

BUSML 4201 Class Notes

Chapter 1

- Introduction
 - The study of consumer behavior has developed within the scientific discipline of marketing
 - Marketing deals with the human exchange behavior where one person sells/trades something
 - Consumer behavior... “The activities involved in purchasing and using goods and services”
 - Three different types of activities identified
 - Physical
 - Verbal
 - Mental (psychological)
 - So...consumer behavior is like applied social psychology
 - Marketing involved the exchange of value between two parties
 - Give and take
- Why Study Consumer Behavior
 - Important for marketing to have an understanding of what makes consumers decide to buy certain products
 - Should help us provide services more efficiently
 - Better manage commercial transactions and personal transactions
- Types of Behavior
 - Overt behavior
 - The actual physical behavior that people display
 - Facial expressions, gestures, habits, skills, posture, etc.
 - Requires some amount of energy...so there must be some perceived reason (motivation) to engage in behavior
 - Motivation=(expected benefits-expected costs)
 - Verbal Behavior
 - All word oriented communications
 - Voice inflections, vocabulary, word choice, syntax, etc.
 - Distinction between verbal and overt behavior is important
 - Difference between what people say and what people actually do is important
 - Actual correlation is quite low ($r= 0.3$)
 - Cognitive Behavior
 - “How people think”
 - Only by knowing WHY people act as they do, can we predict how they will act next
 - Cannot directly observe how person thinks/feels
 - Closest approximation is to ask
- Models of Behavior
 - Models are used to simplify a complex process/idea

- o Earliest models of human behavior...greatly influenced by myths, superstitions, and rituals
 - Spirits, gods and evil forces
 - Ex.) Athena, Aphrodite, and Apollo
 - Showed that human behavior was directed (in some way) by organized forces
 - But low predictive ability
- o Next kind of models were based on philosophy
 - Socrates, Aristotle, Plato
 - Rules based on sacrifice for the group benefit
 - Ten Commandments
 - Limited scope
- The Scientific Method
 - o Best to have a point of view that is completely objective
 - Observer would need to have no vested interest in the results of the observed behavior
 - BUT most people pay attention to behaviors that relate to their lives
 - So, we made the scientific method to help eliminate this bias
 - o A similar test should obtain similar results
 - o Five steps
 - Examine existing knowledge
 - Develop a testable hypothesis
 - Collect objective observations
 - Analyze data
 - Draw conclusions and report findings
- Consumer Constituencies
 - o Professional Consumer Constituencies
 - Customers at work
 - o External Consumer Constituencies
 - End-users
 - People who use/consumer the product/service
 - Retailers
 - Stores or vendors who sell the service/product
 - Wholesalers
 - Companies that sell the product/service to the retailers
 - Advertising Agencies
 - Company that creates ads for end users
 - Government Agencies
 - Organizations that regulate or control important aspects of the marketing of the product/service
 - Media
 - TV, radio, newspapers, websites, etc.
 - o Internal Consumer Constituencies

- People who work in the same company as you and “consumer” your physical and verbal behaviors
 - Supervisors
 - Peers
 - Subordinates
 - Staff
- Personal Consumer Constituencies
 - People who consume your physical and verbal behavior outside of the workplace; family and friends
 - Important to your self concept
- Key Account
 - Any consumer constituency that determines a significant amount of the rewards or punishments you receive
 - In professional...supervisor
 - End users that buy a lot of a product/service
 - Parents, siblings, spouse

Chapter 2

- Forces that influence human behavior are Internal factors and External factors
 - Internal: feelings, instincts, memories and intentions
 - External: physical surroundings, other people, and scarce resources
- The Environment
 - Sub-Environments
 - Physical environment...geography, climate, and scarce resources
 - Economic environment...specialization of labor, productivity, income distribution, consumption
 - Social environment...social structure, social dynamics, social rules, social influence
 - Family environment...behaviors in your family of origin
- Requirements for Survival
 - Nourishment
 - Must replenish the energy supply to survive
 - Plans to find, subdue and digest protein
 - Protection
 - When a threat to survival is encountered, can do one of three things...
 - Do nothing
 - Withdraw
 - Counterattack
 - Considered the last resort action
 - Reproduction