• **Consumer Behaviour;** Reflects totality of consumer’s decisions with respect to the acquisition, consumption and disposition of goods, services, time and ideas by human decision-making units over time.
• It involves attitudes towards;
  o Products/goods
  o Services
  o Activities
  o People
  o Ideas
• It is a dynamic process
• Can involve many people
• Involves many decisions
• Involves consumers’ feelings and coping
• Broken up into 3 parts;
  o OBTAINING – Purchase Activities
  o CONSUMING – Use Activities
  o DISPOSING – Disposal Activities

**Gaining Consumer Insights**
• Customer insights represent a deep understanding of customer needs and the drivers of customer behavior at a level well beyond what customers are able to articulate themselves.
• Leads to opportunities for creating solutions that are tightly linked to the core drivers of human needs and behavior.
• Includes;
  o Understanding stated or articulated needs of customers
  o Identifying their unarticulated needs

**Marketers Need To …**
• Understand consumer comes first
• Understand, predict and influence consumer behavior
• Never underestimate the consumer
• Never assume consumers are the same as you
• Opinions as a consumer count
• Apply knowledge to personal branding

**What Affects Consumer Behaviour?**
1. **Psychological Core**
   • Motivation, ability and opportunity
   • Exposure, attention and perception
   • Categorizing and comprehending information
   • Forming and changing attitudes
   • Forming and retrieving memories
2. **Process of making decisions**
   • Problem recognition and search for information
3. **Consumer’s culture**
   - External processes/influences
   - Consumer diversity
   - Social class and household
   - Values, personality and lifestyles
   - Reference group and other social influences

4. **Consumer behaviour outcomes**
   - Symbolize who we are; external signs used to express our identity
   - Diffuse through a market – influence others decision making
   - Ethics and social responsibility

**Who Benefits from study of Consumer Behaviour?**
- Marketing managers
- Ethicists/advocacy groups
- Public policy makers/regulators
- Academics
- Consumers

**Marketing Implications of Consumer Behaviour**
- Developing/implementing customer orientation
  - Segmenting market
  - Profitability of each segment
  - Characteristics of each segment
  - Customer satisfaction at each segment
- Selecting the target market
- Product positioning decisions
  - Positioning of competition
  - Our positioning
  - Repositioning existing offerings
- Products/services development decisions
  - Consumers ideas for new products
  - Additional/different attributes
  - Brand naming
  - Packaging and logo design
- IMC Decisions;
  - Advertising objectives
  - Words and visuals of ads
  - Ad placement (when and where)
  - Sales promotion objectives
  - Effectiveness of sales promotions
- Pricing decisions;
  - What the price should be
Core I

Motivation

• Motivation: an inner state of arousal that provides energy needed to achieve a goal.
• Motivated consumer is energized, ready and willing to engage in goal-relevant activity.

Outcomes of Motivation

• High effort behaviour
• Processing information and making decisions
  o Desire to process information accurately
  o Motivated reasoning
• Felt involvement;
  o Enduring involvement; when we show interest in something over a long period in time.
  o Situational involvement; temporary interest in an offering / activity / decision.
  o Cognitive involvement; Interest in thinking and processing information about something.
  o Affective involvement; Interest in expending emotional energy ad evoking deep feelings about something.

What Affects Motivation?

• Personal Relevance – The extent to which it has a direct bearing on and significant implications for your life.
• Consistency with Self Concept – Our mental view of who we are; your view of yourself and they way you think others view you.
• Values – Beliefs about what is right, important or good.
• Needs – An internal state of tension caused by disequilibrium from an idea/desired physical or psychological state. (Maslow’s Hierarchy.)
• Goals – Outcomes that we would like to achieve.
• Perceived Risk – Extent to which the consumer is uncertain about the consequences of an action.
• Inconsistency with attitudes – The extent to which new information is consistent with previously acquired knowledge or attitudes.

Needs

• An internal state of tension caused by disequilibrium from an ideal or desired state.
• Maslow’s Hierarchy;
  o Physiological
  o Safety
  o Social
  o Egoistic
  o Self-Actualization
• Needs not always ordered in this hierarchy