



# Lecture 1: Introduction to consumer behaviour and marketing strategy

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## Learning Outcomes

- Review the basic concepts of marketing
- Understand the concept of consumer behavior and situational influences which may impact each stage of the decision making process for the consumer;
- Understand the internal influences on consumer decision making;
- Understand the external influences on consumer behavior including family, household, social class and culture;
- Understand the importance and application of consumer behavior to marketing strategy.

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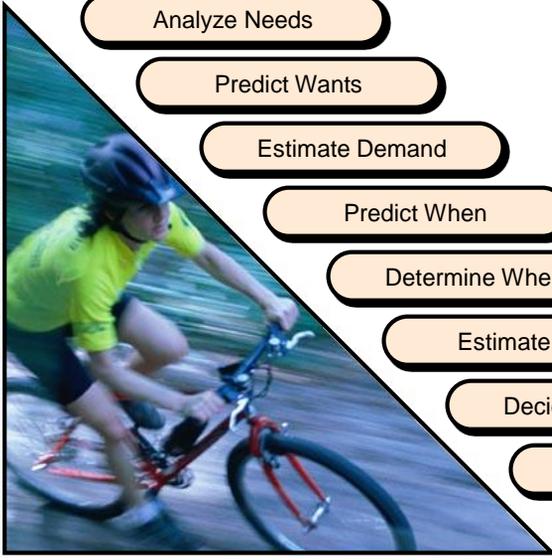
# BASIC MARKETING CONCEPTS IN CB

- **What is the marketing?**
  - Marketing is a **process** by which companies create **value for customers** and build **strong customer relationships** to capture **value from customers in return**

# BASIC MARKETING CONCEPTS IN CB



More than Selling and Advertising

Analyze Needs

Predict Wants

Estimate Demand

Predict When

Determine Where

Estimate Price

Decide Promotion

Estimate Competition

Provide Service

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## BASIC MARKETING CONCEPTS IN CB

- What is the marketing process?



Create value **for customers** and build customer relationships

Capture value **from customers** in return

Understand the marketplace and customer needs and wants

Design a customer-driven marketing strategy

Construct an integrated marketing program that delivers superior value

Build profitable relationships and create customer delight

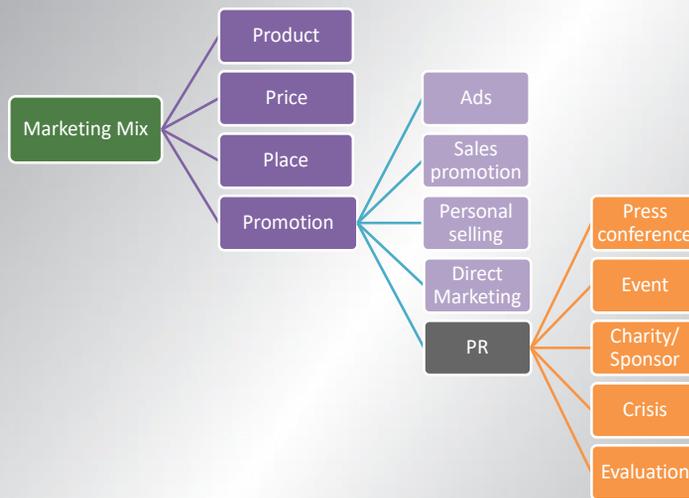
Capture value from customers to create profits and customer equity

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# BASIC MARKETING CONCEPTS IN CB

- What is the marketing process?
  - R --> STP Strategy --> Marketing mix Tactics --> I --> C

# BASIC MARKETING CONCEPTS IN CB



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## BASIC MARKETING CONCEPTS IN CB

Maslow's Hierarchy

- **Need:** describes basic human requirement

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## BASIC MARKETING CONCEPTS IN CB

- **Needs**
  - States of deprivation
  - Physical—food, clothing, warmth, safety
  - Social—belonging and affection
  - Individual—knowledge and self-expression
- **Wants**
  - Form that needs take as they are shaped by culture and individual personality
- **Demands**
  - Wants backed by buying power

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## BASIC MARKETING CONCEPTS IN CB

- **Products:** Anything that can be offered to someone to satisfy a need or want.
  - Tangible and intangible products
- **Value:** The consumer's assessments of the product's overall capacity to satisfy their needs.
  - Benefits/costs



## BASIC MARKETING CONCEPTS IN CB

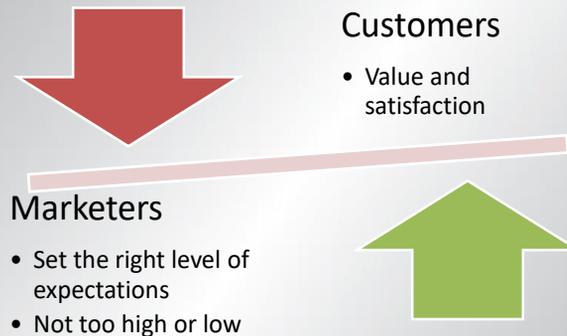
- **Customer expectations:** are based on past buying experiences, the opinions of friends, supplier information and promises.
  - Highly satisfied customer make repeat purchases, less price sensitive, remain customers longer, and talk favorably to others about the company and its products (positive WOM).
- **Customer # Consumer**

## BASIC MARKETING CONCEPTS IN CB

- **Satisfaction:** The extent to which a product's perceived performance matches a buyer's expectations.
  - If the product's performance falls short of expectation, the buyer is dissatisfied. If performance matches or exceeds expectations, the buyer is satisfied or delighted.

## BASIC MARKETING CONCEPTS IN CB

- Customer Value and Satisfaction
- Expectations



## BASIC MARKETING CONCEPTS IN CB

- Value proposition: Set of benefits or values a company promises to deliver to customers to satisfy their needs



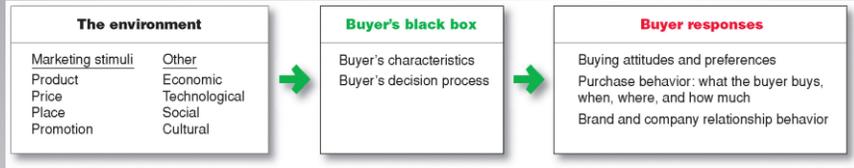
## BASIC CONCEPTS OF CB

**Definition:** Consumer behavior is the actions a person takes in purchasing and using products and services, including the psychological and social processes that come before and after these actions.



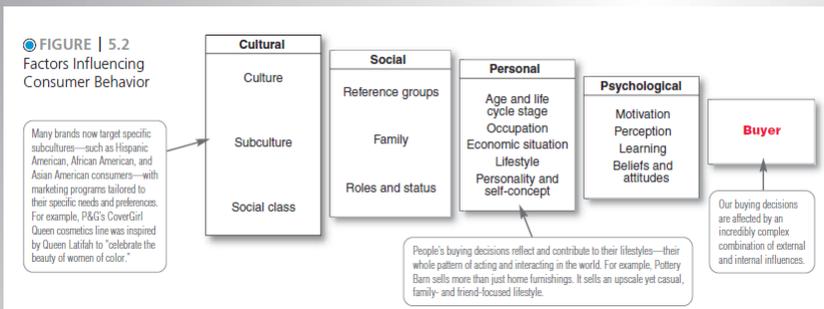
# BASIC CONCEPTS OF CB

## Model of Consumer Behavior



Source: Philip Kotler & Gary Armstrong, 2014

# BASIC CONCEPTS OF CB



Source: Philip Kotler & Gary Armstrong, 2014

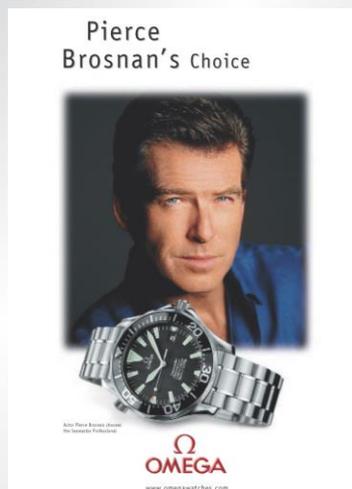
## BASIC CONCEPTS OF CB

**Colgate Ad**  
How can marketers  
change attitudes?



## BASIC CONCEPTS OF CB

**Pierce Brosnan  
for Omega**  
Why use a celebrity  
spokesperson?



## BASIC CONCEPTS OF CB

- Buyer Decision Making Process



Source: Philip Kotler & Gary Armstrong, 2014

## BASIC CONCEPTS OF CB

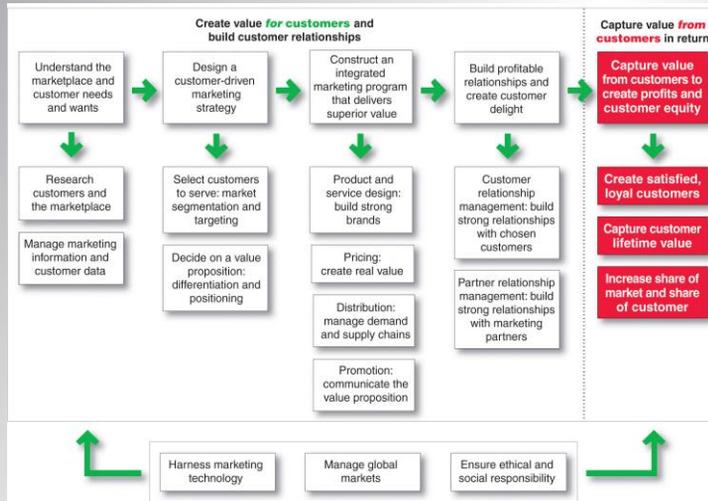
**Adoption process** is the mental process an individual goes through from first learning about an innovation to final regular use.

- Buyer Decision Process for New Products:





# CB IN MARKETING PROCESS



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# THANK YOU

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