

Module 3:

Individual determinants of consumer behavior

Individual determinants of consumer behavior are the unique internal characteristics—like psychological (motivation, perception, learning, personality, attitude) and personal (age, lifestyle, occupation, income, self-concept) factors – that shape a person's needs, wants, and buying decisions, essentially making each consumer's choices distinct from others. These internal traits influence how consumers process information and respond to marketing, driving them to purchase products that align with their inner values and external circumstances.

Perception:

Meaning and Definition of Perception:

“Perception is the process through which the information from outside environment is selected, received, organized and interpreted to make it meaningful to you. This input of meaningful information results in decisions and actions.”

“Perception may be defined as a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment.”

All perception involves signals in the nervous system, which in turn result from physical or chemical stimulation of the sense organs.

It is not the passive receipt of these signals but is shaped by learning, memory, expectation, and attention.

The study of these perceptual processes shows that their functioning is affected by three classes of variables – the objects or events being perceived, the environment in which perception occurs, and the individual doing the perceiving.

Perception includes the 5 senses: **touch, sight, taste smell and sound**

It also involves the- cognitive processes required to process information, such as recognizing a friend's face or detecting a familiar perfume.

4 stages of the perception process are;

1. Receiving Stimuli
2. Selection.
3. Organization.

4. Interpretation.

1. Receiving Stimuli:

In this process, a person receives the information through stimuli. Every human being has five sensory organs; namely, vision, hearing, touch, smell and taste.

Stimuli or cues are received by these organs. Written information is received through seeing; oral information is received through hearing.

Once this cue in the form of information is received, communicate starts interpreting it.

The different communicates have different interpretations of the information.

2. Selection of Stimuli or Cue:

Many types and kinds of cues or stimuli (information for instance) are received but the communicate selects only that information which makes some sense to him. Why the selection? Because it is the most relevant information at that time.

The selection, organization, and interpretation of perceptions can differ among different people.

Therefore, when people react differently in a situation, part of their behavior can be explained by examining their perceptual process, and how their perceptions are leading to their responses.

Perceptual selection is driven by internal and external factors.

Internal factors include:

- Personality - Personality traits influence how a person selects perceptions. For instance, conscientious people tend to select details and external stimuli to a greater degree.
- Motivation - People will select perceptions according to what they need in the moment. They will favor selections that they think will help them with their current needs and be more likely to ignore what is irrelevant to their needs.
- Experience - The patterns of occurrences or associations one has learned in the past affect current perceptions. The person will select perceptions in a way that fits with what they found in the past.

External factors include:

- Size - A larger size makes it more likely an object will be selected.
- Intensity - Greater intensity, in brightness, for example, also increases perceptual selection.

- Contrast - When a perception stands clearly out against a background, there is a greater likelihood of selection.
- Motion - A moving perception is more likely to be selected.
- Repetition - Repetition increases perceptual selection.
- Novelty and familiarity - Both of these increase selection. When a perception is new, it stands out in a person's experience. When it is familiar, it is likely to be selected because of this familiarity.

3) Perceptual Organization

After certain perceptions are selected, they can be organized differently. The following factors are those that determine perceptual organization:

I) **Figure-ground** - Once perceived, objects stand out against their background. This can mean, for instance, that perceptions of something as new can stand out against the background of everything of the same type that is old.

II) **Perceptual grouping** - Grouping is when perceptions are brought together into a pattern. There is a tendency to group several stimuli together into a recognizable pattern. Grouping is done on the basis of Closure, Continuity, proximity or similarity.

a) **Closure** - This is the tendency to try to create wholes out of perceived parts. Sometimes this can result in error, though, when the perceiver fills in unperceived information to complete the whole.

b) **Proximity** - Perceptions that are physically close to each other are easier to organize into a pattern or whole. It means nearness or closeness of information may be perceived as a whole. It should be noted here that proximity is different than similarity.

c) **Similarity** - Similarity between perceptions promotes a tendency to group them together.

III) **Perceptual Constancy** - This means that if an object is perceived always to be or act a certain way, the person will tend to infer that it actually is always that way. It is **the tendency of animals and humans to see familiar objects as having standard shape, size, colour, or location regardless of changes in the angle of perspective, distance, or lighting.**

IV) **Perceptual Context** - People will tend to organize perceptions in relation to other pertinent perceptions, and create a context out of those connections. One of the simplest instance of relational (or context) effects in perception is that of brightness contrast. Thus, the apparent brightness of a stimulus depends not only on its own luminance but also on that of the surrounding stimulation. The same gray square looks whiter against a dark background and blacker when placed in a bright surround.

Example: An employee coming late and receiving a pat on the back by employer.

The context is that he worked till late night for the organization. The organizational participants perceive in this context.

Each of these factors influence how the person perceives their environment, so responses to their environment can be understood by taking the perceptual process into account.

4) Interpretation:

It is the formation of an idea about the information that is sensed, selected and organized. It involves the following phenomena: primacy effect, selective perception, stereotyping, halo effect, projection and expectancy effect. They are the types of perceptual errors.

- **Primacy/ Recency Effect:** The first impression is given the most important which is known as the primacy effect. Recency effect, on the other hand, is that human beings remember latest events more than the less recent ones.
- **Stereotyping:** It is the effect caused by forming a certain belief about a category of stimuli and generalizing that notion to encounters with each member of that category. In reality, there is a difference between the perceived notion of each category and the actual traits of the members. It may affect the interview process in an organization.
- **Halo effect:** It is the process of generalizing from a comprehensive analysis to a single attribute or trait. A negative halo effect is known as the reverse halo effect. It affects the performance appraisal of employees in a company.
 - The halo effect can shape our perception of others' intelligence and competence, and its influence can be seen in many settings ranging from the classroom to the courthouse.
 - An example of the halo effect is the attractiveness stereotype, which refers to the tendency to assign positive qualities and traits to physically attractive people. People often tend to judge attractive individuals to have higher morality, better mental health, and greater intelligence. This cognitive error in judgment reflects one's individual prejudices, ideology, and social perception.
 - The reverse halo effect is the phenomenon whereby positive perceptions of a person can yield negative consequences.
 - The horn effect, which is closely tied to the halo effect, is the cognitive bias whereby one's opinion of another is unduly shaped by a single negative trait.
- **Projection:** It is the mental process by which people attribute to others what is in their own minds. In projection, what is internal is seen as external. People cannot get inside the minds of others; to understand someone else's mental life, one must project one's own experience. When someone projects

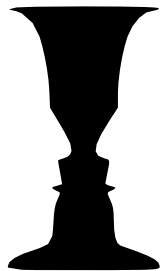
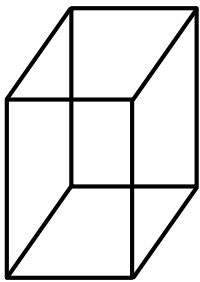
what is consciously true of the self and when the projection “fits,” the person who is the object of projection may feel deeply understood. Thus, a sensitive father infers from his daughter’s facial expression that she is feeling sad; he knows that when he himself is sad, his face is similar.

- **Selective Perception:** This means a person sees, feels or hears what he wants to and skips other information which are inconsistent to his view.
- **Expectancy effect:** It is the tendency of an individual to interpret any person or object based on how he expects the person or object to be in the first place. It is also called as Pygmalion effect.

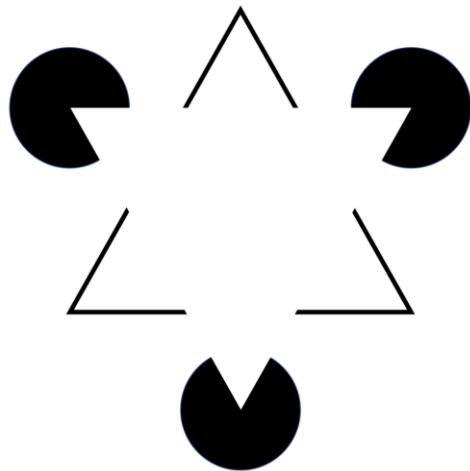
if Mary is told that a new coworker, John, was unfriendly, she may act in a more reserved manner around him, refrain from initiating conversations with him, and not include him in activities.

Examples of Perceptual organization

1) Figure Ground:



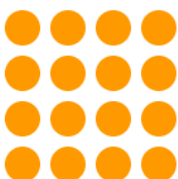
2) Closure:



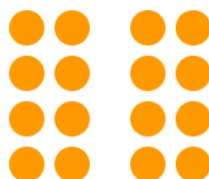
2) Proximity:

4) Perceptual Constancy

This is perceived to be one group and the components somehow related to each other.



We perceive two groups here, and understand that there are differences between them.



Perceptual Constancy

Perceptual Constancy

☑ unchanging despite changes in retinal image

☑ brightness

☑ shape

☑ size

☑ color



The Role of Perception in Consumer Behavior:

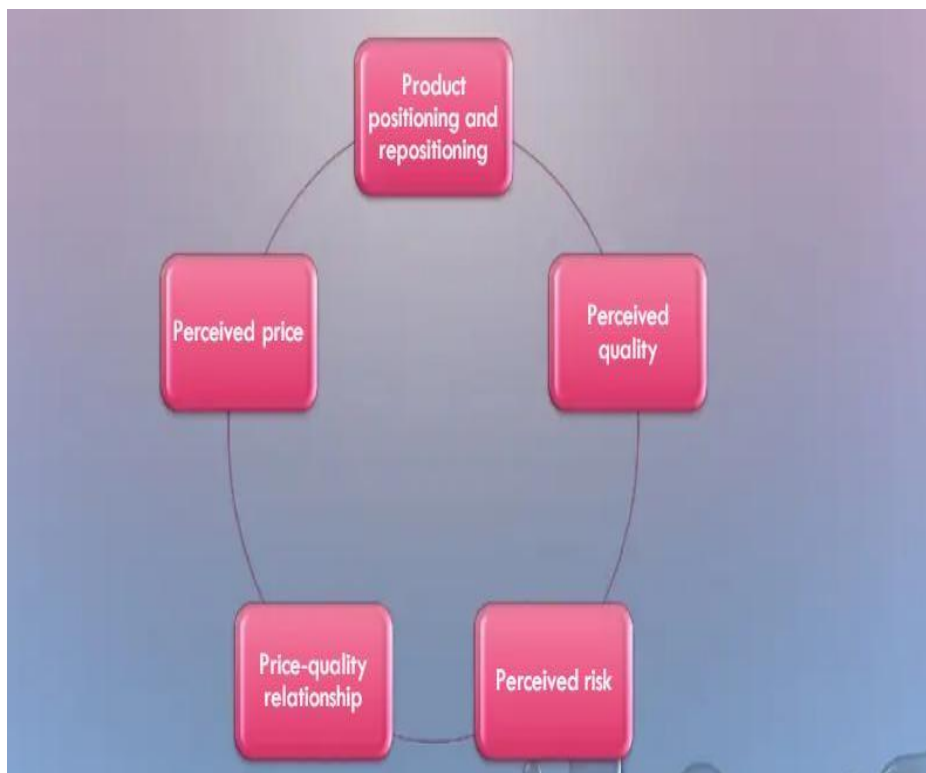
- Perception significantly influences consumer behavior and decision-making. Here's how perception comes into play:
- **1. Product Perception**
- Consumers' perceptions of products and brands can influence their purchasing decisions. Factors such as packaging, design, color, and branding shape how consumers perceive the quality and value of a product.
- **2. Price Perception**
- Consumers often perceive higher-priced products as being of higher quality or luxury. Marketers use pricing strategies to influence consumers' perceptions and create a sense of value.
- **3. Advertising and Promotion**
- Effective advertising and promotional campaigns aim to influence consumers' perceptions. They use visual and auditory cues to create specific perceptions and associations with a product or brand.
- **4. Consumer Reviews and Word of Mouth**
- Consumer reviews and word-of-mouth recommendations can shape others' perceptions of a product or service. Positive reviews can enhance the perception of quality and trustworthiness.
- **5. Perceived Risk**
- Consumers' perception of risk plays a role in their decision-making. High-perceived risk may deter consumers from making a purchase, while low perceived risk can encourage them to buy.

Consumer imagery:

- Consumer imagery is the mental picture a consumer forms of a product, brand, or company, shaped by factors like marketing and price, while perceived risk is the potential for a negative outcome in a purchase, which can include financial, physical, or social consequences.
- Both concepts are crucial in consumer behavior as they directly influence decision-making, with marketers actively working to build positive imagery and mitigate perceived risk to encourage purchases.
- These are consumer's perception of a product, brand, or company, including its quality, price, and symbolic meaning.
- **Role in decision-making:** It forms the basis for consumer evaluation and can heavily influence purchasing behavior.
- **How it's shaped:**
- **Marketer-controlled elements:** Branding, advertising, logos, and packaging are used to create a specific image.
- **Perceptual mapping:** Marketers use this to visually represent how their products are positioned in the market relative to competitors, based on consumer perceptions.

- **Coca-Cola** → High sweetness, medium price
- **Pepsi** → Very high sweetness, medium price
- **Diet Coke** → Low sweetness, medium price
- **Price-quality relationship:** Consumers often associate a higher price with higher quality, which shapes their image of a product.

Elements of Consumer Imagery



1. Product **Positioning & Repositioning:**

Product positioning is about creating a specific image for a product in the minds of consumers

The strategic effort to create a specific and desirable image for a product in the minds of the target customers, often by highlighting certain attributes, uses, or prices

Eg: Maggi as the "2-minute" quick snack, Thums Up positioned itself as a powerful cola suitable for adventurous people

Repositioning is the strategic process of changing that image to adapt to market changes or appeal to new segments.

It is the process of changing a product's position in the minds of consumers, often due to evolving consumer preferences or market saturation.

Eg: Lifebuoy, Old spice

2. **Perceived Quality:**

Perceived quality is the customer's judgment about a product's or service's overall excellence or superiority concerning its intended purpose and alternatives, which may not align with objective or actual quality. It is an intangible, overall feeling about a brand influenced by both intrinsic (e.g., materials) and extrinsic (e.g., brand image) Eg: Airtel in Telecommunications, MTR for packaged foods etc.

Key Dimensions (Aaker's Dimensions):

- **Performance:** How well the core function of the product is executed (e.g., how well a car accelerates).
- **Features:** Additional attributes or "bells and whistles" that enhance the product (e.g., a car having advanced driver-assist features).
- **Reliability:** The consistency of performance and the absence of defects or failures (e.g., a car starting every time without issue).
- **Durability:** The expected lifespan of the product and how long it performs well without significant repairs (e.g., a car lasting for over 200,000 miles).
- **Serviceability:** The efficiency, competence, and convenience of the customer service and repair system (e.g., the ease of scheduling a car service appointment).
- **Fit and Finish:** The aesthetic appeal, feel, and attention to detail in the product's design and manufacture (e.g., the smooth closing of a car door, the quality of interior materials).

3. Perceived Price:

Perceived price is the customer's emotional and cognitive assessment of whether the price asked for a product or service is reasonable, acceptable, or justifiable based on their perceived value, willingness to pay, and the context of the transaction. It is about the value exchanged for the benefits obtained.

Eg; Price paid for Apple phones, Gucci glasses or bags etc.

- **Key Factors Influencing Perceived Price:**
- **Price-Quality Relationship:** The common assumption that higher prices indicate better quality.
- **Reference Prices:** Internal (from past experience) or external (from competitors or the market) price benchmarks against which consumers compare the current price.
- **Brand Image/Prestige:** Strong, reputable brands can justify higher prices because the brand image itself adds value (a "halo effect").
- **Promotions and Discounts:** Sales and offers can create a perception of getting a "bargain" (loss aversion), even if the actual price is not exceptionally low.
- **Tangible Cues:** Packaging, store environment, and customer service all influence the perceived value and, consequently, the perceived fairness of the price.

4. Price-quality relationship

The **price-quality relationship** is a concept where consumers often use price as an indicator of a product's quality, particularly when they lack complete information or face high search costs. This often leads to a general perception that higher-priced items offer better quality.

Factors Influencing the Relationship

The strength of the price-quality relationship is not universal and can be influenced by several factors:

- **Consumer Knowledge:** When consumers can easily assess product quality (e.g., in highly competitive markets with low search costs), the price-quality correlation tends to be stronger, as sellers must provide quality commensurate with price or exit the market.
- **Product Type:** The relationship can differ between product categories.
- Studies have found that for some non-durable goods (like food products), the price-quality correlation is often low or negative, while for higher-priced durable goods, it might be stronger.
- **External Cues:** The presence of other information, such as brand name, advertising, or online reviews, can moderate or even dominate the influence of price on perceived quality.
- **Economic Factors:** Research has shown that price-quality correlations were lower during periods of high inflation

5. Perceived risk

Perceived risk is the consumer's subjective feeling of uncertainty and potential for negative consequences when making a purchase.

It's a core concept in consumer behavior that influences purchasing decisions and is categorized into types like financial, physical, social, functional, and time risks.

Consumers try to reduce this perceived risk through strategies like information search, brand loyalty, and relying on trusted sources to avoid undesirable outcomes.

Key concepts

- **Uncertainty:** Perceived risk arises from the uncertainty a consumer feels, whether it's about the product's features, the outcome of the purchase, or the brand's quality.
- **Subjective:** Risk is a perception, meaning it is not necessarily real but is a feeling in the consumer's mind. It can differ greatly from actual risk (e.g., fear of flying vs. statistical safety).
- **High-involvement vs. low-involvement:** The level of perceived risk is directly tied to the importance of the purchase.
- High-involvement purchases like a car have high perceived risk, while low-involvement purchases like milk have very little.

Examples

- Online shopping: A consumer might hesitate to buy from an unfamiliar e-commerce site due to concerns about payment security, data privacy, and the risk of goods not being delivered.
- Product packaging: A retail store that uses low-quality plastic hangers to display clothes may give customers the perception that the brand itself is of low quality.
- New technology: When buying a new self-driving car, a consumer may perceive high risks related to potential functional failures (accidents) and privacy breaches (data misuse).

Types of perceived risk

- **Financial risk**: The risk of losing money through a bad purchase.
 - **Example**: Buying a high-priced electronic gadget that quickly becomes obsolete or is found cheaper elsewhere.
- **Functional risk**: The risk that the product won't perform as expected or will fail to perform its intended function.
 - **Example**: Purchasing a new type of kitchen appliance that doesn't cook food effectively.
- **Physical (or safety) risk**: The risk of physical harm or damage resulting from the product.
 - **Example**: Buying an over-the-counter medicine that has side effects or a vehicle with poor safety features.
- **Psychosocial risk**: The risk of a poor purchase negatively affecting a consumer's self-image or social standing.
 - **Example**: Buying a brand of clothing that is perceived as low-quality, leading to social embarrassment, or purchasing a product that is not seen as modern or trendy.
- **Time risk**: The risk of losing time and effort through a purchase that requires returns or repairs.
 - **Example**: Ordering a product online that takes a long time to arrive or is delivered broken, requiring you to spend time dealing with the return process.

LEARNING:

- **Meaning and Nature:**
- Learning is a key process in human behaviour. All living is learning.
- The individual is constantly interacting with and influenced by the environment.
- This experience makes him to change or modify his behaviour in order to deal effectively with it.
- **Therefore, learning is a change in behaviour, influenced by previous behaviour. As stated above the skills, knowledge, habits, attitudes, interests and other personality characteristics are all the result of learning.**
- *Learning is defined as “any relatively permanent change in behaviour that occurs as a result of practice and experience”. This definition has three important elements.*

- This definition has three important elements.
- a. Learning is a change in behaviour—better or worse.
- b. It is a change that takes place through practice or experience, but changes due to growth or maturation are not learning.
- c. This change in behaviour must be relatively permanent, and it must last a fairly long time.

Learning-Principles (General):

- **Active Engagement:**

Learners must be actively involved in the learning process, engaging with materials through discussion, application, and reflection.

- **Relevance:**

Learning should be relevant to the learner's interests, goals, or real-world applications, which enhances motivation and the perceived value of the content.

- **Feedback:**

Timely and specific feedback allows learners to understand their progress and areas needing improvement, which facilitates better learning and achievement.

- **Differentiation:**

Instruction must accommodate diverse learning styles, abilities, and backgrounds. Tailored learning experiences increase effectiveness by addressing individual learner needs.

- **Repetition and Reinforcement:**

Practice and repetition help consolidate learning and transfer new knowledge to long-term memory. Reinforcement through rewards or positive outcomes also strengthens learning.

- **Confidence and Success:**

Building confidence through achievable challenges and recognizing successes can motivate learners and encourage continued effort and engagement.

- **Multisensory Learning:**

Incorporating multiple senses through visual, auditory, and kinesthetic-tactile activities can enhance memory and understanding by providing multiple paths for information processing.

- **Social Interaction:**

Learning is often enhanced in a social context, where learners can interact, collaborate, and learn from peers and mentors. Social interactions also foster deeper understanding and critical thinking.

- **Scaffolding:**

Providing structure and support when introducing new content helps learners build on prior knowledge and skills incrementally, gradually moving towards greater independence in the learning process.

- **Critical Thinking and Problem-Solving:**

Encouraging learners to question, analyze, and apply critical thinking skills leads to deeper learning and the ability to apply knowledge in practical and novel situations.

- **Motivation:**

Both intrinsic (internal) and extrinsic (external) motivations are important in sustaining the effort and interest necessary for continuous learning.

- **Emotional Safety:**

Safe learning environment, free from fear of embarrassment or harsh criticism, promotes risk-taking, curiosity, and experimentation.

Learning-Principles in Consumer behavior:

- The principles of learning in consumer behavior revolve around four key elements:

- a) **Motivation,**
- b) **Cues**
- c) **Response, and**
- d) **Reinforcement**

Motivation is the driving force of all important things to be learnt. Motives allow individuals to increase their readiness to respond to learning. It also helps in activating the energy to do so.

- Thus, the degree of involvement usually determines the motivation to search information about a product.
- For example, showing advertisements for summer products just before summer season or for winter clothes before winter.
- Motives encourage learning and cues stimulate the direction to these motives.
- **Cues** are not strong as motives, but their influence in which the consumer responds to these motives.
- For example, in a market, the styling, packaging, the store display, prices all serve as cues to help consumers to decide on a particular product, but this can happen only if the consumer has the motive to buy.

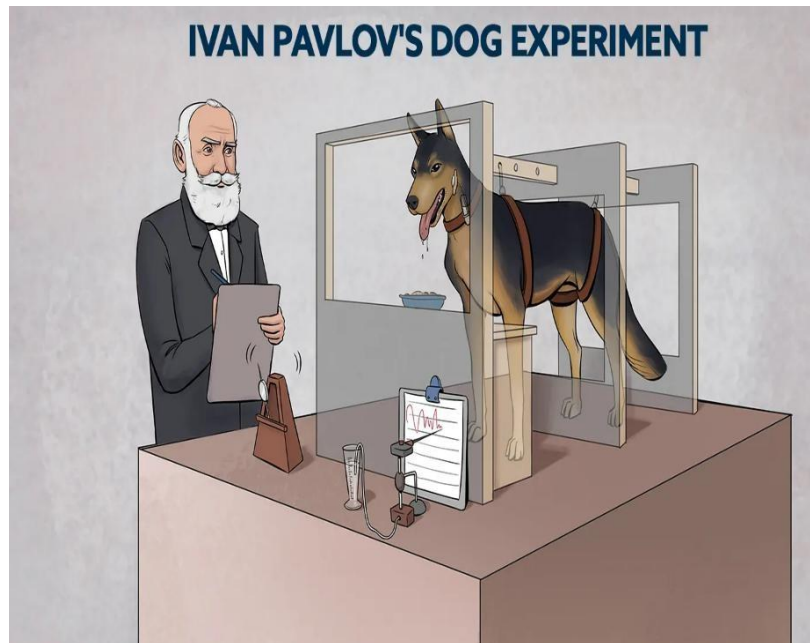
- Thus, marketers need to be careful while providing cues, especially to consumers who have expectations driven by motives.
- **Response** signifies how a consumer reacts to the motives or even cues. The response can be shown or hidden, but in either of the cases learning takes place. Often marketers may not succeed in stimulating a purchase, but the learning takes place over a period of time and then they may succeed in forming a particular image of the brand or product in the consumer's mind.
- **Reinforcement** is very important as it increases the probability of a particular response in the future driven by motives and cues.

Theories of Learning:

- **1. Classical Conditioning Theory**
- **2. Operant Conditioning Theory**

1. Classical Conditioning Theory:

- The theory of Classical Conditioning was introduced by Russian psychologist Ivan P Pavlov.
- Ivan conducted his classical experiment involving dogs.
- Here he paired the food(naturally occurring Stimulus) with ringing the bell(neutral stimulus)
- At the beginning of his experiment Pavlov noted that no saliva flowed when he rang the bell. He then trained the dog by sounding the bell, and shortly afterwards presenting food.
- After the sound of the bell had been paired with food a few times, he tested the effects of the training by measuring the amount of saliva that flowed when he rang the bell and did not present food.
- He found that some saliva was produced in response to the sound of the bell alone.
- He then resumed the training-paired presentation of bell and food a few times and then tested again with the bell alone.
- As the training continued, the amount of saliva on tests with the bell alone increased.
- Thus, after training the dog's mouth watered-salivated- whenever the bell was sounded.
- This is what was learned; it is the conditioned response.



- **1. Classical Conditioning –Applicability in marketing**
- Classical conditioning creates positive brand associations by pairing a neutral stimulus (the brand) with an unconditioned stimulus (e.g., a pleasant experience or celebrity)
- **Example:**
A soft drink brand always shows its ads with **happy music, fun parties, and smiling people**.
Over time, people start to **associate the brand with happiness and enjoyment**, even though the drink itself doesn't create that feeling.
- **In short:**
Brand (neutral) + Happy scenes (unconditioned stimulus) → Positive feeling (conditioned response)

2. Operant Conditioning:

- This method of conditioning was developed by an **American psychologist Skinner**.
- This theory is also known as 'Instrumental conditioning', because the animals use certain operations or actions as instruments to find solution.
- Skinner conducted his famous experiment by placing a hungry rat in a box called after his name 'Skinner box'.
- This box was containing a lever and a food tray in a corner of the box.
- It was so arranged, that the animal was free to move inside the box, but the pressing of the lever would get the animal a pallet of food in the tray as reinforcement.

- Arrangement was also made to record the number of pressings of the lever by a mechanical device. It was found in the beginning that the rat pressed the lever occasionally and used to get food as reinforcement for each pressing.
- Gradually, as the animal learnt the pressing of lever would give some food, it repeated the responses very rapidly. This rapid increase in pressing the lever is the indication of the animal conditioned to get food.
- In day-to-day's life also, much learning takes place in animals as well as in human beings by this method. The reinforcement will be the motivating factor.
- It will make the organism to repeat its action.
- It is on the basis of these experiments, Skinner made his famous statement "***Rewarded behaviour is repeated***".

A **Skinner Box** is a small laboratory box used to study **operant conditioning**, that is, how behavior can be shaped using **rewards and punishments**.

What happens inside the box?

In this picture:

There is a **rat** inside the box.

The rat can press a **lever**.

If it presses the lever, a **food pellet** (reward) comes out of the **pellet dispenser**.

There are **signal lights** and a **speaker** to give cues (like a sound or light before food).

The floor has an **electric grid**, which can give a mild shock (punishment).

How it works (in simple terms)

Rat presses the lever → gets food → more likely to press the lever again

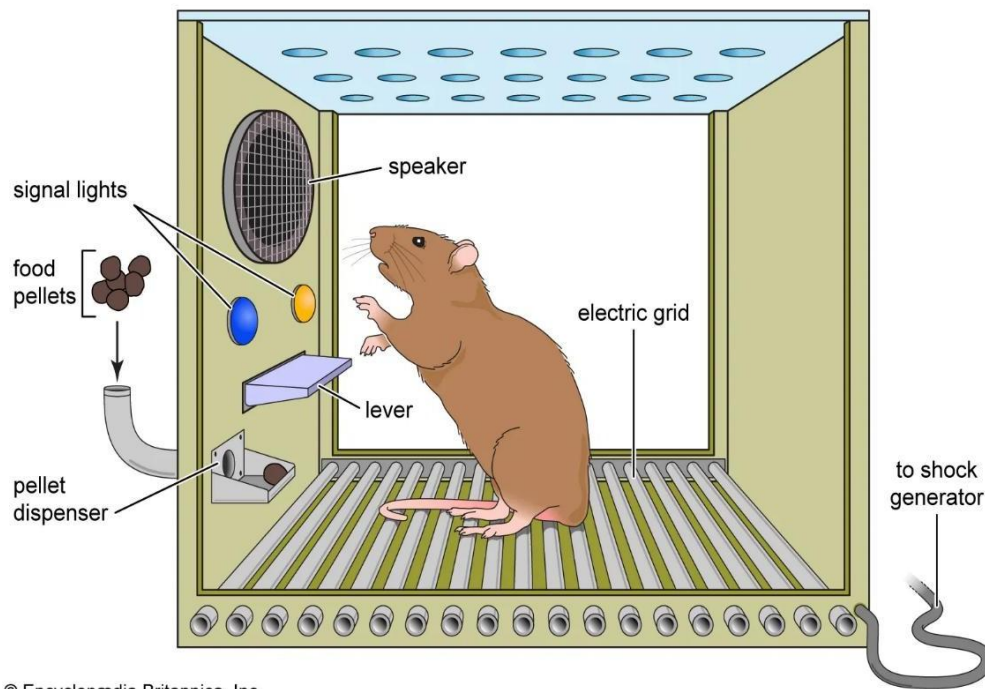
This is positive reinforcement.

If the rat touches something and gets a mild shock → avoids that action in future

This is punishment.

Lights or sounds may signal that food is available, helping the rat learn faster.

Skinner box



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- **Operant conditioning theory-Applicability in marketing**
- Operant conditioning uses rewards or punishments to influence repeat behavior; for example, offering discounts or loyalty rewards to reinforce purchasing. give simple examples for these
- **Example:**
A supermarket offers “**Buy 1 Get 1 Free**” or **loyalty points** every time a customer buys from them. Because customers are **rewarded**, they are more likely to shop there again.
- **In short:**
Good behavior (purchase) → Reward (discount/points) → Repeat purchase

Personality

The term 'personality' is derived from the Latin word 'persona' which means a mask.

According to K. Young, "Personality is a patterned body of habits, traits, attitudes and ideas of an individual, as these are organised externally into roles and statuses, and as they relate internally to motivation, goals, and various aspects of selfhood."

Personality is the set of consistent, inner psychological characteristics that shape an individual's responses to their environment and are influential in consumer behavior.

Its nature includes being unique, consistent yet enduring, and capable of change over time.

Marketers use personality to understand consumer choices, segment markets, and develop brand personalities to appeal to specific consumer groups.

Inner psychological characteristics that determine how a person responds to their environment, including traits, qualities, and attributes that distinguish them from others.

Personality influences what products consumers prefer, how they interact with brands, and their overall purchase decisions.

Marketers study personality to understand consumer decision-making and to create brands with "personalities" that resonate with different consumer segments

NATURE OF PERSONALITY:

1. Psycho-physical system : Personality happens to be such a system which combines two types of qualities-psychological and physical traits.

- Psychological traits include character, temperament, intelligence, etc.
 - On the other hand, the physical qualities are characterized by complexion, weight, health, etc.
- Personality is neither completely psychological, nor physical, instead it is a mixture of both.

2. Dynamic and not static: Personality is not fixed; it is a dynamic system that can change over time and is in a continuous process of adjustment to the environment.

3. A product of heredity and environment: Personality is shaped by both inherited genetic factors and environmental influences, such as family, education, and social experiences.

4. Consistency : Consistency happens to be the third chief characteristics of personality.

It simply means the consistent behavior of an individual on two different occasions.

For example, if a person possesses the quality of being punctual at home, he would be punctual in the office as well.

5. Influenced by the situation: While stable, personality is also influenced by the context and situation. A specific event or situation can reveal a different aspect of a person's personality that was not previously apparent.

6. Uniqueness: Personality has the quality of being unique. Any two individuals, however similar they may be, cannot have a similar personality.

7. **Self-consciousness:** Self-consciousness means 'knowledge of the self or 'consciousness about the self. When a person becomes conscious about himself, personality gets reflected.

In other words, if a person does not get to know himself, the question of personality is simply irrelevant.

It is common knowledge that a child lacks self-consciousness, so he lacks personality also. As he grows and starts getting to know himself, his personality also starts reflecting itself

8. **Wholeness:** Every individual possesses a variety of psychological and physical traits. All these traits go to form personality.

In other words, every trait or quality forms a part of personality. The sum total of all the qualities alone go to form personality.

Theories of Personality:

1. **Type Theory.**
2. **Trait Theory.**
3. **Social Learning Theory.**
4. **Humanistic Theory.**
5. **Psychoanalytic Theory.**

1. Type theory

Type theory places personalities into clearly identifiable categories. Classification into type is the beginning of most sciences- types of rocks, types of clouds, kinds of plants and so on. In type, theories relationship was sought to be established between features of face or body and personality.

Thus, a short plumb person was said to be sociable, relaxed, and even-tempered; a tall, thin person was characterized as reserved, self-conscious, and fond of isolation, a heavy Set muscular individual was described as noisy, callous, and fond of physical activity.

The second basis to type personalities is psychological factors. One of Freud's pupils, the Swiss psychologist Carl Jung, divided all personalities into introverts and extroverts.

Introverts are described as people who have characteristics such as shyness, social withdrawal, and tendency to talk less. Because of these characteristics, these people appear to be self-centred, unable to adjust easily in social situations.

Extroverts share a tendency to be outgoing, friendly, talkative, and social in nature. They prefer social contacts, generous, supportive, and courageous.

2. Trait theory

Trait theory says that **our personality is made up of certain characteristics (traits) that stay fairly consistent over time.** These traits influence **how we think, feel, and behave** in different situations. Think of traits as the **building blocks** of our personality.

Example: If someone is **naturally friendly**, they will behave politely and warmly in most situations.

There are two ways of assessing personality traits:

The person describes himself by answering questions about his attitudes, feelings, and behaviors.

Someone else evaluates the person's traits either from what he knows about the individual or from direct observation of behavior.

Gordon Allport proposed that personality is made up of **three levels of traits** that differ in importance and influence.

1. Cardinal Traits

- These are **dominant traits** that define a person's entire personality.
- These are traits that dominate an individual's whole life, often to the point that the person becomes known specifically for these traits
- **Example:**
- **Mother Teresa – compassion**
- **Mahatma Gandhi – non-violence**

2. Central Traits

- These traits come next in the hierarchy.
- These are general characteristics found in varying degrees in every person such as loyalty, kindness, agreeableness, friendliness, intelligence, honesty, shyness, anxious etc. are considered as central traits.
- They are the basic building blocks that shape most of our behaviour.

3. Secondary Traits

- These are **less consistent** and shown only in **specific situations**.
- These are the traits that are sometimes related to attitudes or preferences
- Eg: Nervous before exams, angry when hungry etc.,.

• Application in Consumer Behavior

- Consumers are grouped based on traits (e.g., risk-takers, planners, impulsive buyers).
- Trait-based segmentation:
 - **Innovative consumers** like new technology.
 - **Materialistic consumers** prefer premium, branded products.
 - **Impulsive buyers** respond to discounts and flash sales.

3. Social Learning Theory

Through learning one can acquire knowledge, language, attitudes, values, manual skills, fears, personality traits, and self-insight. Therefore, a study of the process of learning throws more light on understanding human's activity.

There are two ways of learning, one is reinforcement that is direct experience, and another is observing others. The social learning theory focuses on behaviour patterns and cognitive activities in relation to the specific conditions that evoke, maintain, or modify them. The emphasis is on what an individual does in a given situation.

Some of the personal variables that determine what an individual will do in a particular situation include the following:

- **Competencies**
 - Intellectual abilities, social skills, and other abilities.
- **Cognitive strategies**
 - Habitual ways of selectively attending to information and organizing it into meaningful units.
- **Outcome expectations**
 - Expectations about the consequences of different behaviours and the meaning of certain stimuli.
- **Subjective value outcome**
 - Even if individuals have similar expectancies, they may choose to behave differently because of differences in the subjective values of the outcomes they expect.
- **Self-regulatory systems and plans**
 - Individual differences in self-imposed goals, rules guiding behaviour, self-imposed rewards for success or punishment for failure, and the ability to plan and execute steps leading to a goal will lead to differences in behavior.

Applications in Consumer Behavior:

- **Observational Learning (Modeling)**
 - Consumers imitate others' buying behavior.
 - Example: If a popular influencer uses a gadget, followers may buy it too.
- **Vicarious Reinforcement**
 - People are motivated to buy products when they see others being rewarded or praised for using them.
 - Example: Celebrity endorsements showing admiration or status for using a luxury brand.
- **Social Proof & Peer Influence**
 - Seeing friends or family use a product encourages adoption.
 - Example: People buying the same smartphone as their peers because it's trending.
- **Advertising with Role Models**

- Marketers use celebrities, social media influencers, or relatable characters to demonstrate product use.
- Example: Fitness brands showing athletes using their products to encourage purchase.
- **In short:** Social Learning Theory shows that **consumer behavior is strongly shaped by observation, imitation, and social influence**, not just personal needs or desires.

4. Psychoanalytic Theory

Sigmund Freud is credited with the psychoanalytic theory. In his 40 years of writing and clinical practice. Freud acknowledged one of the intellectual giants in the history of modern thought, developed the first comprehensive personality theory. It is an extensive body of clinical observations based on his therapeutic experience and self-analysis.

Freud proposed a **three-part personality structure** consisting of the:

1. Id,
2. Ego, and
3. Superego.



Freud suggested that the three structures, i.e. id, ego, and superego can be depicted diagrammatically to show how they are related to the conscious and unconscious.

Freud believed that **our personality and behavior are influenced by unconscious desires, memories, and conflicts**. He divided the mind into three parts:

- **Id** – The “wild child” of your mind. It wants immediate pleasure and avoids pain. It’s all about instincts and desires.

Example: Eating a whole cake just because it looks good.

- **Ego** – The ego is related to reasoning and is the conscious, rational part of the personality; it monitors behaviour in order to satisfy basic desires without suffering negative consequences.
- The “realistic planner.” It balances the id’s desires with reality. It helps you make practical decisions.
Example: Eating a small piece of cake instead of the whole thing because you’re full.
- **Superego** – The “moral guide.” It represents your conscience and societal rules, telling you what’s right and wrong. The superego, or conscience, develops through interactions with others to conform

to the norms of society

Example: Feeling guilty for eating too much cake.

Applications in understanding Consumer buying behavior:

- **Appealing to Id (instincts & desires)**
 - Ads target basic pleasures like **food, comfort, or luxury**.
 - Example: A chocolate ad showing indulgence and instant gratification.
- **Ego (practical decision-making)**
 - Marketing shows products as **solving problems realistically**.
 - Example: An energy-efficient car ad highlighting cost savings and reliability.
- **Superego (morals & social approval)**
 - Ads appeal to **ethics, social status, or guilt-free choices**.
 - Example: Organic or eco-friendly products marketed as “good for the planet.”
- **Symbolism & emotional branding**
 - Products are often **symbolic**, representing desires, status, or identity.
 - Example: Luxury watches symbolizing success and power.
- **Influence of childhood experiences**
 - Some products trigger **nostalgia or comfort**, reminding consumers of childhood pleasures.
 - Example: Retro toys or classic brands like Coca-Cola.
- **In short:** Freud’s theory helps marketers **understand the hidden motivations behind purchases** and create ads that connect with consumers on an emotional and subconscious level.

Self-Concept:

Self-concept is defined as the way in which we think, our preferences, our beliefs, our attitudes, our opinions arranged in a systematic manner and how we should behave and react in various roles of life. Self-concept is a complex subject as we know the understanding of someone’s psychology, traits, abilities sometimes are difficult. Consumers buy and use products and services and patronize retailers whose personalities or images relate in some way or other to their own self-images. Traditionally, individuals are having a single self-image which they normally exhibit. Such types of consumers are interested in those products and services which match or satisfy these single selves. However, as the world became increasingly complex, it has become more appropriate to think of consumers as having multiple selves.

Key Types of Self-Concept:

1. Actual Self:

The **Actual Self** is who you truly are now (strengths, weaknesses, reality). How a person **currently** sees themselves — their real traits, abilities, and behaviours.

Eg: A person who sees themselves as **health conscious** buys sugar-free biscuits and low-calorie drinks.
A consumer who sees themselves as **introverted** prefers online shopping over crowded malls.

2. Ideal Self:

The person you aspire to be, your goals and desired attributes.

Eg: Someone who wants to be **fit and athletic (ideal self)** buys protein shakes, gym wear, fitness trackers, or joins a gym.

A person wanting to be seen as **professional** might buy formal branded clothing.

3. Social Self-Concept:

The image you believe others hold of you, influencing how you present yourself.

Eg: “A consumer buys a trendy smartphone or stylish Outfit **to impress peers**. A student chooses branded footwear because they think friends expect it.

4. Ideal Social Self

How a person **wants others to see them**.

Example:

Someone wants others to see them as **successful**, so they buy a luxury car or premium watch. A person buys eco-friendly products to be seen as **responsible and environmentally conscious**.

5. Extended Self:

The things a person owns or uses that become part of their identity. According to this theory, people view their belongings—whether it’s clothing, gadgets, cars, or even pets—as symbolic representations of who they are. For instance, a person might feel that their luxury car reflects their success, or a designer handbag symbolizes their taste and style

6. Possible Self

Future versions of oneself — who the person **expects, hopes, or fears** they may become.

Example:

A student hoping to become a **manager** buys business books, a laptop bag, and formal clothes. Someone fearing poor health buys preventive healthcare products or supplements.

Components of Self-concept:

To comprehend how self-concept influences consumer behavior, let’s break down its key components:

1. Self-identity: This is the core of self-concept, representing a person’s beliefs about who they are. For example, someone might perceive themselves as adventurous, health-conscious, or environmentally aware.
2. Self-esteem: Self-esteem relates to the individual’s self-worth and confidence. Consumers with high self-esteem might seek luxury products to bolster their self-image, while those with lower self-esteem might prioritize practicality and savings.
3. Social identity: This aspect of self-concept reflects how individuals see themselves in relation to others. It can include factors like family roles, social status, and group memberships. A person’s social identity can influence their brand choices and purchasing behavior.

Psychographics:

Psychographics is the study of psychological characteristics of consumers, such as:

- Personality
- Attitudes
- Interests
- Values
- Motivations
- Opinions

It helps marketers understand why consumers behave the way they do.

Key Idea:

Psychographics goes beyond demographics (age, income, gender) and focuses on the inner characteristics that influence buying behavior.

Example:

A consumer who values fitness and health will buy organic foods, protein shakes, and sportswear.

A person with a risk-taking personality may prefer adventure tourism or sports bikes.

Components of Psychographics (AIO Model)

Psychographic analysis commonly uses the **AIO (Activities, Interests, Opinions)** model.

- **A – Activities**
 - How people spend their time.
 - Example:** A person who enjoys running may buy Nike shoes or smartwatches.
- **I – Interests**
 - What people find appealing or important.
 - Example:** A consumer interested in technology buys new gadgets frequently.
- **O – Opinions**
 - Beliefs and viewpoints about the world.
 - Example:** Someone who believes in sustainability prefers eco-friendly brands.

Uses of Psychographics in Marketing

- Help segment customers more accurately
- Helps design effective advertisements
- Help develop new products that match consumer interests
- Help create strong brand positioning

Lifestyle – Meaning

Lifestyle refers to the **way a person lives**, including their patterns of:

- Activities
- Habits
- Spending behaviour
- Opinions
- Social interactions

Lifestyle reflects **how consumers choose to spend their time and money**, shaping their buying decisions.

Example:

A “busy professional” lifestyle leads consumers to buy ready-to-eat meals, premium coffee, and time-saving gadgets.

Characteristics of Lifestyle

- Influenced by culture, social class, family and personality
- Helps predict buying behaviour
- Dynamic and changes with age, income, and life stage

Lifestyle Segmentation – VALS Framework:

The VALS (Values and Lifestyles) framework classifies consumers based on their motivation, resources, personality, goals, and lifestyle choices.

1. Innovators

Who they are:

- Consumers with **high resources, high income, and high confidence**
- Open to new ideas and technologies
- Seek variety and enjoy unique experiences
- Often leaders, trendsetters, and early adopters

What they buy / Example:

- They buy **premium, high-quality brands** like Apple, Tesla, or luxury fashion.
- They try new gadgets like the latest smartphone or smart home devices **as soon as they launch**.
- Example: A consumer who immediately buys the newest iPhone every year.

2. Achievers

Who they are:

- Successful, career-focused, goal-oriented individuals
- Motivated by **status, recognition, and social approval**
- Prefer stability, organization, and established brands
- They want products that reflect their success.

What they buy / Example:

- They purchase **luxury cars, branded clothing, high-end watches, business laptops**, and premium lifestyle services.
- Example: A working professional buying a **BMW or Rolex** to showcase success.

3. Experiencers

Who they are:

- Young, energetic, impulsive consumers
- Seek fun, excitement, and new experiences
- Spend a lot on entertainment, fashion, social activities
- Motivated by **self-expression** and trends

What they buy / Example:

- Trendy clothes, fast fashion brands, smartphones, music festivals, nightlife products, adventure trips.
- Example: A college student who frequently buys **fast-fashion outfits (H&M, Zara)** and spends on concerts, movies, and cafes.

4. Makers

Who they are:

- Practical, self-sufficient, hardworking individuals
- Prefer **function over style**
- Often value durability, utility, and affordability
- Motivated by **self-expression through hands-on work** (DIY, repairing, building)

What they buy / Example:

- Buy practical items such as **tools, utility vehicles, sturdy shoes, no-frill home appliances**.
- Example: A person buying a **pickup truck or durable work boots** because they value usefulness and not luxury.

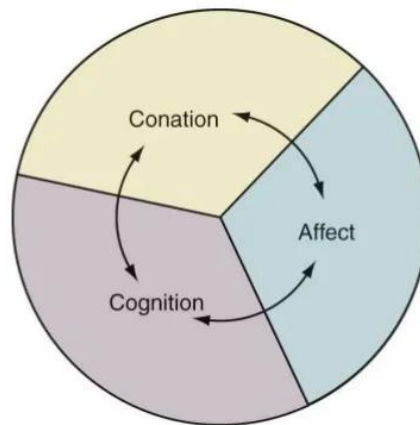
Attitude:

- Meaning: An attitude is a general and lasting positive or negative opinion or feeling about some person, object, or issue. Attitude formation occurs through either direct experience or the persuasion of others or the media. Attitudes are gradually acquired over a period of time. The process of learning attitude starts right from childhood and continues throughout the life of a person. In the beginning the family members may have a greater impact on the attitude of a child. Attitudes are evaluative statements, either favourable or unfavourable. When a person says he likes or dislikes something or somebody, an attitude is being expressed

Structural model of attitude:

Tricomponent Attitude Model

According to the tricomponent attitude model, attitude consists of three major components, viz., a **cognitive component**, an **affective component**, and a **conative component**.



- **1. Cognitive Component (Thinking Component)**

The cognitive component consists of a person's cognitions, i.e., knowledge and perceptions (about an object). This knowledge and resulting perceptions commonly take the form of beliefs, images, and long-term memories. This refers to the **beliefs, knowledge, and perceptions** a consumer has about a product or brand. What the consumer *thinks* about the product. Based on information, experience or marketing communication.

Example: A consumer believes that **Apple iPhones are high quality and secure**. These beliefs form the cognitive part of their attitude.

- **2. Affective Component (Feeling Component)**

The affective component of an attitude comprises of the consumers emotions or feelings (toward an object). This refers to the **emotions or feelings** a consumer has toward a brand or product. How the consumer *feels* about the product (liking/disliking). Feeling-based brand preferences. Consumers often base their buying decisions on **how a product makes them feel**. The product that creates the **strongest positive emotion** is usually preferred. If a product matches or supports a consumer's **self-image** (how they see themselves), it creates a **stronger positive feeling**. If it goes **against their self-image**, it creates a negative feeling.

Example (Job Candidate Case): When choosing among job candidates, a person with a Feeling Cognitive Style will select based on emotions.

The candidate who creates the most positive emotional response will be ranked highest.

Their feelings may come from: associations (e.g., confidence, politeness), or direct interaction (how the candidate made them feel). And again, if the candidate supports the decision maker's self-image, the emotional response is even stronger.

3. The conative component:

The conative component is concerned with the likelihood or tendency of certain behavior with regard to the attitude object. It would also mean the predisposition or tendency to act in a certain manner toward an object. This reflects the **consumer's intention to act**, such as purchasing or recommending a brand.

What the consumer *intends to do*.

- Represents the likelihood of buying.

Examples: "I **intend to buy** a Honda Activa next month."

"I will **not buy** this brand again."

"I will **recommend** this restaurant to my friends."

Summarizing this Model:

- A consumer's attitude toward a product develops through:
- **Beliefs (Cognitive)** →
- **Feelings (Affective)** →
- **Purchase Intentions (Behavioral)**

Attitude formation & Change:

Attitude formation refers to the process by which individuals develop opinions, feelings, and predispositions toward people, objects, or situations. It is influenced by experiences, social interactions, education, culture, and the media. Attitudes are shaped through direct experiences, such as personal encounters, or indirect experiences, like learning from others. Socialization during childhood, peer influence, and exposure to various perspectives also contribute to attitude formation. Over time, these attitudes become ingrained and guide behavior, decision-making, and how individuals perceive and respond to their environment.

Attitude formation:

Attitudes are learned, not inherited. Consumers form attitudes through various sources:

(1) Learning: Based on direct experience, reinforcement, and conditioning.

Example: If a shampoo gives good results, the consumer forms a positive attitude.

(2) Personal Experience. Actual usage shapes strong attitudes.

Example: Trying a new mobile phone and liking its features.

(3) Social Interaction

Attitudes develop by interacting with family, friends, peers.

Example: Students preferring a fashion brand because their friends like it.

(4) Group Influence & Reference Groups

Influence from aspirational groups, celebrities, influencers.

Example: Youth adopting sports shoes endorsed by Virat Kohli.

(5) Marketing Communications

Advertisements, celebrity endorsements, packaging, sales promotions influence attitude.

Example: A “clinically tested” claim builds a positive attitude.

(6) Cultural Factors

Values, traditions, norms shape attitudes.

Example: Preference for gold jewellery in Indian culture.

(7) Personality & Self-Concept

Attitudes align with how consumers see themselves.

Example: Eco-conscious consumers develop positive attitudes toward electric vehicles.

Three levels of Attitude Change:

1. Compliance

Compliance means a person changes their behavior just to gain rewards or avoid punishment, not because their beliefs actually changed. The person knows they are being influenced and may not agree internally. It happens due to social pressure.

Example (Asch Experiment – Simple Explanation)

Solomon Asch conducted an experiment where a group gave wrong answers on purpose. One real participant, seeing everyone give the same wrong answer, also agreed with them to fit in, even though he knew it was wrong. About 75% of people followed the group at least once. It shows that people comply to look correct or avoid standing out. Consumers change their behavior temporarily because of external pressure, rewards, discounts, or social expectations — not because they truly believe in the product.

Example:

A customer buys a particular brand of detergent because the store is offering a “Buy 1 Get 1 Free” offer. The consumer’s belief about the product has not changed. The behavior (purchase) happens only due to the reward (free product).

2. Identification

Identification happens when a person changes their attitude **to be like someone they admire or respect**. The change occurs **because of the relationship or admiration**, not because the person deeply agrees with the attitude itself.

Example

- A teenager supports a particular fashion brand because a favorite celebrity wears it.
- A child adopts their parents’ beliefs because they identify with them, the change happens due to admiration.
- If the celebrity switches brands, the consumer may also switch. The change is not due to the product’s attributes but the relationship or admiration.

3. Internalization

Internalization is the **deepest** and **most permanent** attitude change. The person accepts the attitude because it matches their **values, morals, or belief system**. The new attitude becomes part of their personality and is long-lasting.

Example

- A person becomes loyal to eco-friendly products because they strongly believe in environmental protection. The attitude stays because it aligns with their values. The consumer will continue buying even without discounts or advertisements. This is the strongest form of attitude change.

MOTIVATION:

- Motivation refers to the **internal driving force** that stimulates, directs, and sustains human behaviour to satisfy needs or achieve goals. In simple terms, **motivation explains why people act in a particular way**. It begins with a **felt need**. This need creates a **tension**.
- The tension pushes the individual to take **action** to reduce or satisfy the need.

Example (Consumer Behaviour):

A student feels hungry → experiences tension → buys snacks to satisfy the hunger.

Meaning of Needs / Motives

In consumer behavior, **needs or motives are the driving forces** that activate and direct consumer actions. A need creates **tension**, and the motive drives the consumer to reduce that tension by purchasing a suitable product.

Types of Consumer Needs

1. **Biogenic (Physiological) needs** – hunger, thirst, shelter
Example: Hungry → motivated to buy food.
2. **Psychogenic (Psychological) needs** – status, recognition, self-esteem
Example: Desire for prestige → motivated to buy branded clothes.
3. **Social needs** – belongingness, friendship
Example: Need to fit in → buys trendy items like sneakers or smartphones.
4. **Functional needs** – safety, convenience
Example: Need for safety → buys a car with airbags.

Goals:

Goals are the desired end-states that individuals want to achieve. They represent what a consumer wants to attain to satisfy a need or motive.

Needs → create tension → consumer sets a goal → engages in behavior to reach that goal.

Goals act as driving forces behind consumer choices.

Example:

Functional Goal: A consumer wants to reduce travel time → purchases a two-wheeler.

Health Goal: A working adult wants to stay fit and reduce weight → joins a gym and buys high-protein snacks.

Characteristics of Goals

1. Goals are dynamic: They keep changing with time, situation, age, income, and social status.

Example: A student's goal of buying a budget phone may later change to buying a premium smartphone after getting a job.

2. Goals can be multiple: A consumer may have more than one goal at a time. Example: A person may want to save money, stay healthy, and look stylish at once.
3. Goals can conflict: One goal may interfere with another. Example: Wanting to enjoy fast food (pleasure goal) but also wanting to stay fit (health goal).
4. Goals are influenced by culture, values, personality, and past experience.
Example: A person who values simplicity (personality) may prefer minimalistic products.
5. Goals vary in intensity: Some goals are strong (urgent needs), some are weak.
Example: Hunger creates an urgent goal to eat, while buying a new laptop can be delayed.

Selection of Goals:

Goal selection refers to **how consumers choose one goal among several alternatives** to satisfy their need. When a need arises, consumers may have multiple possible goals. They select one based on personal and situational factors.

Factors Influencing Goal Selection:

- 1. Personal Experiences:** Past success/failure influences future goal choice.

Example: If a person has stomach issues after eating street food, next time they choose a healthier restaurant.

- 2. Physical and Cultural Norms:** Consumers select goals that are acceptable in their society or culture.

Example: In many cultures, wearing gold jewelry is valued → goal of buying gold for status.

- 3. Accessibility of the Goal:** Goals that are easier to achieve are chosen more often.

Example: A consumer may want to buy an iPhone 16, but if it is too costly, they choose a Samsung mid-range model.

- 4. Perceived Risk:** Consumers choose the goal with the lowest risk (financial, social, psychological).

Example: Choosing a well-known brand like Colgate to reduce the risk of poor oral hygiene.

- 5. Personal Values & Beliefs:** Goals must align with internal values.

Example: An eco-conscious customer chooses reusable bottles instead of plastic ones.

- 6. Availability of Resources:** Income, time, and efforts influence goal selection.

Example: A student may want a luxury laptop, but due to limited income, chooses a budget model.

7. Social Influences: Family, peers, reference groups affect goal priorities.

Example: A friend circle that values fitness pushes a consumer to buy gym memberships.

8. Marketer Influence: Advertisements create new goals or shift consumer preferences.

Example: Perfume ads create goals related to attractiveness and confidence.

Dynamic Nature of Motivation:

Motivation is not static. It keeps changing continuously as a consumer's needs, goals, situations, and environmental change. Because of this dynamic nature, consumers' buying behavior also keeps evolving.

Why Motivation is Dynamic?

Motivation is dynamic because:

- Needs arise again and again.
- Old goals are achieved; new goals appear.
- Life circumstances, income, and preferences change.
- Market offerings and social trends influence new desires.

1. Needs Keep Changing

Consumers' needs are not permanent. As soon as one need is satisfied, a new need emerges.

Example: Once a consumer buys a basic smartphone (need satisfied), they may later feel the need for a camera phone or a high-speed 5G phone.

2. Goals Keep Shifting

When a goal is achieved or becomes difficult to attain, consumers develop new goals.

Example:

A consumer may first aim for an economy car → later upgrade goal to a premium SUV.

3. Motivation Strength Varies

The intensity of motivation changes depending on urgency and importance.

Example:

Hunger creates strong motivation immediately, but the desire for a vacation is a weaker, long-term motivation.

4. Motivation Changes with Life Stage

Age, family responsibilities, and career stage influence what motivates a person.

Example:

Young adults → motivated by fashion, gadgets
Middle-aged adults → motivated by savings, children's education
Older adults → motivated by health and security

5. Environmental & Social Influences

Social trends, peer pressure, culture, and marketing communication constantly reshape consumer motives.

Example:

Popularity of fitness culture motivates consumers to buy smartwatches and join gyms.

6. Success and Failure Affect Motivation

If consumers successfully achieve a goal, they set higher goals. Failure may shift them to easier goals.

Example:

Failing to buy a luxury car may shift the goal to buying a mid-range sedan.

Theories of Motivation:

Maslow's Hierarchy of Needs Theory

Abraham Maslow is well renowned for proposing the Hierarchy of Needs Theory in 1943. This theory is a classical depiction of human motivation. This theory is based on the assumption that there is a hierarchy of five needs within each individual. The urgency of these needs varies. These five needs are as follows-



- **Physiological needs-** These are the basic needs of air, water, food, clothing and shelter. In other words, physiological needs are the needs for basic amenities of life.
- **Safety needs-** Safety needs include physical, environmental and emotional safety and protection.
- For instance- Job security, financial security, protection from animals, family security, health security, etc.
- **Social needs-** Social needs include the need for love, affection, care, belongingness, and friendship.
- **Esteem needs-** Esteem needs are of two types: internal esteem needs (self- respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, power, status, attention and admiration).
- **Self-actualization need-** This include the urge to become what you are capable of becoming / what you have the potential to become. It includes the need for growth and self-contentment.
- It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. T
- The self- actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up to continue growing.

Applications in understanding Consumer behaviour:

1. Physiological Needs (Basic Survival Needs)

Includes: Food, water, clothing, shelter

Consumer Behaviour Insight:

Consumers first spend on essential goods required for survival.

Examples:

- Food products (Amul milk, Maggi noodles)
- Clothing basics (Reliance Trends essentials)
- Affordable housing, drinking water

Marketing Implication:

Emphasis on **availability, affordability, quantity, and utility.**

2. Safety Needs (Security and Protection)

Includes: Physical safety, financial security, health, job security

Consumer Behaviour Insight:

Once basic needs are met, consumers look for products that provide **security and stability.**

Examples:

- Insurance (LIC, HDFC Life)

- Banking & savings (SBI, FD schemes)
- Health care products (Apollo Hospitals)
- Home security systems

Marketing Implication:

Highlight **trust, reliability, guarantees, warranties, and risk reduction.**

4. Social Needs (Belongingness and Love):

Includes: Friendship, family, social interaction, acceptance

Consumer Behaviour Insight:

Consumers buy products that help them connect with others or feel accepted.

Examples:

- Social media platforms (Instagram, WhatsApp)
- Smartphones (Samsung, Apple)
- Restaurants, cafés (CCD)
- Fashion brands worn for social approval

Marketing Implication:

Focus on relationships, group identity, social bonding, and community.

5. Esteem Needs (Status and Recognition)

Includes: Self-respect, confidence, status, prestige

Consumer Behaviour Insight:

Consumers seek products that **enhance their image and social status.**

Examples:

- Premium cars (BMW, Audi)
- Luxury watches and brands (Titan Edge, Rolex)
- Branded apparel (Louis Philippe, Van Heusen)

Marketing Implication:

Stress **exclusivity, achievement, success, and recognition.**

5. Self-Actualization Needs (Personal Growth)

Includes: Self-fulfillment, creativity, personal development

Consumer Behaviour Insight:

Consumers buy products that help them **realize their full potential**.

Examples:

- Higher education & professional courses
- Travel experiences
- Fitness & wellness programs (cult.fit)
- Creative tools, hobbies

Marketing Implication:

Appeal to **personal growth, purpose, innovation, and self-expression**.

Herzberg's Two Factor Theory(1959)

Motivation at work is influenced by two types of factors: Hygiene Factors and Motivational Factors.

According to Herzberg, the opposite of —Satisfaction is —No satisfaction and the opposite of —Dissatisfaction is —No Dissatisfaction.

- Herzberg classified these job factors into two categories

1. Hygiene Factors (Prevent dissatisfaction)

Definition: Extrinsic factors related to the job environment; do not motivate long-term but prevent dissatisfaction if present. Also called: Dissatisfiers or Maintenance Factors

Examples:

- Pay/Salary: Fair, competitive, and adequate.
- Company Policies: Clear, fair, flexible rules (working hours, dress code, breaks, vacations).
- Fringe Benefits: Health care, family benefits, employee support programs.
- Physical Working Conditions: Safe, clean, well-equipped workplace.
- Status: Respectable standing in the organization.
- Interpersonal Relations: Good relations with peers, superiors, subordinates; no conflicts.
- Job Security: Assurance of continued employment.

2. Motivational Factors (Increase satisfaction)

Definition: Intrinsic factors related to the job itself; **lead to higher motivation and satisfaction. Also called:** Satisfiers

Examples:

- **Recognition:** Praise and acknowledgment for accomplishments.
- **Achievement:** Sense of success in completing meaningful work.
- **Growth & Promotion:** Opportunities for career advancement.
- **Responsibility:** Ownership of work and accountability.
- **Meaningfulness of Work:** Work that is interesting, challenging, and rewarding.

Summary of this theory:

- Hygiene factors **prevent dissatisfaction**, but do **not motivate**.
- Motivational factors **increase satisfaction** and drive performance.

Application of Herzberg's Theory in Consumer Behavior

1. Hygiene Factors (Prevent dissatisfaction)

These are **basic expectations** of consumers. If missing, they lead to dissatisfaction, but their presence alone doesn't create strong loyalty.

Examples:

- **Product quality and safety:** A food product must be safe and meet standard quality. Poor quality → dissatisfaction.
- **Pricing:** Fair and competitive pricing prevents complaints.
- **Customer service:** Staff behavior, waiting time, and return policies prevent negative experiences.
- **Brand reputation/trust:** Consumers expect reliability and authenticity.

Consumer insight: Meeting hygiene factors avoids complaints, negative reviews, or switching to competitors, but doesn't excite the consumer.

2 Motivational Factors (Increase satisfaction): These are **value-added features** that delight consumers and encourage brand loyalty.

Examples:

- **Unique product features:** Innovative designs or functionalities make consumers feel rewarded.
- **Personalization:** Customization of products/services creates a sense of achievement or recognition.
- **Exclusive offers or loyalty programs:** Rewards and recognition increase satisfaction.
- **Emotional connection:** Marketing messages that align with consumer aspirations or values.

Consumer insight: Motivational factors create **positive experiences**, leading to repeat purchases, brand preference, and word-of-mouth promotion.
