



Lecture 1: Introduction to consumer behaviour and marketing strategy

DINH Tien Minh, Ph.D

17 Phạm Ngọc Thạch Str., District 3, HCMC **Tel** [84.8] 6272 6961 **Email** info@isb.edu.vn **Website** www.isb.edu.vn



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**

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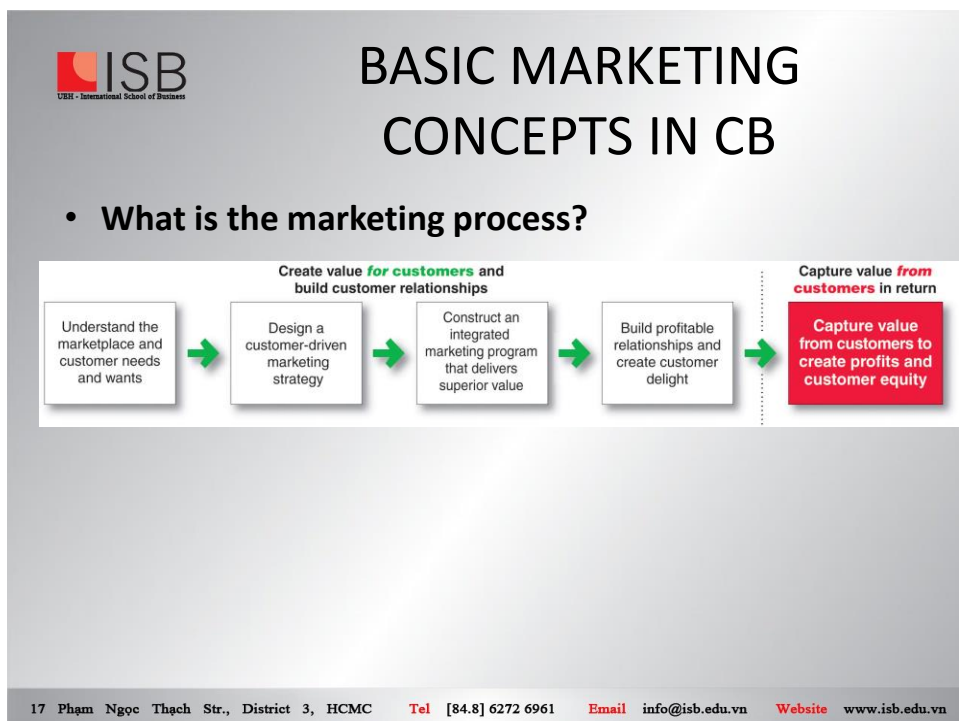
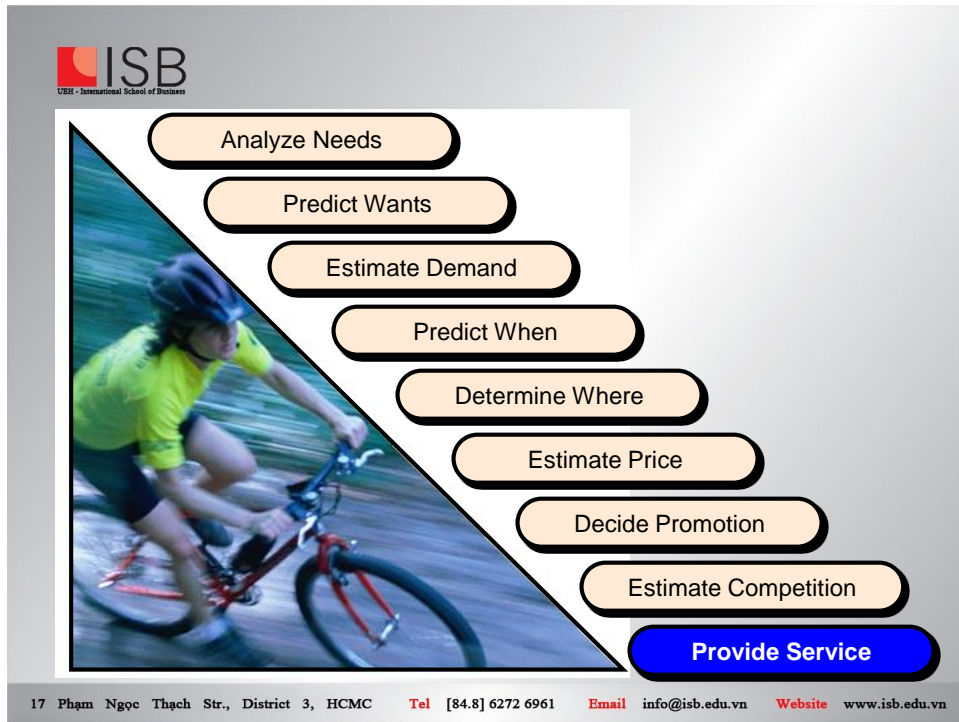


BASIC MARKETING CONCEPTS IN CB



More than Selling and Advertising

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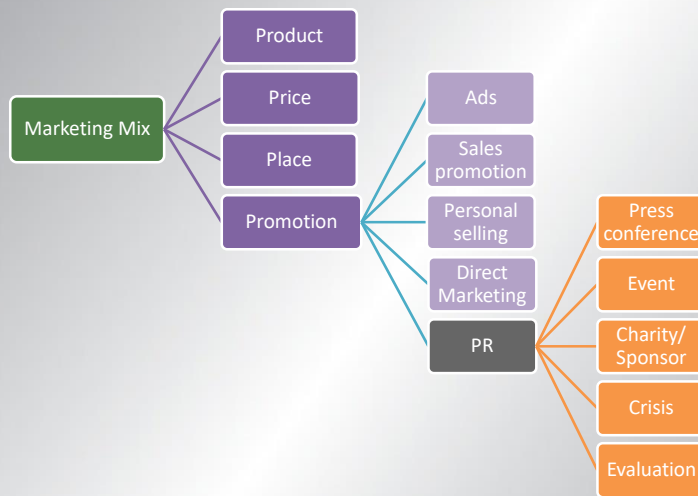
BASIC MARKETING CONCEPTS IN CB

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

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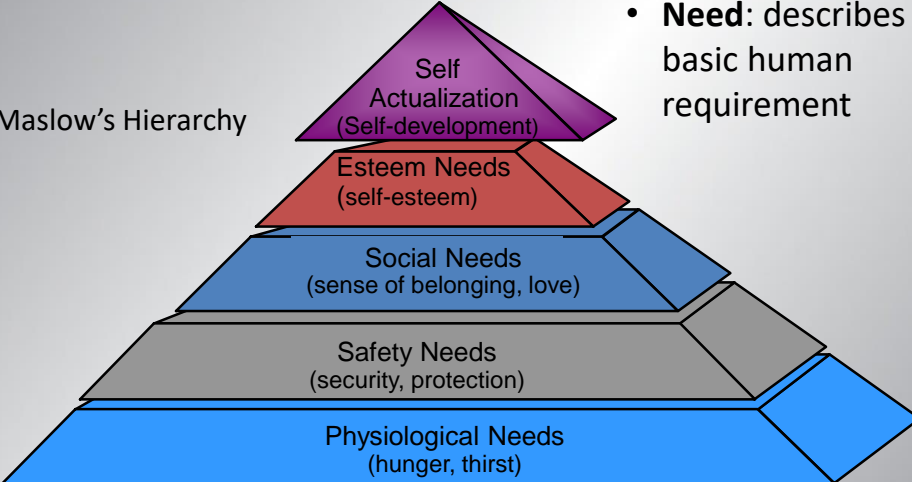


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BASIC MARKETING CONCEPTS IN CB

Maslow's Hierarchy



The diagram shows a five-level pyramid representing Maslow's Hierarchy of Needs. From top to bottom, the levels are: Self Actualization (Self-development) in purple, Esteem Needs (self-esteem) in red, Social Needs (sense of belonging, love) in blue, Safety Needs (security, protection) in grey, and Physiological Needs (hunger, thirst) in light blue.

- **Need:** describes basic human requirement

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Needs	<ul style="list-style-type: none"> • States of deprivation • Physical—food, clothing, warmth, safety • Social—belonging and affection • Individual—knowledge and self-expression
Wants	<ul style="list-style-type: none"> • Form that needs take as they are shaped by culture and individual personality
Demands	<ul style="list-style-type: none"> • 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

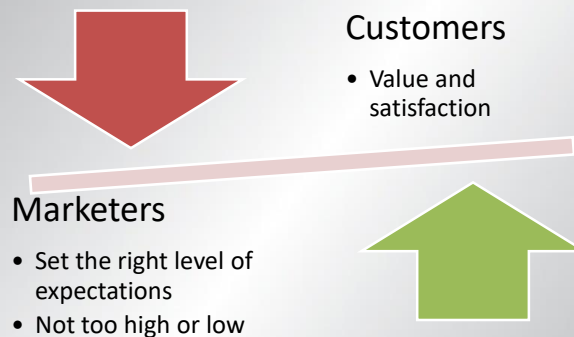
- **Satisfaction:** The extent to which a product's perceived performance matches a buyer's expectations.
 - If the product's performance falls short of expectation, the buyer is dissatisfied. If performance matches or exceeds expectations, the buyer is satisfied or delighted.

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BASIC MARKETING CONCEPTS IN CB

- Customer Value and Satisfaction
- Expectations



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



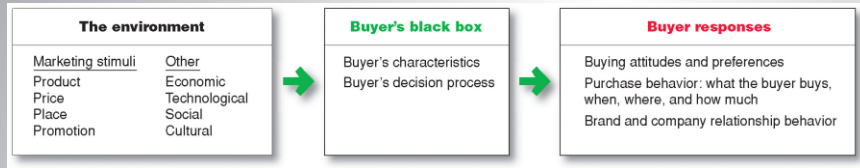
BASIC CONCEPTS OF CB

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

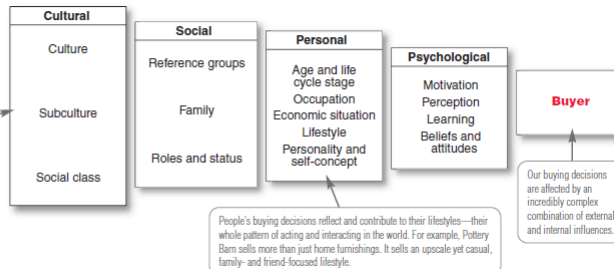


Source: Philip Kotler & Gary Armstrong, 2014

BASIC CONCEPTS OF CB

FIGURE | 5.2
Factors Influencing
Consumer Behavior

Many brands now target specific subcultures—such as Hispanic American, African American, and Asian American consumers—with marketing programs tailored to their specific needs and preferences. For example, P&G's CoverGirl® Queen cosmetics line was inspired by Queen Latifah to “celebrate the beauty of women of color.”



Source: Philip Kotler & Gary Armstrong, 2014

BASIC CONCEPTS OF CB

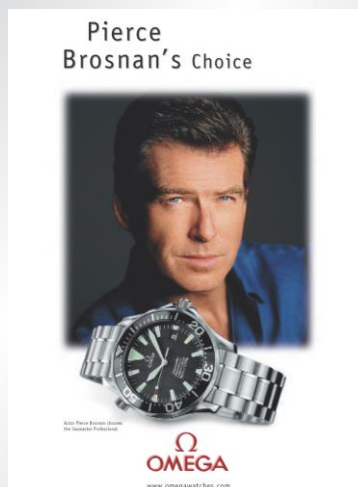
Colgate Ad

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

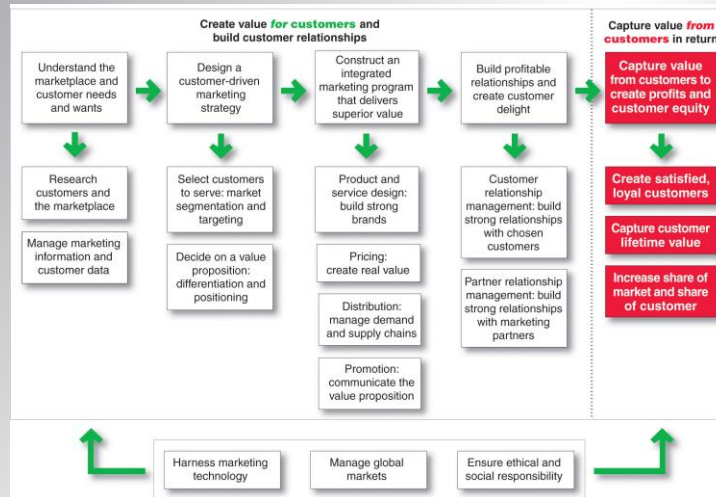
BASIC CONCEPTS OF CB

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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