1

CONCEPT OF CONSUMER BEHAVIOUR, ROLESS, MODELS, PSYCHOLOGICAL AND PHYSIOLOGICAL

Unit Structure :

1.0   Objectives

1.1   Introduction

1.2   Introduction, definition and impact of digital revolution and importance to Marketing.

1.3   Models of consumer behaviour and their marketing implications:

    1.3.1   The economic model

    1.3.2   Learning model

    1.3.3   Psychoanalytic model

    1.3.4   Sociological model

    1.3.5   Pavlovian Model

1.4   Howard Seth Model of buying behaviour

1.5   The Nicosia Model

1.6   The Engel-Kollat- Blackwell Model

1.7   Decision Making Model

1.8   Motivation: Definition, types of motives, (Positive and Negative Goal, Rational versus Emotional Motives)

1.9   Discovering Purchase Motives Theories of motivation

1.10   Maslow's hierarchy of needs and its relevance to consumer behaviour and marketing strategy

1.11   The physiology of technology on consumer behaviour.

1.12   Factors influencing Consumer behaviour

    1.12.1 Social Factors

    1.12.2 Cultural Factors

1.0 OBJECTIVES

This module will help the students to understand the consumer buying behaviour which will be helpful for the marketer as they can understand the expectation of the consumers. Its helps in understanding that what makes a consumer buy a product. It also helps in understanding that what kind of products the consumer is looking for and according to that they can release the product in the market.

1.1 INTRODUCTION

Consumer behaviour is basically a study of any individual, groups, or any organization which involves all the activities related with the purchase or buying strategy and the disposal of goods and services. It deals with how the consumer's emotions, attitudes, and choice affect the buying behaviour. It deals with the study of any individual personality, lifestyles, a behavioural variable which helps in understanding the patterns the consumer looking for.

1.2 INTRODUCTION, DEFINITION AND IMPACT OF DIGITAL REVOLUTION AND IMPORTANCE TO MARKETING

MEANING OF CONSUMER BEHAVIOR

Consumer behaviour refers to all the processes related to what, why, how, when, from   whom consumers purchase and pay for a product and how they consume and dispose of it in order to meet their needs.

DEFINITION BY PHILIP KOTLER

Consumer behaviour include mental activity, emotional and physical that people use during selection, purchase, use and dispose of products and services that satisfy their needs and desires

Impact of digital revolution and importance of marketing

Information related to consumer behaviour is important to any businesses around the globe. Through online mode consumer are able to boost their

shopping experience. It helps in making necessary changes that will empower consumers to make better purchasing decisions.

1) Talent to Research and Experiment

Through online technology helps the consumers to have good research about any product in the market. This helps in comparing the product online before making any decision on what to buy. The capacity of information available on the internet about any product had helped the consumer to experiment with different brands which influence their purchasing decisions.

2) Accessible to Word-of-Mouth

The word- of- mouth plays a vital role in affecting the behaviour in the market. In the market it is always seen that what the consumers are looking for what the other people are trying to say about the brand. Branding means a lot for the consumer which actually helps in sharing their experience with their network of people. Through social media, a consumer has the power of expressing their opinion about a brand which directly affects the sales figures in the market.

3) Artificial Intelligence Impacts Consumer Behaviour

The rising new AI technologies will in reality going to have a large impact on customer behaviour. AI played a completely huge role in search engine optimization and how the Google set of rules works on this scenario. With AI it is feasible to maintain the manufacturers status among the marketplace and in preserving the sturdy connections with clients.

1.3 MODELS OF CONSUMER BEHAVIOUR AND THEIR MARKETING IMPLICATION

Consumer Behaviour Models

- Purchaser behaviour is the study of how people make decisions to spend their to be had resources at the consumption of associated objects. It consists of the study of what they purchase how they purchase wherein and once they purchase.

- Purchaser behaviour is the look at of how people make selections to spend their available assets at the consumption of related items. It includes the examine of what they buy how they purchase in which and when they purchase.

- The buying behaviour is the process of the decision-making process in which a person decides to buy a thing or not to buy a product. The consumer decision making is a very includes a systematic way of thinking.

1.3.1 Economic Model

- In this model, consumers follow the principle of maximum utility based on the law of diminishing marginal utility. Economic man model is based on the following effects. On this version, purchasers comply with the precept of maximum software primarily based at the law of diminishing marginal software. Economic man version is based totally on the subsequent consequences.

- **Price Effect** - Lower the price of the product more will be the quantity purchase.

- **Substitution Effect** - Lower the price of the substitute product, lower will be the utility of the original product purchase.

- **Income Effect** - When more income is earned, or more money is available, quantity purchased will be more. The economic theory of buyer's decision-making was based on the following assumptions.

1.3.2 Learning Model

This model suggests that human behaviour is based on some core concepts - the drives, stimuli, cues, responses and reinforcements which determine the human needs and wants and needs satisfying behaviour.

Drive -A strong internal stimulus which compels

Stimuli- These are inputs which are capable of arousing drives or motives.

Cues- It is a sign or signal which acts as a stimulus to a particular drive.

Response- The way or mode in which an individual reacts to the stimuli.

If the response to a given stimulus is "rewarding", it reinforces the opportunity of similar response when faced with the equal stimulus or cues. Carried out to marketing if an informational cue like advertising, the buyer purchases a product (reaction); the beneficial revel in with the product increases the possibility that the response might be repeated the subsequent time the need stimulus arises (reinforcement).

1.3.3 The Psychoanalytic Model

The version shows that human wishes operate at numerous degrees of recognition. His motivation that is in those special degrees, are not clear to the informal observer. They could only be analyzed with the aid of crucial and specialized looking.

1.3.4 Sociological Model

This is concerned with the society. A consumer is an element of the society and he may be a member of many groups and institutions in a society. His buying behaviour is influenced by these: groups. Primary groups of family friend's relatives and close associates extract a lot of

influence on his buying. A consumer may be a member of a political party where his dress norms are different from different member. As a member of an elite organization, his dress needs may be different, thus he has to buy things that confirm to his lifestyle in different groups.

1.3.5 Pavlovian Model

Ivan Pavlov, a well-known Psychologist, devised this customer behaviour version is known as after him. Ivan Pavlov stressed experiments to determine the alternate in behaviour with the assist of puppies. He conditioned the canine's thoughts to receive a piece of meat on every occasion a bell is rung and measured the quantity of alternate in behaviour on the basis of ranges of saliva secretion in dogs.

1.4 HOWARD SETH MODEL OF BUYING BEHAVIOUR

Howarth Seth Model: This model has 4 variables:

i) Input Variables- Stimuli- Significative, Social and Symbolic Stimuli

ii) Perceptual & Learning Constructs-Consumer Psychology.

iii) Output Parameters- Purchase Decision - Post Purchase satisfaction & Dissatisfaction

iv) External Variables- External influence on purchase Consumer Characteristics-Financial status, social class, personality, necessity etc

1.5 THE NICOSIA MODEL

Nicosia Model: This model is same as the buying decision model. This model talks about level of expose customer gets with respect to purchase decisions. It has 4 fields. (Compare with buying decision process)

i) Attributes- Product & Firms Attribute
ii) ii)Consumer research & evaluation
iii) Buying Decision
iv) Post Purchase Behaviour

1.6 THE ENGEL-KOLLAT- BLACKWELL MODEL

BLACK WELL MODEL: This is a model used in the study of buying behaviour of consumers. It is based on the input-output phenomenon. This model assumes that what takes place in the consumers black box of the consumer's mind can be inferred from a study of observes stimuli and responses. This model says than stimuli enter in the buyer mind and according to that stimulus, buyer behaves accordingly.
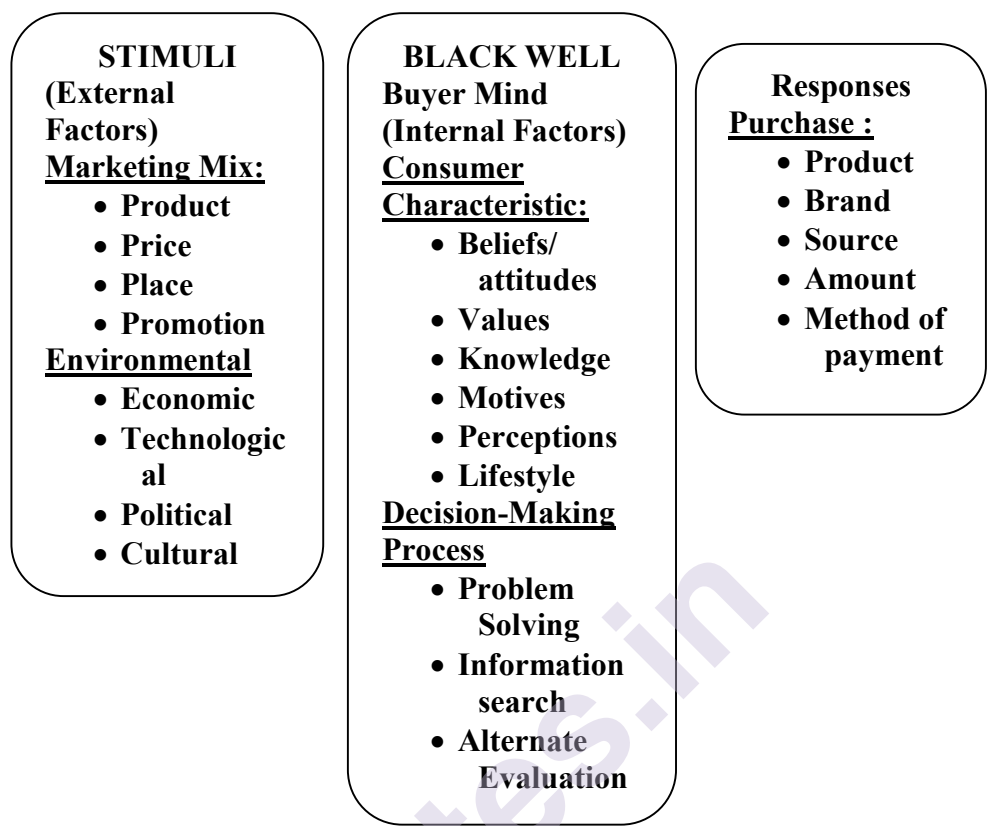
STIMULI (External Factors) Marketing Mix:	BLACK WELL Buyer Mind (Internal Factors) Consumer Characteristic:	Responses Purchase :
• Product • Price • Place • Promotion Environmental • Economic • Technologic al • Political • Cultural	• Beliefs/ attitudes • Values • Knowledge • Motives • Perceptions • Lifestyle Decision-Making Process • Problem Solving • Information search • Alternate Evaluation	• Product • Brand • Source • Amount • Method of payment

Figure (a) BlackWell Model
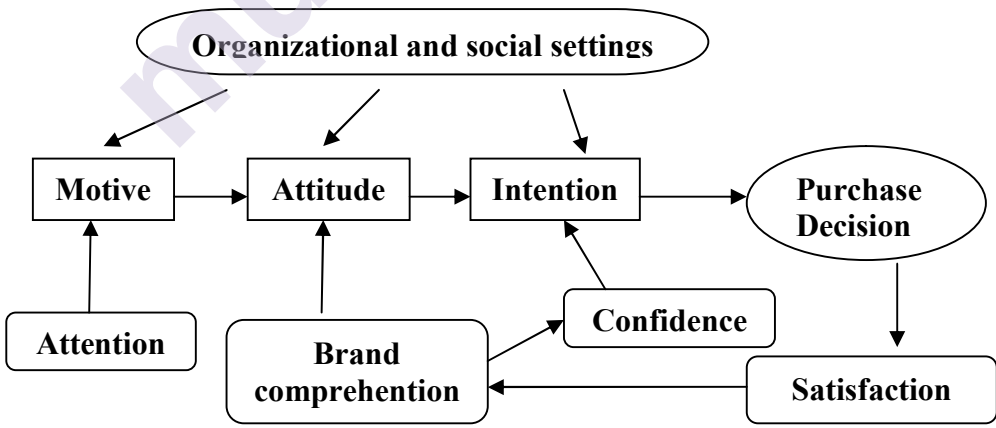
1.7 DECISION MAKING MODEL

Figure (b) - CONSUMER DECISION MAKING MODEL

CONSUMER DECISION MAKING MODEL

6

The consumer's decision-making model deals with the process of consumer decision making. This model consists of three stages the input stage; the Process stage and the output stage.

Input, Process & Output factors that are included in this model are:-

1. Input: The input stage can be broadly categorized into Firm's efforts and Socio-cultural Environment.

- The firm's efforts relate to the firms marketing mix that is Product, Promotion, Price, Channels of Distribution, People and Physical evidence. This stage involves the activities the firm undergoes to sell their products.

Socio-cultural surroundings on the other hand is the surroundings of pals, circle of relatives, society, tradition and sub tradition that surround a purchaser. These are the important elements which client well evaluates before making any purchase selection

2. Process: The input stage affects a consumer's decision making. The decision-making is the second stage called process. In this stage the consumer does him pre-purchase research and evaluation based on the firms' efforts and socio-cultural environment. The firm's efforts and socio-cultural environment influence a consumer's psychological field. The psychological field consists of Motivation, Perception, Learning, Attitude and Personality of a consumer. This stage also evaluates the past experience of the consumer. Process includes various a step through which consumers goes through before making a buying decision. These steps are need recognition, awareness, Evaluation and finally the purchase.

a. Need recognition: Whilst one is aware about a want, tension is created and one chooses a product to satisfy his needs. There may be also a opportunity that a person may be aware about a product before its want is recognized. That is indicated through the arrows going each ways from the want to the product and vice-versa.

b. Product recognition: Product focus can be had from commercial or exposure to different sorts of media or through the social circle. The notice and the need cause the constructing of hobby. In a few cases, the hobby may additionally breakdown and, the decision process also stops or can be postponed in the intervening time.

c. Evaluation: Evaluation may also consist of having greater data approximately the product and evaluating and contrasting it with different products. This will be achieved theoretically or through taking an ordeal. Once the evaluation is finished, the client's hobby may both increase and he has intentions to shop for, or he may additionally get bored and the selection method may additionally again forestall or be postponed.

d. Intention: Once there is intention to purchase the product, the consumer goes ahead and acts or purchases the product. Once the product is purchased, it is used to fulfil the need and, the more the product is used,

the more the consumer becomes aware of the positive and negative points of the product.

3. Output: The final stage in the consumer decision-making is the Output stage. This stage is concerned with the actual purchase, repurchase and the purchase evaluation. Output means the way in which consumers react to the marketing efforts of company. Some of the consumer responses to marketing efforts are-

- Purchase Decision.
- Selection of Product
- Selection of Brand
- Selection of store or dealer.
- Amount and timing of purchase
- Post purchase behaviour

Post-purchase behaviour: If, after the purchase and use of the product the customer is satisfied, he is happy and goes in for repeat purchases or recommends the same to his friends and acquaintances. If, however, the customer is dissatisfied, he discontinues further purchase of the product and builds a negative attitude towards it, which may be harmful to the company. The post-purchase behaviour is very important for the marketer and the company because it leads to proper feedback for improvement and maintaining the quality and features desired by the product. If the customer is very happy with the purchase, he forms a good impression about the product and the company.
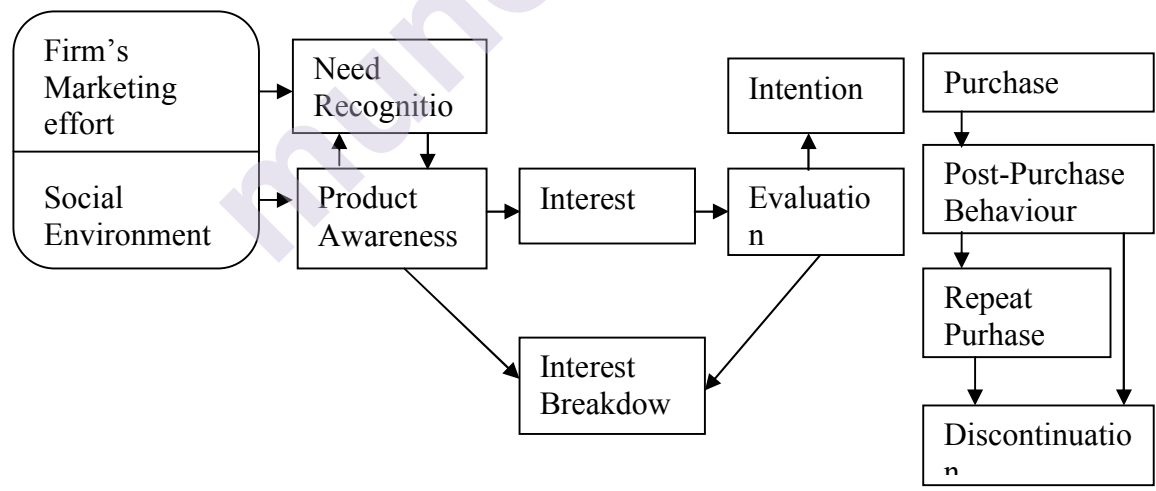

Figure (c) - Consumer Behaviour Model

1.8 MOTIVATION: DEFINITION, TYPES OF MOTIVES, (POSITIVE AND NEGATIVE GOAL, RATIONAL VERSUS EMOTIONAL MOTIVES)

Definition of Motivation: The driving force within the individual that impels them to action

a) Produced by a state of tension due to an unfulfilled need.

b) Which leads to conscious/subconscious attempts to reduce the tension.
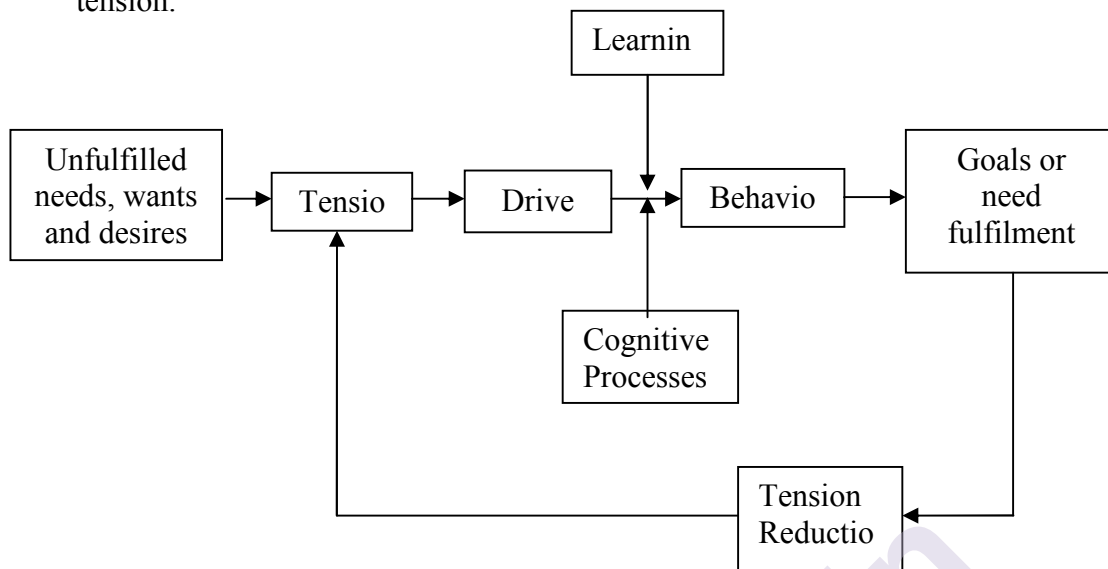
Figure (d) Motivations

Types of Needs:

1) **Innate Needs:** Physiological needs that are considered primary needs or motives.

2) **Acquired Needs:** Generally psychological needs that are considered secondary, needs or motives.

Goals

Generic Goals: The general category of gaols that consumers see as a way to fulfil their needs

e.g.: I want to get a PhD degree.

Product-Specific Goals: The dreams selected with the aid of an character rely upon their:

A) personal stories

B) bodily capability

C) triumphing cultural norms and values

D) purpose's accessibility inside the bodily and social environment.

Types of Goals:

a)   Ideals

b)   Oughs

c)   Interdependence of needs and goals

Positive and Negative Motivation

a)   Positive Motivation
- A driving force towards some object or condition.
- Leads to an Approach Goal.
- A positive goal toward which behaviour is directed.

b)   Negative Motivation
- A driving force away from some objects or condition.
- Leads to an Avoidance Goal.
- A negative goal from which behaviour is directed away.

Types of Motives

a) Rational Motives: Goals chosen according to objective criteria (e.g: price)

b) Emotional Motives: Gaols chosen according to personal or subjective criteria (e.g: desire for social status).

c) Latent Motives: Motives that the consumer is unaware of or unwilling to recognize.   Harder to identify. Require projective techniques to identify.

d) Manifest Motives: Motives that the consumer is aware of and willing to express.

1.9   DISCOVERING PURCHASE MOTIVES THEORIES OF MOTIVATION

Classification of Needs and Motives

Primary Needs: It is also known as physiological, biological, basic needs. There are animal drives which are essential for survival.

Secondary Needs: there are also called as learned or derived needs: such as power, Achievement, Status, Affiliation.

General Needs: in this category, a need must not be learned but at the same time, it's not completely physiological e.g.: competence, curiosity, Affection.

Needs have a certain priority. As the basic needs are satisfied, an individual seeks to satisfy the higher needs. If the basic needs are not met, efforts to meet higher needs are postponed. Various need levels are

interdependent and overlapping. One need does not disappear when the other needs appear.

Herzberg's motivation-hygiene theory

Frederick Herzberg conducted a study at case-Western Reserve University. It was an analysis of the experience and feelings of 200 engineers and accountants in 9 different companies. They were asked to describe a few things in their job where they felt exceptionally good and exceptionally bad about their jobs

There are some job conditions which dissatisfy employees when they are absent, but their presence does not motivate them-**HYGIENCE FACTORS.**

There are some job conditions which build strong motivation and job satisfaction when they are present, but their absence rarely proves dissatisfying-. **MOTIVATIONAL FACTORS**

Hygiene Factors

Hygiene factors are elements in a work place that can cause dissatisfaction such as:

Company policies

Relationship with boss

Supervision

Work conditions

Salary

Motivators Factors

Motivators are elements in a work place that can cause satisfaction such as:

The job itself

Recognition

Achievement

Responsibility

Advancement

McGregor's Theory X and Theory Y

McGregor has given certain assumptions which are involved in motivating employees. These assumptions are characterised in two opposite directions.

1. Theory X- these assumptions about human nature are negative.
2. Theory Y- these assumptions about human nature are positive.

Theory X and Theory Y (Douglas McGregor)

Theory X

The assumptions that employees dislike work, are lazy, dislike responsibility, and must be coerced to perform.

Theory Y

The assumptions that employees like work, are creative , seek responsibility, and can exercise self-direction.

Theory Z

It is an approach based on combination of American and Japanese management philosophies.

theory was first identifies by William Ouchi in 1981 in the book , Theory Z, how Americans can meet the Japanese challenge . It is the blend of theory X & Y.

Features of Theory Z

1) **Trust-** if there is trust, integrity and openness, then employees are highly motivated and chances of conflicts minimize.

2) **Strong bond between organisation and employees** - can be enhanced by methods like life time employment, career planning of employees.

3) **Employee involvement-** helps in increasing commitment among employees and giving due recognition to them.

4) **No formal structure** - but perfect team work like a basketball team.

5) **Coordination of human beings-** to be taken care of by leader.

1.10 MASLOW'S HIERARCHY OF NEEDS AND ITS RELEVANCE TO CONSUMER BEHAVIOUR AND MARKETING STRATEGY

This principle was evolved by using Professor of Psychology Abraham Harold Maslow in Columbia college. He changed into high-quality recognized for developing Maslow's hierarchy of desires. A concept of Human Motivation, in 1943 specializes in describing the ranges of boom in humans.

Abraham Maslow sought to provide an explanation for why humans are pushed via precise needs at precise instances. His solution is that human needs are arranged in a hierarchy from most to least processing. Humans will try to satisfy their most important desires first. Whilst someone succeeds in enjoyable an important need, he'll then try and satisfy the subsequent crucial want.

Needs:

- Something that is necessary for an organism to live a healthy life

- Deficiency would cause a clear negative outcome - deficiency or death

- Can be Objective/Physical or Subjective-

- Objective needs food, shelter, sleep

- Subjective needs - affection, acceptance, self-esteem

Physiological Needs: Physiological needs are those required to preserve existence, which includes:

- Air

- Water

- meals

- Sleep

- Excretion

In keeping with Maslow's idea, if those essential needs are not glad then one will simply be encouraged to fulfill them. Better needs which includes social wishes and esteem aren't recognized until one satisfies the wishes fundamental to life.

Safety Needs

Once physiological needs are met, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by:

- Living in a safe area
- Medical insurance
- Job security
- Financial reserves

According to the Maslow hierarchy, if a person feels threatened, needs further up the pyramid will not receive attention until that need has been resolved.

Esteem Needs

Once a person feels a sense of "belonging", the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self respect and achievement. External esteem needs are those such as social status and recognition.

Some esteem needs are:

- Self-respect
- Achievement
- Attention
- Recognition
- Reputation

Self-Actualization

Self-Actualization

Self-actualization is the summit of Maslow's hierarchy of needs. It's far the quest of achieving one's full capability as a person. Not like decrease degree desires, this need is never fully glad; as one grows psychologically there are constantly new possibilities to continue to grow. Self-actualized people have a tendency to have wishes consisting of:

- truth
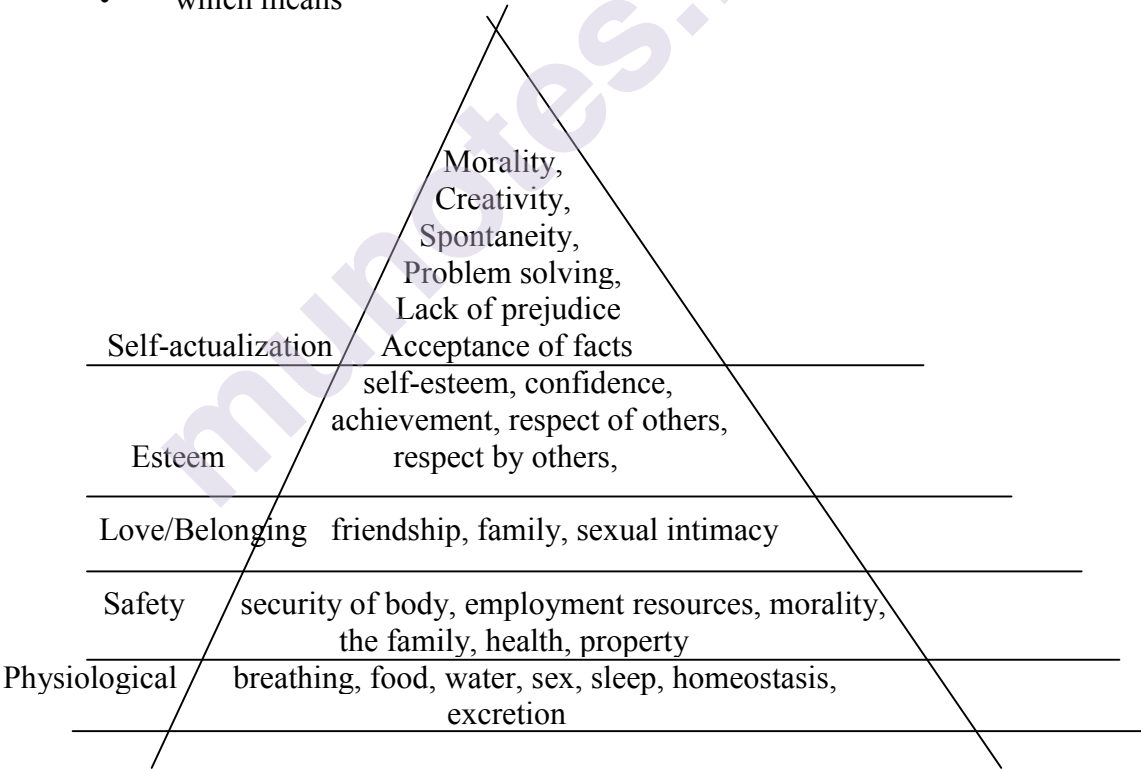- Justice
- awareness
- which means

Self-actualization — Morality, Creativity, Spontaneity, Problem solving, Lack of prejudice Acceptance of facts

Esteem — self-esteem, confidence, achievement, respect of others, respect by others,

Love/Belonging — friendship, family, sexual intimacy

Safety — security of body, employment resources, morality, the family, health, property

Physiological — breathing, food, water, sex, sleep, homeostasis, excretion

Figure (e) Maslow's hierarchy of needs

1.11 THE PHYSIOLOGY OF TECHNOLOGY ON CONSUMER BEHAVIOUR

The physiology of technology on consumer behaviour that influences are:

1) Motivation.
2) Perception.

3)   Learning
4)   Attitude or belief system

The culture and social factors plays a vital role in making any product popular. Many industries spend a lot of money just in trying to influence the brand name in the market. Personal factors also influences consumer behaviour as the tastes changes over the period of time. The popularity also depends upon the payments methods used in the target and the economic class.

Motivation speaks about the internal needs of an individual. How to motivate any crowd is an important tool for any marketing segment. Consumers purchase something or the other everyday and their decision regarding the product selection also changes a lot. Keeping all these factors in mind we plan or design the marketing materials.

1.12 FACTORS INFLUENCING CONSUMER BEHAVIOUR

There are five factors which affects the decision making for any product in the target market of any consumer.

1.12.1 Social Factors

- **Reference Groups:** Small group of people such as colleagues at work place, friends etc. influence values and choices of other members, expose them to new lifestyles and create pressure to choose certain products   E.g. Mobiles

- **Family:** Family members influence buying decision. Parents influences decision of children. However, nowadays, children are well informed about products and services through social media and therefore, they influence the buying decision of parents.

- **Roles and Status:** A person performs certain roles in a particular group in the organization. E.g. Person may perform the role of senior executive in a firm and therefore, enjoy higher status. People may purchase the products that conform to their status, especially in the case of branded clothes, cars, shoes etc.

1.12.2 Cultural Factors

- **Religion:** may influences consumer behaviour to a certain extent. E.g. consumption of alcohol, tobacco or meat products is restricted in certain religions.

- **Sub-culture:** Each culture consists of sub-cultures that provide specific identity to its members. Sub-culture includes nationalities, racial groups, language etc.

- **Social Class:** Human societies exhibit social stratification that may sometimes take the form of a caste system where the members share similar values, interest and behaviour.

1.12.3 Personal Factors

- **Age Factor:** The age factor influence buying behaviour. E.g. teenagers may prefer trendy watches, whereas, office executive may prefer formal ones.

- **Gender:** The consumer behaviour varies across gender. E.g. girls may prefer certain feminine colours such as pink, boys may prefer blue, brown.

- **Education:** Highly educated persons may spend on books and personal care products than the people with low education.

- **Income Level:** Normally, higher the income level, higher is the level of spending and vice-versa.

- **Status in Society:** Persons enjoying higher status in society spend good amount on luxury items such as luxury cars, luxury watches, premium brands of clothing etc.

1.12.4 Psychological Factors

- **Learning:** takes place through information and experience. E.g. when customer buys a new brand of shampoo and is satisfied with it, he is likely to be brand loyal.

- **Attitude:** Tendency to respond in a given manner to a particular situation or object or idea. Consumers may develop a positive, or negative or neutral attitude towards certain products or brands.

- **Motive:** the inner drive that motivates a person to act or behave in a certain manner. Marketer must identify the buying motives of the target customers and influence them to respond positively.

- **Perception:** It is the impression, which one forms about a certain situation or object. E.g. a student may perceive Sports Day as an important event and therefore, he/she would make every possible effort including purchase of new shoes, jersey etc. whereas, another student may be casual about it and therefore, would not make any such extra efforts.

1.12.5 Marketing Factors

Marketing-mix variables greatly influence the consumer buying behaviour.

- **Product:** The features of the product, its uniqueness, packaging etc. should appeal to the customers.

- **Pricing:** Pricing is a very sensitive decision. Premium pricing strategy may appeal to upper income customers groups and discount pricing may appeal to price sensitive.

- **Promotion:** Promotion greatly influences buyer choice. The elements of promotion mix include publicity, advertising, sales promotion, salesmanship etc.

- **Place:** The number of middlemen involved, type of channels, area coverage etc.

1.13 SUMMARY

This course will help the students to study of how consumers select and purchase any goods or services, the ideas to satisfy the customer's needs and its requirements. And why it is important to understand the customer's behaviour in greater detail.

1.14 Exercise

1. Explain the factors influencing consumer behavior.

2. Define Motives and explain its types.

3. Explain Decision making model.

1.15 BIBLIOGRAPHY AND REFERENCE FOR FURTHER READING

- https://www.google.com

- https://youtube.com/@nursinglecturesonline7423

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- Behaviour by Leon G Schiffman, Joseph L Wisenblit

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Module 2

2

MARKETING APPLICATIONS, LEARNING PROCESSES AND ATTITUDES

Unit Structure

2.0   OBJECTIVES

This module deals the study of individual organization and how the individual select and use product and services. It is mainly concerned with the psychology, motivation, and behaviour. This also deals with balancing the relations between the seller and buyer in the marketplace.

2.1 INTRODUCTION

This chapter will help the students to understand various theory and its uses. How this theory can help in decision making in the organizations. Decision making play a vital role in any product development process and various values that is variables helps in decision forming.

2.2 INTRODUCTION ABSOLUTE AND DIFFERENTIAL THRESH HOLD

What is a threshold?

A threshold is something which holds some limit to get into that range of threshold value.

Any minimum and maximum intensity of stimuli which we can sense out is called Threshold.

It is used to measure any sensation which helps in determine the threshold stimulus it means that the minimum energy or value you can say required evoking the sensation.
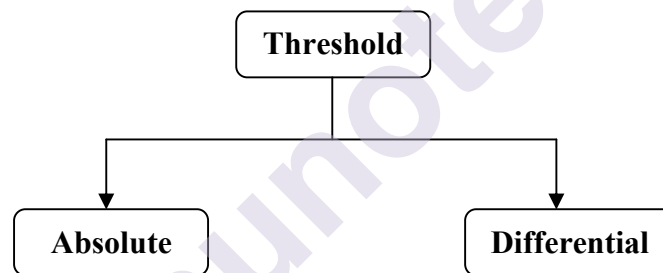
The two types of threshold are:

Figure (a) Types of Threshold.

What is Absolute Threshold?

"the bottom stage at which an character can enjoy a sensation." (Schiffman and Wisenblit). In other phrases, an absolute threshold is the point to which you can still make the difference among "something" and "not anything" is taken into consideration that character's absolute threshold to a specific aspect or stimuli (Schiffman and Wisenblit).

The minimal stage of strength which could stimulate the sense organ is known as absolute threshold. It is the lowest level at which an character can experience a sensation.

It's miles the smallest amount of stimuli needed to have the impact on a few individual senses 50% of the time. Absolutely the threshold for weight is the minimal quantity of weight wished for any individual to note.

Some of the example can be:

Touch: touching some soft feather around anyone arm until they feel it.

Smell: spraying some perfume in a room on someone until they feel it. Now here the threshold can depends on humidity, the type of odor etc.

Hearing: Suppose playing a tone louder until they detect it. Now here the threshold value changes according to the age of the subject.

What is differential Threshold?

Differential threshold or the just sizeable distinction (JND) is "The minimum difference that may be detected among two comparable stimuli." (Schiffman and Wisenblit) . Ernst Weber, a scientist, determined "…that the JND among two stimuli become now not an absolute quantity, however an quantity relative to the intensity of the first stimulus" (Schiffman and Wisenblit).

It is also called simply important difference (JND). It's far smallest amount of something that have to exchange a person to notice 50% of the time. It can be also states as the minimal distinction in light needed for an character to note it. It's miles frequently used in psychology. The difference threshold for weight is the quantity of trade within the weight wanted for an individual to be aware.

2.3 INTERNAL AND EXTERNAL FACTORS AFFECTING PERCEPTION

Definitions: Perception

- The observe of notion is worried with identifying the methods thru which we interpret & organize sensory data to supply our aware experience of gadgets and item courting.

- notion is the technique of receiving facts about and making experience of the arena round us.

- It includes determining which facts to observe, how to categorise this statistics and a way to interpret it in the framework of our current understanding.

- notion includes all those procedures via which an man or woman receives information about the environment-seeing, listening to, feeling, tasting, and smelling.

- The study of those perceptual processes suggests that their functioning is laid low with three classes of variables: the gadgets or events being perceived, the environment in which perception happens and the individual doing the perceiving.

- Perception is defined as the process of selection, organization & interpretation of sensory information (Sight, Sound (hearing), Touch, Smell, & Taste) in order to understand environment.

- Perception is a way to understand what is happening around us. Different people may perceive different from same scenario. It is difficult to change perception once developed.

Definitions: Consumer Perception

- It refers to the manner through which a customer selects, organizes, and translates the facts about the products to create a meaningful photograph of the product/emblem.

  - perception is the view or impression, which an man or woman has approximately sure items, events and behavior of humans within the surroundings.
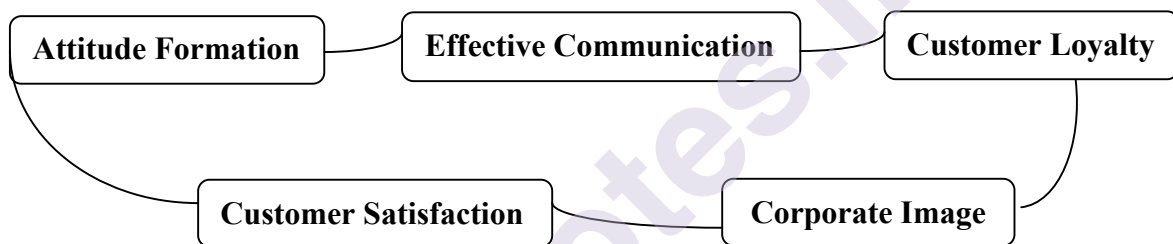
Needs and Importance of perception

Figure (b) Importance of perception

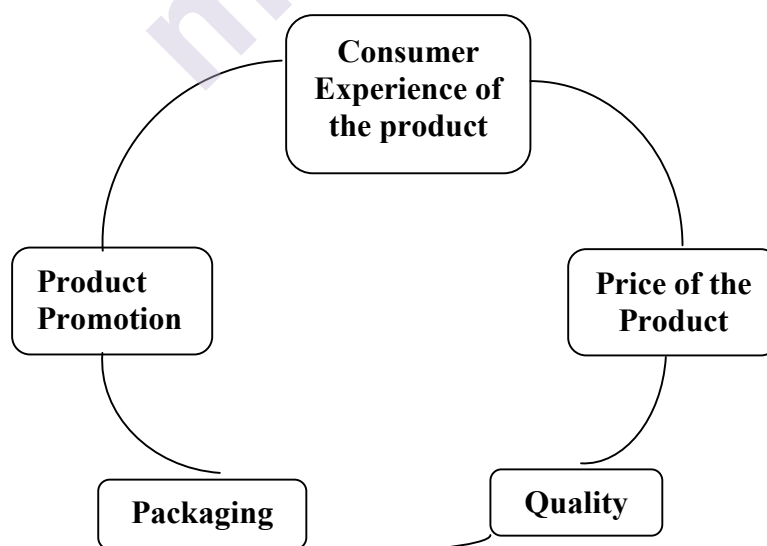**Factors influencing Consumer Perception**

Figure (b) Consumer Perception

Factors Affecting Perception: There three categories of factors:

1) **Factors in the Perceiver:** the thing which affects the individual who want to perceive.

- **Personality** (one individual likes one thing while the other person like something else; it is something personal likes & dislikes).

- **Motives** (need of an individual influence the perception).

- **Attitude** (positive attitude, negative attitude, neutral attitude).

- **Interest** (an individual perceive more about the things he/she has interest).

- Experience (past experience has great influence in future perception)

- Expectation (if the stimuli meets one's expectations, then it are easy to perceive).

2) **Factors in the Target:** (the things which affect the object which and individual want to perceive)

3) **Factors in the Situation:** (the time or context in which an individual want to perceive).

- Time also matters in perception, for example if you drive blue vehicle in night it may perceived as black)

- Work Setting (odd things in the workplace perceived first)

- Social Setting (people get more attention who don't follow social norms for example, in a party you cannot wear blue apron used in factory).

Internal Factors

1) **Learning** has considerable influence on perception.

- It creates expectancy in people.

- People lend to perceive what they want to perceive.

- Managers and Employees past experiences & learning strongly influence their perceptions.

- Executives are influenced by their functional backgrounds while making decisions.

- They perceive their own areas of expertise as being the most important to consider while solving problems.

- Decision makers can 'rise above their own experiences & limitations and solve problems effectively in areas other than those with which they are most familiar.

2) Psychological Needs

- Needs play an important role in Perceptual Selectivity.

- Unreal things often look real because of deprived needs.

- A thirsty person in a desert gets the illusion of water when seeing sand (Mirage).

- People when kept hungry for sometime were shown pictures & were asked to describe what they saw in them. Most of them reported more food items in such perceptions

3) Age Difference

- Older, senior executives complain about inability of the new young ones to take tough decisions concerning terminating people or paying attention to details & paper work.

- Young managers complain about the old guards resisting change & using paper and rules as ends in themselves.

- Generation Gaps contribute to different perceptions.

4) Interest

- Perception is influenced by the interests of the perceiver.

- An architect will notice many details of buildings.

5) Ambivalence

- combined feelings about a state of affairs.

- A young guy can be ambivalent approximately his fiancée's virtues & shortcomings.

- Halo effect inside the groups.

6) Paranoid perception

- a person's perception is so selective that he can locate little not unusual floor for verbal exchange with others.

- terrible self-concept and lack of confidence.

- As a end result such character behaves in an rigid manner.

External Factor

1) Size

- This is the characteristics which may affect the perceptual in selection by affecting the perceiver attention.

- The bigger the size of the stimuli the bigger is the probability that it is perceived.

2) Repetition

- The repetition states that a repeated external stimulus is drawing more attention than a single one because it increases individual sensitivity or alertness to the stimulus.

3) Novelty and Familiarity

- The repetition principle states that either a novel or a familiar external situation can sense as an attention getter.

- New objects or events in a familiar setting or familiar objects or an event is new settings draw better attention.

4) Contrast

- An object which contrast with the surroundings is more likely to be noticed then the objects which blend in the environment.

- The repetition principle states that either a novel or a familiar external situation can sense as an attention getter.

5) Motion

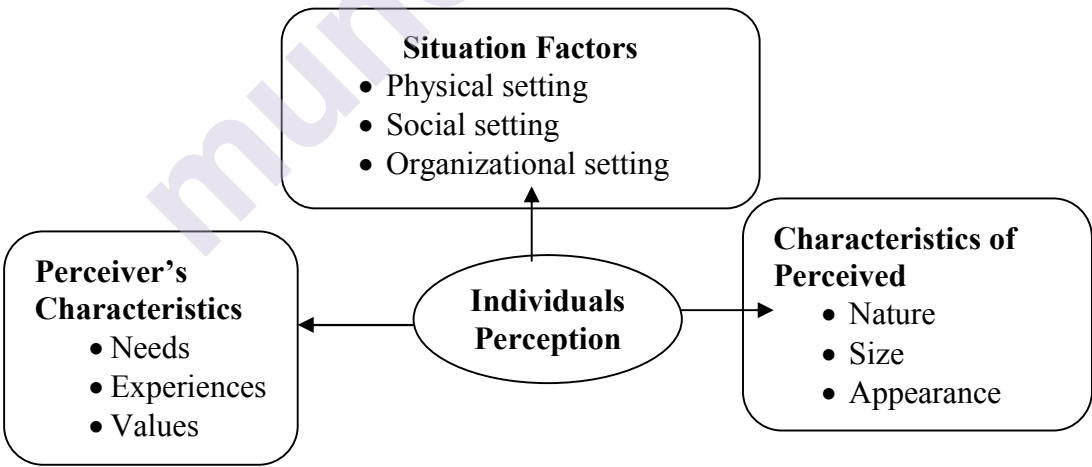- This standards nation that a transferring item draws extra attention in comparison to the still objects.

Figure (c) Factors Affecting Perception

2.4 GESTALT PSYCHOLOGY, SUBLIMINAL PERCEPTION

The psychology of seeing things as a whole element instead of individual element is called Gestalt psychology. This psychology emerged in early 20th century in Germany and Austria.
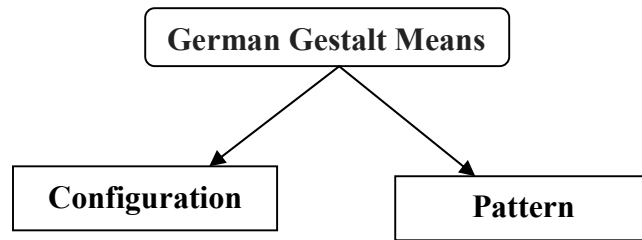
In German Language Gestalt means:

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Figure (d) Gestalt psychology in German

This psychology lists down the principles of Gestalt theory those are as follows:

1) Figure –Ground
2) Similarity
3) Proximity or Common Region
4) Continuity
5) Closure
6) Symmetry And Order

1) **Figure – Ground**
   This rule states that people when they see a figure they either see the foreground or background.
   So what it is trying to say that whenever we see any work of Art either we see the background of that Art or the foreground of that Art.

2) **Similarity**
   In simple words it means that when we see similar things we usually group them together. This might be done by seeing the shapes, size, and color.

3) **Proximity or Common Region**

   This rule states that, things which are paced closely together looks more related to each other, than things placed for apart. Example of Close Region: this rule very similar to rule of proximity. It states that when object are placed in a closed region. We perceive them as related.

4) **Continuity**
   This rule states that, element or things which are placed on line or curve seems to be more related, than the elements which are placed randomly.

5) **Closure**
   This rule states that, when we look at the complex arrangement of elements, we tend to look for single or recognizable pattern.

6) Symmetry And Order

This rule states that, elements which are symmetrical to each other are perceived as a same group or related to each other.
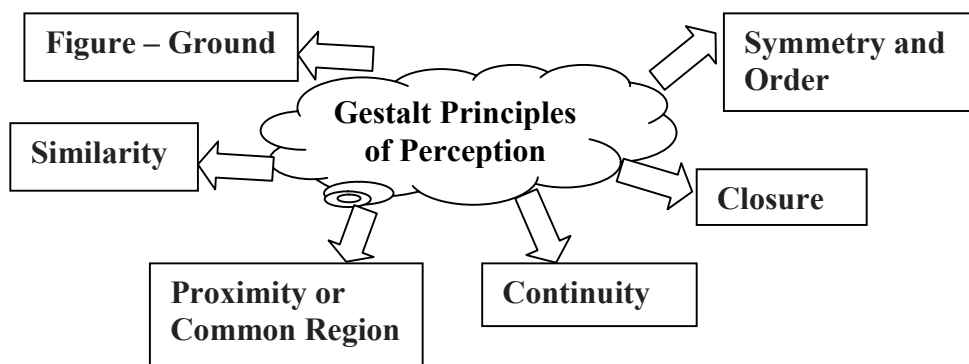

Figure (e) Gestalt Principles of Perception

2.5 CONSUMER IMAGERY

What is Consumer Imagery?

It is the mental or rational picture that the marketer creates about the goods and services. It is a process of creating the image of a consumer or any customer of any organization towards to any goods or services.

There are some steps in Consumer Imagery which are as follows:

1) Product Positioning

Placing a product in the minds of customer that how it is different from others product by making best image in comparison to other competitive product in the market.

2) Umbrella Positioning

Placing an entire of product under one brand for marketing for e.g.: Pizza and delivery.

3) Competition Positioning

Making something different from its competitors for creating value of your market.

4) Services Positioning

Unique identify of a service in a competitive market. A valuable service has great impact on customers.

2.6 ZALTMAN METAPHORS TO UNDERSTAND ATTITUDE TOWARDS PRODUCTS

By using metaphors to nonverbal images, Zaltman introduced a technique called Zaltman Metaphoric Elicitation Technique (ZMET).

In this technique, the respondents are asked to use his/her imagination and let the product be described with a picture or non verbal image.

Helps the researches to understand the feelings about the product.

Steps involve in the ZMET process are:

1	2	3	4
Preparation	**Storytelling**	**Missing Images**	**Triad task**

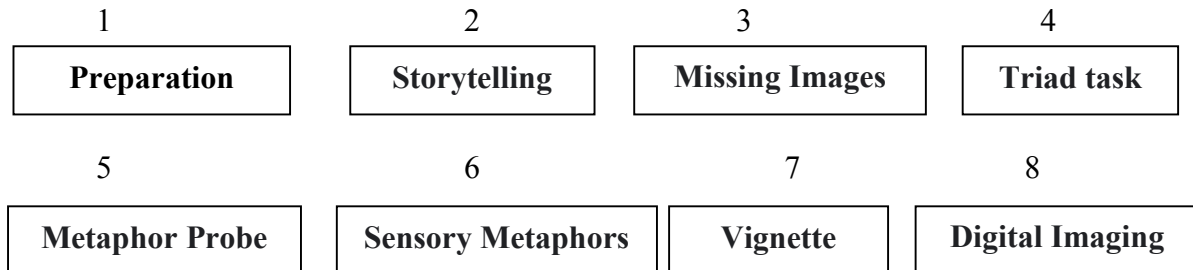| 5	6	7	8
Metaphor Probe	**Sensory Metaphors**	**Vignette**	**Digital Imaging**

Figure (f) ZMET Process

2.7 LEARNING AND INFORMATION PROCESSING AND ITS IMPACT ON BEHAVIOUR

Information Processing Model

Data Processing version or facts improvement model is given via Atkinson-

Shiffrin. Statistics processing is a idea of learning that explains how stimuli that input our memory structures are selected and prepared for garage and retrieved from reminiscence.

This version is used by cognitive psychologist to explain and describe mental strategies.

The version hyperlinks the wondering method of a human with working of computer.

Similar to the laptop, the human minds soak up facts, organize and shop it to be retrieved at a later time.

1) **Sensory Memory-** Sensory memory- In pc, data is entered by way of input devices like a keyboard or scanner. While in human thoughts, the enter device is known as Sensory Registers, composed of sensory organs just like the eyes and the ears via which we receive data approximately our environment.

2) **Working Memory-** This reminiscence is likewise referred to as short term memory. A transient storage that holds statistics as a person techniques it. As information is obtained through the pc, it is processed in the vital Processing Unit, which is equal to running reminiscence.

3) **Long term Memory-** In computer, information is stored in hard disk which is equivalent to long term memory. In comparison with human mind, this is where information is temporarily held so that it may be

used, discarded, or transferred into long term memory. This memory is also considered as a permanent information store.
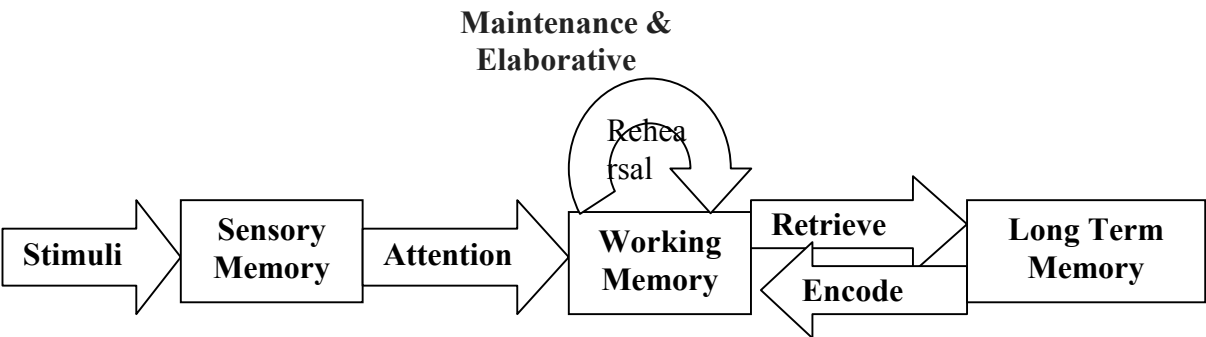
Diagram of Information Processing Model

Figure (g) Information Processing Model
Some important terms of Information Processing Model (IPM)

1) **Chunks:** Process of mentally combining separate items into larger more meaningful units.

2) **Dual Processing:** Students learn more if verbal explanations are supplemented with visual representations.

3) **Rehearsal:** A process of repeating information over and again. If rehearsed enough, it can transferred to long term memory.

2.8 ATTITUDES: CONCEPTS AND MODELS-COGNITIVE DISSONANCE

Concepts of Attitudes

Attitudes are evaluating statements-either favourable or unfavourable about the objects, people or events. Basically it reflects how we feel about something. Attitudes are consistent which are very difficult to change. Consumer attitudes will determine which product or which brand you are going to buy. An learned predisposition to behave in a consistently favourable or unfavourable manner with respect to a given object. They are formed as a result of direct experience with the product, information acquired from others and exposure to mass media. Attitudes have consistency: Do not change easily. Attitudes occur within a situation.

Structural Models of Attitudes are:

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                        │  Models of Attitudes │
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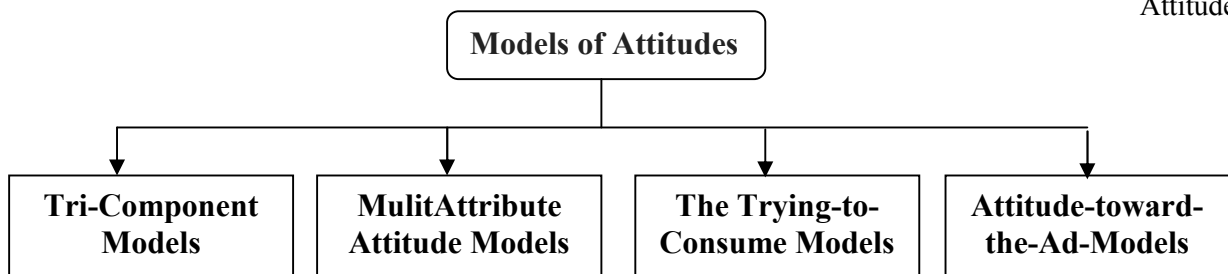| Tri-Component Models	MulitAttribute Attitude Models	The Trying-to-Consume Models	Attitude-toward-the-Ad-Models

Figure (h) Models of Attitudes

2.9 TRI- COMPONENT THEORIES

Tri-Component theory includes three models which help in determine how an attitude is developed by a person towards a particular product or objects, brand and so on.'

Consumer attitudes will determine which product or which brand you are going to buy.

There are three models which help in determining how an attitude is developed by a person towards a particular product or brand and object and so on.
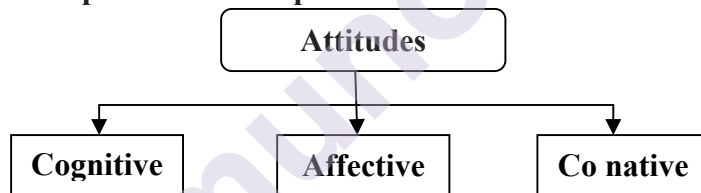
Attitudes comprise three components:

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                │ Attitudes │
                └───────────┘
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Cognitive	Affective	Co native

Figure (i) Components of Attitudes

1) Cognitive Component

An opinion or perception or manner of wondering. It's miles the thoughts about an mind-set.

It states that someone evolved any beliefs or attitude toward a particular object, brand that's primarily based on private interaction. It's far a logical thinking and analysing rational system via which a person develops mind-set which can be wonderful or terrible beneficial or detrimental towards a product, object, or logo it has a tendency in the direction of rational elements.

2) Affective Component

It is the opposite of cognitive model. It is pretending to rational factor or affecting component pretends to emotional or sentimental factors. Now I developed a favourable attitude towards a particular product or brand which was given to me as a gift from my brother. So because of emotional or a favourable attachments towards the product or brand, I developed a emotional attitude towards that object or brand.

3) Conative Component

This element pretends whether a person has an intention for buying a particular product or brand or not. So if I don't have any intention to but any luxury car for example because I cannot afford it so I developed an unfavourable attitude towards that brand or product reason I do not have an intention of buying it.

2.10 MULTI ATTRIBUTE MODEL

Attitudes fashions that take a look at the composition of customer attitudes in terms of selected product attributes or ideals referred to as Multi characteristic version

1) The attitude-toward-item version

Mind-set is feature of evaluation of product precise beliefs and evaluations.

2) The mindset-closer to-behaviour model

Is the mind-set towards behaving or appearing with appreciated to an item, rather than the mindset closer to the object itself?

A complete, integrative version of attitudes. A version that proposes that a patron paperwork various feelings (influences) and decisions (cognition) because the end result of publicity to an commercial, which, in turn, affect the consumer's attitude toward the advert and mindset closer to the brand.

2.11 ATTITUDE AND MARKET SEGMENTATION

Concept of Market Segmentation

In business, market segmentation determines who is in your target market - and who is not. When utilizing market segmentation you look at all the people who could buy your product and decide how to break them up into groups that have similar needs, wants or demand characteristics.

When you do this, you are able to communicate with different groups using different messages and marketing techniques.

An ideal market segment is:

1) Measurable.

2) Large enough to earn profit.

3) Stable, not going to vanish after a short time.

4) Reachable by your marketing strategies.

5) Homogenous and responds similarly to your marketing strategies.

Bases for segmenting Consumer Market

Marketers categorize their prospects into customer segments in order to keep their efforts focused and effective. When your prospects are grouped correctly, it's much easier to target specific groups and tailor your efforts for maximum impact.

Below are the most common forms of segmentation.

1) Geographic.
2) Demographic.
3) Psychographics.
4) Behavioural segmentation.

These segmentation variables can be used singly or in combination.

1) Geographic Segmentation
 Geographic segmentation calls for dividing the market into different geographical units such as nations, states, regions, or a few geographic areas.
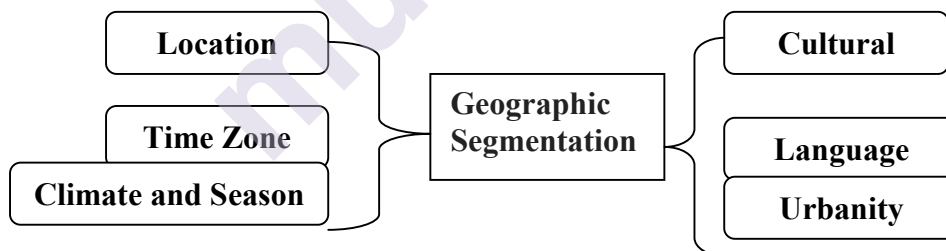
Figure (j) Geographic Segmentation

Example: Instead of trying to sell a Big Mac (a beef burger) in India and affecting the local sentiment, they introduced the Maharaja Mac: a variation of the Big Mac but without pork or beef.

2. Demographic Segmentation

Demographic Segmentation

Demographic segmentation agencies clients and capability clients together by using focusing on certain developments including age, gender, profits, career & own family reputation.
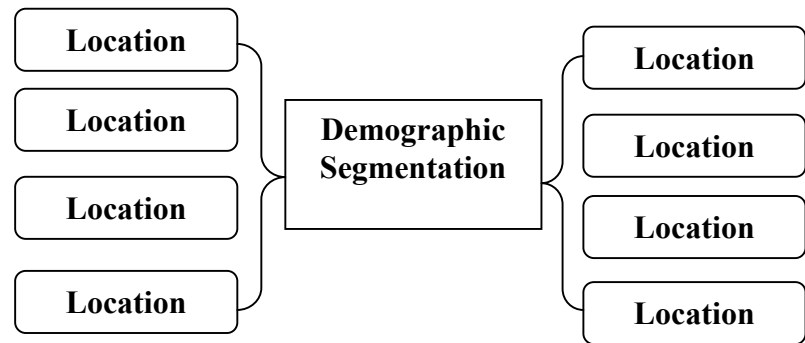
Figure (k) Demographic Segmentation

Example: For a younger demographic (12-24) Snapchat and Instagram are the best channels. The largest group of Twitter users are between 25-34.

3. Psychographic Segmentation

Psychographic Segmentation

In psychographic segmentation, customers are divided into specific organizations on the premise of lifestyle and/or character. Human beings within the equal demographic group can exhibit very special psychographic profiles. Here we might take a look at clients and outline them by way of their: persona trends, pastimes, life desires, Values beliefs, existence

Instance: If a shoe producer intends to design footwear for numerous sections of the market along with athletes, workplace-goers, college students, and many others. Dividing organizations in line with customers whose life-style revolves around biking or running, those folks who decide upon formal shoes, and similar different segmentation. This manner, the producer can produce footwear the cater to each lifestyle.

4. Behavioral Segmentation

Behavioral segmentation refers to a process in marketing which divides customers into segments depending on their behavior patterns when interacting with a particular business or website.

These segments could include grouping customers by:

1. Their attitude toward your product, brand or service;

2. Their use of your product or service.

3. Their overall knowledge of your brand and your brand's products,

4. Their purchasing tendencies, such as buying on special occasions like birthdays or holidays only, etc.

Types of behavioral segmentation:

i. Segmentation based on purchase and usage behavior

ii. Occasion or timing-based segmentation.

iii. Benefits sought segmentation.

iv. Segmentation based on customer loyalty.

2.12 PRODUCT DEVELOPMENT STRATEGIES AND ATTITUDE CHANGE STRATEGIES

Product improvement, moreover called new product management, is a sequence of steps that consists of the conceptualization, layout, development and marketing and advertising of newly created or newly rebranded items or services.

Product Development

A product is a superb, provider, or concept inclusive of a bundle of exact and intangible attributes that satisfies clients and is acquired in trade for money or some other unit of price.

Product Planning/Development"

Refers to the systematic decision making related to all aspects of the development and management of a firms products

"New" products are created as the result of an idea or perceived "gap" in the current world

It usually arises from a need or wants that can't be immediately filled and leads to the question. "Why don't I create and sell that product?"

If the "feasibility research" finds that the idea is "worth" pursuing and is "doable", the product development process begins

This process involves 8 stages that every product needs to go through in order to "be brought to market"

Stages of Product Development

1. Idea Generation

2. Idea Screening

3. Concept Development

4. Market Strategy

5. Feasibility Analysis / Study

6. Product Design

7. Test Marketing

8. Market Entry

1. Idea Generation

An invention or innovation as a result of a gap in the current market. An idea to produce a product or service not currently available.

2. Idea Screening

Not all ideas are good ones (ie. - New Coke, McPizza, etc.)

Marketers need to test consumer reaction to their idea before they continue

Throw the idea around and see what people think

3. Concept Development

If the feedback from consumers and your business associates is positive, a prototype or sample is created. This stage will allow you to see if the product works and to allow your target market to use it / provide feedback for improvements, etc

4. Market Strategy

The development of your marketing strategy. Determine your target market and how to use the 4 P's to optimally sell them your product

5. Feasibility Analysis / Study

Often done at the same time as the product design and market strategy stages.

Many questions are answered in this stage.

For Example:

1) Materials/labour required?
2) Price of production?
3) Distribution channels?
4) Cost of promotion?
5) This analysis will simply answer the following question

6. Product Design

What the product will look like.

The design will depend on what it does and what the target market want

7. Test Marketing

Test acceptance of the product. Usually occurs by offering the product to a random sample of your target market. Customer feedback is used to improve the venture and determine whether the product should "go to market"

8. Market Entry

The product is officially "in the market" and being sold to all. The "Product Life Cycle" begins and it's life will be determined by the consumer market, competition and further product advances.

Attitude Change Strategies

1. Changing the basic Motivational Function.

2. Associating the product with an Admired Group or Event

3. Resolving two conflicting attitudes

4. Altering components of the MultiAttribute Model.

5. Changing Beliefs about Competitors Brands.

2.13   SUMMARY

This course will help the students to study of how different theories help in decision making in any organizations. How new product development take place in the market. What are the various strategy help in decision making while targeting the consumer behaviour.

2.14 Exercise

1. Explain Tri-component theories.

2. Explain Gestalt psychology.

3. Define Perception and explain the internal and external factors affecting   perception.

2.15   BIBLIOGRAPHY AND REFERENCE FOR FURTHER READING

- https://www.google.com

- https://study.com/learn/lesson/difference-threshold.html

- youtube videos

- Behaviour by Leon G Schiffman, Joseph L Wisenblit

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Module 3

3

PERSONALITY, SOCIAL CLASS, AND GROUP BEHAVIOUR

Unit Structure :

3.0 OBJECTIVES

This module deals the study of various psychologies with different decision making of an individual. How the social class and concept of consumer behaviour with self image concept helps in identifying the consumer needs and requirements changes with the change in the technology.

3.1 INTRODUCTION

This module will help to study and learn about the various processes in decision making of any individual. How the concepts of various theory helps to forecast the needs of understanding the concept of consumer behaviour.

3.2 PERSONALITY: MEANING, NATURE, DEFINITION AND CHARACTERISTICS

Patron behaviour refers to the behaviour that patron show in looking, purchasing, the use of, comparing and putting off services and products that they count on will satisfy their desires.

Consistent with Walter, patron behaviour is the process wherein person when how from whom decides what, where to purchase the products and offerings

What is Personality?

- Inner Psychological.
- Characteristics determine the person behavioral changes in certain circumstances.
- How a specific person thinks and acts in various situations.

Facets of Personality

- Early childhood experiences
- Social and Environmental Influences
- a) Personality reflects individual differences b) Personality is consistent and enduring c) Personality may change

Personality reflects individual differences

- Every person has unique characteristic.
- No two persons can alike.
- Everyone behave differently in various circumstances.
- For Example, One can be Ethnocentrist unlike others.

Personality is consistent and enduring

- Personality tends to be consistent and enduring.
- Marketers cannot change someone's personality but can make products as per that.
- Child's likeness of clothes is an example of this behavior.

Personality May Change

- Personality may change under certain life events.
- Marriage, Birth of Child, death of Parents can change the personality.
- Gradual Maturing Process

Personality is consistent and enduring

- Personality tends to be consistent and enduring.
- Marketers cannot change someone's personality but can make products as per that.
- Child's likeness of clothes is an example of this behavior.

Personality May Change

- Personality may change under certain life events.
- Marriage, Birth of Child, death of Parents can change the personality.
- Gradual Maturing Process.

Nature
- Complex Nature
- Varies for different consumers
- Dynamic Nature
- Influenced by various factors
- Important for Marketers
- Brand Loyalty

Scope
- Demand forecasting
- Marketing
- Advertising
- Human Behaviour

Characteristic

- Implementation of the marketing concept
- Planning product differentiation and Market segmentation
- Selection of distribution channels.
- Designing Promotional techniques.

3.3 THEORIES OF PERSONALITY (FREUDIAN THEORY, TRAIT THEORY, JUNGIAN THEORY)

Theories of Personality

1) Freudian Theory Neo-Freudian Theory
2) Trait Theory
3) Jungian Theory
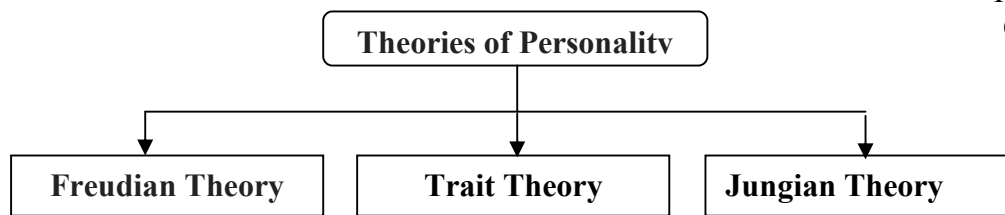
Figure (a) Theories of Personality

1) Freudian Theory Neo-Freudian Theory

According to Sigmund Freud, human personality is complex and has more than a single component. It is famous psychoanalytic theory of personality. Personality is composed of three elements as given below.

There are three parts of this theory are

> 1. ID
>
> 2. Superego
>
> 3. Ego

These three elements works together to create complex human behaviour. Each component not only adds into own unique contribution to personality but all three elements interact in a way that have s powerful influence on each individual.

1.   ID

- The ID is the only component of personality that is present from which this aspect is entirely unconscious and includes the instinctive and primitive behaviour.

- The id is driven by the pleasure principle which strives for immediate gratification or all desires, wants, and needs.

- These needs are not satisfied immediately the result is a state of anxiety or tension.

- For example an increase in hunger or thirst should produce an immediate attempt to eat or drink.
- The id is very important because it ensures that an infant's needs are met.

- The infants is hungry or uncomfortable, he or she will cry until the demands of id is satisfied.

- However immediately fulfilling these needs are not always realistic or even possible. This sort of behaviour would be both disruptive and socially inacceptable.

2.   EGO

- The ego is the factor of personality that is responsible for dealing with truth.
- consistent with Freud, the ego develops from the identification and ensures that the impulse of identification can be expressed in a way suitable in the real worldwide.
- The ego operates based totally on reality precept, which strives to fulfill the identification's desire in realistic and socially appropriate mode.
- The fact principle weighs the cost and blessings of an motion earlier than locating out to act upon or abandon impulses.

3.   Superego

- The superego is the aspect of personality that holds our entire internalised moral standard and ideas that we acquire from both parents and society.

- The superego provides guidelines for making judgements.

- The superego acts to perfect and civilise our behaviour.

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   │    ID    │  │   Superego   │   │   Ego    │
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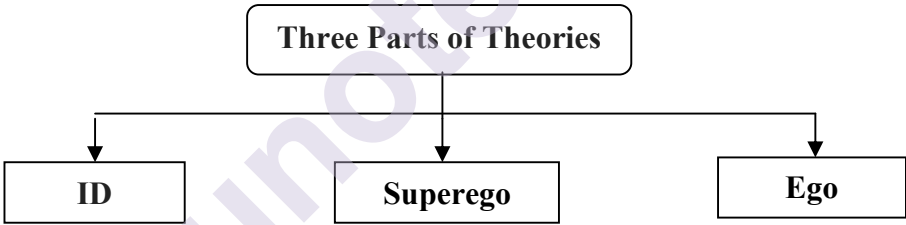
Figure (b) Three Parts of Theories

Neo-Freudian Theory

Researchers' describe the personality into three categories:

1. Compliant consumers

2. Aggressive Persons

3. Detached Persons

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              │   Neo-Freudian Theory    │
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│ Compliant consumers│ │ Aggressive Persons│ │ Detached Persons │
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Figure (c) Neo-Freudian Theory three categories

Trait Theory

Traits are personal characteristics that set one person from another.

It can categorise as:

1. Innovativeness.
2. Materialism.
3. Ethnocentrism

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                    │ Trait Theory │
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          ▼                ▼                ▼
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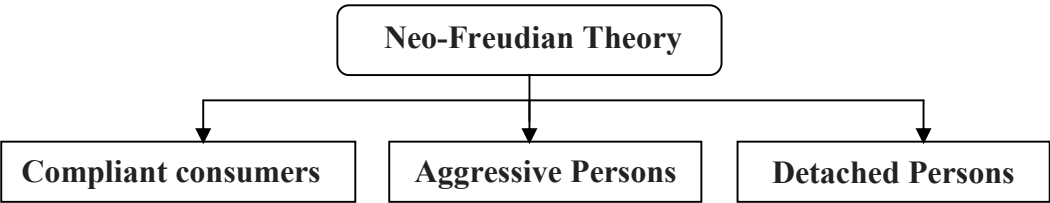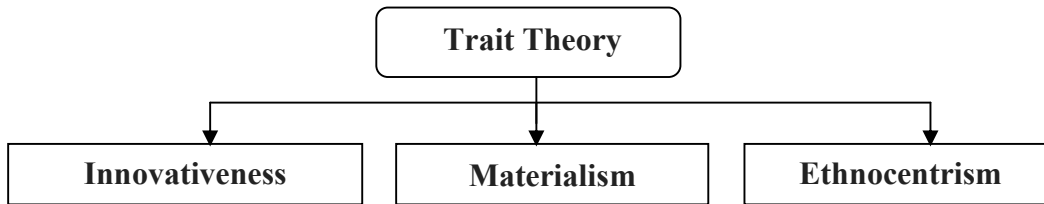
Figure (d) Trait Theory

3.4   SELF IMAGE AND SELF CONCEPT

Self Concept

In terms of Consumer Behaviour Self concept is the perception about self and his/her buying behaviour.

Morris Rosenberg defines self concept as "the totality of an individual's thoughts and feelings having references to him as an object".

Self concept can be divided into six types

1. Actual self: How a person actually perceives himself

2. Ideal self: How a person would like to perceive himself

3. Social self: How a person thinks others perceive him 4. Ideal social self: How a person would like others to perceive him.

4. Expected self: An image of self somewhere in between the actual and ideal self.

5. Situational self: A person's self image in a specific situation

Components of Self concept types

1. **Self-Image:** Self image is the way we see ourselves which includes what we know about our self physically socially emotionally etc.

2. **Self-Esteem:** Self-esteem is the value we place upon ourselves.

3. **Ideal Self:** The ideal self is the self we would like to be.

Altering Self Images

- If actual and ideal self-images are different, consumers may use products to alter their selves.

41

- Personality vanity: self interest or admiration for one's own appearance/ achievements.

Self Concept and Marketing Strategy

- Use self-concept for segmentation and positioning.
- Market to consumers' actual or ideal self-images.
- Depends on the nature of the product.
- Promote products as ways of altering or extending self images.

Life Styles and Marketing Strategy

- Use life styles for segmentation and positioning.
- Develop media campaigns based on consumer life styles.

3.5 VALS MODEL AND SEGMENTATION

VALS Model

VALS version

VALS (Values, Attitudes, and existence) is a framework superior by Arnold Mitchell and his colleagues within the 365 days 1978.The VALS is a tool used for grouping customers with the assist of psychographic segmentation. The VALS places grownup clients into one of the 8 segments based totally on their responses to the questionnaire.

VALS (Values Attitudes And Lifestyles)

The main scope of the VALS framework is the resources in the vertical dimension and primary motivation at the horizontal dimension. The people in the vertical dimension are based on the degree to which they are innovative and have enough resources like education, income, intelligence, self- control, energy, and leadership skills.

At the top of the VALS framework are innovators, who have high resources that can have any of the 3 primary motivations. At the bottommost are the survivors who live within their means without primary motivation.

VALS Framework Marketing Segmentation

Below are the eight styles of client clusters are described inside the VALS framework, which divides consumers consistent with their buying motivation behavior.

1. Innovators

Those purchasers have the highest incomes, considerable sources in addition to high shallowness. In the VALS framework, innovators are located above the rectangle. Innovators have the confidence to experiment and take new information.

2. Thinkers

Those customers have a tendency in the direction of analysis. Clients have high sources and are normally influenced by way of new thoughts. They've sufficient information approximately social alternate and new ideas. Thinkers choose conventional knowledgeable pastimes. They plan and research earlier than taking any selection.

3. Believers

Believers are the consumers who have low resources and are motivated by ideals. They believe in faith and spirituality. Believers are conservative who purchase established brands and local products. Makers have low resources and are motivated by self-expression.

4. Achievers

These consumers have high resources and are motivated by their achievements. Such people are work-oriented and get satisfaction from their work and families. Achievers respect the authority and are politically conservative. They prefer services and products that show off their growth to their peers.

5. Striver

Strivers are low-resource group consumers; they get highly motivated by their achievements.

6. Experiencers

Experiences have high resources who get motivated by self-expression. Experiences are the youngest in all the segments with an age of 25. They have the highest energy and take part in social activities. They spend heavily on fast foods, clothing, and new products and services.

7. Makers

These consumers have self-sufficiency. Makers focus on work, family and have little interest in the world. They appreciated functional and practical products.

8. Survivors

These clients have self-sufficiency. Makers attention on work, family and have little interest in the world. They appreciated useful and realistic products/

They are the purchasers with the lowest income. They have so few resources that they cannot be covered in any group thus they lie beneath the rectangle. Survivors are the oldest segment of age 61. They have got restricted way and are brand-unswerving.

Note: - VALS has since been reworked to enhance its ability to predict consumer behavior. Therefore, the VALS framework examines the intersection of psychology, demographics, and lifestyles.

The VALS framework:-

1. Is a well-known personality assessment.

2. Is a study on the hierarchy of needs.

3. Involves applying cognitive learning theory to segments that have low awareness of a   product.

 4. Examines the intersection of psychology, demographics, and lifestyles.

3.6   PERSONALITY AND CONSUMER BEHAVIOUR

What Is Personality?

The inner psychological characteristics that both determine and reflect how a person responds to his or her environment.

The Nature of Personality

- Personality reflects individual differences.
- Personality is consistent and enduring.
- Personality can change

Theories of Personality

1)   Freudian theory

Unconscious needs or drives are at the heart of human motivation.

Three interacting systems

1)   **Id:** primitive and impulsive drives.
2)   **Superego:** Individual's internal expression of society's moral and ethical codes of conduct.
3)   **Ego:** Individual's conscious control.

Theories of Personality

1)   **Neo-Freudian personality theory** -Social relationships are fundamental to the formation and development of personality - e.g., CAD theory.

2)   **Horney's CAD Theory**

Using the context of child-parent relationships, individuals can be classified into:

a) Compliant individuals.
b) Aggressive individuals.
c) Detached individuals

CAD concept

• **Compliant personality:** one that wants to be cherished, wanted, and favored via others.

• **competitive character:** person who actions in opposition to others (e.G., competes with others, wants to excel and win admiration).

• **indifferent personality: person who moves far from others (e.G., who dreams independence, self-sufficiency, and freedom from duties).**
Need for Cognition (NC)

- A person's craving for enjoyment of thinking.

- High NC consumers are likely to:

✓ Relate better to written messages.

✓ Want product-related information.

✓ Spend more time processing print ads.

✓ Enjoy using the internet to get information.

3) Trait theory
- Quantitative approach to personality as a set of psychological traits.
- Single-trait or multiple-trait theories.
- Consumer materialism: The extent to which a person is considered "materialistic".
- Fixed consumption behaviour: Consumers fixated on certain products or categories of products.
- .Compulsive consumption behaviour: "Addicted" or "out-of-control" consumers.

Consumer Innovativeness
The diploma to which clients are receptive to new products, new offerings or new practices.
Consumer innovators are possibly to:
- score lower on dogmatism.
- score better on need for specialty.
- Have higher optimum stimulation tiers.
- Have better need for sensation seeking and range in search of behaviours.
Consumer Ethnocentrism
Purchaser Ethnocentrism

Ethnocentric clients feel it is incorrect to buy overseas-made merchandise. They may be targeted via stressing nationalistic issues.

Fixated consumption Behaviour Consumers have:

1) a deep hobby in a selected object or product category.
2) a willingness to visit tremendous lengths.
3) to cozy objects in the category of interest.
4) the determination of a considerable amount of discretionary time and money to searching out the product.

Examples: collectors, hobbyists

Brand Personality

- Personality-like traits associated with brands.
- Volvo – safety.
- Perdue freshness.
- Nike the athlete.
- BMW-performance.
- Levi's 501 dependable and rugged.

Personality and Marketing Strategy

- Identify relevant personality traits.
- Target consumers with the relevant personality traits.
- Develop promotional messages that appeal to consumers with specific personality traits.
- Develop a personality for the brand

Possessions Act as Self-Extensions

- By allowing the person to do things that otherwise would be very difficult.
- By making a person feels better.
- By conferring status or rank.
- By bestowing feelings of immortality.
- By endowing with magical powers.

3.7 SOCIAL CLASS: CONCEPT OF SOCIAL CLASS

Social class and Consumer Behavior

Social class can have a profound effect on consumer spending habits. Perhaps the most obvious effect is the level of disposable income of each social class. Generally, the rich have the ability to purchase more consumer goods than those with less income, and those goods are of higher quality.

Consumer Behavior and Social Class

- Clothing, Fashion, and Shopping.
- The Pursuit of Leisure.
- Saving, Spending, and Credit.
- Social Class and Communication

Social Class	Lifestyle Orientation	Purchasing Tendencies
Upper Class	Good taste Graceful living Good things in life Individual expressions Interest in art and culture	Quality merchandise, Expensive hobby and recreation equipment, Expensive hobby and recreation equipment, art, books, travel.
Middle Class	Respectability, conformity propriety, social esteem	Items in fashion and related to self presentation: Good Clothing, neighbourhood and house items for children.
Working Class	Fun-oriented parochial (restricted in scope) Unsophisticated taste Focus on possession and not ideas	Newest appliances, sporting events newest and biggest items.
Lower Class	Close family relationships No interest in world affairs Neighbourhood oriented Want immediate gratification	Status symbol products: enhancing self-esteem, Pseudo symbols of prosperity, such as used scooters, readily available products.

Social Class

 The division of members of a society into a hierarchy of distinct status classes, so that members of each class have either higher or lower status than members of other classes.

Social Class Measurement

➤ **Subjective and objective measures**

1. Subjective measure:

 -In individuals are asked to estimate their own social-class positions.

- Which one of the following four categories best describes your social status.

1) Lower class

2) Lower-middle class

3) Upper-middle class

4) Upper class

5) Do not know

It is based on the participant's self-perceptions or self-images.

Dimension of Social elegance: three varieties of measurement:

1)   Subjective measure - primarily based at the self perception.

2)   Reputational degree - based on consumption and behaviour.

3)   objective measure - primarily based on demographic and socio-economic variables.

Social magnificence Mobility:

Kinds of Social Mobility

•   **Horizontal mobility.** This occurs while a person modifications their profession but their ordinary social standing remains unchanged.

•   Vertical mobility.

•   Upward mobility.

•   Downward mobility.

•   Inter-generational mobility. Intra-generational mobility.

3.8   HOMOGENEITY OF NEEDS IN SOCIAL CLASS

•   **Globalization and Cultural Homogenization**
   Globalization has been a key agent in this very process because it has brought about different countries to interact with each other in terms of trade and commerce where exchange of goods as well as communication is taking.

•   The most obvious examples are the diffusion of Hollywood movies that can be seen all over the world.

•   For instance, the push by the UN for the protection of human rights has greatly affected the developing nations and is trying to bring about a structural change in terms of equality.

•   With the rise of free trade, there is an availability of goods of similar nature in every country and this is leading to a homogenisation of people's consumption behaviour and taste.

•   The same is in the case of cultural products.

- A materialistic culture and consumerism that are spreading through mass media are creating a mechanistic and individualistic way of life.

- In general sense the kind of cultural homogenization that is being witnessed in developing nations such as India, is largely limited to material level and consumer and cultural goods.

Cultural Homogenization, A Growing Concern?

Many scholars have argued that with the rise of an "increasingly homogenized popular culture" which is heavily influenced by the western world in terms of ideals, values, and culture, it may gradually dominate different developing.

3.9 SOCIAL CLASS STRATIFICATION IN INDIA NEW SEC/ NCAER

Social Stratification:

- Stratification can be defined as structural inequalities between different groupings of people.

- Social stratification is compared to the geological layering of rock in the earth' surface.

- Society can be seen as which includes strata' in a hierarchy. With the extra favoured on the top and the less privilege near the lowest.

- Inequality of electricity and advantage is relevant to sociology, as of stratification is important to the corporation of society.

- Every aspect of the life of every individual and household is affected by stratification.

- Opportunities for health, longevity, security, educational success, fulfilment in work and political influence are all unequally distributed in systematic ways.

- Social stratification isn't always an man or woman fact; it's miles instead a social reality.

- It has little to do with character merit/abilities and extra to do with socially patterned inequalities.

- Historically four basic systems of stratification have existed in human societies: slavery, caste, estate and class.

3.10 CLASSIFICATION OF THE SOCIETY

Classification of Group

Groups have been classified by different thinkers on the basis of various aspects. According the basis of Cooley Social Various aspects have been classified as:-

a)   Primary group.
b)   Secondary group.

a) Primary Groups: In primary group, the contact between members of group is intimate. The interaction is face to face among members. Primary group is a small group and is the nucleus all social organisations. The example of primary group is family. Family is the basic unit of society, so the primary group is basic unit to provide health services. Primary group forms the social nature and ideals of the Individual. All the members of primary group have their own purpose such as to look after family members, to earn livelihood for group to get education etc. It creates sympathy and mutual understanding among the members.

Characteristic of Primary Group

In   primary group, intimate relationship exist among members of the group. It depends upon the following factors.

1. Close Contact

The people of primary group are closely related and have face to face interactions. The close contact provides an opportunity to the members to express their views, ideas, opinions and even it is possible to visualise the facial expression and gestures while having communication.

2. Stability

Stability is required for primary group, which will promote the intimacy of relationship among the members of group.

3. Less number of members le, small size

 The primary groups are of small size. The member's small group can understand each other and develop a group feeling and intimate relations.

4. Cooperation

All members of primary, groups gather together in a spirit to participate. Cooperatively to study a common subject or to remove the grievances.

5. Common interest

All contributors of number one, agencies gather together in a spirit to take part. Cooperatively to look at a commonplace difficulty or to get rid of the grievances.

The commonplace interest is shared by means of each member due to devotion and power of the complete institution accomplishing intention.

6. Similar Background

The members of primary group should have equal experience and should be almost equal in intelligent level.

Importance of primary groups for society

- Maintains Social Control over its members.
- Helps in process of socialisation.
- Teaches its member to work according to rules in society.
- Develops the basic attitude towards social institutions.
- Primary groups are important for individual as well as for the society.

b) Secondary Group
- It is large and human contact is superficial.
- In this group the influence of one member over another is indirect.
- According to Maeander H.T, when face to face contacts are not present in the relation of members, we have secondary group.
- So, the conclusion can be drawn that secondary groups lack is intimacy and do not have face to face contact in the relation of its members.

Characteristics of Secondary Group
- Secondary groups are large in size as it consists of thousands of members scattered our large.
- The individual meet each other in a formal manner for their work.
- There is no warmth of relations that is impersonal relations are in secondary groups.
- It lacks intimate relations among its members.
- It is not compulsory to be a member of secondary group.
- It has both type of individual that active and inactive.
- The means of communication among its member are indirect.
- The state of its member is achieved and depends upon the personal qualities.

3.11 INFLUENCE OF SOCIAL CLASS ON PURCHASE BEHAVIOUR

Refer to 3.7

3.12 GROUP BEHAVIOUR: REFERENCE GROUPS AND ITS INFLUENCE ON CONSUMPTION

What is a Group?

A set may be described as two or extra those who engage to perform either character or mutual dreams.

What is reference group?

A reference group involves one or extra human beings whom someone makes use of as a basis for assessment or factor of reference in forming affective and cognitive responses and appearing behaviors.

Humans's reference organizations (and unmarried referent persons) may be of any size, may be tangible or simply symbolic, can be from the equal or other social instructions, subcultures, or even cultures.

Classification of Groups by membership status

1. **Membership Group:** a fixed to which a person both belongs or may qualify for membership in.

2. **Symbolic Group:** a collection in which an man or woman isn't probably to get keep of membership, despite acting like a member thru adopting the organization's values, attitudes and behavior.

3. **Reference Groups Influence Consumers in Three Ways:**
- **Informational:** When individuals alter their behaviors or beliefs to meet the expectations of a particular group.
- **Utilitarian:** When people have difficulty assessing product or brand characteristics by their own observations or contact.
- **Value-Expressive:** When a need for psychological association with a group causes acceptance of its norms, values, attitudes, or behaviors

Why Reference Groups are Important?

- **Expert Power:** Derived from possessing specific knowledge about content area.
- **Reward Power:** When a person or group has the means to provide positive reinforcement.
- **Coercive Power:** Influencing a person by social or physical intimidation

How Reference Groups Influence Individuals

- **Conformity:** a change in beliefs or actions based on real or perceived group pressures

- **Compliance:** when an individual conforms to the wishes of the group without accepting all its beliefs or behaviours.

- **Acceptance:** when an individual actually changes his or her beliefs and values to those of the group

Informational reference group influence

The individual seeks information about various brands from an association of professionals or independent group of experts. The individual's observation of what experts influences his or her choice of a brand.

Utilitarian reference group influence

The person seeks statistics approximately diverse manufacturers from an affiliation of specialists or impartial organization of experts. The individual's remark of what experts affects his or her choice of a logo.

The individual's choice to buy a particular logo is inspired by the preferences of people with whom he or she has social interaction.

The choice to meet the expectancies that others have of her or him has an effect on the man or woman's brand preference.

Value- expressive reference group influence

The character feels that the acquisition or use of a selected emblem will beautify the photo others have of her or him. The man or woman feels that the purchase of a selected logo might help show others what he or she is or would like to be (such as an athlete, a hit business person, precise parent, and many others.)

Factors that Affect Reference Groups Influence

- Information and Experience.
- Highlights of the Product.
- Credibility, Attractiveness, and Power of the Reference Group.
- Reference Group Impact on Product and Brand Choice

Benefits of the Reference Group Appeal

- Increased Brand Awareness.
- Reduced Perceived Risk.

3.13   DIFFUSION OF INNOVATION PROCESS

What is Diffusion?

Diffusion is the method by using which an innovation is communicated through positive channels. Innovation is an concept, exercise, or object perceived as new by using an individual or different.

Diffusion of Innovation Theory

Everett Rogers (1931-2004) widely recognized for the e-book called "Diffusion of Innovation"(1962) wherein he explains the theory of the way improvements and ideas spread throughout the populations.

The diffusion of innovation principle analysis how the social participants adopt the new revolutionary ideas and the way they made the choice towards it. Each mass media and interpersonal communication channel is involved in the diffusion method.

Consistent with the principle, improvements must be widely adopted so as to attain improvement and sustainability.

Rogers proposed four elements of diffusion of innovations they are:-

1. Innovations- an concept, exercise, or item perceived as new by way of an man or woman. It could additionally be an impulse to do a little component new or carry some social exchange.

2. Communication Channel - The conversation channels take the messages from one individual to any other. It is through the channel of communique the improvements spreads across the human beings. It is able to take any shape like word of like word of mouth, SMS, any kind of literary shape and so forth.

3. Time-It refers to the length of time which takes from the people to get adopted to the innovations in a society. It is the time people take to get used to new ideas. For an example consider mobile phones it took a while to get spread among the people when it is introduced in the market.

4. Social System - Interrelated community institution joint collectively to remedy the troubles for a common intention. Social gadget refers to all kinds of additives which construct the society like religion, institutions, agencies of human beings etc.

Rogers says that during a social system there are 3 methods the decisions are taken. He cautioned the three methods thinking about the ability of people to make choices in their personal and their ability to put into effect it voluntarily; the 3 approaches are as follows.

Optional - Individuals made a decision about the innovation in the social system by themselves.

- Collective - The decision made by all individuals in the social system.
- Authority - Few individuals made the decision for the entire social system

Further Roger identifies the Mechanism of Diffusion of Innovation Theory through five following stages

1. Knowledge:

An Individual can expose the new innovation but they are not showing any interest in it due to the lack information or knowledge about the innovation

2. Persuasion:

An Individual is showing more interest in the new innovation and they are always seeking to get details or information about the innovation

3. Decision:

On this level, an person analysis the fantastic and terrible of the innovation and determine whether to accept / reject the innovation. Roger explains "one of the most tough ranges to perceive the evidence"

4. Implementation:

An man or woman's take some efforts to identify the dependence of the innovation and accumulate more facts approximately the usefulness of the innovation, then its future also.

5. Confirmation:

An individual conforms or finalize their decision and keep to use the innovation with complete capability.

3.14 CONSUMER ADOPTION OF NEW PRODUCTS

What is Consumer Adoption of new products?

The consumer-adoption process focuses on the mental process through which an individual passes from first hearing about an innovation to final adoption. Consumer adoption process is also known as the product adoption process. A company produces a product or service and announces it to the market. At that point the consumer adoption process begins.

The consumer adoption process is a five-stage process that consumers use to evaluate new products. Through this process, consumers will decide whether to reject or adopt the new product offering. A new product that does not meet a consumer's demand can be rejected at any of the five stages.

1.   AWARENESS (INTRODUCTION STAGE):

This is the stage when consumers first learn about the new product but don't yet have all the information. In this stage marketers put a lot of effort and money. If consumers are not aware that the product or service exists, how can the company expect the consumers to buy it? Advertising the product to consumers is hard work to make sure the correct image is developed and the product is desired. Examples of advertising may include media or print ads.

2. INTEREST (INFORMATION GATHERING STAGE):

This is the stage of the adoption process when consumers seek information about the new product. This stage is when the consumer becomes aware of the product and searches aware of the product and searches out information. A popular method of searching out information is the internet. A company's website tells a potential customer what it looks like, its specifications, its price, ways to purchase and much more. Technology has played a big role in today's website advertising, guaranteeing interactive information and data collection.

3. TRIAL (SAMPLING STAGE):

To entice consumers, marketers provide samples or trials of their product. This gives consumers a "taste" of what the product really is, how it works and shows them its benefits. Also coupons or introductory sale prices are given as motivation to try the product out for a reduced price.

4. ADOPTION/REJECTION (BUY OR NOT BUY STAGE):
At this degree of the adoption process, the client comes to a decision if the product has fee or now not. If the client does not locate fee inside the product, he or she can no longer buy it once more. If the product offers the consumer fee or solves a hassle, they may in all likelihood turn out to be a repeat patron.

5. EVALUATION (CONSIDERATION STAGE):

At this stage, the consumer has gathered enough information to determine if he wants to try this product or not. During the evaluation process, the consumer decides if the benefits are worth the cost. In this stage the consumer thinks if this product or service is good, and more importantly, how this product can be beneficial to them. When consumers believe the product is good and it can benefit them by buying it they are more likely to purchase.

6. TRIAL (SAMPLING STAGE):

To entice consumers, marketers provide samples or trials of their product. This gives consumers a "taste" of what the product really is, how it works and shows them its benefits. Also coupons or introductory sale prices are given as motivation to try the product out for a reduced price.

7. ADOPTION/REJECTION (BUY OR NOT BUY STAGE):

At this stage of the adoption process, the consumer decides if the product has value or not. If the consumer does not find value in the product, he or she will not buy it again. If the product gives the consumer value or solves a problem, they will likely become a repeat customer.

3.15 IMPACT OF SOCIAL MEDIA ON FORMULATING OPINIONS ON PRODUCTS AND BRANDS

What is Social Media?

"Social media is addictive precisely because it gives us something which the real world lacks: it gives us immediacy, direction and value as an individual… By David Amerland.

Social media can be defined as "consumer generated media that covers a wide variety of new sources online information, created and used by consumer's intent on sharing information with others regarding any topic of interest.

Want to create a successful social media strategy to boost your brand awareness?

1.   Pre-purchase phase.
2.   During purchase phase
3.   Post purchase phase.

Why are you shopping online?
•   Products are only sold online.
•   More convenient.
•   Less time consuming.
•   Less expensive.
•   Want to avoid the holiday crowds.
•   Easy to have gifts shipped to recipient.
•   Easier to compare item features.
•   Offers a wider range of goods.
•   Usually find the best deals online.
•   Catalogs encourage online shopping.

3.16 FAMILY: ROLE OF FAMILY IN DECISION MAKING AND CONSUMPTION PROCESS

The FLC is a composite variable created via the use of using systematically combining such typically used

Demographic variables as marital reputation, length of family, age of circle of relatives members (focusing at the age of the oldest or youngest toddler), and employment repute of the top of own family. The a long time of the parents and circle of relatives existence cycle.

In a dynamic society, circle of relatives-associated roles are continuously converting.

Key Family Consumption Roles:

There are eight distinct roles in the family decision making process

1. **Influencers:** Family member(s) who provide information to other members about a product or service.

2. **Gatekeepers:** Family member(s) who control the flow of information about a product or service into the family.

3. **Deciders:** Family member(s) with the power to determine unilaterally or jointly whether to shop for purchase, use, consume, or dispose of a specific product or service.

4. **Buyers:** family member(s) who make the real buy of a particular services or products.

5. **Preparers:** family member(s) who rework the product into a shape appropriate for intake by way of different family contributors.

6. **Users:** member of the family(s) who use or eat a particular product or service.

7. **Maintainers:** family member(s) who provider or repair the product in an effort to provide persisted pride.

8. **Disposers:** member of the family(s) who initiate or perform the disposal or discontinuation of a specific services or products.

Significance of the Family in Consumer Behavior

The family is both a primary group (characterized by intimate face-to-face interaction) and a reference group (with members referring to certain family values, norms and standards in the behavior). These two factors, however, are not the sale reasons accounting for the strength of the family's influence Rather, is, first, the fact that the bonds within the family are likely to be much more powerful man those in other small groups Second, contrary to most other groups to which the consumer belongs the family functions directly in the role of ultimate consumption. The family operates as an economic unit, earning and spending money This marketers need to understand the nature of the family's influence on its members and this way in which purchase decisions are made by members so that they may effectively program their marketing mix.

3.17   SUMMARY

We learnt about the idea of globalization and how it is bringing about a kind of uniformity within different nations due to a growing cultural interdependence. Moreover, we understood how there is a homogeneity of culture taking place and its degree of impact in India and whether it should be a concern.

3.18 EXERCISE

1. Explain theories of personality.

2. Explain the concept of social class.

3. Explain the impact of social media on formulating opinions on products and brands.

3.19 BIBLIOGRAPHY AND REFERENCE FOR FURTHER READING

• https://www.google.com

• youtube videos

• Behaviour by Leon G Schiffman, Joseph L Wisenblit .

• Everett Rogers (1931-2004) well known for the book called "Diffusion of Innovation"(1962)

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Module 4

4

CULTURE AND SUBCULTURES, POST PURCHASE BEHAVIOUR, ORGANIZATION BUYING PROCESS

Unit Structuren :

4.0   OBJECTIVES

The objective of this course is to make the students aware about the various Indian values in terms of marketing and consumer requirements and its satisfaction. This will also helps in understanding the various terms used in decision making and in what scope the decision making plays a vital in the organizations.

4.1 INTRODUCTION

The consumer behaviour helps in examining the fundamental process in decision making, perception, and learning. It also deals with factors that influence the consumer behaviour. Its deals with the core concepts and theories like consumer research, culture components, marketplace, motivations and organizations buying behaviour.

4.2 CULTURE AND SUBCULTURES: UNDERSTANDING THE INFLUENCE OF CULTURE

What is Culture?

"Culture" is a distinct way of life of a group of people. It is their complete design for living.

Culture includes:

i) Knowledge

ii) Beliefs and practices

iii) Arts

iv) Laws

v) Morals

vi) Customs

Culture is defined as the sum total of learned beliefs, values and customers that serves to direct the consumer behaviour of members of a particular society. The study of culture generally requires detailed examination of the character of the total society including such as language, knowledge, laws, religion, food, customs, work patterns, product of other objects that give a society its unique flavour. Culture also provides insights occasions. Dress codes are shifting dramatically, people are dressing more casually all the time and in most situation.

Characteristics of Culture

Culture is made by three interdependent systems ideological system (mental system - ideas and beliefs) technological system (industry and production) and organizational system

Characteristics of culture are:

i) Culture is learned

ii) Culture is socially shared iii) Culture is similar yet different

iv) Culture is persistent and gratifying

v) Culture forms a boundary for an individual to think and act.

Culture impacts Consumers' Behaviour

Culture is not static and slowly keeps changing over time.

Cultural changes happen due to changes in technology.

Marketers and managers must understand the culture of the place where products and services are to be sold.

Major companies have adopted themselves to the international culture and are accepted globally. E.g. Coca Cola had to withdraw its 2 litters bottle from Spain, as it did not fit into the refrigerator

Culture & purchaser Behaviour

Way of life as a "whole whole" is a machine of unbiased additives. Expertise and ideals are vital parts inside the u.S.People recognise and accept as true with that a person who's professional and paintings difficult will get in advance.
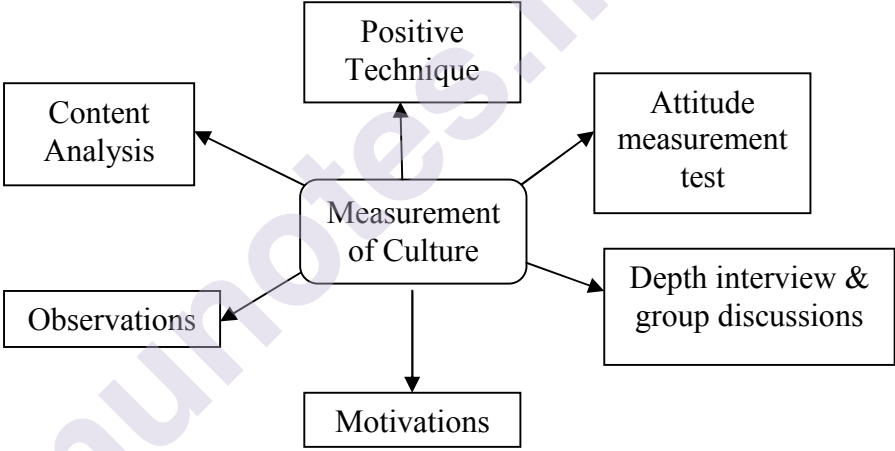

Figure (a) Measurement of Culture

What is SubCulture?

A Culture is very broad concept within a culture there exists more (homogenous groups called subcultures.

These groups have their own values, traditions and beliefs etc.

Sub culture is a distinct cultural group which exists as an identifier segment within a larger, more complex society. Subculture refers to a culture within a culture.

E.g. the Hindus in India can be further classified into the Hindus of the South and Hindus of the North. The Sikh, Parsis etc are also different subcultures in India Sub cultures give a better idea to the marketers for make their strategy.

Marketing Implications of Culture

Cultural values are not fixed but are dynamic and keep changing slowly over time this has marketing implications. Eg the idea of spending more time at home is increasingly gaining

ground. This has led to purchase of exercising machines, construction swimming pool etc Consumers want to live more natural and healthier lives which has led to increased sales of organic foods Giving recognition to women in society is a cultural change that is taking place and has its implications in promotion and advertising
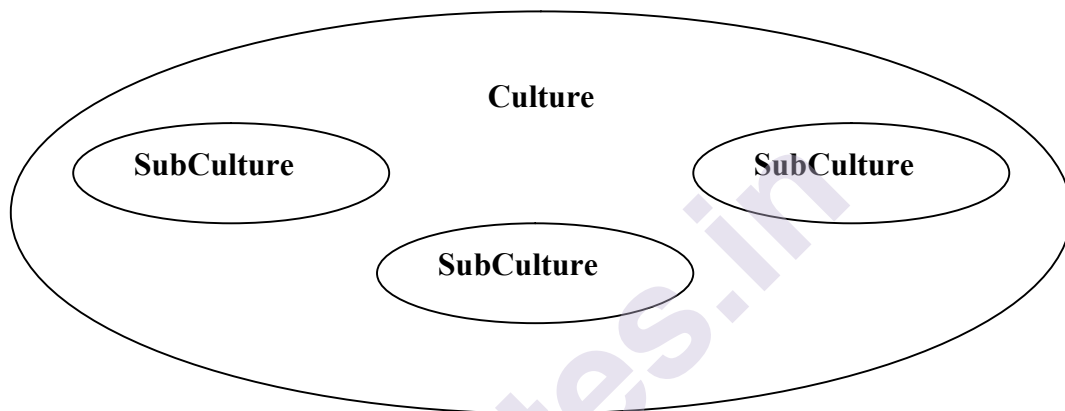

Figure (b) Culture

SubCulture categories are:

1) Nationality : Indian.
2) Religion: Hinduism.
3) Race: Asian, black, white.
4) Age: young, middle aged, elderly.
5) Sex: Male, female.
6) Occupation: Trainer, business.
7) Social class: Upper, Middle, lower.
8) Geographic regions: South India, eastern India.

4.3   NORMS AND THEIR ROLE

What are Norms?

The requirements of institution behaviour are referred to as social norms.

"A norm is a standard of behavioural expectation shared by the organization individuals against which the validity of perception is judged and the appropriateness of feeling and behavior is evaluated"

Unwritten, unspoken policies that govern the behaviour of the contributors of a collection. Evolve and socially enforced through social sanctioning. Frequently passed down thru time by using a lifestyle or society. Provide balance to a group and only some in a group will refuse to abide by the

norms. A few norms are bad and motive terrible communique amongst humans. Often corporations are not aware about the unwritten that exist.

Norms are standards of group behaviour

A fixed of values and ideas which alter behaviour of man or woman contributors. Organizations are individuals. The goods of interplay amongst whilst a number of individuals engage, a set of standards broaden that regulate their relationships and modes of behaviour. Norms are in every other feel policies of behaviour. They exist as both formal and informal norms, but often the latter is determined to be greater robust and reinforced every so often and therefore are extra powerful.

These informal norms are divided into two:

1) **Folkways:** Those are expected to be followed, no formal sanction besides a few sort of reprimands. It's a sort of adjusting, accommodating kind of habits.

2) **Mores:** Casual regulations that are not written, but violation brings extreme punishments and sanctions.

Terms related to social norms

(a) Descriptive norm: people's perceptions of what is commonly done in specific situations. This is typically related to a culture.

(b) Prescriptive norm: the unwritten rules understood and followed by society. We do these every day without thinking about them.

(c) Proscriptive norm: the unwritten rules known to society regarding the individual's behaviour in terms of the do's and don'ts. These norms can vary from culture to culture.

(d) Deviance: violation of the norms or non conformity to norms by some humans or maybe a single character. In short stated it refers to behaviors that pass towards norms.

(e) Looking glass self: this is how one sees oneself primarily based on how others understand the man or woman. This comes approximately in phrases of interacting with others and know-how how others perceive them, what they anticipate from them and that they ought to behave and many others.

- Norms constitute value judgments approximately appropriate behaviour in social situations, and now have effective have an impact on on person's behaviour particularly in a collection scenario.

- Norms in a manner guide character's behaviour and decreases ambiguity in agencies. Groups do not establish norms approximately every plausible state of affairs however most effective with admire to matters which is probably widespread to the organization.

- Norms would possibly practice to every member of the group or to just a few participants.Norms that apply to particular group members usually specify the role of those individuals.

- Norms vary in the degree to which they are accepted by all members of the group: some are accepted by almost everyone, others by some members and not others

• Norms vary in the diploma to which they are everyday via all contributors of the institution: some are standard by using nearly all of us, others via a few participants and not others

As an example, university college and students accept the college norm of teaching, however students once in a while be given the norm of faculty studies. Eventually, norms vary in phrases of the variety of permissible deviation; sanctions, both mild or intense, are normally applied to humans for breaking norms. Norms additionally vary with recognize to the amount of deviation that is tolerated. Some norms require strict adherence, but others do no longer.

Norms usually develop slowly as groups learn those behaviors that will facilitate their activities. However, this slow development can be short-circuited by critical events or by a group's decision to change norms.

Most norms develop in one or more of four ways:

(1) Explicit statements by supervisors or co-workers.

(2) Critical events in the group's history.

(3) Primacy, or by virtue of their introduction early in the group's history.

(4) Carryover behaviors from past situations.

Salient Features of Norms

1) Norm is a pattern of setting limit on individual behaviour.
2) Norms are related to factual world.
3) Norms are the important factor in any society. Norms are chosen by society.
4) Norms influence individual's attitude.
5) Norms are formed in matters of consequences to a particular group.
6) Norms of some group may pertain to ethical matters.
7) Norms implies a sense of obligation. Conformity to norms is normal.
8) Norms sometimes create conflict.
9) Norms are not learned by all persons even in the same society.

4.4 TRADITIONS AND VALUE SYSTEM

- A value device is considered as a exceedingly permanent perceptual frame paintings which influences the nature of an character's behavior.

- The values are the attributes possessed by means of an character and notion suitable.

- Values are just like attitudes however are greater everlasting and well built in nature.

- Values are generally, tinged with ethical taste and they contain a judgmental detail, regarding an individual's idea as to what's right, suitable, desirable.

Importance

- Values lay the foundations for the understanding of attitudes and motivation.
- Personal value system influences the perception of individuals.
- Personal value system influences the way in which a manager views the other individuals and the groups of individuals in the organisation.
- Value system also influences a manager's decisions and his solutions to the various problems.
- An individual will get more job satisfaction if his values align with the organization's policies.
- If the organization's policies are different from his views and values, he will be disappointed; the disappointment will lead to job dissatisfaction and decline in performance.

Characteristics

- Values provide standards of competence and morality.
- Values are fewer in number than attitudes. Values transcend specific objects, situations or persons.
- Values are relatively permanent and resistant to change.
- Values are most central to the core of a person.
- Values have two attributes-content and intensity. The content attribute stresses that a particular mode of conduct is important,
- The intensity attribute specifies how important it is.
- When we rank are individual's values in terms of their intensity.
- We obtain the value system of that person.

Terminal Values

- A terminal price is an remaining intention in a desired fame or final results. Those cause the ends to be accomplished.

- some of the examples.

1. Relaxed life

2. Feel of accomplishment

3. Family safety -Mature love

5. Self recognize

6. Understanding

7. Exciting lifestyles

8. Freedom

Nine. Social reputation

10. Real friendship

11. A world of peace A global of splendor

12. Equality

13. Happiness -inner concord

National Security

Pleasure Salvation.

- Factors influencing values

1. **Family Factors-** The most important factor which influences the value system of an individual is his immediate family.

2. Social Factors - Out of all the social factors school plays the most important role in developing the value system of an individual. The child learns the basic discipline from the school. Moreover, the interactions with the teachers, classmates and other staff members in the schools and colleges make the child inculcate values important to the teaching-learning process.

3. Cultural factors-Cultural factors encompass the whole lot this is located out and surpassed on from generation to technology. Way of life consists of fine ideals and different kinds of behaviour.

4. Life enjoy which affect our behavior are validated by using the delight we've got were given skilled in pursuing them. Humans exercising consultation their values on the idea of what seems maximum logical to them. Individual is a participant in social manner of lifestyles, group way of life and organisational way of lifestyles. . A man learns the maximum from his personal private existence revel in. Now and again man can look at from the enjoy of others also. In the end, most of the values

5. Personal elements- non-public tendencies consisting of intelligence potential, appearance and educational degree of the person determine his development of values.

6. Function call for- The function call for refers to the behaviour associated with a particular function inside the enterprise. All firms have a few formal and some casual code of behaviour. Function call for can create problems while there's a role struggle. As a consequence, the managers will have to quickly analyze the value device customary within the employer

4.5 INDIAN CORE VALUES

Indian Core Values includes are:

1. Family orientation.
2. Saving orientation.
3. Festivities.
4. Shopping as a ritual.
5. Mythology.
6. Food habits.

Changing cultural trends in Indian urban markets

- Achievements.
- Work ethic.
- Material success.
- Middle of the road approach to tradition.
- Impulse gratification.
- Use of hi-tech products.

Outline the features of Indian charge system and additionally describe the Social institution affecting values.

• capabilities of Indian fee tool Social form denote the community of social relationship.

• The social dating is created most of the people at the same time as they have interaction with each distinct consistent with their statuses according with the styles of society.

• In a social shape, human beings having common item prepare themselves into establishments.

• Social structure is an abstract phenomenon. It denotes outside aspects of society.

• every society has a pattern of agency, which has systems that end end result from affiliation of individuals with one another.

• it could be a collection group, an affiliation, network, or an corporation all of which are components of social structure through which it abilities.

Features of Indian Value System

- The following are the important features of social structure of Indian society:
- 1. Complex Society.
- Indian society is characterized as a pluralistic society because it possesses complex social order.
- It suffers from multitude of ethnic, linguistic, religious and caste divisions.
- 2. Rural Society

- About 70% of the Indian people live in villages; Indian villages continue to be underdeveloped. Even rural areas suffer from lack of infrastructural facilities.
- The gains of industrialization and technological breakthrough which once enjoyed by urban areas not yet reached the rural areas.
- Only now our Government has started giving due importance to the objective of rural development.
- Economically Backward Country India has made considerable progress in the fields of agriculture and industrialization.
- But still it continues to be an economically backward country. Even now it remains 64th poorest nation in the world. Major part of our population continues to live below the poverty line.

What is SubCulture?

A culture is very wide idea inside a culture there exists extra (homogenous organizations known as subcultures.

These businesses have their very own values, traditions and beliefs and so forth.

Sub culture is a awesome cultural organization which exists as an identifier phase within a larger, greater complicated society. Lifestyle refers to a culture inside a subculture.

E.G. The Hindus in India can be in addition classified into the Hindus of the South and Hindus of the North. The Sikh, Parsis and so on also are distinctive subcultures in India Sub cultures provide a higher concept to the entrepreneurs for make their approach.

Marketing Implications of Culture

Cultural values are not fixed but are dynamic and keep changing slowly over time this has marketing implications. Eg the idea of spending more time at home is increasingly gaining ground. This has led to purchase of exercising machines, construction swimming pool etc Consumers want to live more natural and healthier lives which has led to increased sales of organic foods Giving recognition to women in society is a cultural change that is taking place and has its implications in promotion and advertising

4.6 CULTURAL ASPECTS OF EMERGING INDIAN MARKETS

Emerging marketplace is a market that has a few traits of a developed marketplace, but does no longer fully meet its standards. This encompass markets that could become advanced markets within the future or over inside the beyond.

Rural improvement is a subject this is pretty easy to apprehend but difficult to implement it focuses upon the upliftment and improvement of the sections of rural economies that revel in grave poverty problems and correctly objectives at developing their productiveness. It additionally

emphasizes the need to deal with various pressing issues of village economies that avert growth and improve these regions.

A few regions that want pressing attention for Rural improvement in India are

1. Public health and sanitation.
2. Literacy.
3. Woman empowerment.
4. Enforcement of law and order.
5. Land reforms.
6. Infrastructure improvement like imitation, power, and so forth.
7. Availability of credit.
8. Eradication of poverty.

4.7 POST PURCHASE BEHAVIOUR: POST PURCHASE EVALUATION AND DISPOSITION TOWARDS THE PRODUCT

Submit buy patron behaviour

Publish purchase behavior is the very last level within the patron choice method when the client assesses whether or not he's happy or dissatisfied with a buy.

How the patron feels about a buy will significantly affect whether or not he will buy the product again.

Client decision making procedure.

1st step - trouble recognition.

2d step- information search.

3rd step - assessment of alternatives

4th step - purchase selection fifth step publish purchase behaviour.Purchase Evaluation & customer

- The purchase evaluation process is potentially influenced by post-purchase.
- Satisfaction generally occurs when the use of the product fulfils the expectations of need.
- And when the needs are not met, dissatisfaction occurs.
- Negative purchase evaluation
- Existing consumers take no action to re-purchase.
- Existing consumers switch to competitors or other brand.

Post-purchase satisfaction

Satisfaction is the function of the closeness between expectations and the good performance- If the performance fall short expectations the consumers are disappointed. If the performance meet expectations the consumers is satisfied. If the performance exceed expectations the consumers is delightful.

A customer's reaction after he was involved in the process of purchasing some high involvement item, usually a very expensive one, like furniture or a house or a car maybe.

Post-purchase Dissonance

This purchase creates doubt and anxiety in the mind of the consumer, especially when the degree of commitment is high. This dissonance often leads to consumption guilt - which is a negative emotion or feeling aroused by the usage of that expensive product.

Consumers can reduce dissonance by
• By focusing on more supportive that outweigh the dissonant belief
• Reduce the importance of conflicting belief.
• By decreasing the desirability of the opposing brand

Marketers can reduce dissonance by

By reversing the purchase decision.

4.8   POST PURCHASE SATISFACTION MEASURES

Post Purchase Behaviour

1)   Customers examine the goods with their expectations. There may be results both glad or dissatisfied. Consumers may be glad after shopping the product if it has happy their wishes. However if the product is not up to their expectancies, the consumer will be unsatisfied.

2)   The marketer ought to monitor the publish buy experience of buyers along with such as:

Post Purchase Satisfaction
• satisfaction is a characteristic of the closeness among the expectancy and the perceived overall performance of the product.
• If performance falls short of expectancies, the purchaser is disenchanted.
• If it meets the expectations, the purchaser is satisfied.
• If it exceeds expectations, the patron is overjoyed.

as an example, boeing sells planes worth $ 10 million every, and customer satisfaction is essential to copy purchases and the corporation's popularity.

- If customers are extremely joyful with higher than predicted overall performance, the buy once more and inform other ability customers the boeing lives up to its guarantees.

Post Purchase Action

- If customers are reasonably satisfied, they buy the product again and speak favourably with family members, friends, and relatives co-workers.
- On the contrary, the dissatisfied consumer responds differently.
- Customer can abandon the product, claim compensation from the company, go to court, or inform friends, family and co-workers to avoid the product.
- the marketer job is to take certain steps to minimize the amount of consumer dissatisfying after the purchase.
- For example Telecommunications Company Bharti Airtel has launched a new campaign highlighting its goal of resolving all customer inquiries, quickly learning from failures and making sure they are not repeated.

3)   Post Purchase use & disposal

- Marketer must also screen how the customers use and dispose the product.
- Such information may be very good guiding principle for the marketer.
- Marketer can analyze viable issues and possibilities relating with the product.
- as an instance, Netflix uses the looking records of customers with comparable tastes to suggest what user may be most interested by looking subsequent.
- in order that user remains engaged and continues your monthly subscription for extra.
- for that reason, shopping for method is a journey from hassle reputation to reaction of shoppers.
- Marketer consequently need to have a look at the shopping for technique from consumer's point of view.
- enterprise ought to take certain steps to assist customers in every stage to buy its product.

4.9   ORGANIZATION BUYING PROCESS: NESTED SEGMENTATION

ORGANIZATIONAL BUYING BEHAVIOUR

- Organization buying is the decision-making process by which formal organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers.

CHARACTERISTICS OF ORGANIZATIONAL BUYERS ARE

- Consumer market is a huge market in millions of consumers where organizational buyers are limited in number for most of the products.
- The purchases are in large quantities.
- Close relationships and service are required.
- Demand is derived from the production and sales of buyers.
- The organizational buyers are trained professionals in purchasing.
- Several persons in organization influence purchase.

Organization buying is the decision-making process by which formal groups set up the need for purchased products and services and discover, evaluate, and pick out among alternative brands and suppliers.

Characteristics OF ORGANIZATIONAL buyers ARE

Consumer marketplace is a large marketplace in hundreds of thousands of consumers in which organizational customers are restrained in range for most of the goods.

- The purchases are in large quantities.

- close relationships and carrier are required.

- demand is derived from the production and income of consumers.

- The organizational buyers are trained experts in buying.

- numerous folks in company influence buy.

- Lot of purchasing happens in direct coping with manufacturers.

ORGANIZATIONAL BUYING SITUATIONS

An organization buys a variety of products and services.

These may include a

1) The purchases are in large quantities.
2) Close relationships and service are required. Demand is derived from the production and sales of buyers.
3) The organizational buyers are trained professionals in purchasing.
4) Several persons in organization influence purchase.
5) Lot of buying occurs in direct dealing with manufacturers.

ORGANIZATIONAL BUYING SITUATIONS

- An organization buys a variety of products and services.
- These may include a variety of items, some of these are mentioned:
- **Raw material:** Steel, aluminium, iron ore, etc. Major capital items: Machinery, plant, etc.
- **Minor capital items:** Pumps, valves.

73

- Fabricated components and parts, and auto-assemblies: Castings, forgings, small parts of iron, rubber, plastic, etc.
- **Processed chemicals:** Fluxes for melting, powders, chemicals.
- **Consumables:** Lubricating oils, electrodes, fuel, gas, etc.
- **Office equipment:** Paper, copier, type writers. Services: Transport, travel, touring, etc.
- **Services:** Transport, travel, touring, etc

Basically there are three types of buying situations.

1)   STRAIGHT REBUY SITUATIONS:-In this routine, orders are placed for office supplies, raw materials, other items of daily use, where the supplier is known and a   procedure is already laid down, which is followed in a routine manner.

2)   MODIFIED REBUY SITUATIONS:-Buyers may change or modify the product according to the situation, e.g., nylon rope for ordinary rope. Plastic washers in place of steel or brass washers, aluminium instead of copper, hydraulic in place of mechanical. This may be done for economic consideration, or for the ease of procurement, or to modify or change the product. The change may also be due to external or internal environmental changes.

3)   NEW TASK:-When a task is performed, items may be bought without previous experience and for the first time. These could be new machines like computer or Fax machines. The need for such a product may not have occurred previously. For a new task, a new set up and new items are necessary, which may not have been purchased before.

4.10   ROLE & POWER OF BUYING CENTRES (INITIATORS, INFLUENCERS, DECIDER, AND BUYER &   GATEKEEPERS)

Buying Centres and Buying Role

- Are groups of people within organizations who make purchasing decisions.
- Webster and Wind called the decision making unit of a buying organizations the buying centre.
- It consists of all those individuals and groups who participate in the purchasing decision making process who shares some common goals and the risks arising from the decisions.

1)   Initiators
- Users or others in the organization who request that something be purchased.

2)   Users
- Those who will use the product or services.

3) Influencers
- People who influence the buying decision, often by helping define specifications and providing information for evaluating alternatives.
- Technical personnel are particularly important influencers.

4) Deciders
- People who decide on product requirements or on suppliers.

5) Approvers
- People who authorizes the proposed actions of deciders or buyers.

6) Buyers
- People who have formal authority to select the supplier and arrange the purchase terms.

7) Gatekeepers
- People who have the power to prevent sellers or information from reaching member of the buying centre.

4.11 BUYING DECISIONS BASED ON ABC / VED / FSND ANALYSIS

1) ABC Method

- Always Better Control or Proportional Part Value Method.
- Concentrates on important items and thus also referred to as control by importance and exception.
- **Group A:** Constitutes costly items which are 10 to 20% of the total items and may account for about 50% of the total value of stores
- Vertical strict control.
- **Group B:** Constitute 20 to 30 % of the store items and represent 30% of the total value of stores.
- Moderate Control.
- Group C: Constitutes to 70 to 80% of the items are covered costing about 20% of the total value.
- Loose control.

2) VED Analysis
- This technique is ideally suited for space parts in the inventory management like ABC analysis.
- Inventories are classified into three categories on the basis of usage of the inventories.

V=Vital item of inventories.

E= Essential item of inventories.

D= Desirable item of inventories.

75

1)   Vital item of inventories

Required for Regular Production Process.

Non availability of this may stop production.

2)   E= Essential item of inventories

Considered essential for production but

Non availability of this may be tolerated for few hours or day

3)   D= Desirable item of inventories

Does not affect production directly.

They facilitate production.

FNSD analysis

- It looks at amount, consumption fee and the way regularly the object is issued and used.

- speedy-transferring, everyday moving gradual transferring and dead inventory.

- rapid-moving (F).

- items in your inventory stock those are issued or used often.

- continuous test at the degrees of those items of material have to be stored.

4.12 SUMMARY

This course will help the students to understand the basic concepts of decision making in the organizations. How decision making helps the marketer to do analysis in regard to customer satisfaction, customer needs and its requirements, customer retention and product availability.

4.13 Exercise

1. Explain the concept of culture and subculture.

2. Explain post purchase satisfication measures.

3. Explain the role and power of buying centes.

4. Explain ABC/VED/FSND analysis.

4.14 BIBLIOGRAPHY AND REFERENCE FOR FURTHER READING

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YouTube videos.

https://youtu.br/DGClxmNjkK4

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