

CONSUMER BEHAVIOUR: Consumer behaviour in very simple words means the way people think and act when they buy things.

Simplified Explanation

Meaning: It is about how customers **decide what to buy, why they buy it, how they use it, and what they feel after buying.**

Steps: First, they feel a need → then look for options → compare products → buy → and finally judge if they are happy with the choice.

Factors: Choices depend on price, quality, advertisements, family/friends' opinions, culture, and personal taste.

Example: If you want a phone, you check brands, compare features, see reviews, and then buy one. That whole process is consumer behaviour.

Why studying CB is important for marketers?

Studying consumer behaviour is important because it helps marketers understand how people make decisions about buying, using, and disposing of products. Since consumers are diverse and their choices affect the economy, businesses need this knowledge to predict future buying patterns and design strategies that build strong, long-term customer relationships.

Customer and Consumer

A **customer** is someone who regularly buys from a specific brand, company, or shop, like purchasing shoes from Bata or clothes from Raymond. A **consumer**, on the other hand, is anyone who searches for, chooses, uses, and disposes of products or services in general, without being tied to a particular brand or store.

Two types of consumers — Personal (B2C) and Organizational (B2B)

1. Personal Consumer: A personal consumer buys goods or services for their own use, for their household, or for family members. For example, sugar for the kitchen, furniture for the home, shoes for a child, or a birthday gift for a friend. These purchases are for **final use**, so they are called **end users or ultimate consumers**.

2. Organizational Consumer: Organizational consumers include businesses, government agencies, schools, and hospitals. They buy products, equipment, and services needed to run their operations. Unlike personal consumers, they purchase for **functional or operational purposes**, not for direct personal use.

Strategic applications of consumer behaviour

1. Analyzing Market Opportunity: Studying consumer behaviour helps marketers identify unmet needs and wants. By observing trends like dual-income households or demand for convenience, companies can introduce products such as washing machines, childcare centers, or mosquito repellents to satisfy these emerging needs.

2. Selecting Target Market: Consumer behaviour analysis reveals distinct groups with unique preferences. For example, research showed many consumers preferred low-priced shampoo sachets instead of costly bottles, leading companies to design products that matched these specific buying habits.

3. Marketing-Mix Decisions: Once needs are identified, marketers decide the right mix of product, price, place, and promotion. Consumer behaviour guides each of these decisions:

- **Product:** Products are designed to match consumer tastes. Example: Maggi noodles introduced new flavors like garlic and sambar to suit regional preferences.
- **Price:** Pricing is set based on consumer sensitivity. A lower price may boost sales if buyers are price-conscious.
- **Place:** Distribution channels are chosen carefully. Example: Eureka Forbes sold vacuum cleaners through personal selling since retail shops were unaware of the product.
- **Promotion:** Marketers select suitable communication methods like advertising, sales promotion, or direct marketing to effectively reach consumers.

4. Use in Social and Non-Profit Marketing: Consumer behaviour principles also help social and non-profit organizations design effective campaigns. Programs on family planning, AIDS awareness, safe driving, or environmental protection use these insights. Groups like UNICEF, Red Cross, and CRY apply consumer behaviour to motivate people to support their causes.

2 Learning Theory: Learning simply means a lasting change in how people act because of what they experience. In marketing, it is about how individuals gain knowledge from buying and using products, and then use that knowledge to guide their future shopping decisions.

2.1 Behavioural Learning: It means people learn by connecting a **stimulus (something they see/hear)** with a **response (their reaction)**. If the same reaction happens again and again to the same stimulus, learning has taken place.

A. Classical Conditioning: Classical conditioning is an automatic response developed through repeated exposure. For example, a child feels excited about visiting McDonald's because of many pleasant past visits. It pairs a neutral stimulus with one that already causes a response until both trigger the same reaction.

- **Repetition:** Repeating ads helps people remember, but too much repetition can cause boredom (wear-out).
- **Stimulus Generalization:** Consumers group similar products together. Example: Maggi noodles in different flavours or Palmolive soaps in different packs.
- **Stimulus Discrimination:** Brands try to stand out with unique features. Example: Swiggy's "no minimum order" ad differentiates it from competitors.

B. Operant Conditioning: This is learning by **trial and error**. People try something, see the result, and then decide whether to repeat it or not. If the outcome is good, they do it again; if bad, they avoid it.

C. Reinforcement: Reinforcement means anything that makes a behaviour stronger and more likely to happen again. In consumer behaviour, it explains why people keep buying the same product or stop buying it.

1. Positive Reinforcement: If a product gives a good result, people buy it again. Example: a cold medicine that works makes the customer trust it and purchase it again in the future.

2. Negative Reinforcement: If a product removes something unpleasant, people continue using it. Example: anti-wrinkle cream ads show fear of aging, so people buy the cream to avoid wrinkles.

3. Punishment: If behaviour leads to bad consequences, people avoid repeating it. Example: fines for drunk driving discourage people from driving after drinking.

4. Extinction: If a product stops giving the expected benefit, people stop buying it. Example: brands like Koutons lost customers because they no longer satisfied consumer expectations.

2.2. Freudian Theory: Freud's psychoanalytic theory says personality is shaped by unconscious drives, especially biological and sexual needs. These hidden forces influence how people think, act, and make decisions, including their buying behaviour.

1. Id: The id is impulsive and selfish. It represents basic drives like hunger, thirst, and sex, seeking immediate satisfaction without worrying about how it is achieved. In consumer behaviour, it explains impulsive buying.

2. Superego: The superego acts like a brake. It represents moral values and society's rules, ensuring needs are satisfied in a socially acceptable way. In consumer behaviour, it stops people from buying things that go against their ethics or values.

3. Ego: The ego is the internal monitor that balances the id's impulsive demands with the superego's restrictions. It makes realistic decisions, helping consumers choose products that satisfy desires but also fit social norms.

2.3. Perceptual Organization/ Gestalt psychology: Consumers don't see separate stimuli individually; instead, they organize them into patterns or unified wholes. Gestalt psychology explains how people naturally group and interpret stimuli to make sense of what they see.

1. Figure and Ground: When something stands out against its background, it is noticed more easily. The figure is clear and dominant, while the ground is hazy and less important. Advertisers must ensure their product or message is the "figure" so consumers focus on it.

2. Grouping: People tend to group information into chunks rather than seeing separate pieces. Marketers use grouping to create meaningful associations, making products or messages easier to understand and remember.

3. Closure: Consumers have a natural need to see complete patterns. If an ad or message is incomplete, people mentally fill in the gaps to make it whole. This act of completion makes them more engaged with the message.

2.4. Cognitive Learning: Unlike trial-and-error learning, cognitive learning happens through **thinking and problem solving**. Consumers use their mental activity to understand products and make decisions, giving them more control over their environment.

1. Information Processing: The human mind works like a computer — it takes in information, processes it, and stores it. Consumers differ in their ability to imagine, recall, and use information. More experience with a product category makes it easier to process and use product details.

2. Sensory Store: All information first enters through our senses. The sensory store holds this input for just a second or two. Marketers can easily get into this stage, but it's hard to make a lasting impression unless the information moves forward.

3. Short-Term Store: If information survives the sensory stage, it goes into short-term memory (working memory). Here, if consumers mentally repeat or rehearse the information, it can move to long-term memory. If not, it disappears quickly.

4. Long-Term Store: Information that reaches long-term memory can stay for days, weeks, or even years. This is where brand names, jingles, or product experiences get stored and recalled later during purchase decisions.

5. Rehearsal and Encoding: Rehearsal means repeating information mentally so it transfers to long-term memory. Encoding is the process of attaching words or images to represent what we perceive. Visual encoding is faster than verbal, but too much information can cause overload, making consumers ignore or forget details.

Psychological Field Theory says that a person's buying decisions are shaped by both their personal needs and the environment around them. In simple words, it means consumer behaviour happens because of the interaction between the individual and the surroundings they are in.

1. Life Space Concept: Lewin described consumer behaviour as happening within a "life space," which includes the person and their environment. A buyer's decisions are shaped by both internal needs and external market conditions.

2. Driving Forces: Positive forces push consumers toward a product. For example, attractive packaging, discounts, or strong brand reputation act as motivating forces that encourage purchase.

3. Restraining Forces: Negative forces hold consumers back from buying. High prices, poor reviews, or lack of availability act as barriers that prevent or delay purchase decisions.

4. Approach-Avoidance Conflict: Sometimes consumers face mixed feelings. For example, they may want a luxury item for prestige but avoid it due to high cost, showing how conflicting forces affect decision-making.

5. Approach-Approach Conflict: This occurs when consumers must choose between two attractive options. For instance, deciding between two appealing smartphone brands creates tension until one is selected.

6. Avoidance-Avoidance Conflict: Here, consumers must choose between two unattractive options. For example, repairing an old car or buying a costly new one forces them to pick the lesser of two negatives.

7. Impact on Consumer Decision-Making: Overall, Psychological Field Theory shows that consumer decisions are the result of balancing positive and negative forces. Understanding this helps marketers design strategies that guide buyers toward purchase.

The Black Box/Stimulus-Response Model: This model sees the consumer as a thinker and problem solver who reacts to different external and internal factors before deciding to buy. It is called a "black box" because what happens inside the consumer's mind is not fully visible.

1. External Stimuli: External factors include the **marketing mix (4 Ps: product, price, place, promotion)** and environmental influences like economy, politics, and culture. These outside conditions shape consumer choices and push them toward or away from buying.

2. Internal Factors – The Black Box: The black box represents what happens inside the consumer's mind. It includes personal traits like beliefs, values, motivation, and lifestyle. It also covers the decision-making process where consumers recognize a problem and think about how buying can solve it.

3. Decision Process: When exposed to external stimuli, consumers process them through their black box. Based on internal factors, they decide whether to purchase or not. This shows how personal psychology interacts with marketing efforts.

4. Assumption of Rationality: The model assumes consumers make rational and conscious decisions. It suggests that buying is the result of logical thinking, even though in reality, emotions and irrational impulses often influence consumer behaviour.

Mystery of Consumer Behaviour: Marketers call it a “black box” because consumer choices are often unpredictable. Even consumers themselves may not fully understand why they buy certain products, making marketing both challenging and fascinating.

Distributive Approach: The distributive approach in consumer behaviour simply means studying how products are shared among people — looking at who buys what, where they buy it, and how much they buy. It helps marketers understand demand patterns and make sure products are fairly and efficiently delivered to the right customers.

Significance of the Distributive Approach

- **Market Segmentation:** Helps divide consumers into groups based on buying habits, making it easier to target them with the right products.
- **Demand Forecasting:** By studying purchase data, businesses can predict future demand and avoid shortages or excess stock.
- **Channel Strategy:** Guides firms in choosing the best way to deliver products (retail shops, online platforms, direct selling).
- **Resource Allocation:** Ensures marketing budgets and supplies are used efficiently in areas with higher demand.
- **Consumer Welfare:** Ensures fair availability of goods, preventing monopolies or uneven distribution.
- **Sales Analysis:** Helps companies understand which products sell more, which sell less, and why.
- **Pricing Decisions:** Provides insights into how much consumers are willing to pay, helping set fair and profitable prices.
- **Product Planning:** Guides firms in designing or modifying products based on actual buying behaviour.
- **Geographic Insights:** Shows where demand is higher (urban vs rural, regional differences), helping in location-based strategies.
- **Competition Strategy:** Helps businesses understand market share and plan moves against competitors.

Example: Imagine a company selling soft drinks: By using the distributive approach, they study where people buy most (urban malls vs rural shops), how much they buy (single bottle vs family pack), and when they buy (summer vs winter).

This helps them stock more in hot regions during summer, introduce family packs in urban areas, and adjust supply in rural shops.

Approaches to Consumer Decision Making

1. Economic View: This view sees the consumer as a rational thinker. People compare products, evaluate benefits, and make purchase decisions based on collected information. It assumes decisions are logical and well-planned.

2. Passive View: Here, consumers are seen as passive responders to marketing efforts. They make decisions mainly based on advertisements, promotions, and sales appeals rather than their own rational evaluation.

3. Cognitive View: This view says consumers make decisions based on their own interests, knowledge, and understanding of market demand. They rely on personal thinking rather than just rational needs or promotional influence.

4. Emotional View: According to this view, consumers act on emotions while buying. They make impulsive purchases when they feel connected to a product or service, showing that emotions strongly influence buying behaviour.

Types of Consumer Decisions

1. Nominal Decision-Making / Routine Response: This is habitual or routine buying where consumers don't think much. They recognize a need and directly buy their usual brand without comparing alternatives. Example: picking Aquafresh toothpaste or buying salt without considering other options.

2. Limited Decision-Making: Here, consumers do a small amount of thinking and searching. They may recall past experience or check a few options but don't spend much effort. Example: buying Nescafe after seeing a display, or choosing Colgate Total toothpaste for a change in flavor.

3. Extended Decision-Making: This involves high involvement and careful evaluation. Consumers search extensively, compare many alternatives, and consider attributes in detail. Example: buying a computer, washing machine, or even emotional purchases like jewellery or a holiday abroad. These decisions take time and effort.

A Model of Consumer Decision-Making: The consumer decision-making model is simply about three stages: input, process, and output. In the input stage, consumers are influenced by marketing efforts (like product, price, promotion, and place) and by social and cultural factors (like family, friends, or society). In the process stage, psychological factors such as motivation, perception, and learning shape how people recognize a need, search for information, and compare options. Finally, the output stage is about the actual purchase and how consumers evaluate the product afterward.

Factors Influencing Consumer Decision Making

(A) Cultural Factors

- **Culture:** Culture includes society's values, customs, and traditions. It strongly shapes consumer behaviour because people buy products that fit their cultural beliefs and practices.
- **Sub-Culture:** Groups like religion, nationality, race, or geographic location form sub-cultures. These groups share similar traditions and buying habits.
- **Social Class:** Every society has social classes. Buying behaviour within a class is often similar, influenced not only by income but also by education, occupation, and lifestyle.

(B) Social Factors

- **Reference Groups:** These are groups that influence consumer choices, often including opinion leaders. Their impact varies depending on the product or brand.
- **Family:** Family members strongly affect consumer behaviour. Decisions are shaped by shared living, relationships, and household needs.
- **Role and Status:** People's roles in organizations, clubs, or families, and the status they hold, influence how they spend and what they buy to maintain their position.

(C) Personal / Individual Factors

- **Age and Life Cycle:** As people grow older or move through life stages, their needs and buying motives change. For example, a student's purchases differ from a married person's.
- **Occupation:** A person's job affects what they buy. Different occupations have different product needs, so companies design products for specific job groups.
- **Financial Situation:** A consumer's income and economic stability directly affect purchasing power. Poor financial conditions reduce spending.
- **Lifestyle:** Lifestyle reflects interests, opinions, and activities. People from different cultures, jobs, or classes have unique lifestyles, which influence their buying patterns.

(D) Psychological Factors

- **Motivation:** Motivation activates consumer needs and directs them toward goals. Needs may be psychological, social, esteem, or self-actualization.
- **Perception:** Consumers interpret the world differently. Their unique perception affects how they judge products and make decisions.
- **Learning and Experience:** Consumers learn about products through research or past experiences. Both influence future purchase decisions.
- **Attitude and Beliefs:** Attitudes are emotional reactions, while beliefs are assumptions about products. Together, they shape consumer preferences and choices.

Psychographics – Values and Life Styles (VALS)

Psychographics: Psychographics measure consumer lifestyles based on values, beliefs, opinions, and interests. They help marketers create lifestyle profiles to target products more effectively.

VALS Dimensions: VALS classifies consumers using two dimensions: **primary motivation** (ideals, achievement, self-expression) and **resources** (psychological, physical, financial means). Together, they explain why people buy and how much they can act on their motivation.

Three primary motivations underlie VALS:

- 1. Ideals Motivation:** Consumers guided by ideals rely on beliefs and principles. They buy products for functionality and reliability rather than social approval.
- 2. Achievement Motivation:** These consumers seek social status and recognition. They purchase prestige products and are influenced by others' opinions and approval.

3. Self-Expression Motivation: Action-oriented consumers express individuality through their purchases. They buy products for experiences, excitement, and creativity.

On the basis of these two concepts, 8 segments have been identified:

1. Innovators: Successful, sophisticated, and confident consumers. They value image, embrace change, and are open to new ideas and technologies.

2. Thinkers: Conservative, practical, and mature consumers. They value knowledge, durability, and functionality, and carefully seek information before buying.

3. Achievers: Family- and career-oriented consumers. They prefer prestige products and avoid situations involving too much change or risk.

4. Experiencers: Young, impulsive, and enthusiastic consumers. They spend heavily on fashion, entertainment, and socializing, seeking excitement.

5. Believers: Family-oriented, conservative, and routine-driven consumers. They resist change, avoid technology, and have fewer resources compared to thinkers.

6. Strivers: Achievement-motivated but with limited income. They shop to show off their ability to buy, but their interests are narrow due to fewer resources.

7. Makers: Practical, hands-on consumers who express themselves through activities like raising children or fixing cars. They value family and close friends in leisure time.

8. Survivors: Elderly, low-resource consumers focused on safety and security. They lead simple, narrowly focused lives and lack a strong primary motivation.

Diffusion of Innovations

Types of innovations and the diffusion process

1. Continuous Innovation: This is a small change or modification to an existing product. Companies use it to extend product lines and reposition products without changing consumer habits much.

2. Discontinuous Innovation: These are completely new products that reshape markets and competition. They are “new-to-the-world” innovations that create entirely new consumer needs.

3. Dynamically Continuous Innovation: This involves significant changes to existing products. It alters consumer habits and requires them to adjust their way of using the product.

Diffusion Process: Diffusion is how innovations spread over time among consumers. It traces how products move through their life cycle — from introduction to decline — and how different groups adopt them.

Factors Affecting the Diffusion of Innovation

1. Type of Target Group: The kind of consumers targeted affects diffusion speed. Affluent, young, and educated groups adopt new products faster compared to older or less affluent groups.

2. Number of People in Decision Making: When more family members are involved in a purchase decision, adoption is slower. Innovations affecting only one individual spread faster.

3. Extent of Marketing Efforts: Strong marketing efforts speed up diffusion. If consumers are not well informed or convinced, adoption slows down.

4. Need Fulfillment: If an innovation clearly solves an important need, diffusion is faster. Example: anti-dandruff shampoos spread quickly because they solved a visible problem.

5. Compatibility: Diffusion depends on how well the product fits consumer habits, beliefs, and past experiences. Example: internet banking spread slowly in India because it was not consistent with consumer habits.

6. Relative Advantage: Consumers adopt faster if the product offers clear benefits in cost or performance. Example: newer laptops spread quickly due to better performance.

7. Complexity: If a product is hard to understand or use, diffusion slows down. Simple and user-friendly products spread faster, like Windows OS compared to Linux.

8. Observability: Products that show visible benefits are adopted faster. Example: mobile phones, fashion items, and cars spread quickly because their effects are easily seen.

9. Trialability: If consumers can try a product before fully adopting it, diffusion is faster. Low-cost items or products that can be demonstrated, like cell phones, encourage trial.

10. Perceived Risk: If consumers feel financial, physical, or social risk, diffusion slows down. Example: microwave ovens initially faced slow adoption due to safety concerns until consumer education reduced the fear.

Adoption Process: The adoption process means the way consumers decide to buy a new product, service, or idea. It starts with early adopters who influence others, making adoption the first step in spreading innovation. Since buying something new usually involves careful thinking, this process is seen as extended decision-making by consumers.

Adopter Categories: Time is important in adoption. It shows whether consumers adopt early or late and how fast innovations spread. The rate of diffusion depends on how quickly different groups accept the product.

1. Innovators: Innovators are the first 2.5% of adopters. They are young, educated, wealthy, and eager to try new products. They take risks and are often technology enthusiasts who influence others.

2. Early Adopters: Early adopters make up 13.5% of adopters. They are opinion leaders in their groups and adopt products early in their life cycle. They admire innovations for their breakthrough potential rather than just features.

3. Early Majority: The early majority represents 34% of adopters. They are careful and deliberate, adopting only after seeing success with others. They rely on interpersonal information and often wait for prices to drop before buying.

4. Late Majority: The late majority also represents 34% of adopters. They are skeptical, conservative, and adopt mainly due to social pressure or lack of older products. They usually have lower income, education, and prefer older or bundled models.

5. Laggards: Laggards are the last 16% of adopters. They are tradition-bound, suspicious of new products, and adopt only when innovations are outdated. They rely on past habits and resist technological progress.

Personality comes from the Latin word *persona*, meaning mask, Personality means the unique mix of traits that shape how a person thinks, feels, and reacts to the world. It includes both the outer qualities people show to others and the inner psychological side that makes up their true self. In simple words, personality is what makes each person behave differently in different situations.

Nature of Personality

(a) Personality Reflects Individual Differences

1. Each person's personality is unique, made up of different traits and factors. No two individuals are exactly alike.
2. Personality helps marketers group consumers based on traits, making it easier to understand and predict buying behaviour.

(b) Personality is Consistent and Enduring

1. Marketers study personality traits that influence consumer responses and design appeals that match these traits.
2. Even though personality remains stable, consumer behaviour can vary due to psychological, cultural, or environmental influences.

(c) Personality Can Change

1. Major life events like marriage, divorce, or career changes can alter personality, which in turn changes buying behaviour.
2. Personality also evolves gradually as people mature, influencing how their preferences and decisions shift over time.

Theories of Personality

There are three major theories of personality we need to discuss in this lesson. They are:

- a) Freudian theory.
- b) Neo-Freudian personality theory.
- c) Trait theory

a. Freudian Theory: Freud's psychoanalytic theory says personality is shaped by unconscious drives, especially biological and sexual needs. These hidden forces influence human motivation and consumer behaviour.

1. Id: The id is impulsive and selfish. It represents basic drives like hunger, thirst, and sex, seeking immediate satisfaction without worrying about consequences. In consumer behaviour, this explains impulsive buying.

2. Superego: The superego acts like a brake. It represents moral values and society's rules, ensuring needs are satisfied in socially acceptable ways. In consumer behaviour, it prevents purchases that conflict with ethics or social norms.

3. Ego: The ego is the conscious monitor that balances the id's impulsive demands with the superego's restrictions. It makes realistic decisions, helping consumers choose products that satisfy desires but also fit social expectations.

b. Neo-Freudian Personality Theory: Neo-Freudian theorists disagreed with Freud's idea that personality is mainly instinctual and sexual. They emphasized that social relationships and interactions are central to personality development and consumer behaviour.

Karen Horney: Horney focused on child-parent relationships and the desire to overcome anxiety. She proposed three personality groups that influence consumer behaviour differently.

- **Compliant Individuals:** They move toward others, seeking love, appreciation, and acceptance. They buy products that make them feel cared for or socially included.
- **Aggressive Individuals:** They move against others, striving to excel and win admiration. They prefer competitive, status-enhancing products.
- **Detached Individuals:** They move away from others, desiring independence and freedom. They choose products that emphasize self-sufficiency and personal autonomy.

c. Trait Theory: Trait theory focuses on measuring personality through specific psychological traits. A trait is a distinguishing and relatively enduring way in which one person differs from another, and these traits help explain consumer behaviour.

The trait theory includes multi-trait and single trait approaches.

1. Multi-Trait Approach: This approach studies multiple traits together to understand personality. It gives a broader picture of consumer behaviour by combining several traits rather than focusing on just one.

Five-Factor Model (FFM): The FFM is a popular multi-trait approach that identifies five dominant traits in personality. These traits influence consumer behaviour across cultures and situations.

1. Extroversion: Extroverted consumers are outgoing and talkative. They enjoy social interactions and are more likely to engage in bargaining, complaining, or group buying behaviour.

2. Agreeableness: Agreeable consumers are kindhearted and sympathetic. They prefer cooperative and friendly interactions, which influence their buying choices and loyalty.

3. Openness to Experience: Open consumers are imaginative and creative. They enjoy new ideas and are more willing to try innovative products or services.

4. Instability / Neuroticism: Consumers high in instability may struggle with emotions and mood swings. Stable consumers, on the other hand, control their emotions better and make more consistent purchase decisions.

5. Conscientiousness: Conscientious consumers are careful, orderly, and precise. They plan purchases well, avoid impulsive buying, and prefer reliable products.

2. Single-Trait Approach: This approach focuses on one specific trait at a time. For example, studying extroversion alone can help explain why extroverted consumers are more likely to complain or interact socially in buying situations.

i) Consumer Innovativeness: Innovators are the first to try new products and services. They are enthusiastic about innovations and help speed up acceptance by sharing their experiences with others.

ii) Dogmatism: Dogmatism measures rigidity toward unfamiliar ideas. Low dogmatism consumers prefer innovative products, while high dogmatism consumers respond better to authority-based advertising.

iii) Social Character: Social character ranges from inner-directed to other-directed. Inner-directed consumers rely on personal values and prefer product-focused ads, while other-directed consumers look to others for guidance and prefer socially oriented ads.

iv) Need for Uniqueness: Consumers with a high need for uniqueness adopt new products quickly to stand out. This trait is especially important in industries like fashion, where individuality matters.

v) Optimum Stimulation Level (OSL): Consumers with high OSL seek novelty, risk, and excitement. They try new products and enjoy complex experiences, while those with low OSL prefer calm and simple environments.

vi) Need for Cognition: This trait measures enjoyment of thinking. High NC consumers prefer ads rich in product information, while low NC consumers focus more on visuals or peripheral aspects of ads.

vii) Consumer Ethnocentrism: Ethnocentric consumers avoid foreign products, believing it harms the domestic economy. Non-ethnocentric consumers evaluate foreign products more objectively based on features and quality.

viii) Visualizers vs Verbalizers: Visualizers prefer ads with images and graphics, while verbalizers prefer written or spoken information. Marketers use this distinction to design effective communication strategies.

ix) Consumer Materialism: Materialistic consumers see possessions as central to their identity. They value acquiring and showing off goods, often linking self-worth to ownership rather than happiness.

x) Fixated Consumption: Fixated consumption refers to collectors and hobbyists who accumulate items related to their interests. They enjoy displaying collections, ranging from inexpensive souvenirs to costly luxury items.

Perception is simply the way people take in information from their surroundings, organize it, and give it meaning. It is a mental and thinking process, which means different people may see and interpret the same situation differently. In short, perception is subjective and shapes how we feel and respond to our environment.

Perception as Cognitive Process: Perception is a thinking process, not just emotional. It is subjective, meaning each consumer interprets stimuli differently based on personal needs, biases, and experiences.

Stage 1: Exposure: Exposure happens when a stimulus enters a consumer's sensory range. Consumers may notice some stimuli, ignore others, or deliberately avoid certain messages. Marketers must work hard to get their message noticed.

Stage 2: Attention: Attention is the degree of focus given to a stimulus. It depends on both the stimulus itself and the consumer's mental state. Since consumers face too much information, only certain stimuli capture their attention.

Stage 3: Interpretation: Interpretation is the meaning consumers assign to stimuli. Different people interpret the same stimulus differently, influenced by culture, socialization, and personal experiences.

The Nature and Process of Perception

Perception is explained through the information-processing model, which has four stages: exposure, attention, interpretation, and memory. First, exposure happens when a person comes across a stimulus like an advertisement. Then attention occurs when the brain starts processing it. Interpretation means giving meaning to the message, and memory stores this meaning for short-term decisions or long-term use. These stages work together, often at the same time, and memory also influences what we notice and how we interpret things. In simple words, perception is about how people see, understand, and remember information from their environment.

Perceptual Processes

- 1. Perceptual Inputs:** Perceptual inputs are the starting point of perception. They include stimuli such as people, objects, events, and information that consumers come across in their environment.
- 2. Perceptual Mechanism:** The perceptual mechanism is the process through which consumers select, organize, and interpret these inputs. It explains how raw stimuli are converted into meaningful understanding and consumer reactions.
- 3. Perceptual Outputs:** Perceptual outputs are the final results of perception. They are expressed in consumer behaviour such as opinions, feelings, attitudes, and actions that arise after interpreting the inputs.

Elements of Perception

- 1. Sensation:** Sensation is the immediate response of sensory organs to stimuli such as advertisements, packaging, or brand names. It is the first step in how consumers perceive marketing messages.
- 2. Stimulus:** A stimulus is any input to the senses, like sight, sound, smell, taste, or touch. Marketers use stimuli to attract consumer attention and trigger responses.
- 3. Sensory Receptors:** Sensory receptors are organs like eyes, ears, nose, mouth, and skin. They receive sensory inputs and allow consumers to experience products through different senses.
- 4. Human Sensitivity:** Sensitivity refers to how strongly consumers respond to stimuli. It depends on the quality of sensory receptors and the intensity of the stimulus. Stronger changes in input create stronger sensations.

Dynamics of Perception

- 1. Absolute Threshold:** This is the lowest level at which a consumer can detect a stimulus. Marketers must ensure their messages cross this threshold to be noticed, often by increasing or decreasing sensory input to cut through clutter.
- 2. Differential Threshold (JND):** The differential threshold or “just noticeable difference” is the smallest change consumers can detect between two stimuli. According to Weber’s law, stronger initial stimuli require greater changes to be noticed, such as price reductions needing to be at least 20% to be effective.
- 3. Subliminal Perception:** Subliminal perception occurs when stimuli fall below the level of conscious awareness. Some believe marketers use hidden messages, but most aim to keep messages above thresholds so consumers notice them.

4. Dynamics of Perception: Perception is shaped by both external stimuli and internal factors like motives, expectations, and past experiences. Since each consumer is unique, their perceptions are also unique.

5. Selection of Stimuli: Consumers are selective in recognizing stimuli. They notice only a few inputs from the environment, ignoring others, which makes it challenging for marketers to capture attention.

6. Organization of Stimuli: Consumers subconsciously organize recognized stimuli according to psychological principles. This helps them make sense of the information they receive.

7. Interpretation of Stimuli: Consumers assign meaning to stimuli based on their needs, expectations, and experiences. Interpretation is subjective, so the same stimulus may be understood differently by different people.

Perceptual Organization: Consumers do not see stimuli as separate pieces. Instead, they organize them into patterns or wholes. This idea comes from Gestalt psychology, which explains how people perceive unified configurations.

1. Figure and Ground: Stimuli that stand out against their background are noticed more easily. The figure is clear and dominant, while the ground is hazy and less important. Marketers must design ads so the product is the figure, not lost in the background.

2. Grouping: Consumers naturally group stimuli into chunks rather than seeing them separately. Marketers use grouping to create meaningful associations, making products easier to understand and remember.

3. Closure: Consumers have a need for closure. When exposed to incomplete patterns, they mentally fill in the gaps to see a complete picture. This involvement makes them more engaged with the marketing message.

Marketing Application of Perception

1. Positioning of Services: Services are intangible, so marketers use images and tangible reminders to differentiate them. The goal is to link a clear brand image with the service so consumers can easily recognize and trust it.

2. Perceived Price: How consumers perceive a price—whether high, low, or fair—strongly affects their buying decisions and satisfaction. Perception of price often matters more than the actual price itself.

3. Reference Prices: Consumers compare prices with a reference price, either internal (past experience) or external (advertised comparisons). Marketers often use higher external reference prices to make their offers look like a better deal.

4. Perceived Quality of Products: Consumers evaluate product quality using intrinsic cues (size, colour, flavour) or extrinsic cues (price, brand image, store image, country of origin). In many cases, extrinsic cues strongly influence purchase decisions.

5. Perceived Quality of Services: Services are harder to evaluate because they are intangible and consumed as produced. Consumers rely on extrinsic cues like brand reputation or consistency. Perceived service quality depends on the gap between expected service and actual delivery.

6. Price/Quality Relationship: Consumers often see price as an indicator of quality. If they lack information, they assume higher prices mean better quality. Marketers use this relationship to position products as premium offerings.

7. Retail Store Image: Consumers form perceptions based on store image. Stores with wide assortments and consistent discounts are seen as affordable. The store where a product is bought also influences how consumers evaluate the product itself.

8. Manufacturer's Image: A manufacturer's reputation affects consumer acceptance of new products. Companies with strong, positive images find it easier to launch new offerings. Advertising, sponsorships, and community events are used to build this image.

Consumer attitudes are the consistent ways people think, feel, and react toward products or ideas. They guide whether someone likes or dislikes something and influence their buying choices. For marketers, studying attitudes is useful because it helps predict consumer behavior, understand reactions, and design products that fit existing attitudes more easily than trying to change them. In short, attitudes are mental tendencies that shape decisions, and they provide valuable, low-cost insights for businesses.

Models of Attitude

Tri-Component Attitude Model: This model explains that attitude has three parts: cognitive (beliefs), affective (feelings), and behavioural (actions). Together, they show how consumers think, feel, and act toward products.

1. Cognitive Component: The cognitive part is about knowledge and beliefs. For example, a consumer may believe Monster Energy drink is popular, gives energy, has vitamins, is priced fairly, and is made by a sports-oriented company.

2. Affective Component: The affective part is about emotions and feelings toward a product. For instance, saying "I like Diet Coke" or "Diet Coke is terrible" reflects emotional reactions, which can change depending on the situation.

3. Behavioural (Conative) Component: The behavioural part is about actions or tendencies to act. Buying Diet Coke, avoiding it, recommending it, or searching for brand information all show how attitudes translate into consumer behaviour.

Multi-Attribute Attitude Models: These models explain consumer attitudes toward an object (like a product or brand) based on their perceptions and evaluation of key attributes. Attitudes are shaped by how consumers judge these attributes.

1. Attitude Toward Object Model (ATO)

The ATO model says a consumer's evaluation depends on:

- Whether the product has or lacks certain attributes.
- How important those attributes are to the consumer. Consumers favour brands that perform well on attributes they value most and dislike brands that fail on these.

Implications of ATO: Marketers use this model to study entire consumer segments. They must identify which attributes are most valued and design products around them. This ensures products meet consumer expectations and gain acceptance.

2. Theory of Reasoned Action (TORA): TORA improves on ATO by focusing on intentions to act rather than just attitudes. It adds the **subjective norm**—what consumers think others expect them to do. It emphasizes attitudes toward the behaviour of buying, not just the product itself.

Implications of TORA: Marketers must understand the consequences consumers value most when choosing products. They should also consider the influence of referent others and word-of-mouth, since social expectations strongly affect consumer decisions.

Learning of attitudes means moving from having no opinion about something to forming a positive or negative view of it. This happens through repeated exposure, conditioning (classical or operant), or by observing others. For example, people often trust new products if they come from a brand they already like, because past satisfaction creates a favorable attitude toward that brand. Sometimes attitudes are formed after trying a product — if the experience is good, consumers develop a positive attitude toward it. In simple words, attitudes are learned through experience, influence, and brand associations, and they guide how people respond to products.

Motivation simply means the reason behind a person's actions. When someone feels a gap between what they want and their current state, it creates a need, and this need drives them to act — that drive is motivation. For example, if a person feels hungry, the need for food motivates them to pay attention to food ads, buy food, and feel better after eating. In short, motivation is the inner force that pushes consumers to behave in certain ways.

Types of Needs

a) Physiological (Primary) Needs: These are basic, innate needs that sustain life, such as food, water, and air. In consumer behaviour, satisfying these needs is essential because they are the foundation of survival and drive basic product demand.

b) Psychological Needs: These needs relate to personal competence and self-esteem. Consumers seek products or services that help them feel capable, confident, and respected in society.

c) Learned (Secondary or Cultural) Needs: These are acquired through culture, society, and personal experiences. They go beyond survival and reflect lifestyle choices, social values, and habits that influence consumer preferences.

What Determines Customer Needs?

Customer needs are influenced by personal traits. Each individual's background, biology, and psychology shape what products or services they require and prefer.

1. Genetics: Genetics refers to inherited biological traits. For example, food allergies caused by heredity affect consumer choices, making genetics an important factor in determining needs.

2. Biogenics: Biogenic traits are characteristics present at birth, such as gender and race. These influence consumer needs by shaping preferences and product suitability.

3. Psychogenics: Psychogenic traits are states and emotions created by brain functioning, such as moods and feelings. These affect consumer needs by influencing buying decisions in different situations.

4. Physical Characteristics of Environment: Environmental factors like climate, temperature, altitude, and rainfall also determine customer needs. For example, consumers in hot climates may prefer cooling products, while those in cold regions need warmth.

Theories of Motivation

1. Maslow's Hierarchy of Needs

I. Physiological Needs: These are basic survival needs like food, water, sleep, and sex. In consumer behaviour, products such as health foods, medicines, sports drinks, and exercise equipment satisfy these needs. Example themes: *Quaker Oats – Eating oatmeal is good for your heart.*

II. Safety Needs: Consumers seek physical safety, security, and stability. Products like smoke detectors, insurance, seat belts, and sunscreen fulfill these needs. Example themes: *State Street Investing – Precise in a world that isn't.*

III. Belongingness Needs: These reflect the desire for love, friendship, and group acceptance. Products like personal grooming items, clothing, food, and entertainment help consumers feel connected. Example themes: *Olive Garden – When you're here, you're family.*

IV. Esteem Needs: Consumers desire status, prestige, and self-respect. Products such as cars, furniture, hobbies, and luxury goods meet these needs. Example themes: *BMW – The Ultimate Driving Machine.*

V. Self-Actualization Needs: This is the need for self-fulfillment and becoming all one is capable of. Products like education, hobbies, sports, gourmet foods, and museums satisfy these needs. Example themes: *U.S. Navy – Accelerate Your Life.*

2. McClelland's Three Needs Theory

a. Need for Achievement: This is the drive to excel and succeed according to set standards. Consumers with high achievement needs prefer products or services that help them perform better, reach goals, and feel accomplished.

b. Need for Power: This is the desire to influence or control others' behaviour. Consumers with strong power needs are attracted to products that symbolize authority, status, and dominance, making them feel more influential.

c. Need for Affiliation: This is the desire for friendly and close relationships. Consumers with high affiliation needs prefer products and services that help them connect socially, gain acceptance, and feel part of a group.

3. Sheth's Five Needs

1. Functional Needs: These are practical needs that serve a physical purpose. For example, soap fulfills the need for cleanliness, showing how consumers buy products to meet basic functions.

2. Social Needs: Social needs help people connect with groups or communities. Products with logos or brand symbols allow consumers to show belonging and gain social acceptance.

3. Emotional Needs: These needs are about feelings and emotions. For example, receiving a gift creates joy, showing how products can make consumers feel happy and emotionally satisfied.

4. Epistemic Needs: Epistemic needs are the desire for knowledge and information. Products like newspapers or educational content meet this need by keeping consumers informed and aware.

5. Situational Needs: These needs arise in specific situations depending on time or place. For example, emergency repairs fulfill situational needs when unexpected problems occur.

Motives and Motivation

1. Motives: Motives are inner forces that push people to act. They give direction to behaviour, like a consumer feeling hungry and being motivated to buy food to satisfy that need.

2. Motivating: Motivating means channeling these motives into action. For example, a consumer with a strong motive for safety may choose to buy insurance or a smoke detector to feel secure.

3. Motivation: Motivation is the overall driving force that makes people act. In consumer behaviour, it explains how a need (hunger) becomes a drive (searching for food) and ends in a goal (feeling full after eating).

1. Positive Motivation: Positive motivation happens when a person is driven toward something they like or desire. In consumer behaviour, this means buying products that attract or satisfy them.

2. Negative Motivation: Negative motivation occurs when a person is driven away from something they dislike or fear. In consumer behaviour, this means avoiding products or situations that cause discomfort.

3. Consumer Motivation: Consumer motivation explains why people shop. While food shopping may satisfy survival needs, many purchases are for luxuries or enjoyment, showing that shopping goes beyond basic necessity.

4. Personal Motives

- **Role Playing:** Shopping linked to social roles like mother or student.
- **Diversion:** Shopping as recreation or escape.
- **Self-Gratification:** Shopping as “retail therapy” to improve mood.
- **Learning:** Shopping to discover new trends.
- **Physical Activity:** Walking in malls as exercise.
- **Sensory Stimulation:** Enjoying sights, sounds, and smells in stores.

5. Social Motives

- **Social Interaction:** Shopping to meet or talk with people.
- **Peer Affiliation:** Shopping to connect with groups or communities.
- **Status & Authority:** Shopping to gain respect or attention.
- **Pleasure of Bargaining:** Shopping to enjoy haggling and making “smart” purchases.

6. Customer Moods: Moods are short-lived emotions that affect shopping. Store ambience, salesperson behavior, product features, advertising tone, and messages can create positive or negative moods in consumers.

7. Hedonic Consumption: Hedonic consumption means using products for enjoyment rather than solving problems. Examples include sensory pleasure from a bubble bath, aesthetic pleasure from art, emotional thrill from a scary movie, or fun from playing sports.

Approach–Avoidance Motivational Conflicts and Social Groups

1. Approach–Approach Conflict: This occurs when a consumer must choose between two attractive options. For example, deciding between a trip to Hawaii or buying a mountain bike creates conflict because both are desirable. Marketers can resolve this with ads or offers like “buy now, pay later.”

2. Approach–Avoidance Conflict: This happens when a choice has both positive and negative sides. For example, wanting a tan (positive) but fearing skin damage (negative). Products like Neutrogena’s sunless tanner solve this by giving benefits without the risks.

3. Avoidance–Avoidance Conflict: This arises when a consumer faces only undesirable options. For example, when a washing machine breaks, the consumer may dislike spending money on repair or replacement but cannot go without one. Credit or maintenance ads help reduce this conflict.

4. Groups and Social Class: Consumers often join groups to satisfy needs. For example, volunteering may fulfill recognition needs, joining a computer club may satisfy social needs, and joining a health food cooperative may provide group buying benefits. Social relationships strongly influence consumer behaviour.

GROUPS, REFERENCE GROUPS AND SOCIAL CLASS

What Is A Group?

A group is simply two or more people who come together and interact to achieve some goal. It can be something small and informal, like two neighbours attending a fashion show, or something larger and more formal, like a whole neighbourhood working together. In short, a group means people joining for a common purpose.

Types of Groups and Consumer-Relevant Groups

1. Primary vs Secondary Groups: Primary groups are those with whom a person interacts regularly, like family, neighbours, or close co-workers, and whose opinions matter. Secondary groups involve occasional interaction and less influence on decisions.

2. Formal vs Informal Groups: Formal groups have clear structure, roles, and goals, like the Red Cross with elected officers. Informal groups are loosely defined, like friends meeting for dinner, and they influence consumer behaviour through casual interaction.

3. Large vs Small Groups: Large groups are complex organizations where members may not know each other personally, like General Motors. Small groups, such as a college newspaper staff, involve close personal ties and strongly influence consumer decisions.

4. Membership vs Symbolic Groups: Membership groups are those a person belongs to or qualifies for, like a weekly golf group. Symbolic groups are those a person cannot join but imitates by adopting their values and behaviour. Membership groups exert stronger influence on consumer behaviour.

5. Family: Family is the most important consumer-relevant group. Frequent contact and strong influence on values, attitudes, and behaviour make family central to purchase decisions.

6. Friendship Groups: Friendship groups are informal and unstructured but highly influential after family. Friends provide companionship, security, and advice, and consumers often trust friends with similar values when making purchase decisions.

7. Formal Social Groups: These groups are joined for specific goals like career advancement or promoting causes. Members often discuss products and services, and some copy the consumption habits of admired members, making them relevant to marketers.

8. Shopping Groups: Shopping groups consist of two or more people shopping together, often formed from family or friends. Consumers enjoy shopping with others who have more experience or knowledge about products, which influences their buying choices.

Reference Groups: A reference group is any person or group used as a point of comparison for values, attitudes, or behaviour. It can be real or symbolic, like family, celebrities, or sports heroes, and guides consumer decisions.

1. Contractual Groups: These are groups where a person has membership or face-to-face contact and agrees with their values. They have a positive influence on consumer attitudes and buying behaviour.

2. Aspirational Groups: These are groups a person does not belong to but wishes to join. They positively influence consumers, who adopt their values and buy products to feel closer to them.

3. Disclaimant Groups: These are groups where a person has membership or contact but disapproves of their values. Consumers often act in the opposite way, rejecting their behaviour and choices.

4. Avoidance Groups: These are groups a person neither belongs to nor approves of. Consumers deliberately avoid their values and behaviour, often choosing opposite products or lifestyles.

Factors that Affect Reference Group Influence

1. Information and Experience: If a person already has experience with a product or can easily get reliable information, they depend less on others. But if they lack experience or trust in information, they look to friends or groups for advice and often copy their behaviour.

2. Credibility, Attractiveness, and Power: Groups that are seen as trustworthy, admired, or powerful can strongly influence consumers. People follow those they believe are knowledgeable or those they want approval from, changing their product or brand choices to match.

3. Conspicuousness of the Product: Products that are easily noticed, like cars, fashion clothes, or luxury items, are more influenced by group opinions. Less visible products, like soap or canned food, are less affected because they don't attract social attention.

4. Impact on Product and Brand Choice: Reference groups may influence both product and brand choice (product-plus, brand-plus), only product choice (product-plus, brand-minus), only brand choice (product-minus, brand-plus), or neither (product-minus, brand-minus). This shows how group influence changes depending on the product.

5. Reference Groups and Consumer Conformity: Groups make consumers conform by:

- Informing them about products,
- Allowing comparison with group behaviour,
- Encouraging adoption of group norms,
- Validating their decision to use the same products.

Social class means dividing society into levels based on status. It is like a ladder where people are placed according to their position, and researchers group them into specific classes to study more easily. In simple words, social class is a hierarchy where people in the same class share similar status, while others have higher or lower status compared to them.

Characteristics of Social Classes

- 1. Similarity in Behaviour:** People within the same social class usually behave in similar ways. Their buying habits, lifestyle, and preferences often match because they share similar values and backgrounds.
- 2. Hierarchical Nature:** Social class is arranged in levels, from higher to lower. This hierarchy shows differences in status, prestige, and influence, which also affect consumer choices.
- 3. Measured by Many Factors:** Social class is not judged by one thing alone. It is measured by a mix of occupation, income, wealth, education, status, and prestige, all of which together determine class position.
- 4. Continuous Movement:** Social class is not fixed; it is continuous. People can move up into a higher class through success or drop into a lower class due to changes in income or occupation, which impacts their consumption behaviour.

Warner's U.S. Social Class Structure (1941)

- 1. Upper Upper Class:** This group has "old money," meaning wealth inherited for generations. They are aristocratic, prestigious, and live off income from their riches. Their consumption reflects tradition and exclusivity.
- 2. Lower Upper Class:** This group has "new money," earned through business or investments. They are wealthy but less prestigious than the upper-upper class. Their buying often shows success and status.
- 3. Upper Middle Class:** This group includes highly educated professionals like doctors, lawyers, and CEOs. They have high incomes and prestige. Their consumption reflects quality, education, and lifestyle.
- 4. Lower Middle Class:** This group includes moderately educated people like managers, teachers, and small business owners. They earn modest incomes and focus on practical, value-oriented consumption.
- 5. Upper Lower Class:** This group includes minimally educated manual workers. Skilled workers like carpenters and electricians are called blue-collar workers, while unskilled workers like cashiers or maids are often underpaid. Their consumption is limited to basic needs.
- 6. Lower Lower Class:** This group faces poverty, unemployment, and homelessness. They lack access to proper food, housing, clothing, and medical care. Their consumption is restricted to survival, and they are often stigmatized as the "underclass."

Opinion leadership means when one person, called an opinion leader, influences others informally through advice or word-of-mouth. People who actively seek guidance are opinion seekers, while others simply receive it. Because this influence is personal and not directly from companies, it often has a stronger impact on buying decisions than advertising.

Characteristics of Opinion Leaders

- 1. Knowledgeable and Interested:** Opinion leaders know more about products and have a strong interest in them. Their knowledge makes them trusted sources for advice in consumer behaviour.

2. More Involved: They are more involved in the product category. This means they actively use, follow, and discuss products, influencing others' buying decisions.

3. Local Friendships and Interaction: Opinion leaders maintain close social contacts and friendships. Through these interactions, they spread product information and influence consumer choices.

4. Information Sharing: They can easily pass on product knowledge to others. This ability to share information helps consumers learn and make decisions.

5. High Credibility: Opinion leaders are seen as trustworthy and reliable. Their credibility makes people believe their suggestions and follow their advice.

6. Confidence and Sociability: They have strong self-confidence, are sociable, and often cosmopolitan. They are willing to take risks, which makes them trendsetters in consumer behaviour.

Methods of Measuring Opinion Leadership

1. Self-Designating Method: This method uses a questionnaire where people judge how much they share product information or influence others' purchases. It is easy to use but not always accurate because people often overrate themselves as opinion leaders.

2. Socio-metric Method: This method studies communication in close groups like dormitories. People report who they give advice to and who they receive advice from. Scores are compared to identify opinion leaders and receivers, making this method the most reliable.

3. Key Informant Method: Here, a knowledgeable person (like a professor) points out opinion leaders in a group. It is inexpensive since only one person is asked, but it is rarely used because finding someone who can judge fairly is difficult.

4. Klout Scores: Klout measures online influence based on engagement like likes, shares, and comments. Scores range from 1 to 100, with higher scores showing greater influence. Companies use these scores to give perks, such as airline lounge access or hotel rewards, to highly influential people.

Strategic Applications of Word-of-Mouth

1. Social Networks: Social networks are online communities where people share information with others who have similar interests. These virtual connections spread word-of-mouth quickly among users.

2. Brand Communities: A brand community is formed by people who feel attached to a product or brand. They share experiences, often with nostalgic emotions, and influence each other's buying behaviour.

3. Weblogs (Blogs): Blogs are online discussion sites where people post information on specific topics. Today, blogs are often run by companies or groups, making them powerful tools for spreading word-of-mouth.

4. Stimulating Word-of-Mouth: Marketers encourage word-of-mouth through ads, slogans like "tell your friends," or referral programs that reward customers for bringing new buyers. This spreads product awareness.

5. Viral Marketing: Viral marketing uses social networks and technology to spread messages quickly. People share content like emails or videos, increasing brand awareness and influencing consumer behaviour.

6. Managing Negative Rumours: Negative comments or false rumours can harm products, such as claims of poor quality or unsafe ingredients. Companies must manage these quickly to protect consumer trust.

Discuss the influence of social groups on consumer behaviour.

Social groups strongly influence consumer behaviour because people often make buying decisions based on the opinions, values, and actions of others around them. These groups provide guidance, pressure, and support, shaping what consumers choose and how they behave in the marketplace.

1. Reference Groups: Consumers look to reference groups such as friends, colleagues, or celebrities for guidance. Their opinions and lifestyles influence what products people consider desirable or acceptable.

2. Family Influence: Family plays a major role in shaping buying behaviour. Parents influence children's brand preferences, while children can affect household purchases like food, gadgets, or entertainment.

3. Peer Groups: Peers strongly affect choices, especially among young consumers. For example, students may buy certain fashion brands or gadgets to fit in with their friends and avoid social rejection.

4. Role and Status: A person's role in society and the status they hold influence purchases. For instance, a manager may buy formal clothing or luxury cars to reflect authority and prestige.

5. Cultural Groups: Cultural groups shape values and traditions that guide buying behaviour. Festivals, rituals, and cultural practices often determine what products consumers purchase at specific times.

6. Opinion Leaders: Certain individuals act as opinion leaders who influence others' choices. Their recommendations about products, fashion, or technology carry weight and affect group buying behaviour.

7. Social Class Influence: Consumers belonging to different social classes show distinct buying patterns. Higher classes may prefer luxury goods, while middle classes focus on value-for-money products.

8. Group Pressure: Social groups exert pressure on individuals to conform. People may buy specific brands or styles to gain acceptance and avoid criticism within their group.

9. Shared Norms and Values: Groups create norms and values that guide behaviour. For example, a health-conscious group may encourage members to buy organic food or fitness products.

10. Impact on Decision-Making: Overall, social groups influence what consumers buy, how they buy, and why they buy. Their opinions, values, and expectations shape consumer decisions and create trends in the market.

Culture in consumer behaviour means the shared beliefs, values, customs, and habits that guide how people in a society act and make choices. It includes things like knowledge, traditions, art, laws, and everyday practices that are learned and passed down from one generation to another. In simple words, culture is the collective way of thinking and living in a society, and it strongly shapes consumer behaviour.

Ways Culture is Learned

1. Formal Learning: In formal learning, parents and elders teach children how to behave properly. For example, being taught to study for success shapes how a person values education and influences their consumer behaviour.

2. Informal Learning: In informal learning, people learn by copying the actions of parents, friends, or even actors on TV and films. This imitation affects how consumers adopt habits and preferences.

3. Technical Learning: In technical learning, people are given direct instructions on how to do specific tasks like painting, dancing, or singing. This structured learning influences skill development and related consumption choices.

Changes in Our Culture

1. Convenience: As more women join the workforce, there is higher demand for products that save time and reduce household work. This is seen in the rising sales of washing machines, microwaves, mixers, frozen food, and other convenience items.

2. Education: People today want education and skills that improve career opportunities. This is clear from the growth of professional institutes, especially computer training centers, which are always in high demand.

3. Physical Appearance: Fitness, health, and smart looks are valued more than ever. Slimming centers, beauty parlours, cosmetics, and designer clothing shops are growing rapidly, showing how appearance influences consumer choices.

4. Materialism: There is a shift from spiritual values to material comfort. People spend more on products like air-conditioners, cars, and music systems, which provide both physical comfort and social status.

Types of Culture

1. National Culture: National culture is the common culture of a nation shared by everyone. It influences consumer behaviour because people in the same country often follow similar traditions, values, and buying habits.

2. Popular Culture: Popular culture is the culture of the masses that appeals to many people. It includes trends, entertainment, and fashions that strongly affect consumer choices and preferences.

3. Subculture: A subculture is the culture of a smaller group within society. These groups may have unique values or lifestyles that influence their specific consumption patterns.

4. Group Identification: Group identification is based on factors like nationality, race, age, religion, gender, or region. These identities shape consumer behaviour by guiding what products or brands people prefer.

5. Corporate Culture: Corporate culture refers to a company's values, customs, rituals, and heroes. It influences how employees behave and also affects how consumers view and trust the company's products.

Characteristics of Culture

1. Culture is Learned: Culture is not inherited but learned through family, schools, and social groups. Consumers adopt buying habits and preferences by observing and imitating others in their society.

- 2. Culture is Shared:** It is common to a group of people and creates collective identity. Shared traditions like festivals or rituals influence consumers to buy similar products at the same time.
- 3. Culture is Transmitted:** Culture passes from one generation to another. For example, food habits, clothing styles, and brand preferences are often continued because parents and elders transmit them to children.
- 4. Culture is Dynamic:** Culture changes with time due to globalization, technology, and social change. Consumers may shift from traditional products to modern ones as cultural values evolve.
- 5. Culture is Adaptive:** It adjusts to new situations and environments. For instance, consumers adapt their buying behaviour when exposed to new lifestyles, foreign brands, or digital shopping platforms.
- 6. Culture is Prescriptive:** Culture provides rules and norms that guide behaviour. Consumers follow cultural expectations, such as buying gifts during festivals or choosing products that match social customs.
- 7. Culture is Pervasive:** It affects all aspects of life, from food and clothing to entertainment and technology. Since it is everywhere, culture strongly influences consumer choices in daily life.
- 8. Culture Defines Values:** Culture shapes what people consider right, desirable, or important. For example, in some cultures, luxury goods symbolize success, while in others, simplicity and modesty are valued.

Relevance of culture in decision making

Culture is very important in consumer decision-making because it guides how people think, what they value, and how they choose products. It acts like a set of rules and habits that consumers follow when making buying decisions.

- 1. Guides Preferences:** Culture decides what people like to buy. For example, food, clothes, and entertainment choices often depend on traditions and customs of their society.
- 2. Shapes Buying Motives:** It influences why people buy things. In some cultures, luxury goods show success, while in others, simple and practical products are valued more.
- 3. Influences Brand Perception:** The way people see brands depends on culture. A brand may look premium in one country but ordinary in another, which changes buying decisions.
- 4. Affects Communication Style:** Culture changes how people respond to advertisements. Direct ads work better in individualistic cultures, while emotional or family-based ads work better in collectivist cultures.
- 5. Determines Social Norms:** Culture sets rules about what is acceptable to buy. For example, buying gifts during festivals or wearing traditional clothes during ceremonies is expected in many societies.
- 6. Impacts Decision Process:** In some cultures, people decide individually, while in others, family approval is important before making big purchases. This changes how decisions are made.
- 7. Guides Innovation Adoption:** Cultures that value modernity adopt new products quickly, while traditional cultures may take more time to accept innovations.
- 8. Creates Market Segmentation:** Marketers divide markets based on cultural differences. Urban and rural consumers often have different values and buying habits, so strategies must be adjusted.

Cultural value dimensions are simply the common values that guide how people in a society live and behave. Geert Hofstede explained that cultures differ based on certain key value patterns, like how people view authority, individuality, or group belonging. Even though not everyone in a culture thinks exactly the same, most people in that society share similar beliefs and worldviews. In simple words, cultural values are the shared ways of living and thinking that shape consumer behavior.

Dimensions of Cultural Values (Hofstede's model)

1. Individualism vs Collectivism: Individualism means people focus on themselves and their immediate family, common in Western countries. Collectivism means people's lives are closely tied to larger groups, common in Eastern nations, where group approval strongly influences consumer choices.

2. Masculinity vs Femininity: Masculinity values assertiveness, success, and control, so ads highlight achievement. Femininity values care, relationships, and community, so ads focus on family, harmony, and staying connected.

3. Power Distance: Power distance shows how much inequality in authority is accepted. In high power-distance cultures, status differences are respected, and products may be linked to prestige. In low power-distance cultures, equality is valued, and consumption is less status-driven.

4. Uncertainty Avoidance: This measures how comfortable people are with unknown or risky situations. High uncertainty-avoidance cultures prefer safe, traditional products and may resist innovations. Low uncertainty-avoidance cultures adopt new products faster and trust partners more easily.

5. Long-Term vs Short-Term Orientation: Long-term orientation values future rewards, patience, and building relationships (like Guanxi in China). Short-term orientation focuses on quick results, face-saving, and immediate benefits in consumption.

6. Indulgence vs Restraint: Indulgent cultures value fun, enjoyment, and immediate gratification, so they buy more hedonic products. Restrained cultures control desires through norms and focus on utilitarian, practical consumption.

7. Pragmatic vs Normative: Pragmatic cultures accept that not everything can be explained and focus on saving and investing. Normative cultures want clear explanations for everything and are motivated by rules and traditions in their consumption behaviour.

What are Cultural Values and Cultural Changes? Explain their relevance in marketing.

Cultural values are the shared beliefs, traditions, and standards of a society. They guide people's behaviour and choices.

- Example: In India, respect for family and vegetarian food are cultural values.
- These values influence what products people accept, prefer, or reject.

Cultural changes happen when these values shift over time due to modernization, globalization, technology, or social movements.

- Example: Moving from traditional food to fast food, or from cash payments to digital wallets.
- Changes create new demands and new markets.

Relevance in Marketing

- **Product Design:** Products must fit cultural values (vegetarian food, halal food, eco-friendly goods).
- **Advertising:** Ads must reflect beliefs (family themes in collectivist cultures, success themes in individualist cultures).
- **Segmentation:** Helps divide consumers into groups based on cultural preferences.
- **Brand Positioning:** Brands align with values (sustainability, tradition, modernity).
- **Adaptation:** Marketers must adjust when culture changes (digital shopping, gender-neutral products).
- **Global Marketing:** Understanding cultural differences is vital when entering new countries.
- **Consumer Trust:** Respecting values builds credibility and loyalty.
- **Innovation Acceptance:** Cultural openness decides how fast new products are adopted.

Subcultures: A subculture is a smaller cultural group within a larger society. While people in a subculture follow the main cultural values of the society, they also have their own unique beliefs, customs, and habits that make them different from others. In simple words, subcultures are distinct groups inside a bigger culture that share some common values but also have their own identity.

Sub-culture Categories

- 1. Regional, Ethnic, and Religious Influences:** Consumer behaviour differs across regions, ethnic groups, and religions. For example, food, clothing, and product choices vary by area or belief, so marketers often design strategies to suit these differences.
- 2. Age Influences:** Different age groups show unique consumption patterns. Teens seek identity and influence family decisions, Generation X is skeptical of marketing, Baby Boomers value freedom and individuality, while older consumers dislike being labeled “old” but still have strong buying power.
- 3. Gender Influences:** Gender roles are changing, with women becoming more independent and men more sensitive. Men and women differ in traits, decision styles, and consumption patterns, which affect how they respond to products and marketing.
- 4. Household Influences:** Households affect buying decisions through roles like gatekeeper, influencer, decider, buyer, and user. Family structures are changing with later marriages, dual careers, divorces, and fewer children, which alters consumption behaviour.
- 5. Psychographics: Values, Personality, and Lifestyles:** Psychographics study values, personality, and lifestyles. Values guide what people see as important, personality shapes preferences, and lifestyles reflect daily choices. Marketers use these to segment consumers and target groups with similar values.

Cross-cultural marketing studies how consumers in different nations are similar or different. This helps marketers understand psychological, social, and cultural aspects of foreign consumers to design effective strategies for each market.

Problems in Cross Cultural marketing

1. Problems in Product Selection: Marketers cannot rely only on superficial similarities like age or income. They must identify the real motivating factors that make consumers accept or reject products in different cultures.

2. Problems in Promotion/Communication: Advertising messages may not work the same way across cultures. For example, brands like Ariel or Pepsi faced issues in the Middle East because their promotions did not match local cultural expectations.

3. Problems in Pricing: Pricing must be adjusted to local economic conditions and customs. A strategy that works in one country may fail in another if it does not fit cultural or financial realities.

4. Problems in Distribution Channels: Distribution systems vary across countries. For example, in Japan, Procter & Gamble had to adapt its distribution methods to successfully sell soap, showing how local practices affect consumer access.

Cross-cultural consumer analysis means studying how consumers in different countries are similar or different. It helps marketers understand the psychological, social, and cultural traits of foreign consumers so they can design strategies that fit each market. In simple words, it is the process of comparing consumers across nations to decide the best way to enter and succeed in a foreign market.

Cultural Variations & Non-Verbal Communication

1. Use of Time: Cultures view time differently. Monochronic cultures value order and do one thing at a time, while polychronic cultures prefer multitasking. This affects consumer behaviour, like punctuality in shopping or service expectations.

2. Use of Space: Space often shows prestige, such as bigger offices for higher status. Cultures also differ in personal distance—Americans keep space while Arabs stand close. This influences how consumers interact in stores or business settings.

3. Friendship: Friendship plays a key role in business. In cultures like India or Latin America, long-lasting relationships affect consumer trust and loyalty, while in the U.S. friendships may be short-term due to mobility.

4. Agreements: Agreements can be written or verbal. In some cultures, verbal commitments are binding, while in others formal contracts matter more. This shapes consumer and business transactions.

5. Things: Different cultures attach meaning to products and gifts. Some prefer giving gifts openly, while others do it privately. This affects consumer behaviour in social and business exchanges.

6. Symbols and Colours: Symbols, numbers, and colours have different meanings across cultures. For example, white means mourning in the Far East but purity in the U.S., while numbers like 7 are lucky in India and 13 unlucky in many countries. These meanings influence product design and marketing.

7. Etiquette: Etiquette varies across cultures. Behaviours like sitting positions or saying “no” directly may be rude in one culture but normal in another. For example, in Japan exchanging business cards is essential and shows status, which impacts consumer and business interactions.

What is a Family?

A family is a group of people related by blood, marriage, or adoption who live together. The nuclear family includes parents and children, while the extended family also has relatives like grandparents,

uncles, aunts, and cousins. The family you are born into is called the family of orientation, and the one you create through marriage is the family of procreation. In simple words, a family is the most basic social group where members live together and support each other's needs.

What is a Household A household means all people, whether related or not, who live together in one housing unit. It is different from a family because a household can include individuals living alone, friends sharing a place, or even unrelated people living together. Marketers focus on households because nontraditional families and non-family households are growing quickly, making them an important unit to study in consumer behavior.

Structural Variables Affecting Families and Households A household means all people living together in one home, whether they are related or not. It is different from a family because a household can include single people, friends, or unrelated members sharing a place. Marketers study households by looking at factors like age, marital status, children, and jobs, since these affect what products people buy. For example, families with children spend more on food, clothes, and education but less on luxury items. In simple words, household structure changes what people need and how companies design products.

Sociological Variables Affecting Families and Households

- 1. Cohesion:** Cohesion means the emotional bonding between family members. It shows how close or connected they feel to each other, which influences how they make consumer decisions together.
- 2. Adaptability:** Adaptability is the family's ability to change roles, rules, and power structures when facing new situations or stress. Families with high adaptability adjust better to challenges, which affects their buying behaviour.
- 3. Communication:** Communication supports both cohesion and adaptability. Positive communication like empathy and listening helps family members share needs and make joint purchase decisions, while negative communication restricts this process.

Functions of the Family

- 1. Economic Well-Being:** The family provides financial support to its members. Traditionally, husbands earned and wives managed the home, but today children also get pocket money to make their own small consumption choices, showing how economic roles affect buying behaviour.
- 2. Emotional Support:** Families give love, care, and encouragement to help members cope with problems. This emotional support influences consumer behaviour, as products like greeting cards or counseling services are marketed to strengthen family bonds.
- 3. Suitable Family Lifestyles:** Families establish lifestyles that shape consumption patterns. With more women working, there is demand for convenience products and fast food. Families also value "quality time," leading to markets for weekend packages and leisure services.
- 4. Socialization of Family Members:** Families teach children values, manners, and behaviour consistent with culture. This includes moral principles, dress standards, and career goals. Children learn directly through instruction and indirectly by observing parents and siblings, which guides their future consumption.

Stages of Family Life Cycle (with Consumer Behaviour)

1. Bachelor Stage (Young, Single): This stage includes people below 35 years who are unmarried. Their income is usually low because they have just started working, but they have fewer responsibilities.

They spend more on:

- Fashion and clothes
- Entertainment
- Travel
- Gadgets

2. Newly Married Couples: These are young couples with no children. If both partners are working, they have high disposable income.

They spend more on:

- Furniture and home setup
- Appliances
- Lifestyle products
- Travel and leisure

3. Full Nest I (Young couples with small children under 6 years): At this stage, expenses increase due to childcare. Income gets tight, especially if only one parent works.

They spend more on:

- Baby products
- Healthcare
- Basic household needs

4. Full Nest II (Children aged 6–12 years): Children grow older and go to school. Family income improves as parents advance in careers.

They spend more on:

- Education
- School items
- Clothes and activities

5. Full Nest III (Teenage children): Children are teenagers and still dependent. Family income is higher, but expenses also increase.

They spend more on:

- Higher education
- Coaching and college preparation
- Technology and lifestyle items

6. Empty Nest I (No children at home, parents still working)

Children leave home for jobs or studies. Parents are still earning and have fewer expenses.

They have:

- High savings
- High discretionary income

They spend more on:

- Luxury items
- Travel
- Investments

7. Empty Nest II (Retired couples): Parents are retired and depend on savings or pensions. Income decreases.

They spend more on:

- Healthcare
- Basic living needs
- Conservative purchases

8. Solitary Survivor (Single elderly person): One spouse has passed away. Income is low, and medical needs increase.

They spend more on:

- Healthcare
- Essential goods
- Support services

Family Decision-Making: Families use products together even though individuals usually buy them. Decisions about what to buy, where to buy, and how to use products involve multiple members and can be complex.

Role Behaviour

1. Instrumental Roles: Instrumental roles are functional or economic roles. They include financial responsibilities, performance, and practical tasks carried out by family members to support purchase and consumption decisions.

2. Expressive Roles: Expressive roles focus on emotional and social needs. They involve supporting family members, maintaining harmony, and upholding family norms, which influence how decisions are made and what products are chosen.

Individual Roles in Family Purchases

1. Influencers: Influencers are family members who provide information or advice that affects buying decisions. For example, a housewife recommending a new restaurant can influence her husband and children to try it.

2. Gatekeepers: Gatekeepers control the flow of information about products. For instance, a teenage son may only share details about the bicycle brand he prefers, guiding the father's decision toward that choice.

3. Deciders: Deciders are those who have the authority to make the final decision. A husband and wife may jointly decide to purchase a refrigerator, showing how decision power can be shared.

4. Buyers: Buyers are the family members who actually purchase the product. For example, a housewife may buy groceries and toiletries for the entire family.

5. Preparers: Preparers transform products into usable form. A housewife preparing meals from raw ingredients is an example of how preparation is part of consumption behaviour.

6. Users: Users are those who consume or use the product. All family members may use shared items like a car, television, or music system.

7. Maintainers: Maintainers are responsible for servicing or repairing products. Their role ensures continued satisfaction and long-term use of family purchases.

8. Disposers: Disposers handle the disposal or discontinuation of products. They decide when and how items are discarded, which also influences future purchase behaviour.

Influence Strategies in Family Consumer Decision-Making

1. Expert Strategy: A spouse uses superior knowledge or information to influence the decision. For example, one partner may convince the other about which cooking oil is healthier based on expertise.

2. Legitimacy Strategy: A spouse influences the decision based on their position in the household. For instance, buying a house may be justified by the authority or responsibility of one partner.

3. Bargaining Strategy: A spouse secures influence by promising to exchange it later. For example, agreeing to buy jewelry now in return for support in another decision later.

4. Reward Strategy: A spouse offers a reward to influence behaviour. For instance, one may agree to buy certain FMCG products if the other spouse complies with their preference.

5. Emotional Strategy: A spouse uses emotions to influence the decision. For example, emotional reactions may affect choices about sensitive issues like birth control measures.

6. Impression Strategy: A spouse tries to persuade by creating a strong impression. For example, one partner may insist on a product due to fixated buyer behaviour, influencing the other's acceptance.

Children, Teenagers, and Family Marketing in Consumer Behaviour

Children's Influence: Young children start influencing family purchases as soon as they can communicate, asking for toys, food, or outings. Older children play a bigger role, even in decisions like vacations, computers, or household items.

Parent-Child Influence vs Yield: Children try to influence parents to “yield” to their requests. For example, in supermarkets, children often push parents to buy products they see advertised, showing their strong impact on family consumption.

Teenagers’ Spending Patterns: Teenagers have discretionary spending power. Boys aged 16–19 spend more on movies, dating, entertainment, vehicles, and clothing, while girls spend more on clothing, cosmetics, and fragrances, reflecting lifestyle differences.

Teen Market Segmentation: The teen market can be segmented by lifestyle groups. High school students often focus on sports and fitness, and marketers design products and promotions to match these interests.

Family Marketing: Family marketing studies relationships between purchaser, consumer, and decision maker. Some products have one buyer but many users, while others involve joint decisions. Marketers position products differently depending on these purchaser-consumer relationships.

Module: 3

Engel, Kollat, Blackwell & Miniard (EKB/EBM) Model

1. Information Input: This stage includes all stimuli that a consumer is exposed to, both marketing (ads, displays, personal selling) and non-marketing (family, friends). These stimuli compete for attention and trigger the decision-making process.

2. Information Processing: Here, the consumer pays attention to selected stimuli, interprets them, and stores them in memory. Information first enters short-term memory and, if relevant, is transferred to long-term memory for future use.

3. Decision Process Stages: This stage has five steps: problem recognition, information search, evaluation of alternatives, choice/purchase, and outcomes. Attitudes formed during evaluation influence purchase intentions, and outcomes (satisfaction or dissatisfaction) feed back into future decisions.

4. Decision Process Variables: Individual factors like demographics, motives, beliefs, attitudes, personality, lifestyle, and values affect decisions. These variables shape how consumers evaluate products and make choices.

5. External Influences: Social and environmental influences such as culture, values, reference groups, family, and situational factors (anticipated or unexpected circumstances) impact each stage of the decision process.

6. Feedback Loop: Outcomes of purchase—whether satisfaction or post-purchase dissonance—feed back into the consumer’s memory. This influences future decisions and shapes the next cycle of the buying process.

7. Versatility of the Model: The EKB model is comprehensive and versatile. It has been tested across many product categories and purchase situations, proving its reliability in explaining consumer behaviour.

Dynamics of Changing Consumer Behaviour

- **Technology Influence:** Online shopping, mobile apps, and digital payments have changed how people buy. Consumers now expect convenience and speed.
- **Globalization:** Exposure to global brands and cultures makes consumers more open to new products and international trends.
- **Social Media Impact:** Platforms like Instagram and YouTube shape preferences. Reviews, influencers, and peer opinions strongly affect buying decisions.
- **Lifestyle Changes:** Busy lives increase demand for ready-to-eat food, online services, and convenience products.
- **Cultural Shifts:** Values like sustainability, gender equality, and health consciousness are changing what people buy.
- **Demographic Changes:** Young consumers prefer trendy, tech-driven products, while older consumers value trust and reliability.
- **Economic Factors:** Rising incomes, inflation, and price sensitivity affect choices. Consumers balance between premium and budget options.
- **Personalization:** People expect products and ads tailored to their needs, tastes, and identity.
- **Sustainability Awareness:** Eco-friendly products, recycling, and ethical brands are gaining importance.
- **Innovation Acceptance:** Consumers are quicker to adopt new products like smart devices, digital wallets, and AI-based services.

Explain consumer behaviour in online marketing with suitable examples.

Consumer behaviour in online marketing means how people think, decide, and act when buying products or services through the internet. It focuses on how digital platforms, websites, apps, and social media influence customer decisions.

- **Convenience:** Consumers shop online because it saves time and effort. Example: Ordering groceries from BigBasket instead of visiting a store.
- **Information Search:** People compare products, read reviews, and check ratings before buying. Example: Reading Flipkart or Amazon reviews before purchasing a mobile phone.
- **Personalization:** Online platforms suggest products based on browsing history. Example: Netflix recommending shows or Amazon suggesting related items.
- **Social Influence:** Social media ads, influencers, and friends' posts affect buying decisions. Example: Buying a fashion brand after seeing it promoted on Instagram.
- **Price Sensitivity:** Consumers compare prices across websites and wait for discounts. Example: Shopping during Flipkart Big Billion Days or Amazon Great Indian Festival.
- **Trust and Security:** Safe payment options and return policies build confidence. Example: Consumers prefer platforms with easy returns like Myntra.
- **Impulse Buying:** Flash sales and limited-time offers push consumers to buy quickly. Example: Clicking "Buy Now" during a 1-hour lightning deal.

- **Global Access:** Online marketing allows consumers to buy international products easily. Example: Ordering gadgets from AliExpress or fashion from Zara's global site.

Suitable Examples

1. **Amazon:** Consumers read reviews, compare prices, and buy products with one click.
2. **Netflix:** Suggests shows based on viewing behaviour, showing personalization in action.
3. **Myntra:** Fashion shoppers influenced by trends, discounts, and influencer promotions.
4. **Swiggy/Zomato:** Food delivery apps show how convenience and quick service drive consumer behaviour.

THE INFLUENTIAL DIGITAL SUBCULTURES – MODERN WOMEN & NETIZENS

Describe the characteristics of modern women consumers and their impact on marketing strategies.

Modern women consumers have become a powerful force in the marketplace. Their changing roles, values, and lifestyles strongly influence marketing strategies.

Characteristics of Modern Women Consumers

- **Financial Independence:** Many women earn their own income, so they make independent buying decisions.
- **Education and Awareness:** Higher education levels make them more informed and selective about products.
- **Professional Roles:** Working women balance career and family, so they prefer time-saving and convenient products.
- **Health Consciousness:** They value fitness, nutrition, and wellness products.
- **Fashion and Lifestyle Orientation:** Women are trend-aware and often drive demand for fashion, beauty, and lifestyle products.
- **Technology Adoption:** They use smartphones, apps, and online platforms for shopping, banking, and entertainment.
- **Social Influence:** Women share opinions and experiences, influencing family and peer purchase decisions.
- **Value Sensitivity:** They look for quality, durability, and value for money rather than just low prices.
- **Environmental Awareness:** Many prefer eco-friendly and sustainable products.
- **Decision-Making Power:** Women play a key role in household purchases, from groceries to big investments.

Impact on Marketing Strategies

- **Product Development:** Companies design products that save time, are health-oriented, and stylish.
- **Advertising Messages:** Ads highlight independence, empowerment, and modern lifestyles.

- **Digital Marketing:** Brands use social media, influencers, and apps to connect with women consumers.
- **Segmentation:** Marketers target working women, homemakers, students, and mothers differently.
- **Brand Positioning:** Brands align with values like sustainability, equality, and self-expression.
- **Retail Strategy:** Stores and online platforms offer personalized experiences, easy returns, and loyalty programs.
- **Family Influence:** Since women influence family decisions, ads often show family happiness and trust.

Netizens are people who actively use the internet and participate in online communities. They are not just passive users; they share opinions, create content, influence others, and shape digital trends. Their behaviour strongly impacts how digital marketing works today.

Concept of Netizens

Definition: Netizens = “Internet citizens.” They are individuals who spend time online, interact on social media, forums, blogs, and digital platforms.

Role: They create, share, and spread information, reviews, and opinions that influence other consumers.

Influence on Digital Marketing

- **Word-of-Mouth Online:** Netizens share product experiences through reviews, comments, and posts, which can boost or damage a brand’s image.
- **Social Media Trends:** They drive viral content, hashtags, and challenges that brands use for promotion.
- **User-Generated Content:** Photos, videos, and blogs created by netizens act as free advertising for companies.
- **Brand Engagement:** Netizens interact directly with brands online, demanding quick responses and personalized service.
- **Influencer Marketing:** Some netizens become influencers, shaping buying decisions of thousands or millions of followers.
- **Global Reach:** Netizens connect across countries, helping brands expand internationally.
- **Feedback Loop:** Their instant feedback forces companies to improve products and services quickly.
- **Community Building:** Netizens form online groups around shared interests, giving marketers ready-made target audiences.

OMNI CHANNEL SHOPPING BEHAVIOR

Who are omnishoppers?

Omnishoppers are consumers who use many different channels together when shopping. For example, they may research a product on a mobile app, compare prices on websites, and finally buy

it in a physical store. They expect a smooth and connected experience across all channels, and their interaction is more with the brand than with any single channel. In simple words, omnishoppers move freely between online, mobile, and offline shopping, making retailing more complex but also more connected.

Implications for Retailers

- 1. Multi-Channel Shoppers:** Customers who shop across different channels (like store + online) spend more money and are more loyal than those who use only one channel. This makes them more profitable for retailers.
- 2. Single-Channel Retailing:** Single-channel retailers use only one main outlet, usually a physical shop. Even if they have a website, it is not used for selling, and customers are managed mainly in-store.
- 3. Multi-Channel Retailing:** In multi-channel retailing, each channel (store, website, catalog) has its own separate strategy. The branding and customer management are different for each channel.
- 4. Cross-Channel Retailing:** Cross-channel retailers use one unified strategy across all channels. Customers are central, and their experience is managed consistently across platforms.
- 5. Omni-Channel Retailing:** Omni-channel retailing blends online and offline shopping. Customers move freely between channels, and retailers provide a seamless experience across all touchpoints.

Three Shopping Behaviours Forcing Omni-Channel Supply Chains

- 1. Desire for Free Shipping:** Customers expect free shipping because of services like Amazon Prime. If shipping is not free, they compare total costs (product + shipping) and choose the cheapest option. This forces retailers to absorb shipping costs and cut other supply chain expenses.
- 2. Buy-Online, Pick-Up in Store (BOPS):** BOPS lets customers order online and collect items from a nearby store for free. It saves shipping costs but creates challenges for supply chains, as small online orders must be packed and coordinated with large retail deliveries.
- 3. Checking Store Inventory Online:** Customers want to check store inventory online before visiting, to avoid wasted trips. This requires retailers to merge store and distribution center systems into one platform, giving real-time inventory visibility across all channels.

Benefits of an Omni-Channel Approach

- **Consistency:** Customers get the same brand message and service across all platforms, which builds trust.
- **Convenience:** Shoppers can switch easily between online and offline channels. Example: Browsing online and picking up in-store.
- **Better Customer Experience:** Smooth interaction across channels makes shopping easier and more enjoyable.
- **Increased Engagement:** Multiple touchpoints (apps, social media, stores) keep customers connected with the brand.
- **Higher Sales:** Customers who use multiple channels often spend more and buy more frequently.

- **Personalization:** Data from different channels helps businesses offer tailored recommendations.
- **Stronger Loyalty:** A consistent and convenient experience makes customers stick with the brand.
- **Competitive Advantage:** Companies that integrate channels stand out compared to those offering only single-channel service.
- **Efficient Marketing:** Brands can run campaigns across platforms and reach more people effectively.

THE CONSUMER DECISION JOURNEY

The consumer decision journey means the path consumers take before buying a product. Earlier, marketers explained this with a funnel, where people start with many brand options and slowly narrow them down to one choice. But today, with digital channels, social media, and more product choices, the funnel is too simple. Consumers now move through many touchpoints in a complex way, and marketers must reach them at the right moments to influence decisions. In simple words, the consumer decision journey is a modern, non-linear process showing how people choose products across different channels.

How Consumers Make Decisions

- 1. Initial Consideration Set:** Consumers form impressions of brands from ads, news, friends, and experiences. When triggered to buy, they recall a small set of familiar brands, called the initial-consideration set, which are more likely to be purchased.
- 2. Active Evaluation:** During research, consumers may expand their brand options instead of narrowing them. New brands can enter consideration and even replace rivals, creating opportunities for marketers to influence decisions.
- 3. Closure or Purchase:** At this stage, consumers make the final choice and buy a product. Individual differences, social norms, and situational factors influence which brand is selected.
- 4. Post-Purchase Experience:** After buying, consumers judge satisfaction or dissatisfaction. This shapes loyalty and future decisions, making post-purchase experiences crucial for repeat buying and word-of-mouth.
- 5. Empowered Consumers:** Consumers now drive the process by pulling information through reviews, word-of-mouth, and past experiences. Two-thirds of touch points are consumer-driven, reducing the dominance of traditional push marketing.
- 6. Two Types of Loyalty:** Active loyalists stick with a brand and recommend it, while passive loyalists stay out of habit but are open to switching. Marketers must focus on creating active loyalists to strengthen long-term brand success.

Aligning Marketing with the Consumer Decision Journey

- 1. Prioritize Objectives and Spending:** Marketers should spend money on the most important stages of the consumer journey. Instead of only focusing on awareness or loyalty, they must target specific points like consideration, evaluation, or purchase.

2. Tailor Messaging: A single message for all stages is not effective. Companies should create messages that fit each stage, for example convincing consumers during the early consideration or while they are actively evaluating options.

3. Consumer-Driven Marketing: Consumers now search for information themselves through reviews, recommendations, and online research. Marketers must invest in these consumer-driven touch points instead of relying only on traditional advertising.

4. In-Store Influence: Many buyers make their final decision inside the store. Packaging, product placement, and salesperson interaction are powerful influences, with up to 40% of shoppers changing their minds at this stage.

New Consumer Decision Journey

1. Automation: Automation makes the buying journey faster and easier. For example, banks let customers deposit checks by taking a photo in their app instead of visiting a branch.

2. Proactive Personalization: Companies use customer data to personalize experiences instantly. For example, remembering preferences or giving a frequent traveler an automatic upgrade makes the journey smoother.

3. Contextual Interaction: Brands guide customers based on where they are in the journey. For instance, a retail site shows the status of a recent order, or a hotel app works as a room key when the guest arrives.

4. Journey Innovation: Companies create new services by analyzing customer data. They test and design new features continuously, offering extra value that strengthens both customer satisfaction and brand loyalty.