Research on Information Needs and Consumer Behavior

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Credit points: 3
Classroom: H508
Date: Thursday 6-8

NHU EMBA
Course requirements

- Class participation (10%)
- Key paper presentation (20%)
- Term paper (30%)
- Final exam (40%)
Reference and Textbook

- Textbook

- Reference
  - Information Management
  - Journal of Retailing
  - Journal of Business Research
  - Journal of Marketing
  - Industrial Marketing Management
## Contents (1/2)

<table>
<thead>
<tr>
<th>Part 1</th>
<th>Introduction (9/20)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch 1</td>
<td>Consumer Behavior and Marketing Strategy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part 2</th>
<th>External Influences (10/04, 10/18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch 2</td>
<td>Cross-Cultural Variations in Consumer Behavior</td>
</tr>
<tr>
<td>Ch 3</td>
<td>Value</td>
</tr>
<tr>
<td>Ch 4</td>
<td>Demographics and Social Stratification</td>
</tr>
<tr>
<td>Ch 5</td>
<td>Subcultures</td>
</tr>
<tr>
<td>Ch 6</td>
<td>Families and Households</td>
</tr>
<tr>
<td>Ch 7</td>
<td>Group Influence on Consumer Behavior</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part 3</th>
<th>Internal Influences (11/01, 11/15)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch 8</td>
<td>Perception</td>
</tr>
<tr>
<td>Ch 9</td>
<td>Learning, Memory, and Product Positioning</td>
</tr>
<tr>
<td>Ch 10</td>
<td>Motivation, Personality, and Emotion</td>
</tr>
<tr>
<td>Ch 11</td>
<td>Attitudes and Influencing Attitudes</td>
</tr>
<tr>
<td>Ch 12</td>
<td>Self-Concept and Lifestyle</td>
</tr>
</tbody>
</table>
## Contents (2/2)

<table>
<thead>
<tr>
<th>Part 4</th>
<th>Consumer Decision Process (11/29, 12/13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ch 13</td>
<td>Situational Influences</td>
</tr>
<tr>
<td>Ch 14</td>
<td>Consumer Decision Process and Problem Recognition</td>
</tr>
<tr>
<td>Ch 15</td>
<td>Information Search</td>
</tr>
<tr>
<td>Ch 16</td>
<td>Alternative Evaluation and Selection</td>
</tr>
<tr>
<td>Ch 17</td>
<td>Outlet Selection and Purchase</td>
</tr>
<tr>
<td>Ch 18</td>
<td>Postpurchase Processes, Customer Satisfaction, and Customer Commitment</td>
</tr>
</tbody>
</table>
Part 1 Introduction
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- What is consumer behavior?
- Why should we study it?
- Do marketing managers, regulators, and consumer advocates actually use knowledge about consumer behavior to develop marketing strategy?
- Will a sound knowledge of consumer behavior help you in career?
Chapter 1: Consumer Behavior and Marketing Strategy

*Consumer behavior* is the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society.
Applications of Consumer Behavior

- Marketing Strategy
- Regulatory Policy
- Social Marketing
- Informed Individuals
Marketing Strategy and Consumer Behavior

- **Customer value** is the difference between all the benefits derived from a total product and all the costs of acquiring those benefits.

- Providing superior customer value requires the organization to do a better job of anticipating and reacting to customer needs than the competition does.
Market Analysis Components

- The Consumers
- The Company
- The Competitors
- The Conditions
Market Analysis Components

The Company

A firm must fully understand its own ability to meet customers needs. This involves evaluating all aspects of the firm including:

- financial condition
- general managerial skills
- production capabilities
- R&D capabilities
- technological sophistication
- reputation, and
- marketing skills
Market Analysis Components

The Competitors

- If we are successful, which firms will be hurt?
- Of those firms that are injured, which have the capability to respond?
- How are they likely to respond?
- Is our strategy robust enough to withstand the likely actions of our competitors, or do we need additional contingency plans?
Market Segmentation

A market segmentation is a portion of a larger market whose needs differ somewhat from the larger market.

Market Segmentation Involves Four Steps:

- **Identifying Product-Related Need Sets**
- **Grouping Customers with Similar Need Sets**
- **Describing Each Group**
- **Selecting an Attractive Segment(s) to Serve**
Market Segmentation
Marketing Strategy

- **Marketing Strategy** is basically the answer to the question: *How will we provide superior customer value to our target market?* The answer to this question requires the formulation of a consistent marketing mix.

- This requires the formulation of a consistent *marketing mix*, which includes the
  - **Product**
  - **Price**
  - **Communications**
  - **Distribution**
  - **Services**
Marketing Mix
Marketing Strategy

Marketing Communications

- An effective communications strategy requires answers to the following questions:
  - With whom, exactly, do we want to communicate?
  - What effect do we want our communications to have on the target audience?
  - What message will achieve the desired effect on our audience?
  - What media should we use to reach the target audience?
  - When should we communicate with the target audience?
Marketing Strategy

- It is important to note that the price of a product is not the same as the cost of the product to the customer. Consumer cost is everything the consumer must surrender in order to receive the benefits of owning the product.
  - License fees
  - Parking fees
  - Finance charges
Outcomes

- **Firm Outcomes**
  - Product position
  - Sales
  - Customer satisfaction

- **Individual Outcomes**
  - Need satisfaction
  - Injurious consumption

- **Society Outcomes**
  - Economic outcomes
  - Physical environment
  - Social welfare

- **Product position**
  - The *product position* in an image of the product or brand in the consumer’s mind relative to competing product and brand.
  - It is not require purchase or use for it to develop. It is determined by communications about the brand from the firm and other sources, as well as by direct experience with it.
Creating Satisfaction Customers
Overall Model of Consumer Behavior

External Influences
- Culture
- Subculture
- Demographics
- Social Status
- Reference Groups
- Family
- Marketing Activities

Internal Influences
- Perception
- Learning
- Memory
- Motives
- Personality
- Emotions
- Attitudes

Self-Concept and Lifestyle

Decision Process
- Situations
  - Problem Recognition
  - Information Search
  - Alternative Evaluation and Selection
  - Outlet Selection and Purchase
  - Postpurchase Processes

Experiences and Acquisitions
The American Marketing Association (AMA) states, “Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives".
Discussion & Questions