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II B.SC PSYCHOLOGY

21CAPS4A-CONSUMER PSYCHOLOGY

UNIT I **(15 HOURS)**

INTRODUCTION TO CONSUMER PSYCHOLOGY

Consumer Psychology- Definition- Meaning- Nature of Consumer Psychology- Importance of Studying Consumer Psychology – Factors Influencing Consumer Behavior.

UNIT II **(20 HOURS)**

THE INDIVIDUAL DERTERMINANTS AS CONSUMER

Consumer Sensation and Perception: Perceptual encoding- Applications of Consumer Memory and Learning- Consumer Attitude Theories: Balance Theory, Congruity Theory, Cognitive Dissonance Theory – Multi Attribute Model

UNIT III **(20 HOURS)**

CONSUMER MARKETING

Consumer Mood, Emotion and Involvement-Consumer Influence: Reference Group Influence and Opinion Leadership.

Definition – Importance of Marketing- Scope of Marketing-4 P's or Marketing Mix – Bases of Consumer Segmentation- Target Market

UNIT IV **(20 HOURS)**

MARKEITNG COMMUNICATION

Persuasive Communication in Consumer Behaviour – Developing Effective Communications – Developing and Managing an Advertising Program – Steps in deciding on Media – Promotion mix: Personal selling- Advertising-Direct marketing-Sales Promotion –Sales Force and Public Relation.

UNIT V **(15 HOURS)**

CONSUMER RESEARCH

Consumer Decision Making Process: Need and Information Search- Alternate Evaluation and Choice- Consumption and Post Purchase behaviour

Consumer Research- Approaches to Consumer Research-Methods to Study Consumer Research-

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UNIT-I

INTRODUCTION TO CONSUMER PSYCHOLOGY

UNIT I   **(15 HOURS)**

INTRODUCTION TO CONSUMER PSYCHOLOGY

Consumer Psychology- Definition- Meaning- Nature of Consumer Psychology- Importance of Studying Consumer Psychology – Factors Influencing Consumer Behavior.

Definition:

Consumer Psychology is "A study that deals with activities that directly involved in selecting, obtaining, and using products and services and ideas to satisfy needs and desires, including decision processes that precede and follow these actions. "

-Davis and Palladino (1995)

Meaning of Consumer Psychology:

- **Consumer psychology**, Branch of social **psychology** concerned with the market behaviour of **consumers**.
- *The study of the behavior of consumers of goods and services regarding their buying patterns and reactions to advertising and marketing.*
- **Consumer psychologists** examine the preferences, customs, and habits of various **consumer** groups;
- their research on **consumer** attitudes is often used **to help design advertising campaigns and to formulate new products**.
- Consumer psychology seeks to explain human, or *consumer* behavior, in two basic ways:
- what the consumer *wants* and
- what the consumer *needs.*
- Eg:The logical explanation for fulfilling the needs is a simple one. If a person lives in New York, that person needs a winter coat to survive the cold outside. But why the person buys a particular style or color hinges on the more complex issues of why a particular choice is made
- The key to unlocking consumer psychology is understanding that desires rule over needs when it comes to consumer purchase

1.Influenced by various factors:

- ❖ Personal factors such as age, gender, education and income level.
- ❖ Psychological factors such as buying motives, perception of the product and attitudes towards the product.

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- ❖ Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.
- ❖ Social factors such as social status, reference groups and family.
- ❖ Cultural factors, such as religion, social class—caste and sub-castes.

2. Undergoes a constant change:

- ❖ Consumer behaviour is not static. It undergoes a change over a period of time depending on the nature of products.

For example, kids prefer colourful and fancy footwear, but as they grow up as teenagers and young adults, they prefer trendy footwear

- ❖ The change in buying behaviour may take place due to several other factors such as increase in income level, education level and marketing factors.

3. Varies from consumer to consumer:

- ❖ All consumers do not behave in the same manner. Different consumers behave differently. The differences in consumer behaviour are due to individual factors such as the nature of the consumers, lifestyle and culture.

For example, some consumers are technoholics. They go on a online shopping and spend beyond their means.

4. Information on consumer behaviour is important to the marketers:

Marketers need to have a good knowledge of the consumer behaviour. **The knowledge of consumer behaviour enables them to take appropriate marketing decisions in respect of the following factors:**

a. Product design/model

b. Pricing of the product

c. Promotion of the product

d. Packaging

e. Positioning

f. Place of distribution

5. Leads to purchase decision:

Positive consumer behaviour leads to a purchase decision. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behaviour to increase their purchases.

IMPORTANCE OF STUDYING CONSUMER PSYCHOLOGY:

The following are the reason why studying consumer Psychology is important

(i)Social Marketing Campaigns

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Social media has become one of the most popular ways to market products and services to consumers, and this trend is likely to continue as users seek connection through this platform for typical advertisements .

(ii)Developing a Marketing Strategy

Modern consumers typically do not respond to negative marketing campaigns. A focus on the positives of a product or brand and appealing to them in a positive way are more productive as a strategy

(iii)Consumer Insights Research

Data about consumer perceptions is becoming increasingly valuable. With the growth of big data, information abounds about how consumers make decisions, how they shop, and what matters to the application of consumer psychology.

(iv)Consumer-Based Marketing

Marketing departments across all industries throughout the country are making more of an effort to understand their customers through psychological principles instead of simply creating flashy content and campaigns.

(v)Educational Opportunities

Consumer Psychology and marketing involve scientific study and careful analysis to better understand why people react to certain situations in specific ways and learning more to produce consumers what they want.

(Vi)Creation and Retention of Consumers:

Marketers who sell their products after recognising consumer needs often find a ready market for their products and finds it easy to retain its consumers for longer period.

(vii)Competition:

Consumer behaviour study helps the marketer to gain competitive advantage since through the study the marketer can offer more competitive products, based on consumers' expectations.

(viii) New Product Development:

. In order to develop the best-fit product, marketer must have enough knowledge about the market. Thus, the study of consumer behaviour is the basis for developing a new product successfully.

(xi)Predicting Market Trend:

Consumer behaviour can also help in forecasting the future trends. Due to this, the marketer can prepare its strategies well in advance in order to take advantage of the emerging opportunities, and/or for facing challenges and threats.

FACTORS INFLUENCING CONSUMER BEHAVIOUR

Some of the most important factors influencing consumer behaviour are as follows:

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A. Marketing Mix Factors

B. Personal Factors

C. Psychological Factors

D. Social Factors

E. Cultural Factors.

In general, the factors that affect consumer behaviour are discussed in the following sections:

A. Marketing Mix Factors:

Each component of the market mix—product, pricing, promotion and place of distribution—has a direct or indirect impact on the buying process of the consumers.

1. Product:

The special characteristics of the product, the physical appearance and the packaging can influence the buying decision of a consumer.

2. Pricing:

The price charged on the product or services consumed by the consumer affect the buying behaviour of the consumers. Marketers must consider the price sensitivity of the target customers while fixing prices.

3. Promotion:

The variables of promotion mix such as advertising, publicity, public relations, personal selling and sales promotion affect the buying behaviour of the consumers. Marketers select the promotion mix after considering the nature of the target audience.

4. Place:

The channels of distribution and the place of distribution affect the buying behaviour of the consumers. The marketers makes an attempt to select the right channel and distribute the products at the right place.

B. Personal Factors:

The personal factors such as age, occupation, lifestyle, social and economic status and the gender of a consumer may affect the buying decisions of the consumers individually or collectively.

1. Age factor:

The age factor greatly influences the buying behaviour. For example, teenagers prefer trendy clothes, whereas office executives prefer sober and formal clothing.

2. Gender:

The consumer behaviour varies across gender. For example, girls prefer certain feminine colours such as pink, purple and peach, whereas boys go for blue, black and brown.

3. Education:

Highly educated persons may spend on books, personal care products, and so on. But a person with low or no education may spend less on books and more on personal grooming products.

4. Income level:

Normally, the higher the income level, the higher is the level of spending and vice versa. But this may not be the case in developing countries, especially in the rural areas.

5. Status in the society:

Persons enjoying higher status in the society spend a good amount of money on luxury items such as luxury cars, luxury watches, premium brands of clothing, jewellery and perfumes.

C. Psychological Factors:

A person's buying behaviour is influenced by the psychological factors such as the following:

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1. Learning:

It refers to changes in individual behaviour that are caused by information and experience. For example, when a customer buys a new brand of apparels, and is satisfied by its use, then they are more likely to buy the same brand the next time. Through learning, people acquire beliefs and attitudes, which in turn influence the buying behaviour.

2. Attitude:

It is human tendency to respond in a given manner to a particular situation or object or idea. Consumers may develop a positive, or a negative, or a neutral attitude towards certain products or brands, which in turn affects their buying behaviour.

3. Motives:

A motive is the inner drive that motivates a person to act or behave in a certain manner. A marketer must identify the buying motives of the target customers and influence them to act positively towards the marketed products.

Some of the buying motives include the following factors:

a. Pride and possession

b. Love and affection

c. Comfort and convenience

d. Sex and romance

4. Beliefs:

A belief is a descriptive thought that a person holds about certain things. It may be based on knowledge, opinion, faith, trust and confidence. People may hold certain beliefs of certain brands/products. Beliefs develop brand images, which in turn can affect the buying behaviour.

D. Social Factors:

The social factors such as reference groups family, and social status affects the buying behaviour. Social factors in turn reflect a constant and dynamic influx through which individuals learn different meanings of consumption.

1. Reference groups:

A reference group is a small group of people such as colleagues at workplace, club members, friends circle, neighbours, family members, and so on.

The reference groups influence the members in following manner:

a. They influence members' values and attitudes.

b. They expose members to new behaviours and lifestyles.

c. They create pressure to choose certain products or brands.

2. Family:

The family is the main reference group that may influence the consumer behaviour. Nowadays, children are well informed about goods and services through media or friends circle, and other sources. Therefore, they influence considerably in the decisions of buying both fast moving consumer goods and durable items.

3. Roles and status:

A person performs certain roles in a particular group such as family, club, organization, and so on. For example, a person may perform the role of a vice president in a firm and another person may perform the role of a marketing manager.

People may purchase the products that conform to their roles and status, especially in the case of branded clothes, luxury watches, luxury cars, and so on.

E. Cultural Factors:Cultural factors includes race and religion, tradition, caste and moral values. Culture also includes subcultures, sub-castes, religious sects and languages.

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1. *Culture:*

It influences consumer behaviour to a great extent. Cultural values and elements are passed from one generation to another through family, educational institutions, religious bodies and social environment. The cultural diversity influences food habits, clothing, customs and traditions. For example, consuming alcohol and meat in certain religious communities is not restricted, but in certain communities, consumption of alcohol and meat is prohibited.

2. *Subculture:*

Each culture consists of smaller subcultures that provide specific identity to its members. Subcultures include sub-castes, religious sects (Roman Catholics, Syrian Catholics, Protestant Christians, etc.), geographic regions (South Indians, North Indians) and language (Marathi, Malayali, Gujarati).

The behaviour of people belonging to various subcultures is different. Therefore, marketers

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Unit-II

THE INDIVIDUAL DERTERMINANTS AS CONSUMER

Consumer Sensation and Perception: Perceptual encoding- Applications of Consumer Memory and Learning- Consumer Attitude Theories: Balance Theory, Congruity Theory, Cognitive Dissonance Theory – Multi Attribute Model

PERCEPTION

- ❖ It is the process of receiving and deriving meaning from stimuli present in our internal and external environment.

- ❖ Perceive is to (see, hear, touch, taste, smell, sense internally) some (thing, event or situation) and (to organize interpret and desire meaning from the experience).
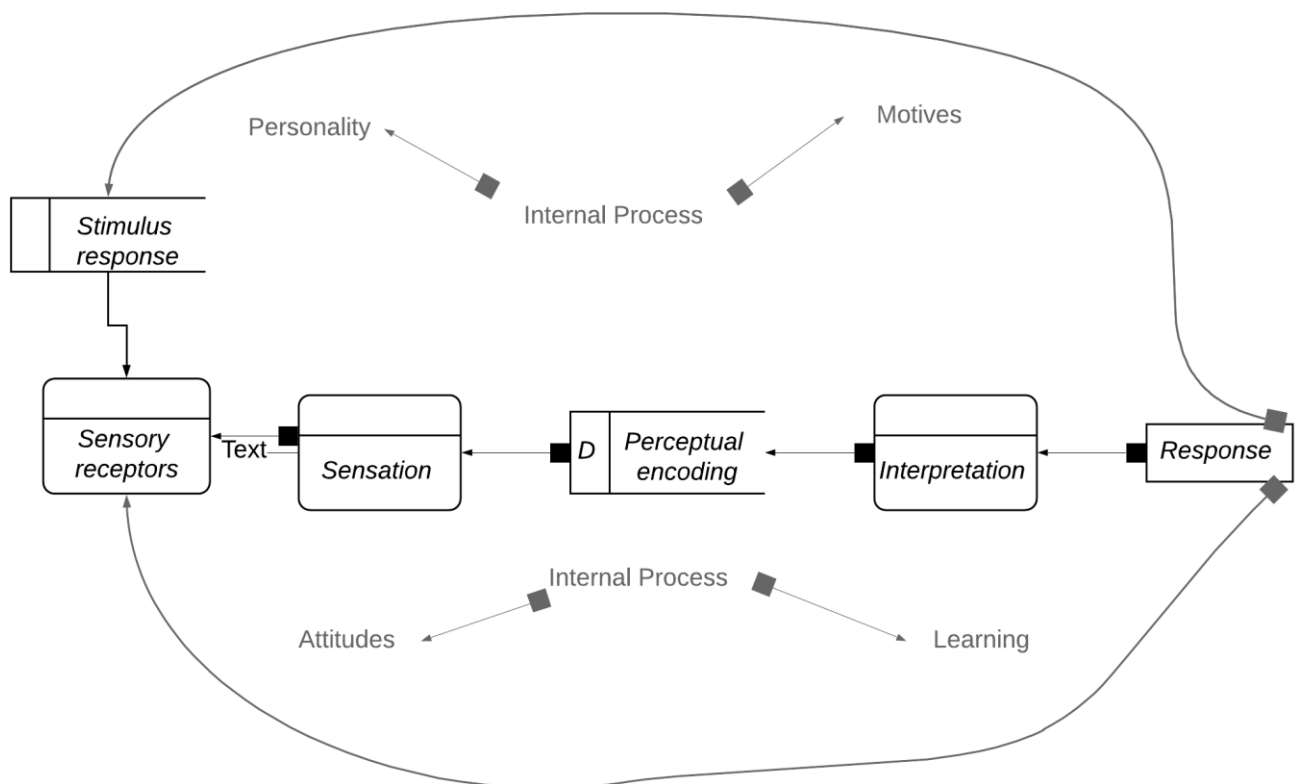
STIMULUS RESPONSE

- ❖ The senses (taste,touch,smell,visions and learning),and lights and energy are stimus response.

SENSORY RECEPTORS

- ❖ We pay attention to only few stimuli that fits our thoughts.

Eg: advertisement exposure.

- ❖ The limited attentions are paid based on

Active search and passive receptors

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1. Active research- we seek stimuli here by ourself

2. Passsive receptors- here the stimuli that we go through in day to day life.

❖ This is the phase where the number of stimuli is reduced to limited size.

❖ Our sensory produce sensation only for specific stimuli

❖ We selectively devote attention to only small part of stimuli.

SENSATION

❖ An electrical impulses with no innate meanings that are produced by our receptors.

PERCEPTUAL ENCODING

❖ Perceptual encoding is the process that allows the consumers to interpret these raw inputs into symbols words or image to save interpretation.

❖ These forms of perceptual encoding can be stored in memory for future use or process to next stage that is interpretation.

❖ During perceptual encoding the consumers are learning stimulus awareness by means of

1. **absolute threshold**

2. **differential threshold.**

Absolute threshold

▪ This is where the minimum value of stimulus is capable notified.

▪ It is a point where a person can detect between something and nothing.

Eg: The color variation that a consumer can note among various similar products

▪ Absolute threshold are tested among consumers before designing products

Namely

⇒ Vision – Eg: reaction of human for flash lights, home bulbs, projectors
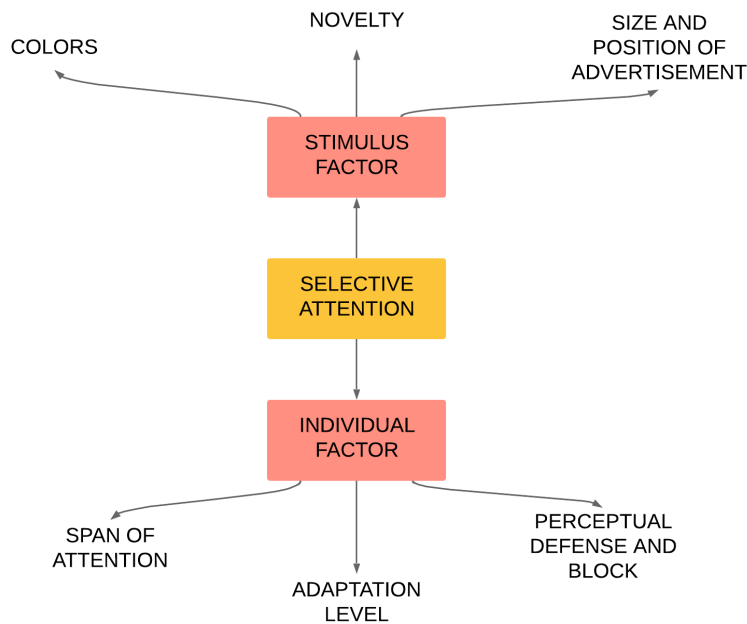
⇒ Taste – the testing of young kids food and adult eatables, where baby's food has no flavours but when its adult the usage of salt and sugar is heavy.

Differential threshold:

▪ It is that consumers also have very limited sensitivity to note smaller differential values between two stimuli. Eg: 0.1% of sugar added in soft drinks.

▪ The minimum differences that can be detected between two stimuli. The difference between the value and starting value is called *j.n.d (Just Noticeable Difference)*

ATTENTION (SELECTIVE)

The attention which we pay to only certain stimuli out of many available stimuli is due to the following reason**.**

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COLORS

NOVELTY

SIZE AND POSITION OF ADVERTISEMENT

STIMULUS FACTOR

SELECTIVE ATTENTION

INDIVIDUAL FACTOR

SPAN OF ATTENTION

ADAPTATION LEVEL

PERCEPTUAL DEFENSE AND BLOCK

STIMULUS FACTOR:

These are external factors which grabs our attention

1.Colors:

*Too many colors will not seek attention

*Red color will grab quicker attention

*Contrast colors also.

2.Novelty:

*Anything new or different object seeks our attention.

3.size and position of AD's:

*When there is only one picture in the entire page of newspaper

*Arrangement of ad in the paper that is right hand is more attentive than left side of a page

*Ad in first 10 sides of the page is noted

INDIVIDUAL FACTORS

These are internal factors where we select which stimuli to move to sensory receptors.

1.Span of attention

The number of stimuli can be attended at the same time. As per research a normal human being can attend only 7 stimuli at a time**.**

2.Adaptation level:

The number of stimuli we could attend is based on experience, psychological, situation and physical state

3.Perceptual defense and block:

With our moral conscious we purposely decide which stimuli to attend and which to block from going in to us.

INTERPRETAION

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I.ORGANISATION

We organize them as a group and complete as whole.

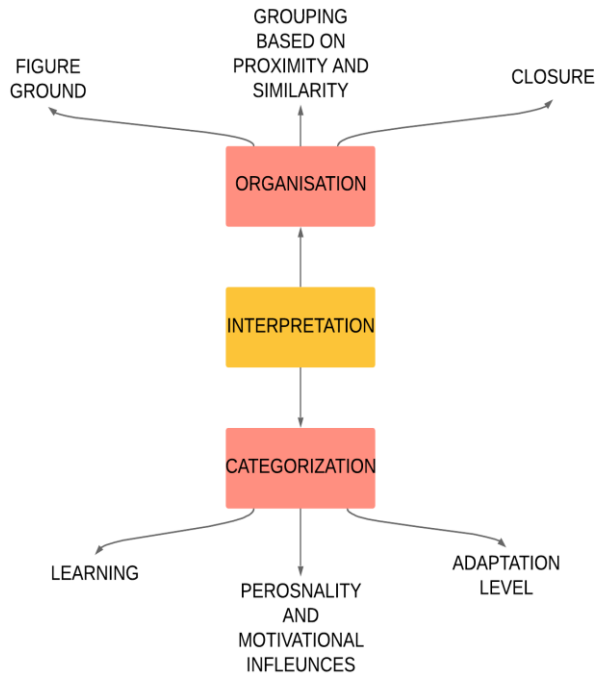The principles of organization are

(i).Figure ground

*The perception pictures where *the figure clarity is given by blurring the background image*. This is widely used by advertisers to seek attention

(ii).Grouping based on proximity and similarity:

*Taking advertisement in similar way for similar products

Eg: juice and car ad's

(iii).Closure

*An incomplete picture are filled as complete one

Eg: circle.This is the trick used by advertisers to advertise only half of the ad and create a state of tension among consumers to fill in the rest

Eg: Udhayam ad "Passport llama foreign uh".

II.CATEGORIZATION

Here the interpretation is based on past experiences, memories, motives and interest.

(i) Learning influence - based on our ability to use cues to differentiate products.

(ii)Personality and motivational influences - rely on our personality

(iii)Adaption level - based on experience, psychological, situation and physical state

MARKET IMPLICATIONS OF PERCEPTION

The following are the ways how perception is used by marketers to sell their products

1. ***Product perception*** -understanding about perception helps in *designing product in good size, shape, ingredient, price, quality and length.*

2. ***Price perception -*** perception used to *fix psychological pricing and price based on quality*

3. ***Company image -*** to *develop company's or stores good image*

4. ***Advertising image-***By means of knowing perception, *the marketers learn to create sensuality in advertising, dropping subliminal advertising (i.e. popcorn coke ad shown every 5 sec between films in theatre).*

APPLICATIONS OF LEARNING AND MEMORY

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❖ Learning can be viewed as a relatively permanent change in between occurring as a result of experience.

ELEMENTS OF LEARNING:

Motive	Cue	Response	Reinforcement

MOTIVE:

❖ It arouses individuals and increase their response

❖ Reinforcing is readily available as response when consumer is aroused.

Eg: advertisements about sweaters during winter, summer dresses during summer

The degree of motives is

❖ ***Primary motives***- aims at arousing physiological state of a person Eg: KFC

❖ ***Secondary motives*** – aims at arousing psychological state of a person Eg: Price rate announced in ad

CUE:

❖ It is the weak stimuli but capable of providing directions to motivate activity.

Eg: Artificial coloring agents added to increase purchase

❖ In the marketplace price, styling, packaging, advertising, and store displays all serve as cues to help consumers fulfill their needs in product specific ways.

RESPONSE:

❖ A mental or physical activity where the consumer reacts to a stimulus situations.
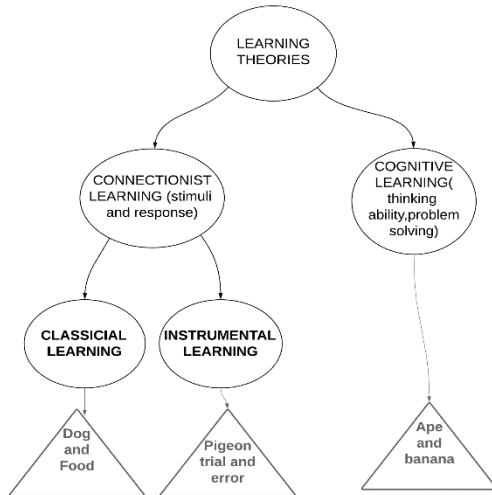
REINFORCEMENT:

❖ This follows the response and increases the tendency of the response to reoccur in future in similar situation

Eg: Repeated purchase of same product

❖ Positive reinforcement (if you are satisfied with the product and buy it often)

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❖ Negative reinforcement (when you are dissatisfies with the product and switch over other product)
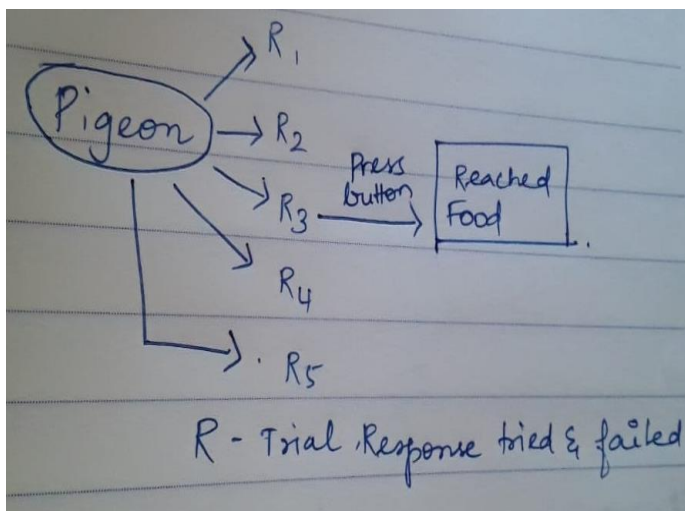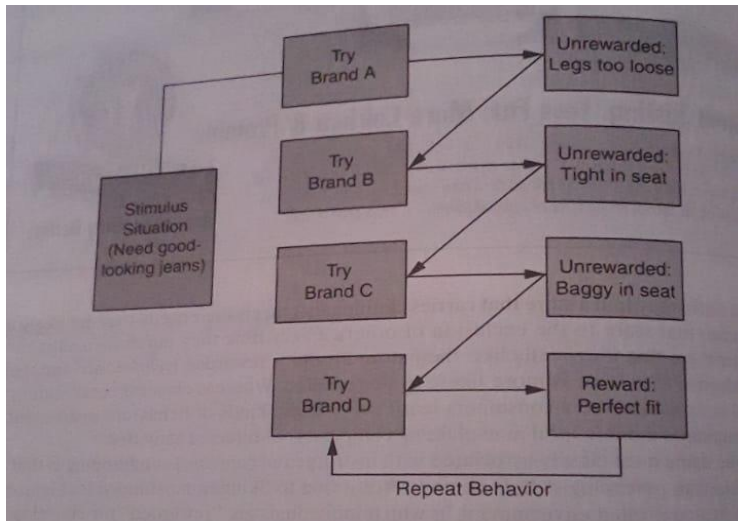
THEORIES OF LEARNING

❖ **Classical Conditioning** theory refers to learning through repetition. This is referred to as a spontaneous response to particular situation achieved by repetitive exposure. It is such a kind of a behavioral theory which says, when a stimulus is connected to or paired with another stimulus, it serves to produce the same response even when used alone.

❖ For example, if you usually listen news at 9 pm and have dinner too at 9 pm while watching the news then eventually the sound of news at 9pm may make you hungry even though you are not actually hungry or even if the dinner is not ready.

❖ Instrumental Theory is developed by B F SKINNER, an American psychologist, he was the first to develop this model of learning. Instrumental theory suggests that human beings learn by trial and error method and then find out a particular stimulus that can yield best results. Then, this is subsequently formed as a habit

❖ This theory is very important and applies to many common situations in the context of consumer behavior. It suggests that consumers learn by means of trial-and-error method in which some purchase behaviors result in a more favorable outcome.

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Applications of learning theories in consume behaviour:

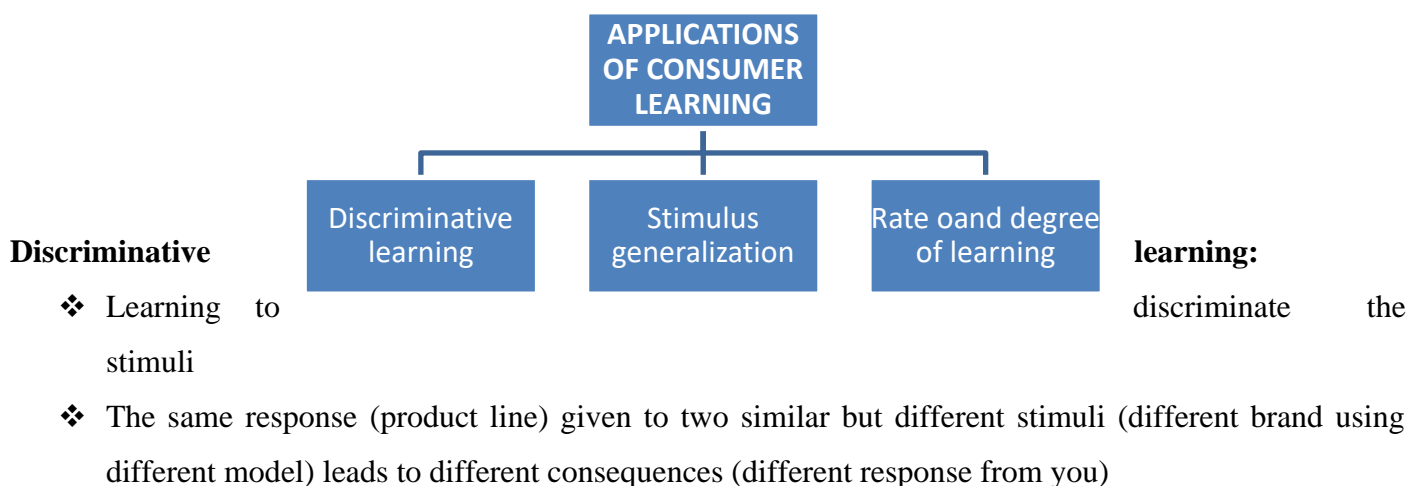| Classical	Instrumental	Cognitive
❖ Useful in explaining how consumers acquire tastes and motives *Eg: KFC ad in fun filled mode with friends and family*	❖ To understand conscious choices resulting in positive and negative reinforcement by means trials and errors	The insight perception, thinking ability helps in ❖ Finding stores ❖ Methods of shopping ❖ Selecting suitable products ❖ Knowing the uses and benefits of products
❖ To learn habitual behaviour. *Eg:Marketers will launch their product first so that consumer will get attached with it and turn as loyal consumers*	❖ Promotional ads that influence consumers *Eg: samples, trial period, low cost*	

APPLICATIONS OF CONSUMER LEARNING

Discriminative learning:

❖ Learning to discriminate the stimuli

❖ The same response (product line) given to two similar but different stimuli (different brand using different model) leads to different consequences (different response from you)

Eg: Paste (Patanjali using Ramdev and colgate uses Dhoni)

Stimulus generalization:

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- ❖ Using same response for similar stimuli

- ❖ The people will identify the similarity of stimuli

- ❖ The greater the stimuli the greater the response of the consumers is what marketers feel.

gG: odonil and good home

Rate and degree of learning:

Factors influencing degree of learning:

The degree of learning is based on certain individual factors namely

1. **Learning ability**- (level of intelligence one possess)

2. **Schedules of reinforcement**- (number of times ad is shown.. partial reinforcement or continuous)

3. **Ability to retaining learned material**

    a) *Extinction* – (unlearn due to lack of stimulus for a while)

    b) *Forgetting* - (loss due to non usage)

To minimize forgetting, we need to understand human memory

APPLICATIONS OF MEMORY

- ❖ Memory is a place where information are kept temporarily stored and then further processed to sensory, short and long term store for the purpose of retrieval and retaining.
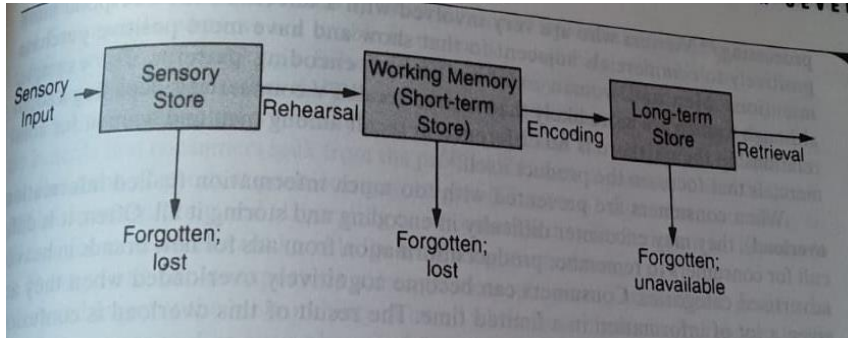
PROCESS OF MEMORY:
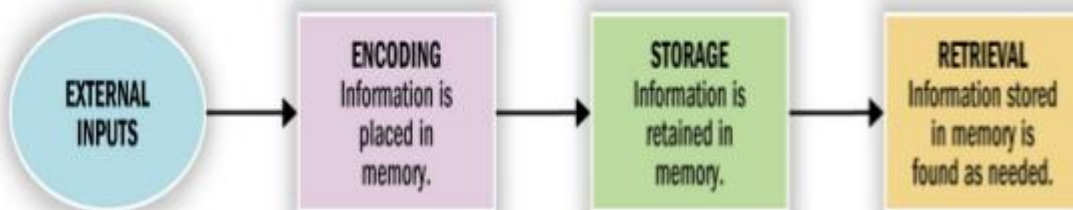
STAGES OF MEMORY:

- ❖ *Encoding stage* - Information entered in a recognizable way

- ❖ *Storage stage* - Knowledge integrated into what is already there and warehoused

- ❖ *Retrieval stage* - The person accesses the desired information.

TYPES OF MEMORY:

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Sensory store:

❖ The information remains here for less time span.

❖ It stays only for a fraction of second.

❖ It serves as input for short term memory.

❖ It uses direct code to process information.

Short term memory: (STM)

❖ The information remains longer than sensory memory

❖ It cannot store more than 7 things at a time.

❖ items can be moved from short-term memory to long-term memory via processes like *rehearsal*

❖ It is a temporary holding place.

❖ It is an input for long term memory.

❖ It uses indirect code to process information.

Long term memory: (LTM)

❖ It stores unlimited amount of data.

❖ Where information is permanently stored for later use

Types of LTM:

Autobiographical (Episodic) Memory

1. Past experiences : primarily sensory (e.g. images, sounds)

2. Acquisitions, consumption episodes, dispositions etc.

Semantic Memory

1. Knowledge about "things"

2. Detach from specific episodes

Explicit memory

❖ Consumers are consciously aware that they remember something by means of recognition and recall.

Implicit memory

❖ Consumers are not consciously aware that they remember something.

APPLICATION OF MEMEORY IN ADVERTISEMENT TO AVOID FORGETTING:

➕ Using unique advertising messages

➕ Presenting the message in proper order

➕ Delivery of message

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➕ Constant repetition of advertisement

➕ Using interactive imagery

➕ Using incomplete messages to let the consumers fill the remaining

➕ Mnemonic techniques .(Puzzle advertisements)

ATTITUDE

Definition:

Attitude is one conception that it is how positive or negative, favorable or unfavorable, pro or con a person feels towards an object.

According to Allport, "Attitude is a learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable way".

TRI COMPONENT MODEL OF ATTITUDE:
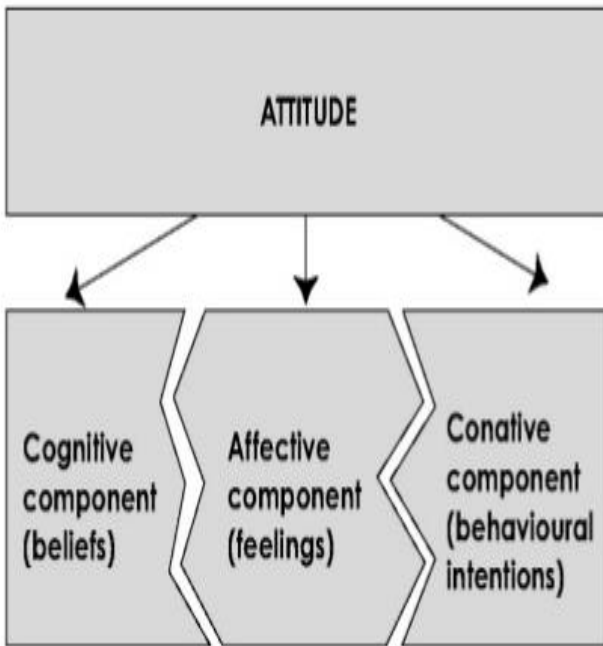
FUNCTIONS OF ATTITUDE

1. **Adjustment Function**

⇒ The adjustment function directs people toward pleasurable or rewarding objects and away from unpleasant, undesirable ones. It serves the utilitarian concept of maximizing reward and minimizing punishment.

⇒ Thus, the attitudes of consumers depend to a large degree on their perceptions of what is needed satisfying and what is punishing.

2. **Ego Defensive Function**

⇒ Attitudes firmed to protect the ego or self image from threats help fulfill the ego defensive function.

⇒ Actually many outward expressions of such attitudes reflect the opposite of what the person perceives him to be.

3. Value expression function

⇒ Whereas ego defensive attitudes are formed to protect a person's self image, value expressive attitudes enable the expression of the person's centrally held values.

⇒ Therefore consumers adopt certain attitudes in an effort to translate their values into something more tangible and easily expressed

4. Knowledge function

⇒ Humans seek consistency stability definition and understanding. Out of this need develops attitudes toward acquiring knowledge.

Eg:Therefore an individual who does not play golf, nor wish to learn the sport is unlikely to seek knowledge or an understanding of the game. This will influence the amount of information search devoted to this topic.

SOURCES OF ATTITUDE FORMATION
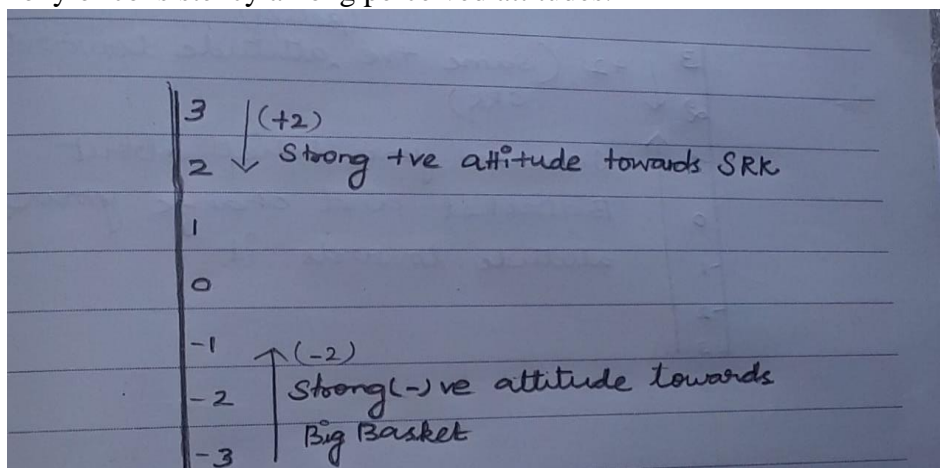
We learn certain attitudes through the following means

- ✓ Family
- ✓ Working groups
- ✓ Cultural groups
- ✓ Past experience
- ✓ Associations
- ✓ Institutions
- ✓ Virtual groups so on.

THEORIES OF ATTIUDE

- ↓ Theories are concerned with how attitudes are changed.
- ↓ Three theories were developed based on the principle that the human mind strives to maintain harmony or consistency among perceived attitudes.

Classical theories of attitude ⇒ congruity theory ⇒ balance theory, ⇒ cognitive dissonance.

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CONGRUITY THEORY

- ❖ Congruity theory was developed by Charles OsGood.
- ❖ This theory tries to bring a congruence (i.e Resolution/equilibrium)between the consumer's attitude towards source and object (Product)

Eg; A Consumer has strong positive attitude towards actor Sharukhan (Source) (+2) but strong negative attitude towards Big Basket (Object) (-2)

Resolution point:
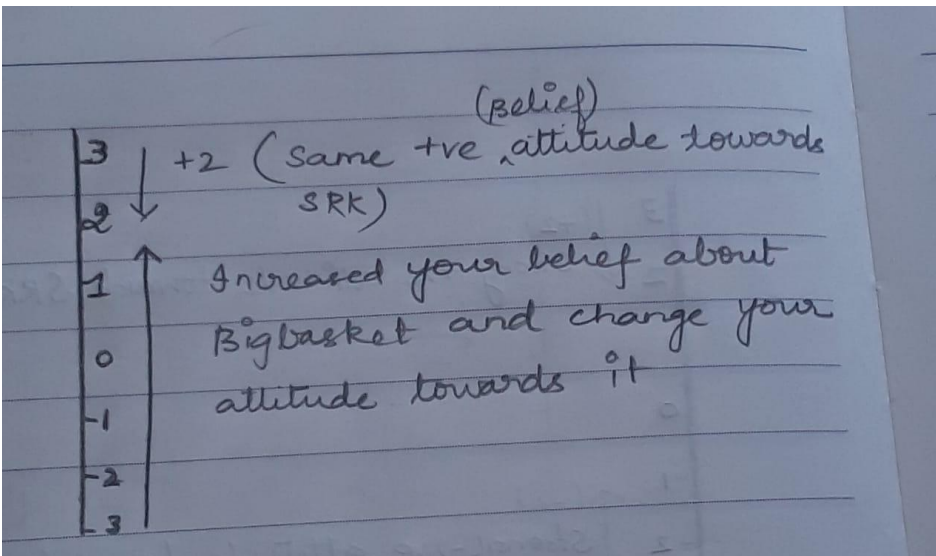
The resolution point (Congurence) thus found by the Big basket marketers that when we use SRK for endorse big basket the consumers will have a greatest shift in their attitude towards BB due to the belied they have on SRK who is celebrated as an icon

Thus consumer's strong likeness on SRK pulls up the consumers to like BB

Thus marketers understood this theory and use various efforts to increase consumer attitudes towards objects Namely

- ⇒ dropping brand and reintroduce under another name *Eg: Milo as Malto*
- ⇒ introducing new brand with better quality and design *Eg: Rin*

Applications of Congruity theory in marketing:

- ✚ The company should hire world class celebrity to endorse brands, services,organizations and causes
  Eg: Sports person for drugs, energy drinks

    actresses for make ups

    racers for tyres.
- ✚ The usage of symbols while advertising brands *Eg: Lion in lion dates box*
- ✚ The salesperson should allow the consumers to open up and select the brand of their choices rather persuading.

BALANCE THEORY

- ❖ Fritz Heider originated Balance Theory to show how people develop their relationships with other people and with things in their environment.
- ❖ Balance Theory says that if people see a set of cognitive elements as being a system, then they will have a preference to maintain a balanced state among these elements.

❖ In other words, if we feel we are 'out of balance', then we are motivated to restore a position of balance.

Three components of balance theory:

P(person i.e You)

O(Other person)

X(An object,product)

Attitudes are balanced if you have positive algebraic result.

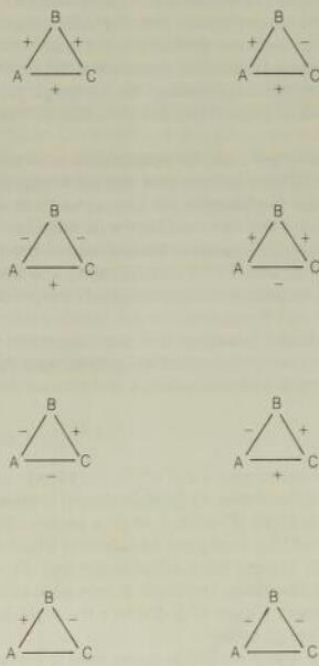Attitudes are imbalanced if you have negative algebraic result.

FIGURE 17-5
Eight possible balanced and imbalanced states.
(a) Balanced states   (b) Imbalanced states

There are four sets of relationships that are usually balanced:

- P+O, P+X, O+X(+ + + = +)
- P-O, P-X, O+X (- - + = +)
- P-O, P+X, O-X (- + - = +)
- P+O, P-X, O-X (+ - - = +)

There are also four typically unbalanced relationships, that are likely to be turned into the above balanced relationships in order to restore balance:

- P+O, P-X, O+X(+ - + = -)
- P+O, P+X, O-X(+ + - = -)
- P-O, P+X, O+X(- + - = -)
- P-O, P-X, O-X (- - - = -)

Heider (1958) illuminated this thus:

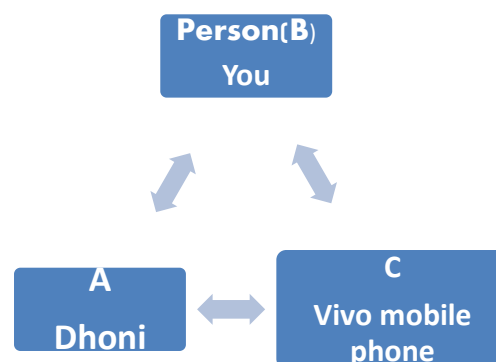*my friend's friend is my friend*
my friend's enemy is my enemy
my enemy's friend is my enemy
my enemy's enemy is my friend

Consumer behaviour related example:

A *is Dhoni*

B *is you*

C *is Vivo mobile phone*

Balanced :

1. You like Dhoni and Dhoni promotes Vivo so you like Vivo

2. You don't like Vivo phone, Dhoni also don't like to promote Vivo phone, So you love Dhoni more

3. You don't like both Dhoni and Vivo but Dhoni Promotes Vivo, you feel that it has nothing to do with you

4. You like Vivo, But you don't like Dhoni and Vivo removed Dhoni as promoter due to the fact that people do not like to see Dhoni, as his market is down.

Imbalanced:

1. You like Vivo but hate Dhoni, but Dhoni promoted your favorite Vivo

2. You like Vivo and Dhoni, But Dhoni hates Vivo and not promoting it, so you are confused to buy Vivo

3. You hate Vivo, but you like Dhoni and Dhoni likes Vivo and he is promoting it.

4. You don't like Vivo and Dhoni , also Dhoni is not promoting Vivo.

Applications of balance theory in marketing:

+ Thus, as per balance theory, the consumer's negative attitudes are changes as positive , that is when too many consumers drop Vivo just because Dhoni is promoting, as their relationship with product is imbalanced since they don't like Dhoni. Then the company will alter the consumer attitude to be positive by replacing Dhoni with some other celebrity who is most liked by all.

+ Balance theory is useful in examining how celebrity endorsement affects consumers' attitudes toward products

+ It helps in product placement, altering endorsers, bringing goal oriented behaviour and develop consumer brand relationship.

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COGNTIIVE DISSONANCE THEORY

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❖ Cognitive dissonance is the mental stress or discomfort experienced by an individual who holds two or more contradictory beliefs, ideas, or values at the same time

❖ Festinger's (1957) cognitive dissonance theory suggests that we have an inner drive to hold all our attitudes and beliefs in harmony and avoid disharmony (or dissonance).

❖ According to Festinger, we hold much cognition about the world and ourselves; when they clash, a discrepancy is evoked, resulting in a state of tension known as cognitive dissonance.

❖ As the experience of dissonance is unpleasant, we are motivated to reduce or eliminate it, and achieve consonance (i.e. agreement).

Eg: I like driving car (cognition 1) but I don't like creating pollution(Cognititon 2). This disssonace can be reduced if the person stops driving a car.

Reasons for cognitive dissonance:

The following are the reasons for dissonance in thoughts

⇒ **Logical inconsistency** Eg: All candy is sweet, mine is sour

⇒ **Personal experience-** it is mismatch between a personal attitude and behaviour

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Eg: Complaining on poor qualities of all the shoes but buying Adidas shoe for jogging.

⇒ **Expectations-** Dissonance arises when strongly held expectation is disconfirmed.

Ways to reduce dissonance:

1. Rationalization
2. Seeking additional information that is supportive or consistent with his behaviour
3. Either eliminating or altering some of the dissonance elements either by forgetting or suppressing or changing their attitude.

Eg: A person is buying NIKON camera with an attitude that it is worlds best camera which gives clarity but he is not happy after purchasing it.
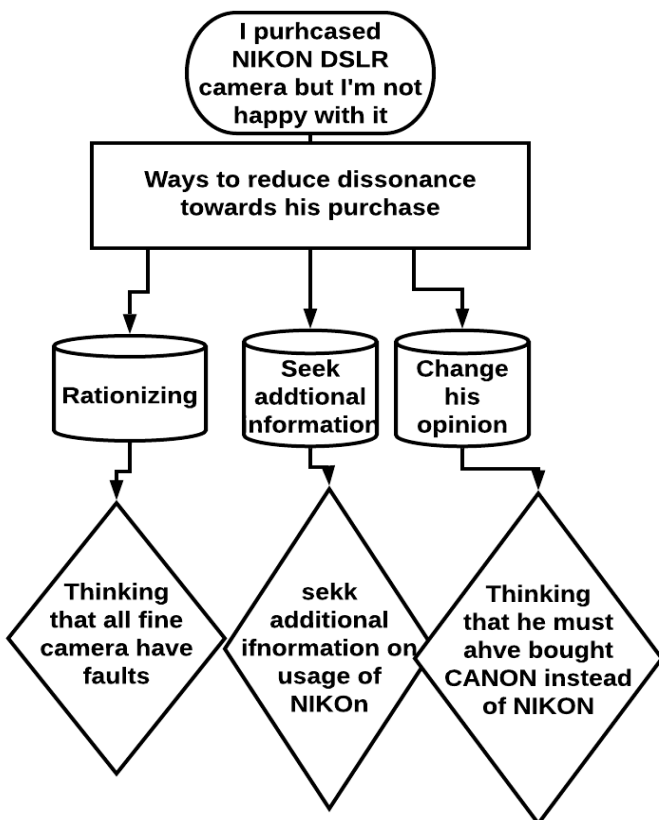
- Thus cognitive dissonance occurs only after the decision is made by the person.
- if the person perceive the inconsistency then he/she will dissonance.
- if they do not perceive any inconsistency in their attitude and behaviour then they feel no dissonance.
- As a conclusion, it is observed that most of the cognitive dissonance are occurred after purchase of a product that leads to post purchase dissonance
- .It is further found that post purchase dissonance is more among luxurious product rather than convenience goods, as the time and money investment are high for luxurious products than convenience goods.

MULTI ATTIRIBUTE MODEL

❖ Rosenberg has initiated this research and was further developed by Fishbein.

❖ They explain how consumers may combine their beliefs about product attributes to form their attitude about various brand alternatives. A brand which forms the best attitude is chosen.

❖ Consumers go through a standard hierarchy of sequence of attributes like (awareness-interest-desire action) about a product (object), to develop positive, negative evaluation about an object (product).

❖ It is based ATO model (Attitude towards Object)model.
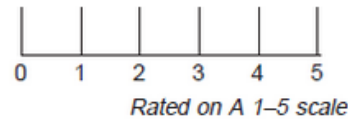
Formulae:

$$A_0 = \sum_{i=1}^{n} Bi\, ai$$

A_0 = Overall attitude towards object 'O'.

Bi = Belief of whether or not object 'O' has a particular attribute.

ai = Importance rating of the attributes. Rated on a 1-5 scale in the example shown.

n = Number of beliefs.

Rated on A 1–5 scale

Attribute	Weight	Premier		Ambassador		Maruti	
	a	B	a × B	B	a × B	B	a × B
Designing	3	3	9	2	6	5	15
Low maintenance cost	2	3	6	2	4	2	4
Fuel efficiency	1	3	3	3	3	5	5
Total			18		13		24

Process: To choose between the 3 cars (Premier, Ambassador and Maruti). First the attributes are chosen then the weight ages are assigned to them, then the importance of these ratings are decided on a 1 to 5 scale as shown, then a × b gives the value for each attribute.

This is then added for all the attributes, and the final score gives the ratings of the car for the

choice. Maruti = Best car

Premier = Average

Ambassador = Worst of the lot

Attitude-Towards-Object (ATO) Model helps marketers:

- It gives an overall affect approach in gaining an understanding about attributes.
- It helps in diagnosis of strength and weakness of product attributes.
- These diagnosis further helps in altering brands to meet consumer preferences.
- This model is supporting the marketers where they seeks information on importance of brand attributes.
- Also says about consumers Belief about the presence or absence of those attributes in brand alternatives.

UNIT-III

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CONSUMER MARKETING

Consumer Mood, Emotion and Involvement-Consumer Influence: Reference Group Influence and Opinion Leadership.

Definition – Importance of Marketing- Scope of Marketing-4 P's or Marketing Mix – Bases of Consumer Segmentation- Target Market

CONSUMER MOOD, EMOTION AND INVOLVEMENT

Consumer emotion

- ❖ An understanding of the deep seated emotions and moods is necessary for an understanding of consumer motives.
- ❖ Emotions are changes in the body state that resulting in expression of feelings and observable behavioural reactions. Psychologist, Wundt, emotions comprise three of such pairs, viz. pleasantness/unpleasantness, tension/release and excitement/relaxation.
- ❖ When emotions pertain to a company, its brands, its marketing strategy and/or the component(s) of its marketing mix, it is referred to as consumer emotion.
- ❖ We experience pleasantness or unpleasantness (positive or negative feelings) towards product/service offerings; these reactions are based on our beliefs.

Consumer Mood

- ❖ Moods are defined as emotional states that are less intense, transient and short term. They are also described on a continuum as good or bad, and thus have a positive and negative
- ❖ On the other hand Consumer moods can be induced through marketing communication, point-of-purchase stimuli and service encounters
- ❖ The store layout, the display of products, service encounters, the attitude of the salesmen in the store, and other point-of-purchase stimuli also lead to good/bad mood states.

Implications of consumer emotions/mood on marketers

- ❖ The promotion strategy also leads to emotional/mood states,

eg. The advertisement, the message content, the context, music, jingle and spokesperson/celebrity etc. In fact, the communication cue, whether print or audio visual, can lead to emotional responses; this emotional response affects the consumers' attitude

- ❖ Emotions and moods states also influence *consumer recall of products and services*

Eg:If a person is in a positive emotional and mood state, all the cues that lead to such a happy state get integrated as a unified unit and get stored in his memory; this leads to easy recall later on.

- ❖ A happy and pleasurable shopping experience at a store leads to store loyalty; when a person passes by such a store, he recalls the past pleasurable experiences and gets buy something even if a person does not intend shopping;

Consumer Involvement

- ❖ Consumer involvement affects the ways in which consumers seek, process, and transmit information, make purchase decisions and make post-purchase evaluation.
- ❖ In, low involvement products are those products that are inexpensive or maybe moderately priced; they are low in value and risk; and, are frequently purchased. Often, they are purchased as a matter of

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routine. *Example, toothpaste, soap, bread etc. For such products, the consumer gives little thought, and feelings may not be formed for the product until after the purchase has been made*

PRODUCT INVOLVEMENT

	High Involvement	Low Involvement
High Involvement	Brand loyalists	Routine brand buyers
Low Involvement	Information seekers	Brand switchers

(BRAND INVOLVEMENT)

a) **Brand loyalists**: Brand loyalists are consumers that are highly involved with the product category as well as the brand. As both product and brand are of high involvement, the marketer should provide information about the product category as well as the brand.

b) **Information seekers**: This is a consumer category that is highly involved with the product category but shows low involvement with the brand. The consumers here do not think much about the brand, show less preference towards the brands. Such consumer put in efforts to search out collect information about the product category and the various brands

c) **Routine brand buyers:** Routine brand buyers are not highly involved with the product category but shows involvement with a particular brand within that category. They tend to show a level of loyalty towards the brand

d) **Brand switchers:** Consumers who fall in this category are neither involved neither with the product category nor with the brand. They buy anything they can get hold off and not `particular about the product or the brands

CONSUMER INFLUENCE

REFERENCE GROUP

❖ A reference group includes individuals or groups that influence our opinions, beliefs, attitudes and behaviors. They often serve as our role models and inspiration

Eg. Individuals (Celebrities, Athletes, or Political leaders)

❖ Reference groups can be very small (just a few close friends) or fairly large

TYPES OF REFERENCE GROUPS

The different types of reference groups are

1. **MEMBERSHIP GROUP**
2. **NON MEMBERSHIP GROUP**

MEMBERSHIP GROUP

❖ Membership group can be further divided into **primary or secondary and informal or formal.**

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	INFORMAL	FORMAL
PRIMARY	Family /Peer Groups	School Groups Business Group
SECONDARY	Shopping Groups	Alumni Groups

Fig. 8.2. INFORMAL / FORMAL GROUP

Primary group: If a person has regular contact with certain individuals

Primary informal group:

❖ The family/peer groups represent primary informal groups which is important because of the frequency of contact and the closeness

Primary formal group:

❖ Primary formal groups have a more formal structure. These are groups with which the consumer frequently comes into contact. Eg: School group,business group.

Secondary group: If the group members have less frequent contact amongst themselves

Secondary formal and informal group:

❖ Secondary formal groups are not important to the consumer, as they meet infrequently, are structured,

❖ For example-alumni Groups, business clubs etc. This group is of least interest to the marketer.

❖ Secondary informal group is Virtual group where the Groups created based on virtual community than in reality or geographical condition.

Eg: Whatsappgroup,facebook group.

NON MEMBERSHIP GROUP

❖ In non membership group people will not closely connected and naturally belonged to.

❖ It is further divided into **aspiration group and Dissociative groups.**

Aspirational groups:

▪ A group that a person would like to be part of, but to which she or he does not currently or may never belong, is known as an aspirational group.

Two types of aspirational group

Types of Aspirations Groups

CONTACT
NO CONTACT

| Anticipatory |
| Symbolic |

❖ *Anticipatory aspirational group* is where the individual plans to join at a future time .*Symbolic aspirational group where* individuals may attempt to imitate the group members by dressing, acting, and even thinking the way they perceive members do.

Eg: Product endorsement by actress Tamanah will influence consumers to buynthe product to get the look as Tamanah.

Dissociative group:

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- A dissociative group is one that individuals avoid to be in connected with.

- If people don't like a particular community, they would never like being connected to them. So they would try all the possible ways to avoid the way in which they dress, think or act.

Eg: The marketers cannot approach a social working group to promote tattoos and rock music, as prople in social working group are extremely dissociate themselves from showing off with tattoos and entertainment.

NATURE OF REFERENCE GROUPS INFLUENCE

Reference groups have certain characteristics that affect their influence on consumers.

(i) Norms:

⇒ Norms are the rules and standards of conduct established by a group. This means group members are expected to obey to these norms and they may relate to eating habits, makes of cars, clothes or cosmetics etc.

(ii) Roles:

⇒ Roles are the functions that the group assigns to an individual to attain group objectives.

Eg:Various roles that have been identified in family decision making are the influences, the gatekeeper, decision maker, the purchaser and the consumer.

(iii) Status:

⇒ Status refers to the position an individual enjoys within the group.

Eg:A person may enjoy a highest status in the organization but may be the weakest member in the tennis club.

(v) Socialization:

⇒ Socialization is a process by which an individual learns the group's norms and role expectations. Eg: Virtual Groups,shopping groups

(vi) Power:

The influence that a group has on an individual is closely related to the group's power.

Three sources of group influence are:

(a) Expert Power: For this an individual or group must have knowledge and experience.

(b) Reference Power: Matching the similar characters of the fellow members in the group.

(c) Reward Power: It is based on the group's ability to reward the individual.

FACTORS INFLEUNING REFERENCE GROUPS

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Reference Groups affect consumer choice because of following factors:
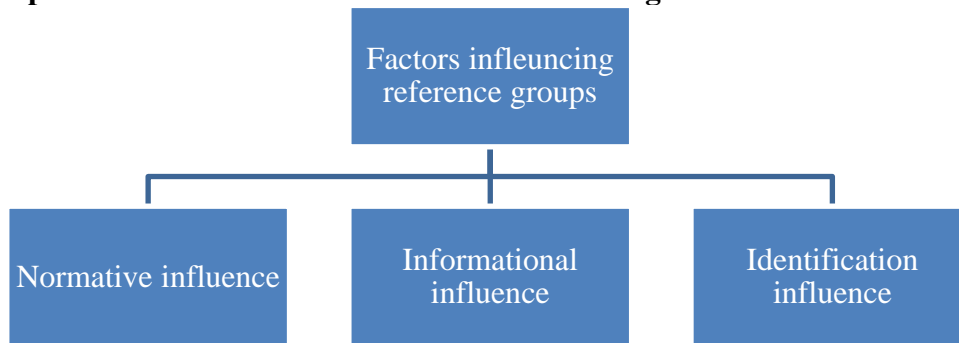
(1) Normative Influence:

$\Rightarrow$ When reference groups affect behavior and attitudes through pressures for conformity, then this is known as normative influence.

> **Eg: Fashion conscious women receives clear signals from their peers which product to buy so that their choices were socially correct.**

(2) Informational influence:

- A consumer will accept information from a group if he or she considers the group a credible source of information and expertise

- .Informational influence is likely to be most important in two conditions.

- ❖ First, when there is social, financial risk in buying the product.

- ❖ Second, if the individual has limited knowledge or experience regarding the product.

> **For example, products like car, computer, cellular phones, fax machines etc are likely to be purchased after seeking expert's advice.**

(2) Identification influence:

- ❖ It is also known as value expressive influence.

- ❖ This occurs when individuals need identity and thus he accept the group norms and behave coordinated..

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VARIABILITY OF REFERENCE GROUP INFLEUNCE

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Reference groups influence the consumer in large extend. But the greatest problem is what kinds reference groups influence what kind of individual during what kind of situation.

VARIABILITY AMONG PRODUCT

The study on reference group influence on product choice and brand choice has found the following

1. Exclusiveness- Conspicuousness of the product(Luxury Vs Necessity)

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2. Identify by others –(Private Vs Public consumption)

If everybody owns the product (Necessity)

If only few owns the product exclusively (Luxury)

If everyone use the product (Public)

If only you use the product (Private)

	Product	Brand	Example
Private luxury	Strong	weak	TV
Public necessity	Weak	Strong	: Wristwatch
Public luxury	Strong	Strong	Golf
Private necessity	Weak	Weak	matress

(i)PRIVATE LUXURIES INFLUENCE: (Strong product and weak brand)

In many cases, the brand is not socially important and is a matter of individual choice but ownership of the product does convey a message about the owner.

Examples: TV game, trash compactor, Icemaker.

(ii)PUBLICLY LUXURY: (Strong product and brand)

A product consumed in public view and not commonly owned by all (such as Golf clubs) In this case whether or not the product is owned and also what brand is purchased is likely to be influenced by others.

Examples: Golf clubs, snow skis, sailboat

(iii)PUBLICLY CONSUMED NECESSITY:(Weak product and Strong brand)
This group is made up of products that essentially all people use, although they differ as to what type of brand to use.

Examples: Watches, dresses.

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(iv).Privately consumed necessity: (Weak and product and brand.)

In this group, neither products nor brands tend to be socially exclusive and the products are owned by nearly all consumers.

Eg: Mattress

OPINION LEADERSHIP

- Opinion leadership is the process by which one person informally influences the consumption actions or attitudes of others who may be *opinion seekers* or *opinion recipients.*

- Opinion leaders are people who are able in a given situation to exert personal influence. They are the ones to whom others look for advice and information.

Characteristics of opinion leaders:

(i)   Opinion leaders have approximately the same social-class position as non-leaders.
(ii)   Opinion leaders have greater exposure to mass media
(iii)   They have greater interest and knowledge of the area of influences than do non-leaders;.
(iv)   Opinion leaders may be general and situational.

Needs of opinion leaders:

There are four reasons that opinion leaders engage in word-of-mouth

. *Product-involvement:*

The way of talk, recommendation, and enthusiasm to price relief about a product/service Eg: Prestige ad by VidhyaBalan

> **For example, consumers often are fascinated by new items and feel they must tell someone about how good a product they have found.**

Self-involvement:

The emphasis is more on ways the influencer can gratify certain emotional needs (gaining attention, having inside information, suggesting status,asserting superiority etc). Eg: Meera shampoo

Other-involvement:

The product talk fills the need to give something to the listener, to share one's happiness with the influence, or to express care, love or friendship. Eg:Dove

Message-involvement:

Talking may also be stimulated by great interest in the messages used to present the product.

The involvement level of consumers is important dimension of their behavior as opinion leaders

Opinion receivers seek opinion leaders advice :

- While buying new products or using any products for the first time.

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- To reduce the risk of using products
- To reduce the of search time about products
- To receiving the approval of the opinion leader
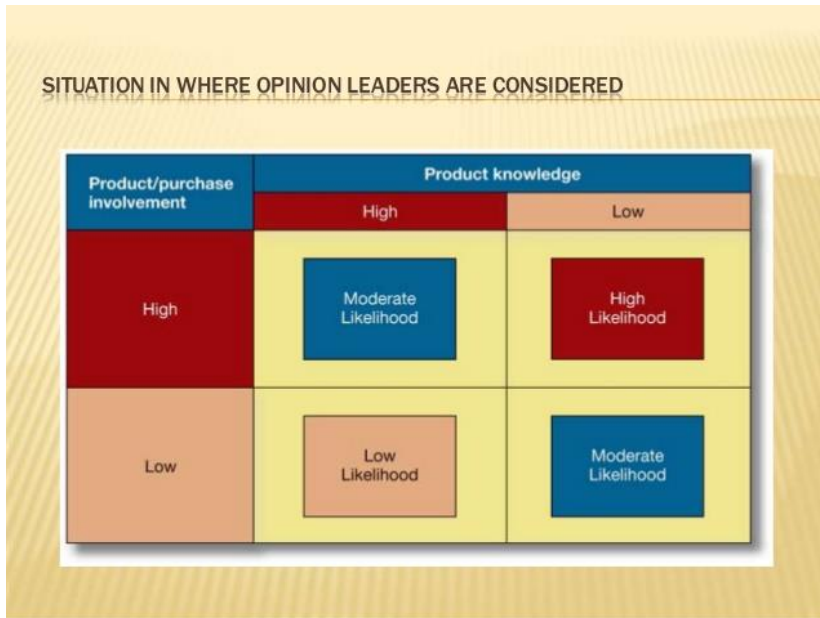
❖ When both *product cost and knowledge of the product is high-the need for opinion leader is moderate*

Eg: Apple I phone.

❖ When *product cost is high and knowledge of the product is low- the need for opinion leader is high*

Eg:Car

❖ When *product cost is low and knowledge of the product is high- the need for opinion leader is low.*

Eg:Home appliances.

❖ When *the product cost and knowledge of the product is also low- the need for opinion leader is moderate.*

Eg:Bags.

MARKETING

Definition:

➕ Marketing is the action or business of promoting and selling products or services to Satisfy needs and wants through an exchange process.

IMPORTANCE OF MARKETING

Importance of marketing can be studied as follows:

(1) Marketing Helps in Transfer, Exchange and Movement of Goods:

- Marketing is very helpful in transfer, exchange and movement of goods. Goods and services are made available to customers through various intermediaries' viz., wholesalers and retailers etc

(2) Marketing Is Helpful In Raising And Maintaining The Standard Of Living Of The Community:

- Marketing is above all the giving of a standard of living to the community. By making available the uninterrupted supply of goods and services to consumers at a reasonable price, marketing has played an important role in raising and maintaining living standards of the community.

(3) Marketing Creates Employment:

- The major marketing functions are buying, selling, financing, transport, warehousing, risk bearing and standardisation, etc. In each such function different activities are performed by a large number of individuals and bodies.

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(4) Marketing as a Source of Income and Revenue:

- The performance of marketing function is all important, because it is the only way through which the concern could generate revenue or income and bring in profits. Marketing does provide many opportunities to earn profits in the process of buying and selling the goods, by creating time, place and possession utilities.

(5) Marketing Acts as a Basis for Making Decisions:

- In modern times marketing has become a very complex and tedious task. Marketing has emerged as new specialised activity along with production.As a result, producers are depending largely on the mechanism of marketing, to decide what to produce and sell.

(6) Marketing Acts as a Source of New Ideas:

- The concept of marketing is a dynamic concept. With the rapid change in tastes and preference of people, marketing has to come up with the same.

(7) Marketing Is Helpful In Development of an Economy:

- Adam Smith has remarked that "nothing happens in our country until somebody sells something". The marketing organisation, more scientifically organised, makes the economy strong and stable, the lesser the stress on the marketing function, the weaker will be the economy.

SCOPE OF MARKETING

According to Kotler, marketing people are involved with ten types of entities.

1. Goods:

- Physical goods constitute the major part of a country's production and marketing effort.
- Companies market billions of food products, and millions of cars, refrigerators, television and machines.

2. Services:

- Services include the work of airlines, hotels, car rental firms, beauticians, software programmers, management consultants, and so on. *For example, a restaurant offers both goods and services.*

3. Events:

- Events can be trade shows, company anniversaries, entertainment award shows, local festivals, health camps, and so on.

For example, global sporting events such as the Olympics or Common Wealth Games are promoted aggressively to both companies and fans.

4. Experiences:

- Marketers create experiences by offering a mix of both goods and services.
- A product is promoted not only by communicating features but also by giving unique and interesting experiences to customers. *For example, Arun XLO with all amenities within*

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5. Persons:

- Due to a rise in testimonial advertising, celebrity marketing has become a business.
- All popular personalities such as film stars, TV artists, and sportspersons have agents and personal managers.

6. Places:

- Cities, states, regions, and countries compete to attract tourists.
- Today, states and coun-tries are also marketing places to factories, companies, new residents, real estate agents, banks and business associations.

Eg: Rajasthan Ad to attract tourist

7. Properties:

- Properties can be categorized as real properties or financial properties.
- Real property is the ownership of real estates, whereas financial property relates to stocks and bonds.
- Properties are bought and sold through marketing with high trust and confidence level among people.

Eg: Arun XLO green acres.

8. Organizations:

- Organizations actively work to build image in the minds of their target public.
- The PR department plays an active role in marketing an organization's image
- The organization's goodwill promotes trust and reliability to create the corporate image.

Eg: Aachi Masala

9. Information:

- Information can be produced and marketed as a product.
- Educational institutions, encyclopaedias, non-fiction books, specialized magazines and newspapers market information as people are highly literate now.

Eg:The production, packaging, and distribution of information is a major industry.

10. Idea:

- Every market offering includes a basic idea. Products and services are used as platforms for delivering some idea or benefit.
- Social marketers widely promote ideas.

Eg: Home Entrepreneur contest by Britannia

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4P's or MARKETING MIX

- ❖ The marketing mix has been defined as the **"set of marketing tools that the firm uses to pursue its marketing objectives in the target".**

Product:

- ❖ Goods produced by organizations for the customers are called products.
- ❖ Products can be of two types such as Tangible Product and Intangible Product (Services).
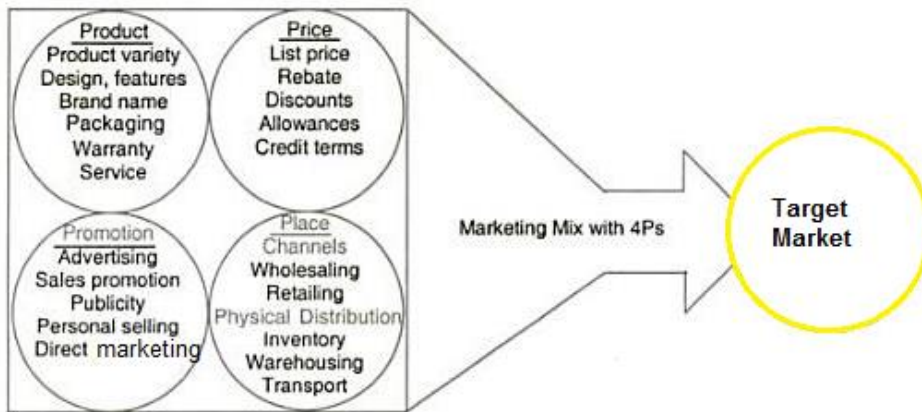
Price:

- ❖ The money which a purchaser pays for a product is called as price of the product.
- ❖ The price of a product is indirectly proportional to its availability in the market.

Place:

- ❖ Place denotes to the location where the products are available and can be sold or purchased.
- ❖ Shoppers can purchase products either from physical markets or from virtual markets.
- ❖ In a physical market, buyers and sellers can actually meet and interact with each other whereas in a virtual market buyers and sellers meet through internet.

Promotion:

- ❖ Promotion refers to the various techniques and ideas executed by the marketers to generate awareness among end users.
- ❖ Promotion includes various techniques employed to promote and make a brand popular amongst the masses.

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BASES FOR MARKET SEGMENTATION

Main Bases of Segmentation

Geographic	Demographic	Behavioural	Psychographic
E.g. "Customers within 10 miles of the M25"	E.g. "A Level & University Students"	E.g. "Customers wanting a value for money impulse buy"	E.g. "Customers who prefer to buy organic food"
Customer location Region Urban / Rural ACORN classification	Age Gender Occupation Socio-economic group	Rate of usage Benefits sought Loyalty status Readiness to purchase	Personality Lifestyles Attitudes Class

tutor2u

The major segmentation of marketing are

❖ Geograpgic segmentation
❖ Demographic segmentation
❖ Behavioral segmentation
❖ Psychographic segmentation

(I).GEOGRAPHIC SEGMENTATION:

▪ This segmentation calls for dividing the market into different geographical units such as nations, states, regions, countries, cities and neighbourhood.

Eg: shampoo, soaps in small sized packets.

▪ In geographical segmentation the major issue is distribution of products. Thus many companies use logistics to serve diverse markets.

(II).DEMOGRAPHIC SEGMENTATION:

In demographic segmentation the market group is divided into different variables like

⇒ Age and lifecycle.
⇒ Life stage.
⇒ Gender
⇒ Income
⇒ Generation
⇒ Social class.

Age and lifecycle: Customer wants and preferences changes with ages.

Eg: TV channels like pogo, cartoon network target children where as devotional channels like TTD,sankara target older people.

Life stage: The different stages of life also determine the products needed. Such life stages are

✓ Single,
✓ Getting married,
✓ Home buyers,
✓ Newly married couple,
✓ Couple with new born,
✓ Couple with school goers,
✓ Divorcee
✓ Single parent,
✓ Empty nest,
✓ Pensioners etc.
▪ These life stages give opportunities for marketers to decide their product launch.

Eg: Insurance company offer retirement schemes for pensioners and life insurance schemes for couples with children.

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Gender: Men, Women and transgender tend to differ in their attitude and behavioural orientations.

Eg: Women think of purchasing the product with family in mind whereas men will not buy the products without reading information.

Gender differentiations can be seen in product categories such as

- ✓ Clothing
- ✓ Hair style
- ✓ Cosmetics and
- ✓ Magazines.

Eg: Axe deodorant is meant for male where as layer water girl is for females

Income: Income determines the ability of any customer to buy product, different brands based on their lifestyle, attitudes and values

Eg: Nirma washing powders meant for middle level income users and surf meant for high level income users.

- ▪ Later the marketers started to give each products as per the income levels of the customers. Eg: soap shampoo beverages in small sachets.

Generation: Each generation is taking it influences from the time they grow up like music, movies, politics and events of that period. Gen X,Y,N, Millennial are few generation that affects production of products and services.

Eg: Tattoos are mostly preferred by young generation people than aged one.

Social class:

- ▪ Social class includes middle class, upper class or upper middle class, lower class etc will decide the market plan of the marketers.
- ▪ This greatly affect the preferences of the customers over clothing,car,home furnishings, leisure activities ,reading habits so on.

Eg: Nano car will be preferred by low income group whereas Ford will be owned by upper class people.

(iii).PSYCHOGRAPHIC SEGMENTATION:

- ▪ Psychographics is the science of psychology and demographics to better understand customers.
- ▪ Here the buyers are divided into different groups on the basis of psychological traits, lifestyles and values. *Eg: Titan watches target business people whereas fast rack target college goers.*

(iv).BEHAVIORAL SEGMENTATION:

- ▪ The different knowledge, attitude, usage and response of customers to the products segments the individuals.

The different variables of behavioral segmentation are:

- ✓ Occasions.
- ✓ User status
- ✓ User rate
- ✓ Loyalty status

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- ✓ Attitude

Occasions: Occasion defined in terms of time, day, week, month,year and other terms of consumer's life.

> Eg: Christmas tree will be highly sold during December than other months.

User status: The consumers are segmented here as

- ✓ Non users- (Never tried the brands)
- ✓ Ex users- (Switched to other brands, criticize this brand)
- ✓ Potential users- (Find this brand beneficial than other)
- ✓ First time users – (Trail users who might be disappointed with other brands)and
- ✓ Regular users of the product.-(Loyal users)

User rate: The three user rate the segment consumers in market are

- ✓ Light user
- ✓ Medium user
- ✓ Heavy user.
- ▪ Heavy users will be very small in number buy yet they are highly local to their brands.
- ▪ Middle users are clueless about their stay and light users are mostly brand switchers.

Loyalty status: The four loyalty status of the customers is

- ✓ *Hardcore loyals*- always buy same brand.
- ✓ *Split loyals*- customers are loyal to two to three brands.
- ✓ *Shifting loyals*- customers who shift loyalty from one brnad to another.
- ✓ *Switchers*- No loyalty to any brands.

Attitude: The five attitudes of customers that segment in market are

- ✓ Being enthusiastic
- ✓ Positive
- ✓ Indifferent
- ✓ Negative
- ✓ Hostile.

> Eg: Voting campaign differs for enthusiastic voters and negative people.

Thus with all these combinations of different segmentation bases would help to provide more complete view to prepare market plan by the marketers.

MARKET TARGET

- ❖ Market targeting is a process of selecting the target market from the entire market
- ❖ Target market is the end consumer to which the company wants to sell its end products too.

Importance of market target:

- ❖ The better a company is at identifying their potential consumers; the more successful it will be.
- ❖ Market target make it easier to develop products to meet their demands, needs and want

Process of market target:

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The process of market target consist of following steps:

Additional consideration

Selecting the market segment

Evaluating the market
segment
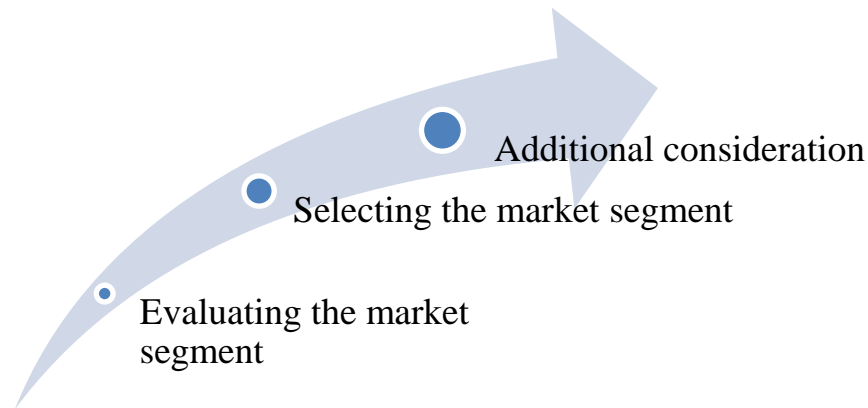
Step 1: Evaluating the market segment:

❖ Not all the segmentation will be useful. Hence the marketers must evaluate the worthy segment of the market.

Eg: Market segmentation based on age is not useful for products like "salt".Instead lifestyle and usage rate of the consumers must be seen.

To evaluate the two factors should be used
i.   Attractiveness of Segment.
ii.   Objectives and Resources of Company.

Overall attractiveness of the segment:

- In order to determine attractiveness of the segment, the company must think on characteristics/conditions which reflect its attractiveness, such as size, profitability, measurability, accessibility, actionable, potential for growth, scale of economy, differentiability, etc.

ii. Objectives and Resources of Company:

- The firm must consider the material, technological, and human resources are taken into account.

Step II: Selecting the market segments:

- Philip Kotler describes five alternative patterns to select the target market. Selection of a suitable option depends on situations prevailing inside and outside the company.

Company may opt for any one of the following strategies for market targeting based on the situations:

1. Single Segment Concentration:
2. Selective Specialization:
3. Product Specialization:
4. Market Specialization
5. Full Market Coverage

1. Single segment concentration:

❖ The company selects only a single segment as target market and offers a single product. Here, product is one; segment is one.

Product/Market	P1	P2	P3
M1			
M2	🟥		
M3			

For example, Fish seller sell a type of fish only in a particular village

Braile for visually challenged.

All the product items produced by the company are meant for only a single segment.

2. Selective Specialization:

e.g: Apple
- For Business class   Laptop
- For Music lovers   ipod
- For phone users   iPhones

Product/Market	P1	P2	P3
M1		🟥	
M2	🟥		
M3			🟥

❖ In this option, the company selects a number of segments. A company selects several segments and sells different products to each of the segments.

3. Product Specialization:

❖ In this alternative, a company makes a specific product, which can be sold to several segments. Here, company is one, but segments are many.

❖ Company offers different models and varieties to meet needs of different segments.

Eg: Nokia 1100 for low income and old age segments and Nokia series for posh group and also youngsters.

e.g: Nokia

Cheaper Price class	Nokia 1100
Business class	Nokia E-Series
Music lovers class	Nokia X-Series

Product/Market	P1	P2	P3
M1		🟥	
M2		🟥	
M3		🟥	

4. Market Specialization:

❖ Here, products are many but the segment is one.

❖ Company provides all new products that the group can feasibly use.

eg: Johnson & Jonhson for babies only
- Powder
- Soap
- Shampoo etc

Product/Market	P1	P2	P3
M1			
M2	🟥	🟥	🟥
M3			

5. Full Market Coverage:

❖ In this strategy, a company attempts to serve all the customer groups with all the products they need.

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❖ Here, all the needs of all the segments are served.

❖ Only very large firm with overall capacity can undertake a full market coverage strategy.

Step III: Additional consideration:

We should consider some more points while targeting market

(a)**Ethical choice of market Targeting**: It means customer decision should be taken after considering what is right and what is wrong for market or customers. We should be fair & honest in dealings with customers.

(b)**Segment Interrelationship:** All segments are interrelated and integrated that's why we should coordinate all segments to minimize the cost of and utilize all available resources.

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UNIT IV

MARKEITNG COMMUNICATION

Persuasive Communication in Consumer Behaviour– Developing Effective Communications – Developing and Managing an Advertising Program – Steps in deciding on Media–Promotion mix: Personal selling-Advertising-Direct marketing-Sales Promotion –Sales Force and Public Relation.

PERSUASIVE COMMUNICATION IN CONSUMER BEHAVIOUR

❖ **Persuasive communication** is any message that is intended to shape, reinforce, or change the responses of another or others.

❖ Persuasion is the process of convincing someone else to carry out an action or agree with an idea.

❖ The term 'persuasion' means to force someone into something.

❖ Persuasive communication means, persuading others to understand what one is trying to communicate.

THE COMMUNIACTION PROCESS

❖ Communication is the transmission of a message from a sender to a receiver via medium or channel of transmission.

❖ The persuasive communication very important in marketing to convince the consumers and to change their attitudes..

PROCESS OF COMMUNICATION
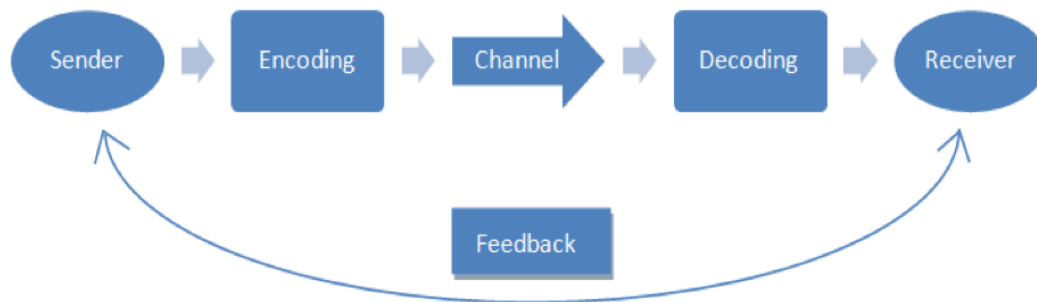
SENDER:

✦ The sender is the message initiator from a formal or informal source

✦ The formal source represent commercial aspects like profit motive Eg: advertisers

✦ The informal source is non profit motive Eg: parent or friend says about a product.

✦ The sender can be a company or brand.

✦ Mostly people rely on informal source (word of mouth)to do a purchase

ENCODING:

✦ The intended message must be encoded with words, symbols,pictures and actions so that receiver can understand.

CHANNEL OF COMMUNICATION OR MEDIUM

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The medium can be

- ✓ impersonal (mass media) or
- ✓ interpersonal like (direct selling and social media)

Classified mediums of mass media are

⇒ **Print Mass media-** Newspaper, Magazines, and Billboards.

⇒ **Broadcast mass media**- radio, TV

⇒ **Electronic mass media**- Internet, online search

Classifed mediums of interpersonal are:

⇒ interactive communication between salesperson and consumers.

⇒ direct marketers called database marketers who approached consumers who are in databse.

⇒ direct mailing

⇒ other social media stuffs.

MESSAGE:

The message can be in the form of verbal or non verbal.

⇒ verbal- Spoken and written

⇒ Non verbal- Pictures, symbols and photographs.

- The verbal message which is spoken or written can carry more product information than non verbal.
- The non verbal message or symbolic communication will be helpful in interactive communication to use in social media *Eg: Logo of the product*

THE RECEIVER:

The receiver is the *intended audience*

⇒ (Consumers)

The *unintended audience* will be

⇒ wholesalers,

⇒ distributors,

⇒ retailers,

⇒ shareholders,

⇒ creditors

⇒ suppliers

⇒ employees

⇒ bankers and

⇒ local community.

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THE FEEDBACK:

- The feedback is a two way communication which is most likely to see in interpersonal communication medium, where the consumers share their suggestions ,comments and complains which can reinforce the sender to modify the message or the products to suit the taste of the intended audience (consumers)

CHARACETRISTCIS OF PERUSASIVE COMMUNICATION

Consumers will belief the sender(Marketer) if it possess the following characteristics

- Source of credibility (Brand image)
- Trustworthy (Years of product manufacturing)
- Expertise (Possess knowledge about the product)
- Status of sender (Brand value in the market)

SOURCES OF MARKETING PERSUASIVE COMMUNICATION

The following are the sources which are capable of altering the attitudes of consumers through persuasive marketing information.

⇒ The company itself

⇒ The sales representative of the company

⇒ The media that publicize the company

⇒ The hired promoters (Supermodel, Celebrity endorsers)
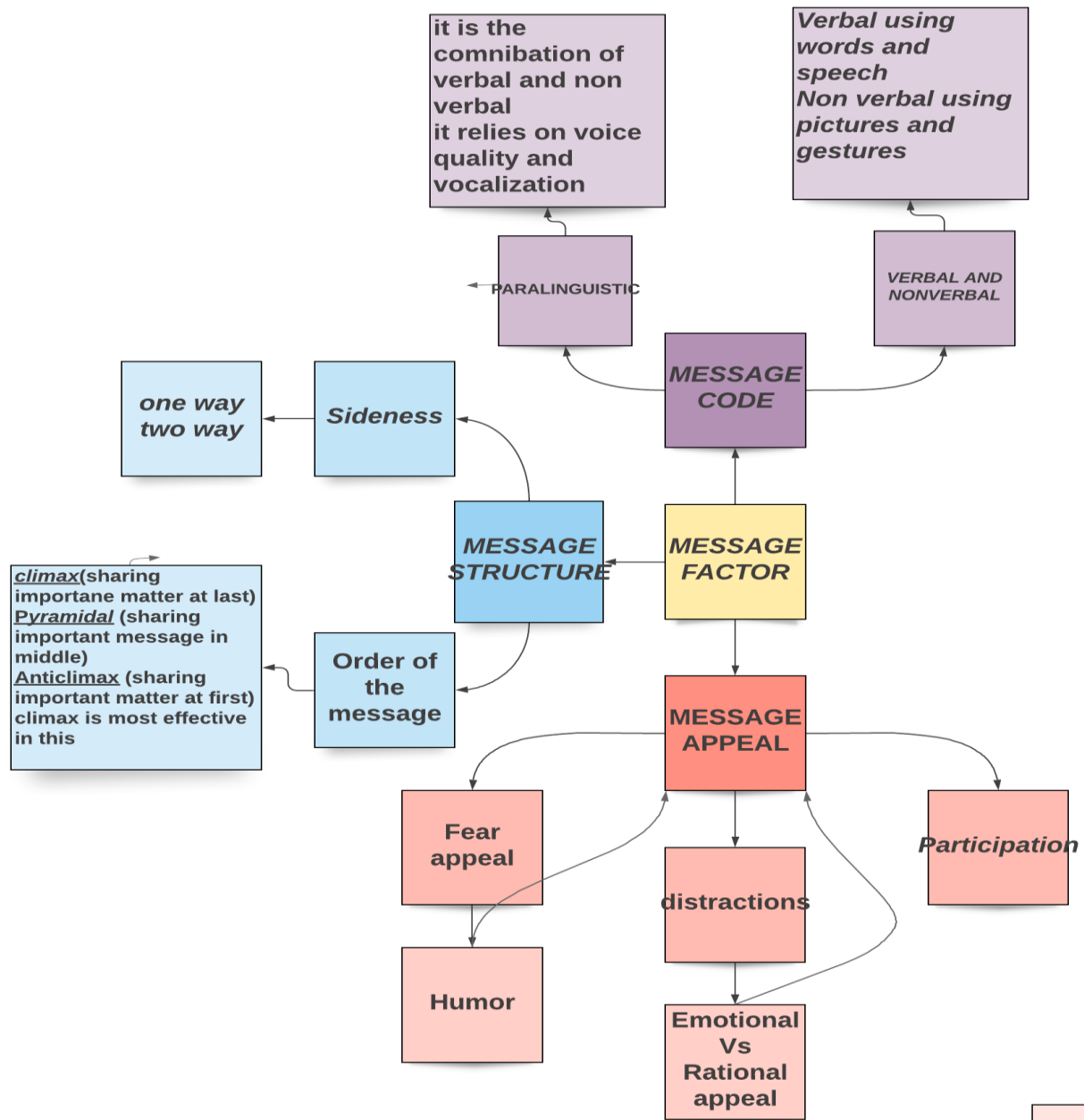
⇒ Wholesalers and retailers.

RECEIVERS FACTORS

To do better persuasive communication" Know Your Attitude" is important. The following are the characteristics of audience who can be approached easily.

Personality traits that correlates with persuasion:

- ❖ **Self esteem** (the self-worth or belief of a person). The low self-esteemed consumer can be easily persuaded than high self-esteem.
- ❖ **Imagery people**- the fantasy/ dream-oriented people can be easily persuaded than who lives in reality
- ❖ **Intelligence-** Both high and low intelligence people are praying for persuasion but it depends upon the message.
- ❖ **Sex**- Women can be easily persuaded than male. as women can be easily influence

MESSAGE FACTORS

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it is the comnibation of verbal and non verbal
it relies on voice quality and vocalization

Verbal using words and speech
Non verbal using pictures and gestures

PARALINGUISTIC

VERBAL AND NONVERBAL

MESSAGE CODE

one way
two way

Sideness

MESSAGE STRUCTURE

MESSAGE FACTOR

climax(sharing importane matter at last)
Pyramidal (sharing important message in middle)
Anticlimax (sharing important matter at first)
climax is most effective in this

Order of the message

MESSAGE APPEAL

Fear appeal

Participation

distractions

Humor

Emotional Vs Rational appeal

DEVELOPING AN EFFECTIVE COMMUNICATION

The development of effective marketing communications strategies involves five steps:

1. **Identify the Target Audience**
2. **Determining the Communication Goals & Objectives**
3. **Designing a Compelling Message**
4. **Select Communications Channels**
5. **Feedback of communication Strategy**

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I. Identify the Target Audience

- ❖ Like all other marketing plans or programs, marketing communications also begin with a specific audience or targeted customers in mind. A company needs to decide that who is the intended recipient of a company's messages

II. Determining the Communication Goals & Objectives

- ❖ After deciding audience an effective marketing communication also required a specific objective or goal in the mind. What does a particular company want to achieve or accomplish with its communications efforts

III. Designing Develop a Compelling Message

- ❖ Once marketers have identified and decided their targeted audience and desired objectives, they must then design an effective message. An effective message is that which draws attention, hold interest, and obtain action. In this stage companies need to focus on:
  - ✓ Message Content
  - ✓ Message Structure and
  - ✓ Message Format

IV. Select Communications Channels

- ❖ This is the fourth and most important step of effective marketing communication strategy where marketers needs to select from five communication tactics i.e.
- ✓ Advertising,
- ✓ Public Relation,
- ✓ direct marketing,
- ✓ sales promotion, and
- ✓ personal selling to deliver its message.

There are two types of channels.

a. Personal Communication Channels

- ❖ Personal communication channels are referred to a communication mode in which two or more4 people directly interact with each other.
- ❖ This may include face to face, through mail, on the phone, and even internet chatting. These channels are effective as they allow for personal addressing as well as feedback.

b. marketing communication channels

- ❖ It is a non personal Communication Channels that include media that carry message without personal interaction or feedback
- ❖ . Print media, broadcast media, display media and online media are the types of non personal communication channels.

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V. **Feedback of communication Strategy**

❖ After all, above steps and implementing the communication strategy then companies needs to get feedback and response from targeted audience.

❖ Monitoring and feedback provide a continuous improvement process.

❖ So marketers should regularly measure and monitor the effectiveness of marketing communication strategy and make changes as needed.

DEVELOPING AND MANAGING AN ADVERTISING PROGRAM

The following are the steps in developing and managing an advertising program

| Setting the objectives | → | Deciding on the advertising budget | → | Developing the advertising campaign |
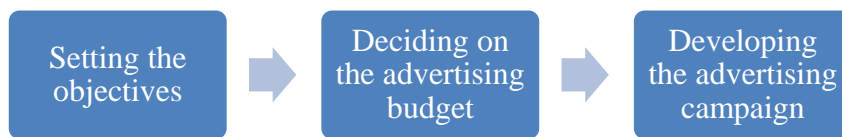
I.Setting the objectives:

▪ Advertising objectives can be classified according to whether their aim is to inform, persuade,

Informative advertising	The prime objective of the advertising is to inform about the product.
Persuasive advertising	It aims to create liking preference and create demand of the product.
Reminder advertising	It aims to simulate repeat purchase of products and services.
Reinforcement advertising	It aims to convince current purchases that they made the right choice

remind

II. Deciding on the advertising budget (Money)

After determining advertising objectives the company next sets its advertising budget for each product. Specific factors considered are.

❖ *Stage in the product life cycle*

❖ *Market share and consumer base*

❖ *Competition*

❖ *Advertising frequency*

❖ *Product substitutability*

III. Developing the advertising campaign (Message)

it is important to distinguish the message strategy or positioning of an ad from its creative strategy. Through the following:

(i)Message generation and evaluation.

Advertising appeals should have three characteristics:

✓ Meaningful,

- ✓ Believable and
- ✓ Different.

(ii)Creative Development and Execution:

- The impact of the message depends not only on what is said but also on how it is said. *They can be from any one following advertising medium for execution:*
    - *Television Ads*
    - *Print Ads*
    - *Radio Ads*
    - *Film Ads*

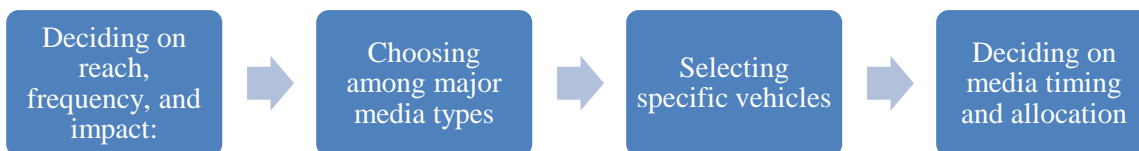*(iii)Social responsibility review:*

- Advertiser and their agencies must be sure advertising does not over step social and legal norms.
- And thus it follows body of laws and regulations

DECIDING ON MEDIA AND MEASURING EFFECTIVENESS

After choosing the message, the advertiser's next task is to choose media to carry it.

Steps in deciding on media

Major steps in media selection are as under:

Deciding on reach, frequency, and impact: → Choosing among major media types → Selecting specific vehicles → Deciding on media timing and allocation

Step I: Deciding on reach, frequency, and impact:

- Media selection is finding the most cost-effective media to deliver the desired number and type of exposure to the target audience.
- The effect of exposures on audience awareness depends on the exposures to
    - ✓ Reach (R) – the average percentage of target market viewed ad
    - ✓ Freuency (F)- number of times the ad was repeated
    - ✓ Impact (I) – the qualitative value of a message

Step II: Choosing among major media types

- The media planned should know the capacity of each media types to deliver reach, frequency and impact.

The major merits and demerits of media types are:

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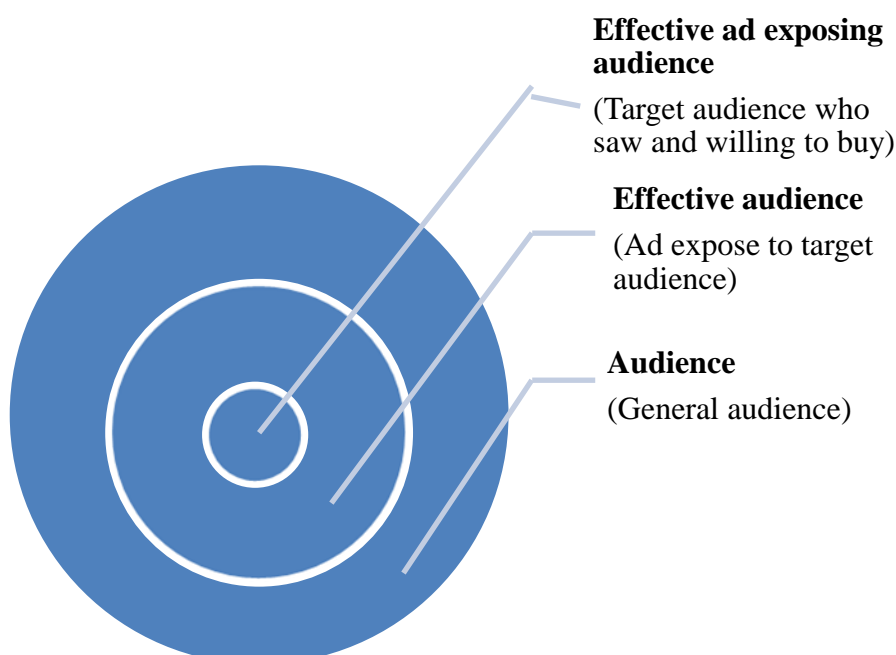| Medium	Merits	Demerits
Newspaper	Wide coverage, cheap	Short life
Television	High attention	High cost
Direct mail	Personalized	Put into junk mails
Radio	Mass usage	Lack of visualization
Magazines	Long life	No guarantee
Outdoor	High repeat exposure	Limited audience
Telephone	Easy direct reach	Uninterested customers
Internet	Quick reach	Costly
Brouchers	Dramatize message	High cost

Different variables to consider while making media choices:

- *Target audience media habits*: Eg: TV, online ads are easy to reach teenagers.
- *Product characteristics:* The potency of each media type says explanation, demonstration, color so on. Eg: Women dresses are good to see in magazines.
- *Message characteristics:* Timeliness and information level.

  Eg: TV is best way to announce lastday sale

- *Cost:* Using cheaper media to advertise. Eg: Newspaper is cheaper thanTV

Step III: Selecting specific vehicles:

The media planner must search the most effective vehicles within each chosen media type.

The following are the measures to select specific variables:

Effective ad exposing audience

(Target audience who saw and willing to buy)

Effective audience

(Ad expose to target audience)

Audience

(General audience)

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- ➢ *Circulation-* the number of physical units carrying the advertisement.
- ➢ *Audience-* the number of people exposed to the advertisement.
- ➢ *Effective audience-* The number of target audience exposed to the advertisement.
- ➢ *Effective ad exposing audience-* The number of target audience who actually saw the ad with intention of buying.

Step IV: Deciding on media time and allocation.

The media planner should consider both

- ✓ Macro scheduling and
- ✓ Microscheduling.

(i)Macro scheduling problem:

The macro scheduling problem involves scheduling the advertising in relation to *season and business cycle*.

Eg: More ad on stock clearance aadi sale during aadi month.

(ii)Micro scheduling problem:

The micro scheduling problem calls for allocating advertising expense for *short period to gain maximum* impact.

PROMOTION

- ❖ Promotion refers to any type of marketing communication used to inform or convince target audiences about the relative merits of a product, service, brand or issue.
- ❖ The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty.

PROMOTION MIX

The promotional mix generally involves 5 components such as

1. Personal selling
2. Advertising
3. Direct marketing
4. Sales promotions
5. Public relations

PERSONAL SELLING

- ❖ Personal selling can be defined as "the process of person-to-person communication between a salesperson and a prospective customer

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❖ Personal selling is the process of communicating with a potential buyer (or buyers) face-to-face with the purpose of selling a product or service.

Principles of personal selling:

Personal selling is an ancient art that has produced many principles

1. Sales professionalism
2. Negotiation
3. Relationship marketing

Sales professionalism

All sales-training approaches try to convert a salesperson from a passive order taker into an active order getter.

Negotiation:

Much business-to-business selling involves negotiating skills .

The two parties need to reach agreement

1. Price
2. Others term of sale.

Salesperson need to win without making deep concessions that will hurt profitability

Relationship Marketing:

✓ To succeed in winning and maintaining accounts in today's demanding environment,

✓ company must encourage sales teamwork

✓ Reward it with appropriate compensation

✓ Measures for their sales force

✓ Reinforce the importance of teamwork

Types of personal selling:

The different types of personal selling are

➕ Order taker
➕ Order getters
➕ Missionary selling
➕ Cold calling
➕ Relationship selling

*Order taker*refers to selling that occurs primarily at the wholesale or retail levels

Order getters refers to a sales representative travels to the client's home or work place to makes a sales presentation.

Missionary selling - often seen as a sales support role. The missionary sales person distributes information about products or services, but does not normally close the sale.

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Cold calling refers to a situation when a sales representative telephones or visits a customer without a prior appointment.

Relationship selling (also known as *consultative selling*) refers to a sales practice that involves building and maintaining interactions with customers to enhance long term relationships

Merits and demerits:

Personal selling + / −

Advantages	Disadvantages
High customer attention	High cost
Message is customised	Labour intensive
Interactivity	Expensive
Persuasive impact	Can only reach a limited number of customers
Potential for development of relationship	
Adaptable	
Opportunity to close the sale	

Steps involved in personal selling:

The seven-step involved in personal selling are

- prospecting,
- pre-approach
- approach
- presentation
- meeting objections
- closing the sale
- follow-up.

DIRECT MARKETING

❖ Direct marketing is a form of advertising where organizations communicate directly to customers through a variety of media including cell phone text messaging, email, websites, online adverts, database marketing, fliers, catalog distribution, promotional letters and targeted television, newspaper and magazine advertisements as well as outdoor advertising.

TYPES OF DIRECT MARKETING:

Direct mail

╬ Direct mail is posted mail that advertises your business and its products and services.

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- There are several different types of direct mail (e.g. catalogues, postcards, envelope mailers). It has existed in the form of printed materials, but CDs, audio tapes, video tapes, fax mail, email, and voice mail are also used in direct mail campaigns.

Telemarketing:

- telemarketing, in which marketers contact customers by phone directly.
- The primary benefit is increasing sales volume and customer base.

Kiosk Marketing

- Customer order machines, versus vending machines that actually provide products, are another form of direct marketing.

Eg; ATM booths.

Internet Marketing

- The Internet do direct marketing for promoting the products and services to targeted audiences.
- Access to the Internet provides users with services in four basic areas:
  - ✓ Information
  - ✓ Entertainment
  - ✓ Shopping
  - ✓ Individual and group communication

Face-to-Face Selling

- The most traditional direct marketing involves door to door selling by sales representatives directly.

Direct-Response Advertising

- Direct-response advertising is communicating with potential buyers through television, radio, magazines, and newspapers using toll-free number to place their order.

Mobile

- Through mobile marketing, marketers engage with prospective customers and donors in an interactive manner through a mobile device or network, such as a cellphone, smartphone, or tablet.

Types of mobile marketing messages include:

SMS (short message service)—marketing communications are sent in the form of text messages, also known as texting.

MMS (multi-media message service)—marketing communications are sent in the form of media messages

Mobile Applications: Smartphone-based mobile apps contain several types of messages. Push Notifications are direct messages sent to a user either automatically or as part of a campaign.

Broadcast faxing

Broadcast faxing, in which faxes are sent to multiple recipients, but it is now less common. Roughly 2% of direct marketers use fax, mostly for business-to-business marketing campaigns.

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Merits:

- Direct marketing builds loyalty
- It's effective in increasing customer volume.
- Tracking and monitoring customers are easy.
- Direct marketing can be personalized and target specific group .

Demerits:

- Reach will be limited.
- It irritates customers if prolongs.
- Privacy of customers will be stolen.

SALES PROMOTION

- ❖ **Sales promotion** is the process of persuading a potential customer to buy the product.
- ❖ **Sales promotion** is designed to be used as a short-term tactic to boost **sales** – it is rarely suitable as a method of building long-term customer loyalty.

Eg: contests, coupons, freebies, loss leaders, point-of-purchase displays, premiums, prizes, product samples, and rebates.

Objectives of sales promotion:

- Sales promotion stimulate consumer to try the products at first place.
- Sales promotion attract new customers
- It often attract brand switchers.
- High brand similarity brings high sale in short run.
- Service firms can also attract new consumers through sales promotion.

Advertising Vs promotion:

Advertising	Promotion
1. Advertising is a paid form of increasing 2. The time frame of doing advertising is longer	promotion is not direct paid form but trick to increase sales The time frame of doing promotion is shorter.

Types of sales promotion tools

The three types of sales promotion tools are

consumer promotion tools	Trade promotion tools	Business and sales force tools

I. Consumer promotion tools:

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The consumer-oriented promotion tools are aimed at increasing the sales to existing consumers, and to attract new customers to the firms. It is also called pull strategy.

The different types of consumer promotion tools are

- Samples
- Coupons
- Cash refund offers price packs
- Premiums (gifts)
- Prizes (contests, sweepstakes, games)
- Patronage awards
- Free trials
- Product warranties
- Tie in promotions
- Cross promotions
- Point of Purchase (POP) displays

Samples: offer a free door to door sample products or service for marketing.

Coupons: a certificate entitling the consumer to save on the product . It is enclosed or attached or inserted in magazine and newspapers

Cash refunds: It provide a money back offer after purchase.

Price packs: the set of products sold at low price.

The price packs can be

- reduced price packs – single package sold at low price (3 set of vim just RS 25 only)
- Banded pack – set of relate product sold together (toothpaste and tooth brush).
- Premiums (gifts) - Low price or free or incentive given to the consumer for purchasing a particular product.

Prizes- Prizes to win cash, trips as result of purchasing.

Contest calls- consumer should submit an entry and win it over

Sweepstakes- submit consumers name in a drawing.

Games-it present consumers with something every time they buy- bingo games, missing letters so on.

Patronage awards- Values in cash or in other forms.

Free trials- Inviting consumers to try the product without paying cash.

Product warranties- The promises for after sale service or refund offers.

Tie in promotion- Two or more brands or companies team up on coupons, refunds and contests to increase pulling power.

Cross promotion- use one brand to advertise another non competing brand.

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ii.Trade promotion tools:

It is also known as push strategy, which is that they push the brand to the consumers by giving priority over other competitor brands.

.*The different trade promotion tools are*

- Price off-
- Allowances
- Free goods

Trade allowances-give channel partners—i.e a manufacturer's wholesalers, distributors, retailers some incentives to push a product. Eg: (money) to advertise a seller's products in local newspapers.

Free goods-such as a tool, television, or other product produced by the manufacturer, can also be used to get retailers to sell products to consumers.

Price off- the special discounts on products purchased during seasonal occasion.

iii.Sales force promotion tools:

Companies spend large amount of money on business and sales force promotion. to attract business leads, impress and reward customers so on.

Types of sales force promotion tools:

- Trade shows.
- Sales contests
- Specialty advertising.

Trade show- A trade show is an event in which firms in a particular industry display and demonstrate their offerings to other organizations.

Sales contest- A sales contest aims at promoting the sales forces to increase sales and succeed within a period of time. Prizes will be offered in terms of money, free trips.

Specialty advertising- the useful low cost small products that consist of company name and address to attract customers.

Eg: pen pencil.

PUBLIC RELATION

❖ PR(Public Relation) involves a variety of programs designed to promote or protect a company's image or its products.

Functions:

The following are the functions of public relation.

Press relations- which give positive information and news about organization.

Product publicity- through sponsoring events, programs to publicize special products.

Lobbying- maintaining law and order to promote products.

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Counseling- giving advisory support to the management about public issues and company's position in market.

MPR: (Marketing Public Relation):

The old name of MPR is publicity which was seen as the task of creating hype about the product, service, idea, place, person and organization.

Tasks of MPR:

- ✓ Assisting the launch of new product.
- ✓ Building interest by influencing target group.
- ✓ Protecting the product from public problem.
- ✓ Building the corporate image.

Tools used in MPR:

- ❖ *Publications:* Publishing the advertisements of the company products on annual reports, articles, company newsletters, magazines and audiovisual materials.
- ❖ *Events:* Through special events like news conference, seminars, tradeshows, exhibitions, contests and competitions, anniversaries so on.
- ❖ *Sponsorships:* The company publicize by sponsoring sports men and women and cultural programs.
- ❖ *News:* Creating positive news about company products, people and press release.
- ❖ *Speeches:* Giving special talks about products to the trade associations, sales meetings so on.
- ❖ *Public service activities:* Doing something good to the society to yield name like conducting free health camps and contributing money.

SALES FORCE

- ❖ Number of salespersons employed and managed directly by a firm is called sales force.
- ❖ Sales force is the workforce which is linking between companies and customer.

DESIGNING THE SALES FORCE

Step I- Setting out an objective for sales force

Step II- Use sales people strategically

Step III- deciding the structure of the sales force

Step IV- design compensation for the sales force

(i). setting out an objective

The first step is setting out an objective for sales force. Sales people are asked to

- ➢ search for targeting clients
- ➢ to balance time between future customer and current customer.
- ➢ To communicate about product and services effectively.
- ➢ to learn to do after sales service
- ➢ to collect information about competitors and customers

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(ii). Use sales people strategically.

The second step is use sales people strategically.

- ❖ Sales people have to work with other team members to achieve the objective.
- ❖ Sales people should analyze market data and convert them into marketing strategies.

(iii). Deciding the structure of the sales force:

- ❖ The structure of the sales is dependent on the strategy followed by the company.

Common sales force structures are as follows: -

Type of market structure	Sales person job	Suitability
Territorial structure	sales representative is assigned specific geographical area	Local market
Product structure	sales representative is assigned for complex and un- related product	Research and development of product
Market structure	Selected to sell across various market segment	Different industry which likes to explore many market segments
Complex structure	Who possess knowledge of complex products	Company that sell complex products globally

(iv). Designing compensation for the sales force:

- ❖ Companies provide fixed amount plus a variable amount to sales people as per the success of the product in the market and also the sales report they submit.

MANAGING SALES FORCE

The success of marketing strategy is based on the management of the sales force.

The management of sales consists of following: -

- ❖ **Recruitment** and selecting a right candidate who is suitable to be a sales girl/boy. Preferred qualifications are
    - ✓ Art of negotiation and
    - ✓ relationship marketing
    - ✓ communication skills,
    - ✓ product/service awareness
    - ✓ ability to convince customers
- ❖ **Training** can be given through
    - ✓ Demonstration

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- ✓ On and off the job training
- ✓ Attending hands on training so on
- ✓ Supervision

❖ **Supervision**

A general supervision is maintained with respect to sales people

- ✓ dealing with potential clients. Another supervision is related to
- ✓ efficient time management from preparation of client call to closing of the deal.

❖ **Motivation**

Motivating the sales force through

- ✓ Monitory rewards and
- ✓ Non monitory
- ✓ Other tools like social gathering and family outing.

❖ **Evaluation**

- ✓ Conducting regular performance appraisal to seek the level of training further needed for sales men/women
- ✓ Also, appraisal is done based on the report submitted by the sales force.

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UNIT-V

CONSUMER RESEARCH

Consumer Decision Making Process: Need and Information Search- Alternate Evaluation and Choice-Consumption and Post Purchase behaviour

Consumer Research- Approaches to Consumer Research-Methods to Study Consumer Research-

DEFINITION:

It is the process by which consumers identify their needs and collect information, evaluate their alternatives and make purchase decisions accordingly.
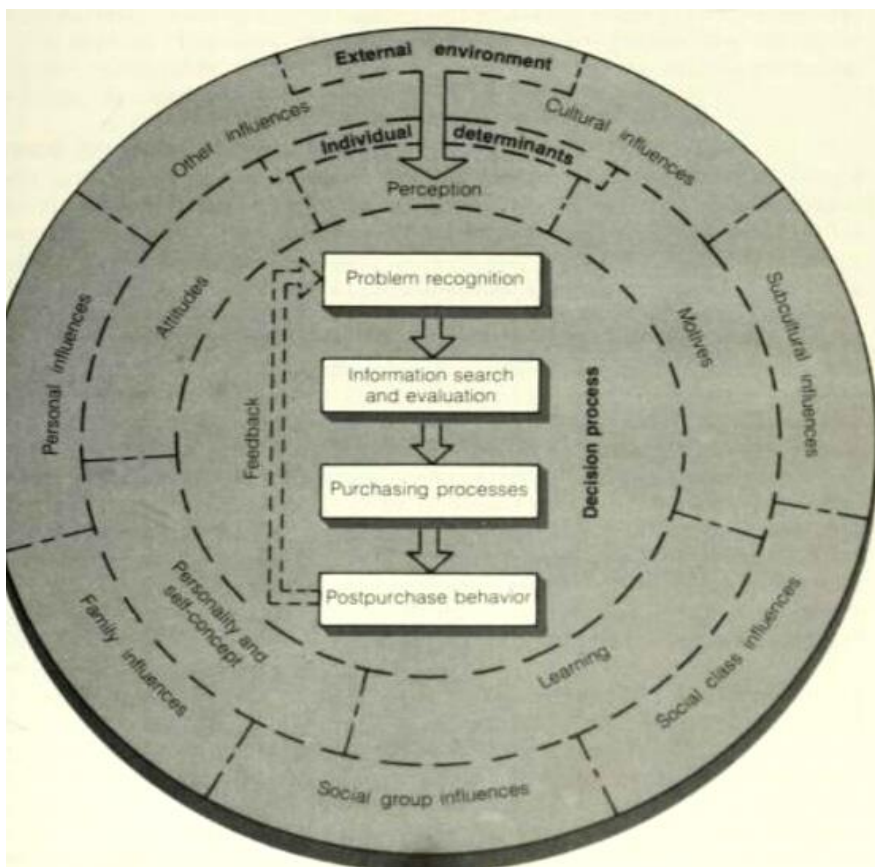
TYPES OF CONSUME DECISION:

The main five types of consumer decisions are

$\Rightarrow$ What to buy?

$\Rightarrow$ How much to buy?

$\Rightarrow$ Where to buy?

$\Rightarrow$ When to buy?

$\Rightarrow$ How to buy?

STEP I- PROBLEM RECOGNITION

❖ Problem recognition occurs when the consumers find a difference between actual and desired state.

Eg: When a consumer have indigestion problem (actual state)and he is looking forward to get a relief to that problem (desired state),he recognized a problem (need) which motivates him to . That is he is in need of ENO to ease off his acidity.

Situations leading to recognize the problem (need):

✓ Inadequacy of stock

✓ Discontentment(unhappy) of existing good

✓ Looking for new different product

✓ Changing environmental conditions Eg: buying more blazers while going abroad.

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- ✓ Changing financial state
- ✓ Marketing advertisements which persuade us to buy.

Market implications of problem recognition

Based on the problem recognition of consumers, the marketers can develop and modify their products to meet the desired state of the consumers.

Such development in market strategy is possible in the following two ways:

> i.Measuring problem recognition

> ii.Activating problem recognition

I. Measuring problem recognition:

The marketers measure the purchase intention of consumers by scaling techniques through questionnaire.

Example of scaling technique to know their intention.

⇒ *Analyzing their purchase intention.*

Strong intention	*I am going to buy*
Positive intention	*I will buy surely*
Neutral intention	*I may buy*
Weak intention	*I am not interested but I may in future*
No intention	*I will never buy*

⇒ After ***analyzing, the conversion or change in decision of consumer should be found*** by the marketers.

i.e. all the consumers will not buy the same brand as they promise, some people will change the brand in the last minute due to various reasons like offers, product promotions so on.

II. Activating (Creating situations) problem recognition:

The marketers should support the process of helping the consumers in knowing their desire and actual state.

By

- ✓ Influencing the desire state
- ✓ Influencing the perceptions about actual state
- ✓ Influencing the timing of problem recognition

Influencing the desire state	*Influencing the perceptions about actual state*	*Influencing the timing of problem recognition*

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- Through advertisement
- Expressing positivity about the solution (products)

- Creating advertisements which explains real time issue going on

  Eg: Water saving mechanism in RIN ad given during water scarcity.

- Persuading the consumers that the need may arrive in future and to buy product now itself.

STEP II- INFORMATION SEARCH AND EVALUATION

Once the consumer identifies the need, the next stage is to search the information and evaluate the same.

A.THE INFORMATION SEEKING PROCESS:

The **search** is the mental and physical information seeking and processing to involve in decision making process.

The information will be processed through internal and external search

INTERNAL SEARCH:

- It is the mental process of recalling and review information stores in memory.
- The recall may occur immediately or slowly when it is needed

Eg: when a consumer buy a product, he/she may recall the negative comments of his/her friend told about the product some months before.

Sources of internal search:

- ✓ Attitude
- ✓ Previous gathered information through word of mouth, advertisements
- ✓ Past purchase experience.

EXTERNAL SEARCH:

The process of collecting additional information to help along with stored memory to recall about the product.

Sources of external search:

- ✓ Market dominated source
- ✓ Consumer source
- ✓ Neutral source.

Market dominated source

It is under the direct control of the marketers to sell their products.

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Source	Merits	Demerits
The communication is by means of ✓ Product itself ✓ Packaging ✓ Price ✓ Advertising ✓ Sales promotion ✓ Sales people	⇒ Readily available information ⇒ Accuracy in information	⇒ Exaggeration of facts will be given ⇒ Not highly trustworthy.

Consumer source:

This is based on the interpersonal communication among the consumers.

It is highly liked source of all the people

Source	Merits	Demerits
The communication is by means of ✓ Word of mouth ✓ Reference groups	⇒ Flexible source ⇒ Trustworthy ⇒ Large amount of information can be collected.	⇒ Lack of accuracy. ⇒ All the information will not be correct

Neutral Source:

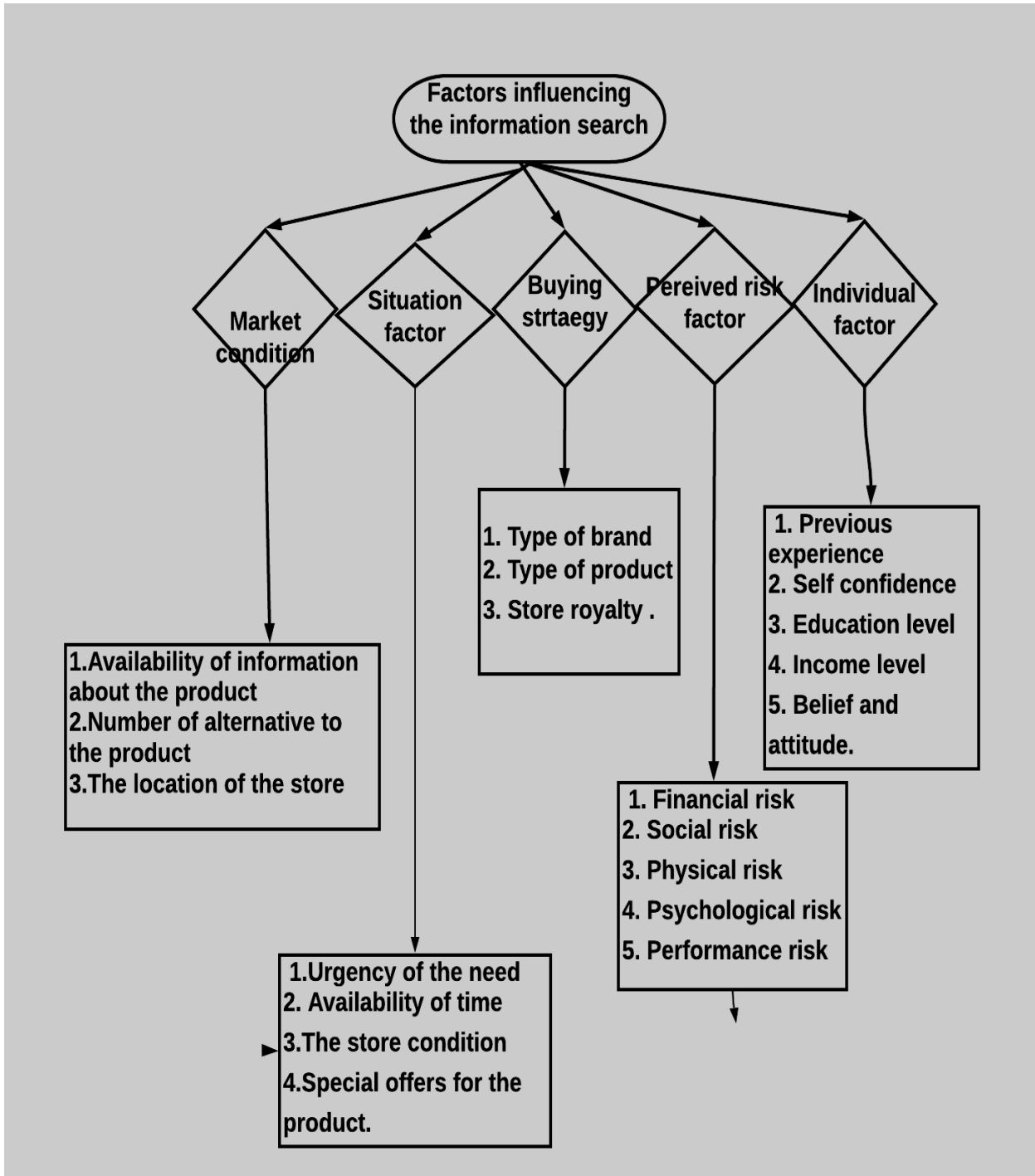This is the source which does not have any direct involvement of both producer and consumers.

Factors influencing or determinants of the information search process

Source	Merits	Demerits
The communication is by means of ✓ *Mass media* – Newspaper,Radio,TV ✓ *Government reports*-Brand Power,Zoot interview ✓ *Research Publications.*	⇒ Information is factual ⇒ Trustworthy ⇒ Unbiased source.	⇒ Time consuming ⇒ It is costlier.

The following are the factors which determines the search process

❖ Market condition:

❖ Situational factor

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❖ Buying centre

❖ Perceived risk factor

❖ Individual factor

Factors influencing the information search

- Market condition
- Situation factor
- Buying strtaegy
- Pereived risk factor
- Individual factor

Buying strtaegy:
1. Type of brand
2. Type of product
3. Store royalty .

Individual factor:
1. Previous experience
2. Self confidence
3. Education level
4. Income level
5. Belief and attitude.

Market condition:
1.Availability of information about the product
2.Number of alternative to the product
3.The location of the store

Pereived risk factor:
1. Financial risk
2. Social risk
3. Physical risk
4. Psychological risk
5. Performance risk

Situation factor:
1.Urgency of the need
2. Availability of time
3.The store condition
4.Special offers for the product.

B.INFORMATION EVALUATION PROCESS

The search process finds the alternatives where as evaluation process compares all the alternatives and makes choices.

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Step I: Evaluating alternatives:

The consumers use "cues"to evaluate each available choices.

It is based on

- Predictive value – the consumers assessment about the product quality

- Confidence value- the consumers strong thinking.

The factors influencing evaluation process are

✓ Urgency of the need

✓ The importance of the product

✓ The complexity of all the available alternatives.

Step II: Result of evaluation:

Three possible outcomes of evaluating the alternatives are
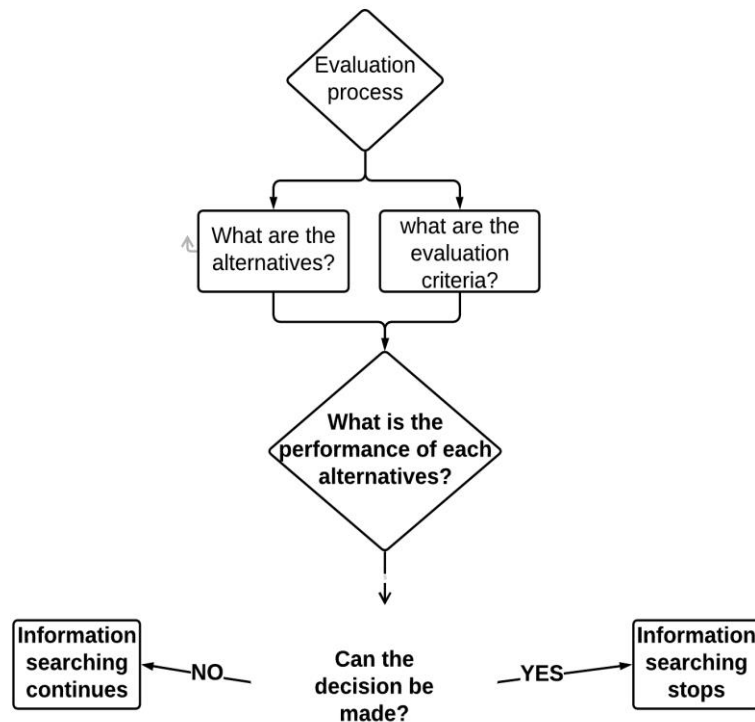
1. Consumer *stop search as he/she found what they what and made a decision*
2. Consumer *discontinue searching as the available alternatives are not acceptable*
3. Consume *continue search as he/she did not make a good decision yet.*

Types of evaluation criteria:

Awarness set	Evoke set	Inept set	Inert set
• The consumer is aware of the available alternatives	• It is also called consideration set. That is decision is made after considering all the laternatives • It is mostly used set of crietria out of all.	• An alternative that consumer dislike and finds it useless to consider	• Consumer is aware of the brands available and choose brand B if the expected brand A is not available.

Market implications of information search and evaluation:

The following are the implications made by information search and evaluation process to the marketers

1. **Through this the marketers research about information process**

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❖ Firstly they identify the major sources used by the consumers to know the product information

Eg: warranty card, online search, reviews

❖ Secondly the determine the effectiveness of those information sources useful to their brand.\

2. **Identifying the type of evaluation set their brand is at**

❖ This also helps the marketers to know whether their product is considered as part of evoked set

❖ Whether their brand is known by the consumers and kept in awareness set

❖ Whether they disliked and rejected as inept set

❖ Whether they kept it as second choice in inert set.

STEP II- PURCHASING PROCESS

➕ The purchasing process is directly associated with actual purchase of a product.

➕ This stage explains about the store choices the consumers made and also other in store and out store behaviors.

CHOOSING A STORE

The consumer evaluates the store based on the expectation they have in based.

Factors influencing store location or reasons for choosing a store:

Store locations have major impact on increase the sales. The closer the store is near to the consumer the more increase in sales will takes place.

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          ┌─────────────────────┐
          │ Factors influeucing │
          │   store location    │
          └─────────────────────┘
      ┌────────────┬──────────────┬──────────────┐
┌───────────────┐ ┌───────────────┐ ┌───────────────┐
│Intercity choice│ │Intracity choice│ │Interstore choice│
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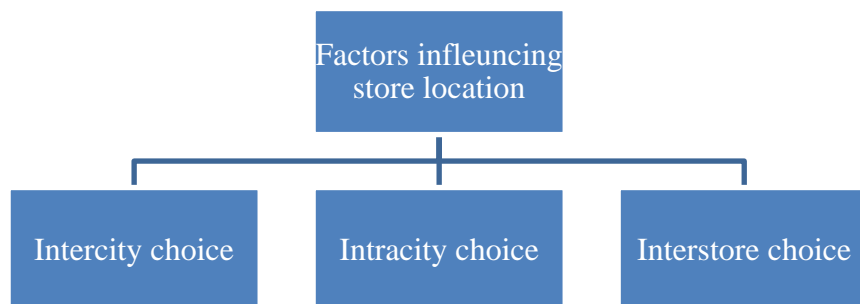
Intercity choice:

▪ The location of the store in between city A and B.

Eg: a store location at Kanchipuram between Vellore and Chennai is expected to receive customers from both the cities.

Retail gravitation

▪ The law of retail gravitation was developed to explain the attraction of grabbing customers from both the cities as the store is located in centre.

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- The law of retail gravitation is applicable only for two large cities and only for fashion goods.

Intracity choice:

- The driving time of shopping determines the store choice.

- Travel time which is not longer than 15 minutes is expected to attract the consumers.

- Apart from location and distance the factories which influence to choose these kind of stores are price, product variety, store quality.

Interstore choice:

- ✓ The store image will influence the shopper to compare with the competitors store.

- ✓ The store image is based on **store design.**The design of any store is important to enhance the store image

It is based on

- Merchandise assortment
- Prices
- Advertisement and sales promotion
- Personnel
- Customer service
- Shoppers profile
- Store loyalty.

Merchandise assortment: The consumers like the store which has more scope for buying and selling with many product lines and brands

Prices: Consumers compare pricing of all the stores. So pricing of product should be reasonable.

Advertisement and sales promotion: Retail advertising and sales promotions are important to persuade and remind the customers about the products. *Eg: buy one get one board*

Personnel: The employee attitude should be courteous and friendly.

Customer service: The easy way to attract customers is to provide satisfaction by means of Offers, Free installation ,Home delivery free and Special benefits like free gift wrapping, product return

Shoppers' profile: The acceptance of particular shop is based on the demographic and life style of reising customers around the store

Store loyalty: The loyalty of a customer towards a store is based on the price, customer service ,availability of alternative choices so on.

IN STORE PURCHASING BEHAVIOUR

Number of factor influences the consumers' behaviour within the store. Thus the following should be considered while designing the in store interiors.

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store layout and traffic pattern	Point of purchase media	Product shelving

Store layout and traffic pattern:

The layout of the supermarket should be designed based on the following principles

⇒ The highly demanding products should be kept widely for exposing to consumers

⇒ Perishable items must be kept near working area to reduce wastages and time

⇒ High impulse items must be placed between demand items so that during impulsive purchasing it will be useful.

❖ Traffic pattern is the process of designing the aisle and spaces within the store after knowing the good and bad sales within the store.

Point of purchase media:

The point of purchase media speaks about the special displays kept within the store to attract the customers.

⇒ Product advertisement displays within the store

⇒ Offers written on shelves

⇒ Related items kept side by side

⇒ Usage of shelf signs.

Product shelving

❖ The height and number of rows also influence the purchase behaviour

❖ It includes shelf height and shelf space

Shelf height: Shelf height must be generally based on the weight and popularity of the products

It must be designed at

⇒ Eye level followed by

⇒ Waist level

⇒ Knee level

⇒ Ankle level

⇒ *Shelf space:* The shelf space should be adequate to move hands in and out. More space should be kept for new products. As it is new products it needs deep attraction from customers. After few weeks it can be shifted over to normal shelves.

SITUATIONS LEADING TO CONSUMER DECISIONS

The five situational characteristics which let the consumers make decision about the buying in particular store are

❖ Physical surroundings

❖ Social surroundings

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❖ Temporal perspective

❖ Task definition

❖ Antecedent states

Physical surroundings:

The geographical location of particular store influences the buying behaviour.

The factors considered in physical surroundings are

⇒ Decoration
⇒ Noise area
⇒ Lightings
⇒ Visual displays

⇒ Air circulation
⇒ Temperature
⇒ Odor
⇒ Store quality

Social surroundings:

The consumer decides about choosing a store based on the social set up where they are living in

It includes

⇒ Characteristics of people

⇒ Attitude of reference groups

⇒ Role perception and

⇒ Interpersonal characteristics.

Temporal perspective:

This is the past experience one has with the store let them to plan future events of purchase in same store or
to switch over to new store.

Task definition:

Any customers will perform purchase task based on

⇒ Their purchase intention

⇒ The urgency or need of the product

⇒ The satisfaction with product

⇒ The satisfaction with the store.

Antecedent stage:

The mood of the consumer before entering the store also influences their store decision

⇒ The mood like anxiety, excitement, joy and cash in hand so on.

NON STORE PURCHASING PROCESS (IN HOME PURCHASING)

The non store purchasing process refers to the purchase which takes place from home shopping that is away
from physical store in real time.

Importance of in home purchasing:

Due to changing life style people do not find to buy from physical stores.

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From research study it is found that sales volume in increasing through home shopping

Catalog shopping through online mode became trendy now a days

Forms of in home purchases:

Forms	Example
Teleshopping	Shop clue, shopping zone,home18,Naaptol
Door to door selling	Sales representatives visit homes
Online shopping	Amazon,flipkart
Direct mailing	Mailing the customers as uninvited.

Characteristics of home purchasers:

The buyer who involves in in home shopping will have the following characteristics

- ❖ *Upscale households* – those people who have above average socio economic status will do in home shopping
- ❖ *Working wives* – The working women will do in home shopping to save time and due to flexibility.
- ❖ *Geographical location*- the people who reside in an area where there is no physical store will do in home shop.

Factors influencing in home purchase:

The factors influencing in home shopping are

- ❖ Convenience buying
- ❖ Life style of the people.

Drawback of in home purchase:

The major drawback of in home shopping is RISK IN BUYING

- ❖ risk of fraudulence
- ❖ risk of wrong product
- ❖ risk of damaged product
- ❖ risk of loss of money
- ❖ risk of no replacement

Market implications:

Due to growing likeness for in home purchase, many companies are coming forward to reach customers through in home shopping to increase sales with offers and benefits to increase sales.

PURCHASING PATTERN

The two purchasing patterns possible among customers are

Brand loyalty	Impulse purchasing

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BRAND LOYALTY:

- Marketers have to work harder to let the customers to do repeat purchase of their products and make them loyal to their brand.

Types of brand loyalty:

Undivided loyalty	The customer who buys same brand always and hardly change their mind .	AAA
Divided loyalty	The customer who switch between two brands	A B A B
Unstable loyalty	These customers buy in sequence but not so loyal	AAA BBB
No loyalty	They likes trying varieties and will not be loyal to any brands	A B C D E

Factors influencing brand loyalty:

The factors like

- ❖ Socio economic status of the people
- ❖ Demographic factor
- ❖ Psychological condition
- ❖ The belief on reference group influencing and their leader
- ❖ Due to store loyalty
- ❖ Ability to perceive risk.

IMPULSE PURCHASING:

The impulse purchasing is nothing but unplanned purchasing.

Nature of impulse purchase:

Pure impulse	Purposely trying new brands
Reminder impulse	Recalls to replace stock at home due to dissatisfaction with old item
Suggestion impulse	Due to reference group recommendation
Planned impulse	Attracted to buy due to offers, price tag and coupons.

Factors influencing impulse purchases:

- ❖ Customer personality
- ❖ Bill of purchase and number of product bought.
- ❖ Frequency of shopping trips
- ❖ Absence of shopping list
- ❖ Demographic factors.

STEP IV-POST PURCHASE BEHAVIOUR

- ❖ The customer purchase does not end with buying but also continues after purchasing the product.

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❖ The post purchase behaviour is purely based on the satisfaction and dissatisfaction of the consumers.

Behaviour related to the purchase:

The three post purchase behaviour associated with decision they made before are

❖ *Decision on product payment*- Decision made to buy products using credit cards when it is bulk purchase or online shopping which offers EMI

❖ *Decision on product set up and usage*- Decisions made with expectation of installation of durable products bought like TV, Washing machine.

❖ *Decision on related product or service* - Decision made with belief that buyer of one initial product becomes buyer of related items as well Eg: Camera buyer continues to buy other lenses, brushes of same brand in future.
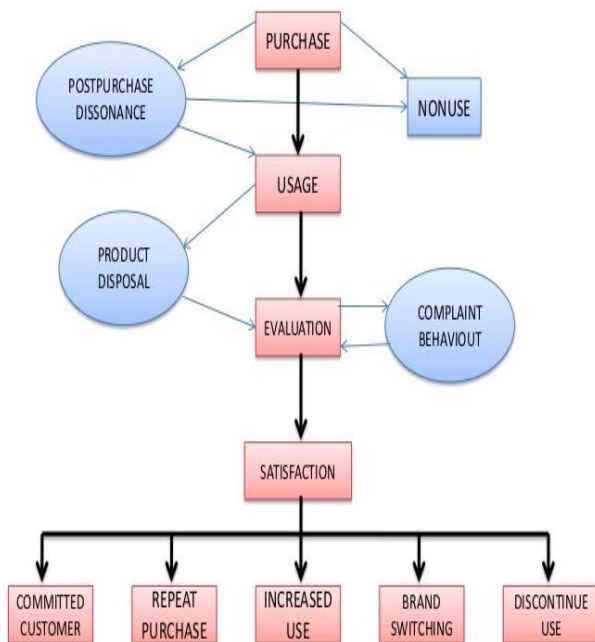
Market implications:

⇒ To satisfy the customers who buy under card payment must be given offers and *EMI facilities*

⇒ To satisfy the product set up expecting customers, the marketers must provide *free after sale services and warranty cards.*

⇒ To satisfy the related item buyers, the marketers should *promote the other accessories very often.*

POST PURCHASE EVALAUTION

The post purchase evaluation is the process of rethinking about the customer's own decision

POST PURCHASE CONSUMER BEHAVIOUR

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Functions of post purchase evaluation

1. It enhances his/her memory about the product decision

2. Check on his/her own ability in choosing products and stores

3.To make future strategies based on the feedback they receive from this stage

Customer satisfaction/dissatisfaction

The post purchase evaluation is totally based on customer satisfaction and dissatisfaction

*If the product performance is matching the customers' expectations then he/she is satisfied and do repeat purchase.

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*If the product performance is below their expectations, then he/she is dissatisfied and switches to others brands

CONSUMER RESEARCH

❖ Consumer research is the systematic and objective , design, collection , analysis reporting of the data relevant to the consumer behavior to the marketing decision makers.

METHODS OF CONSUMER RESEARCH:

A. *Quantitative research*

B. *Qualitative research*

❖ Quantitative research is Descriptive in nature and is used by the researchers to understand to effects of various promotional inputs on the consumer, thus enable the marketers to predict consumer behavior.

❖ In quantitative research, research methods includes experiments, survey techniques, and observation. Findings are descriptive, empirical, and can be generalized to larger populations. Here the number of sample is large.

QUANTITATIVE RESEARCH

- Descriptive in nature.
- Enables marketers to "predict" consumer behavior.
- Research methods include experiments, survey techniques, and observation.
- Findings are descriptive, empirical, and can be generalized to larger populations.

Methods of quantitative research

❖ Observational research

❖ Experimentaion

(i)Observational research

- Helps marketers gain an in-depth understanding of the relationship between people and products by watching them buying and using products.

(ii) Experimentaion

- Can be used to test the relative sales appeal of many types of variables
- An experiment is usually *controlled* with only some variables manipulated at a time while the others are constant

QUANLITATIVE RESEARCH

- Can be conducted in laboratories or in the field
- Qualitative research is concerned with probing deep within the consumer's psyche to understand the motivations , feelings and emotions that drive consumer behavior.

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- Qualitative research methods includes depth interviews, focus groups and projective techniques. Highly trend interviewer analyst who also analyze the findings administer these techniques; the findings tend to be somewhat subjective. Here the sample size is small.

- So, the findings can not be generalized to the larger population. The main objectives of qualitative research is to gain insight, qualitative understanding of the reasons and motivations.

Methods of quanlitative research

- ❖ Depth Interview
- ❖ Focus Group
- ❖ Projective Techniques

(i) Depth Interview

- Usually 30 minutes to 1 hour
- Non structured
- Interpreted by trained researcher
- Listen to words as well as "body language"

(ii) Focus Group

- 8-10 participants
- Lasts about 2 hours
- Always taped or videotaped to assist analysis
- Often held in front of two-way mirrors

(iii)Projective techniques

- Research procedures designed to identify consumers' subconscious feelings and motivations.
- Consist of a variety of disguised "tests"

APPROACHES TO CONSUMER BEHAVIOR RESEARCH: Broadly speaking there are two approaches towards consumer behavior research.

These are

(a) Traditional approach

(b) Current approach.

These can be further divided into sub approaches.

Traditional approach: This is further divided into two approaches,

(a) Positivist and
(b) Interpretivist.

Positivist approach:

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- This approach also referred to as "modernism", is the earliest approach to studying consumer behavior and treats the study as an applied science.
- it treats consumers as "rational" human beings, **who make purchase decisions after collecting information and weighing all alternatives.**
- The process of consumer decision making is looked upon as one of "rationality." "Rational decision making and problem solving" is the key.

The approach is based on certain assumptions viz.,

- ✓ consumer actions based on cause and effect relationship can be generalized;
- ✓ they can be objectively measured and empirically tested; -
- ✓ if a marketer/researcher could identify the reasons behind consumption behavior; he would be able to predict it; and
- ✓ if they could predict consumer behavior, they could influence it.
- ✓ The focus lies on prediction of consumer behavior.

The methodology is essentially quantitative, with techniques including surveys, observations, and, experiments. It aims at drawing conclusions on large samples.

ii.Interpretivist approach:

- This approach is also referred to as "post-modernism or experientalist."
- Gradually there was a shift in the approach towards the study of consumer behavior and the positivist approach gave way to a new approach that came to be called post-modernism.
- The approach lays emphasis on understanding the customer better
- . It treats consumer decision making process as one which is "subjective." Thus while the approach is essentially subjective, the researchers following this approach try to identify common patterns.

This approach is also based on certain assumptions viz.:

- ✓ consumer actions are unique and different both, between two consumers, and/or within the same consumer at different times and situations. –
- ✓ a cause and effect relationship cannot be generalized;
- ✓ consumption patterns and behaviors are unique;
- ✓ these are unpredictable. -
   they cannot be objectively measured, empirically tested and generalized.
- ✓ The focus lies on the act of consumption rather than the act of purchase.

The methodology is essentially qualitative, with techniques including in depth interviews, focus group techniques, projective techniques.

It aims at drawing conclusions on small samples.

(c) **Current approach:** 'Dialectical':
- ✓ The term 'dialectics' considers all forms of human behavior;
thus the current approach to the study of consumer behavior research is broader in scope.

This is further divided into four approaches,

A. Materialism,
B. Change,

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C. Totality and
D. Contradiction.
E.
A. **Materialism** This approach implies that consumer behavior is shaped by the 'material environment' eg. money, possessions etc.
B. **Change** Consumer behavior is 'dynamic' in nature; it is always in a process of continuous motion, transformation and change.
C. **Totality:** Consumption behavior is 'interconnected' with other forms of human behavior, like personal self and the surrounding environment.
D. : Views changes in consumer behavior as arising from their internal contradictions, like moods, emotions etc.
E. The approach studies the consumer as a complex total whole and views consumer purchase as well as consumption processes.

 The current approach to studying Consumer Behavior uses both the quantitative as well **Contradiction** as qualitative approaches.