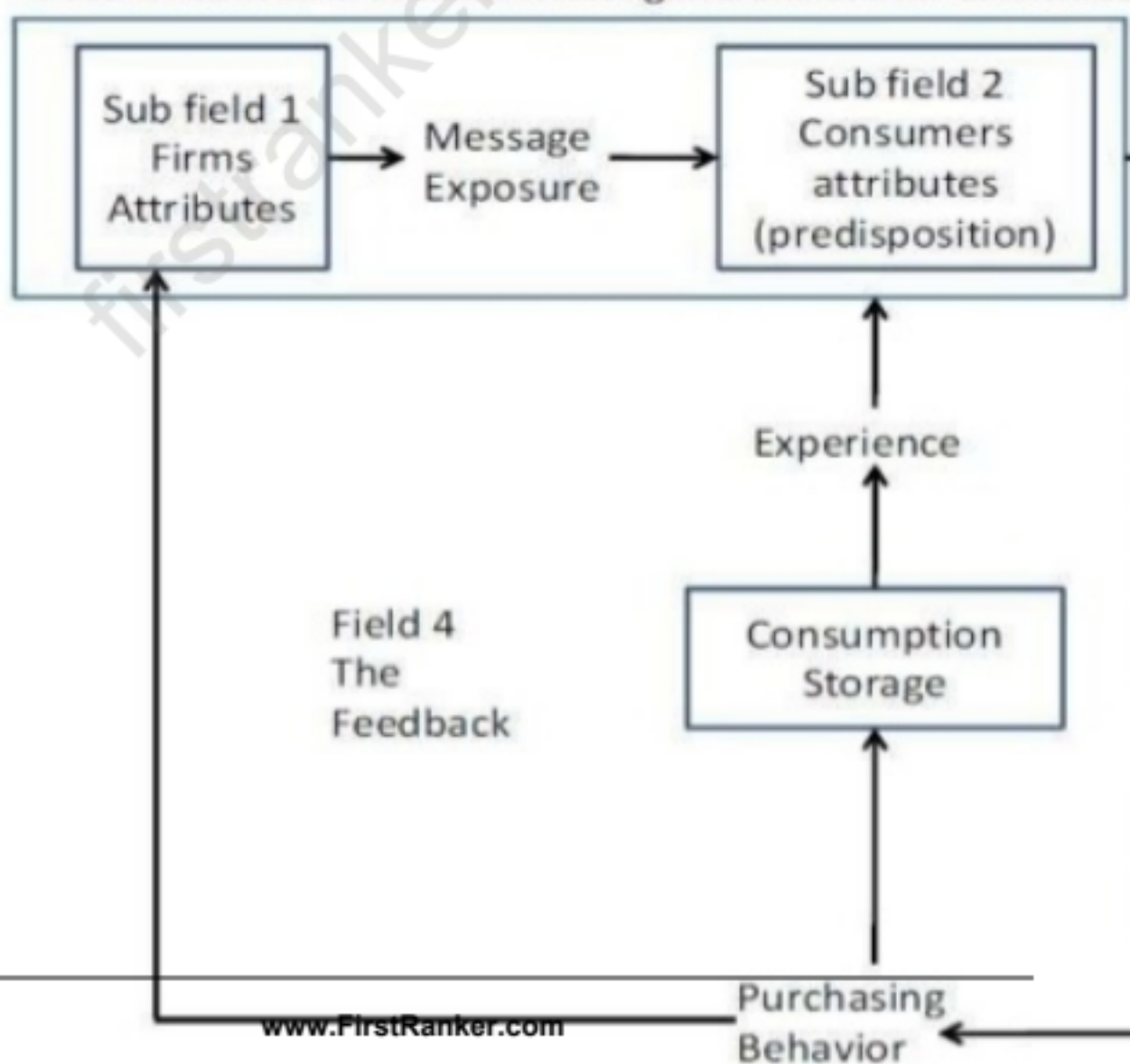


Nicosia Model

- This model tries to explain buyer behaviour between the organization and its consumer.
- It suggests that messages from the firm first predisposition of the consumer towards the

Contemporary Models- Nico

Field 1 From Sources of a Message to Consumer's Attitude

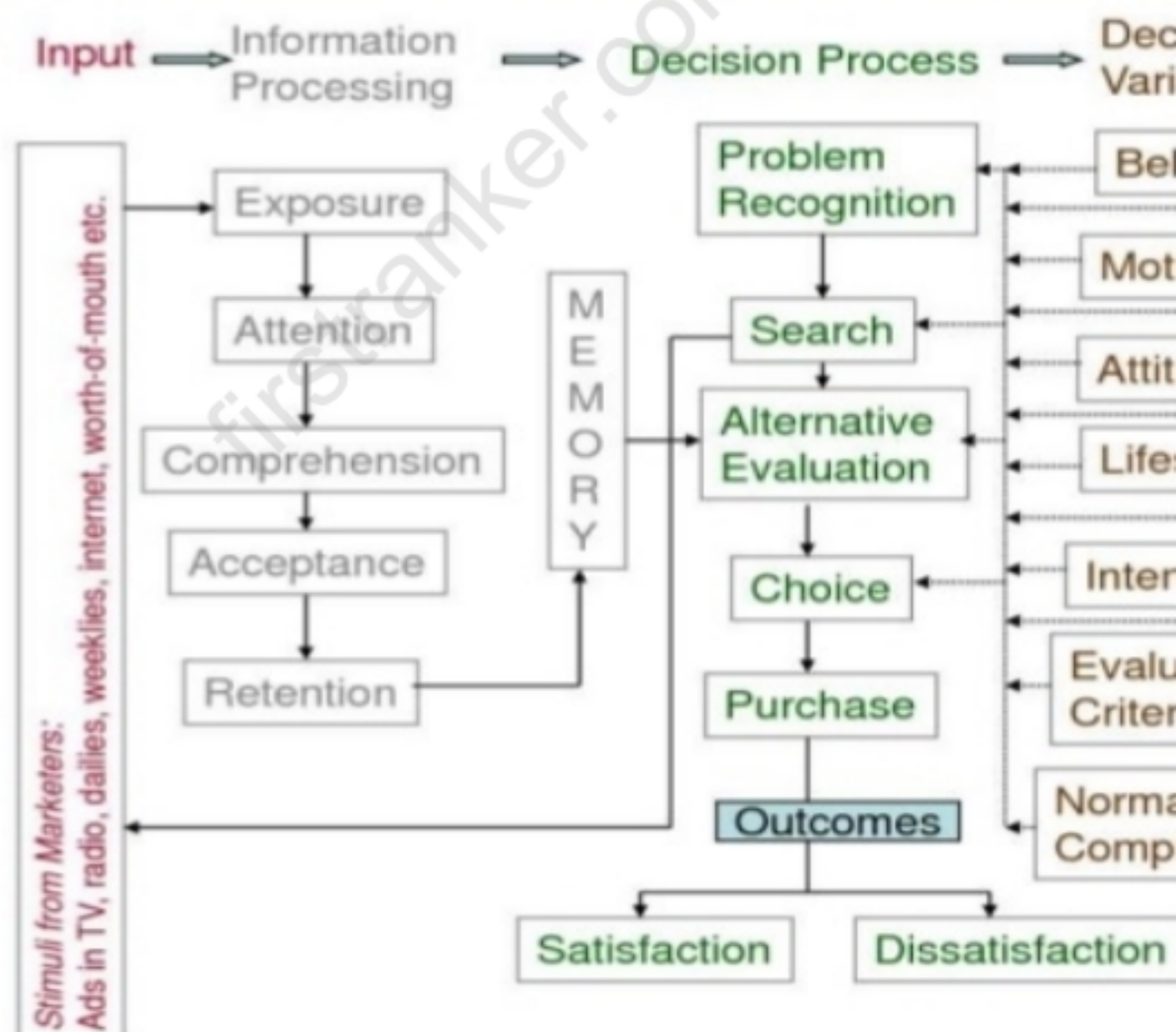


Implications

- It enhances knowledge about the customers marketers.
- Consumers moves from general knowledge to brand knowledge.

Engel, Kollat, and I (EKB) Model

- The EKB model is complex and shows the components of decision making and the relationships and interactions among them
- The five distinct parts of the decision making process are:
 - Input, information processing, decision process, and external influences



Influences of Consumer

Internal Influences

Personal Factors

- a) Age
- b) Income
- c) Occupation
- d) Life Style
- e) Personality

Psychological Factors

- a) Motivation
- b) Perception
- c) Learning
- d) Beliefs & Attitude

Ext

Cul Fac

- a) Cult
- b) Sub
- c) Soc

Reference Group

- ▶ **A Reference Group** is any person or group of people used as a point of comparison (or reference) for an individual in determining specific values, attitudes, or a specific guide for behavior.
- ▶ **From a marketing perspective, reference groups** are social groups that serve as frames of reference for individuals in their purchase decisions.
- ▶ These groups place no restriction on group size and do not necessarily require that consumers identify with a tangible group.
- ▶ Reference groups that influence general or habitual behavior are called **Normative Reference Groups**. **Normative Reference Group is the immediate social group that influences an individual's behavior.**
- ▶ Reference Groups that serve as benchmarks for desired or defined attitudes or behavior are called **Comparative Reference Groups**. **(A Comparative Reference Groups might be a group whose lifestyle appears to be admirable and worthy of emulation.)**

REFERENCE GR

Types of reference groups

Friendship

Brand communities

Shopping groups

Virtual groups

Work groups





Levels of Consumer Decis

- Extensive Problem Solving
 - A lot of information needed
 - Must establish a set of criteria for
- Limited Problem Solving
 - Criteria for evaluation established
 - Fine tuning with additional inform
- Routinized Response Behavior
 - Usually review what they already

LEVELS OF CONSUMER DECISION MAKING

Routine
Response
Behavior

Limited
Decision
Making

Extensive
Decision
Making

Less
Involvement

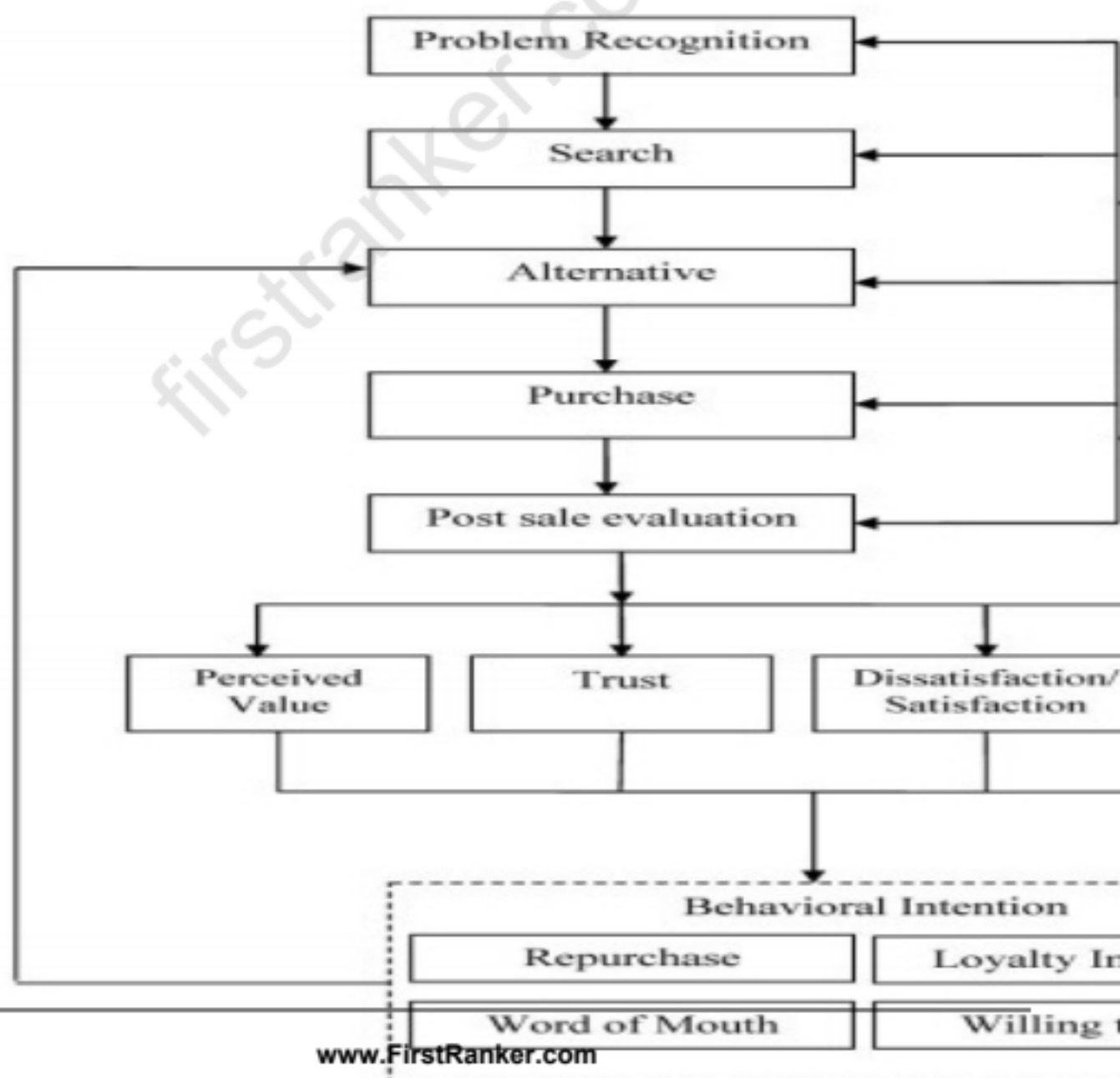




Four Views of consumer decision making

- **An Economic View**
 - Rationale in the economic sense, aware of all alternatives, able to identify best alternatives
- **A Passive View**
 - Irrational, impulsive, depending on promotion
- **A Cognitive View**
 - Information Processor; either receptive or active
 - Heuristics (shortcut); information overload (excessive information)
- **An Emotional View**
 - Joy, fear, love, hope, sexuality, magic with certain products

Online Shoppers' Decision Making Process



Situational Infl



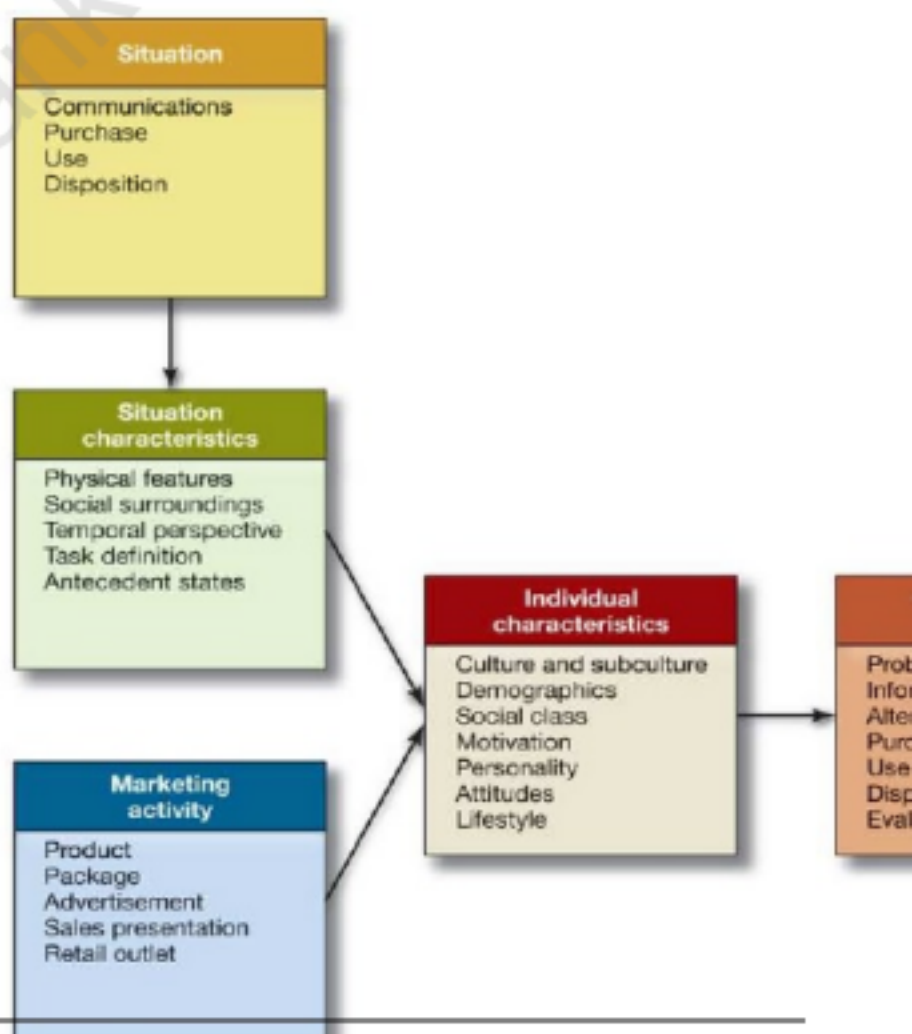
The Nature of Situational Influence

Situational influence includes all those factors particular to a time and place that do not follow from a knowledge of the stable attributes of the consumer and the stimulus and that have an effect on current behavior.

Consumers often behave very differently depending on situation.



The Nature of Situational Influence- a General Model





Four situations

- **Communication situation**
 - Where? Alone or with others? S
- **Purchase situation**
 - Where? Alone or with others? In
- **Usage situation**
 - With guests or alone? For pleas
- **Disposal situation**
 - Before the next purchase? Trad
 - After the purchase, e.g. packagi

The Nature of Situational Influence

The **Communications** Situation

The situation in which consumers receive information that has an impact on their behavior.



Marketers place ads in appropriate contexts to increase effectiveness.

Movie ads are strategically placed so that consumers see them on their way to and from work

The Nature of Situational Influence

The **Purchase** Situation

The situation in which a purchase is made and how it affects consumer behavior.



Marketers must develop strategies to the purchase situation.

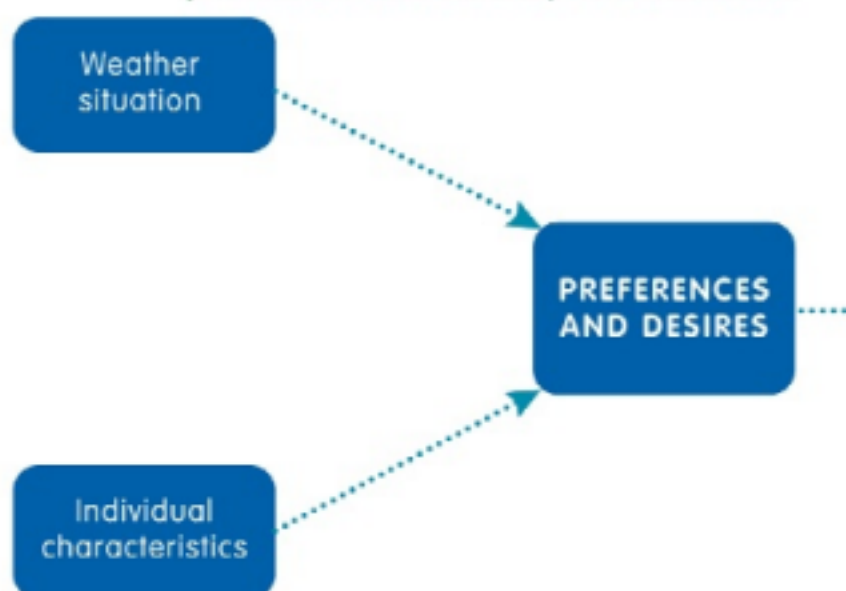
Home purchases involve unique social situations.

To succeed, real estate agents must take the opportunity to leverage interpersonal relationships.

Consumer behavior

Product–Person–Situation

FIGURE 2.1 / Situation influences combine with individual preferences and subsequent behaviour.



The Nature of Situational Influence

The **Usage** Situation

Marketers need to understand the usage situations in which their products are, or may become,

- Research indicates that expanded usage strategies can produce major sales gains.
- Classic: Arm and Hammer baking soda. Many uses have been found and marketed, resulting in increased sales.

The Nature of Situational Influence

The **Disposition** Situation

Consumers must frequently dispose of product packages.

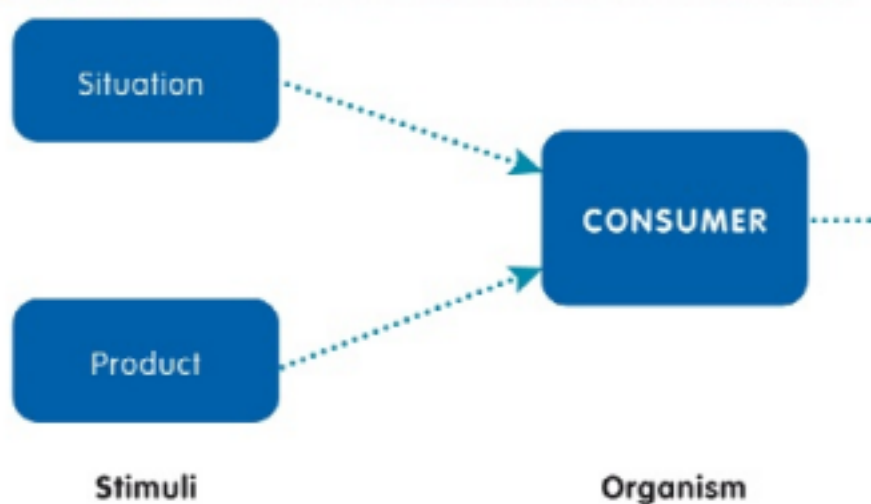
Disposal can create significant social problems as well as opportunities for marketers.

Some consumers consider ease of disposition an important product attribute.



Role of situation in consumer behaviour

FIGURE 2.2 / The role of situation in consumer behaviour





Five dimensions situational influence

1. Physical surroundings
2. Social surroundings
3. Temporal perspectives
4. Task definition
5. Antecedent states

A decorative graphic on the left side of the slide consisting of a vertical stack of four colored blocks: cyan, dark blue, cyan, and green. A horizontal green bar extends from the bottom of the green block to the right edge of the slide.

Examples of **physical s**

- Store location
- Interior decor
- Music
- Smell/aromas
- Temperature (air-conditioning)
- Choice provided
(by product category or across categories)



Situational Characteristics and Consumption Behavior

Physical Surroundings

Atmospherics is the sum of all the physical elements that create a retail environment.

- Atmospherics influences consumer behavior and the quality of the store and the store's image.
- Atmosphere is referred to as **servicescapes** when describing a service business such as a hotel, bank or restaurant.

Typology of service environments

FIGURE 2.3 / Typology of service environments

Time spent in facility	Consumption purpose	
	Utilitarian	
Short (minutes)	Drycleaner Bank	Fast food Hair salon
Moderate (hours)	Medical appointment Legal consultation	Business dinner Evening class
Extended (day(s) or week(s))	Hospital Trade show	Conference hotel Training centre

Note: The darker the shading, the more important the physical features of the service environment.

Situational Characteristics and Consumption Behavior

Physical Surroundings

Colors

Certain colors and color characteristics create excitement and arousal which are related to consumption behavior.

Brighter colors are more arousing than dull ones.

Warm colors such as reds and yellows are more arousing than cool colors such as blues and grays.



Situational Characteristics and Consumption Behavior

Physical Surroundings

Aromas

There is increasing evidence that odors can affect shopping behavior. Several aroma studies have found the following:

1. A scented environment produced a greater purchase intention for the store, higher purchase intention for sales, and a reduced sense of time spent shopping.
2. A pleasantly scented environment enhanced purchase intentions and evaluations particularly for unfamiliar products.



Situational Characteristics and Consumption Behavior

Physical Surroundings

Music

Music influences consumers' moods, and in turn, a variety of consumption behaviors.

- Firms exist to develop music programs to meet the unique needs of specific retailers.
- An emerging trend is having music more in the foreground so it becomes part of the shop and drives store image.



Situational Characteristics and Consumption Behavior

Physical Surroundings

Crowding

Most consumers find feelings of crowding to be unpleasant, resulting in:

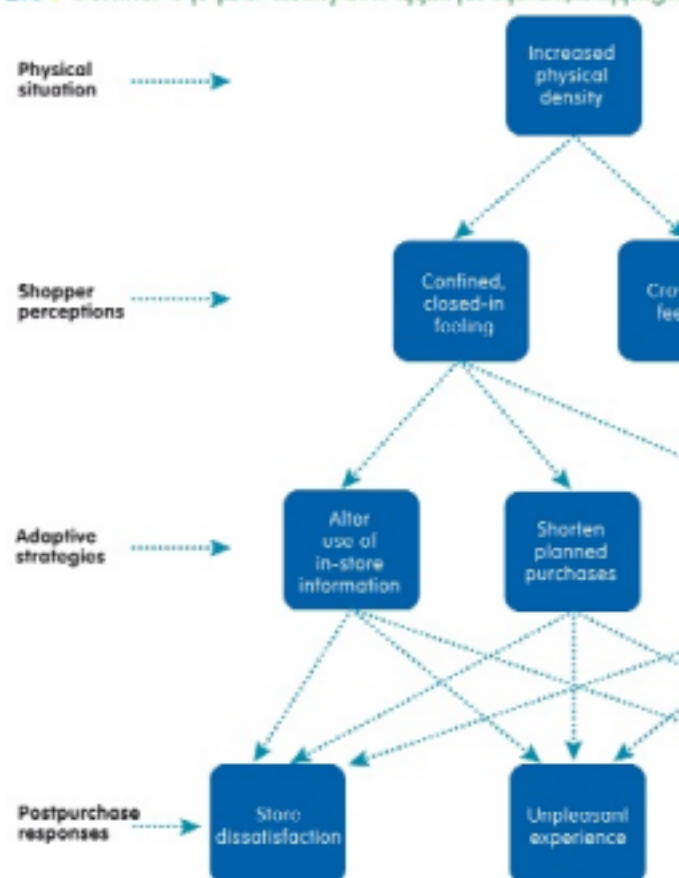
- Less time in the store and less buying
- Faster decisions and less use of information

Crowding can lead to less satisfactory purchase decisions, less shopping, and reduced likelihood of returning.

Marketers need to design outlets to reduce crowding and negative perceptions.

Impact of physical density (crowd) on perceptions

FIGURE 2.4 / The effect of physical density on shopper perceptions, shopping strategies, and postpurchase responses



Source: Adapted from G. Haxnall, M. Hutz and J. Anderson (1980), 'Path Analysis of Buyer Behavior', *Journal of Marketing Research*, February, pp. 45-51.



Situational Characteristics and Consumption Behavior

Social Surroundings

Social surroundings are the other individuals in a particular situation.

- Social influence is a significant force.
- Individuals tend to comply with group behavior, particularly when the behavior is visible.
- Shopping is a highly visible activity.
- The use of many publicly consumed products is subject to social influences.

Situational Characteristics and Consumption Behavior

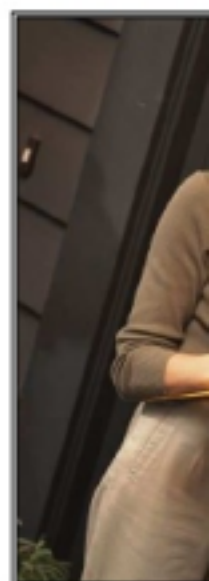
Social Surroundings

Embarrassment is a negative emotion influenced by the product and the situation.

Certain products are more embarrassing than others, and

Embarrassment is driven by the presence of others.

For extremely sensitive products, strategies include home delivery options.





Situational Characteristics and Consumption Behavior

Temporal Perspectives

Temporal perspectives deal with the effect of time on consumer behavior.

Limited purchase time often limits search

Internet shopping is growing rapidly as a result of the time pressures felt by consumers.





Examples of temporal information

- Whether the product is seasonal
- Whether the product is urgent (snack between lectures)
- Time available for shopping (the product may be an excuse)
- How long the previous product is expected to last

Temporal perspective decisions

EXHIBIT 2.3 The temporal perspective of purchase decisions can transform into seasonal elements, which may suggest purchase and use of specific times of the year. For example, this product is positioned specifically for summer use.

SUNSILK® Summer Care.
UV protection for your hair



The Sun Silk® Summer Care range, specifically formulated with an advanced sunblock, protects your hair and skin from the sun's harmful rays. It's the perfect hair care for your summer adventures. Sun Silk® Summer Care is available in a variety of shades to suit your hair color. Find the Summer Shade, which matches your hair color and helps you look your best. For more information, visit sunilk.com.

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Situational Characteristics and Consumption Behavior

Task Definition

Task definition is the reason the consumption activity is occurring.

Major distinction between purchases for self versus gift.

Consumers give gifts for many reasons:

- social expectations
- ritualized situations
- to elicit return favors





Examples of task infl

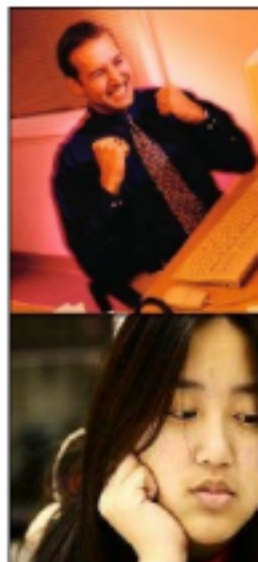
- Is the product utilitarian or us symbol?
- Is it a gift or for oneself?
- Must the product be long-last (e.g. an everyday watch) or decorative? (e.g. a dress watch)
- Is the product intended for se (e.g. a family computer for str access)



Situational Characteristics and Consumption Behavior

Antecedent States

Antecedent states are features of the individual person that are not lasting characteristics



Examples of antecedents

- Moods
 - Feeling sad triggers buying sweet
 - Feeling rejected triggers buying
- Momentary conditions
 - Can't eat ice cream because too
 - Can't buy a book because the c
 - Buy more groceries because hu



Situational Characteristics and Consumption Behavior

Moods

Moods tend to be less intense than emotions and often operate without the individual's awareness.

- Although moods may affect all aspects of behavior, they generally do not completely alter ongoing behavior as an emotion might.
- Consumers actively manage their moods, often seeking situations, activities, or products to alleviate negative moods or enhance positive ones.

Situational Characteristics and Consumption Behavior

Momentary Conditions

As with moods, individuals attempt to manage momentary conditions, often through the consumption of products and services.

Thus, a great deal of marketing activity is directed toward momentary conditions.



Ritual situation

- A ritual situation can be described as a set of interrelated behaviours that follow a structured format, which have meaning, and that occur in response to socially-defined occasions
- Important to marketers as they influence consumption, e.g. anniversary gifts
- Traditions and rituals being created and developed, e.g. Valentine's Day

Applications in Consumer Beha

The Bigelow tea ad is a great example of presenting a product as a ritual.



Courtesy



Assignment 2

- What is Reference Group? Explain its types in detail and how reference groups will influence Consumer Behavior.
- Explain various models of CB in detail.
- Explain the meaning and the process of online Consumer Behavior and how CB is shaped with this decision?
- What do you mean by situational influences? Explain situational influences in detail.
- Explain various levels of consumer decision making and their four views in detail.