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BBA	SEMESTER III	UNIVERSITY OF KERALA	COURSE CODE: UK3DSEMGT204

CONSUMER BEHAVIOUR

EXAM REVISION NOTES

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MODULE I

FOUNDATIONS OF CONSUMER BEHAVIOUR AND LIFESTYLE MARKETING

Nature and Interdisciplinary Scope of Consumer Behaviour: Consumer behaviour investigates the systematic cognitive, emotional, and social processes individuals, groups, and organizations engage in when searching for, selecting, purchasing, using, evaluating, and disposing of goods, services, and ideas to satisfy unmet needs. Consumer behaviour draws foundational paradigms from psychology (individual perception, cognition, motivation, learning), sociology (family dynamics, social class stratification, group norms), social psychology (interpersonal influence, persuasive word-of-mouth), cultural anthropology (macro-cultural values, rituals, ethnic symbolism), and behavioral economics (choice heuristics, bounded rationality, utility maximization).

Customer versus Consumer Conceptual Distinction: Customer: The commercial entity or transacting agent who physically negotiates terms, executes payment, and acquires the product from a vendor or retail distributor. **Consumer:** The individual or household unit that ultimately consumes, uses, or derives functional or emotional utility from the purchased product. Marketing strategies must calibrate retail merchandising and price promotions to attract the buying customer while engineering product safety and functional efficacy to satisfy the end consumer.

Classical Prescriptive Consumer Decision Models: Economic Model (Alfred Marshall): Assumes the consumer is a strictly rational economic agent ("Homo Economicus") seeking to maximize total utility under fixed budget constraints and complete market information. **Learning Model (Pavlov & Skinner):** Views buying as learned behavioral responses conditioned by external commercial stimuli, repetitive cues, drives, and tangible post-purchase reinforcements. **Psychoanalytic Model (Sigmund Freud):** Asserts consumer choices are driven by unconscious, repressed biological instincts and conflicts between the Id (hedonistic pleasure), Ego (rational mediator), and Superego (internalized moral conscience). **Sociological Model (Thorstein Veblen):** Emphasizes that individual consumption is conditioned by social institutions, reference groups, status striving, and conspicuous display to signal wealth.

Comprehensive Descriptive Models of Buyer Behaviour: Howard-Sheth Model (1969): Distinguishes between Extensive Problem Solving (EPS), Limited Problem Solving (LPS), and Routinized Response Behaviour (RRB) across four component blocks: Stimulus Inputs (Significative, Symbolic, Social), Perceptual Constructs (Information Search, Perceptual Bias), Learning Constructs (Motives, Evaluative Criteria, Brand Comprehension, Confidence), and Exogenous Variables. **Nicosia Model (1966):** Focuses on the dynamic, circular communication loop between firm and consumer across four sequential fields: Field 1 (Firm message to consumer attributes), Field 2 (Search and evaluation), Field 3 (Act of purchase), and Field 4 (Feedback loop influencing future exposure and sales). **Engel-Kollat-Blackwell (EKB/EBM) Model:** Outlines five sequential problem-solving stages: Problem Recognition, Information Search, Alternative Evaluation, Purchase Execution, and Post-Purchase Outcomes, mediated through internal memory stores and environmental filters.

Lifestyle Marketing, Psychographics, and the VALS Framework: Psychographics versus Demographics: While demographics classify populations by objective socioeconomic statistics (age, sex, income), psychographics measures subjective psychological dimensions (values, attitudes, emotional aspirations, lifestyles). **The AIO Inventory:** Measures consumer lifestyles across Activities (work, hobbies, sports), Interests (family, food, media), and Opinions (social issues, business ethics, future trends). **VALS Segmentation Framework (SRI International):** Segments adult consumers across Primary Motivation (Ideals, Achievement, Self-Expression) and Resources (financial, cognitive, psychological), yielding eight distinct profiles: **Innovators:** High-resource autonomous leaders seeking premium innovation; **Thinkers:** Mature, reflective professionals valuing functionality and durability; **Believers:** Conventional, conservative individuals adhering to domestic traditional brands; **Achievers:** Career-oriented individuals purchasing prestige symbols of success; **Strivers:** Trendy but resource-constrained status seekers emulating wealthy cohorts; **Experiencers:** Energetic, spontaneous youth seeking variety, fashion, and social outings; **Makers:** Practical, self-reliant individuals focused on tangible utility and tools; **Survivors:** Resource-depleted individuals focused primarily on basic survival and price discounts.

Organisational Buying Behaviour and Industrial Buying Situations: Distinct Characteristics of B2B Markets: Derived Demand (demand derived from ultimate consumer end-products), Inelastic Short-Term Demand, Fluctuating Demand (Accelerator Principle), Fewer and Larger Buyers, and Formalized Procurement Procedures. **The Three Buyclasses (Robinson, Faris, Wind): Straight Rebuy:** Routine, recurring reordering of standard supplies from approved vendor lists without specification changes; **Modified Rebuy:** Scenario where purchasing managers re-evaluate prices, delivery schedules, or product specifications, opening doors for competitor bids; **New Task:** Novel, high-stakes procurement of unfamiliar capital assets or enterprise software requiring exhaustive information search and prolonged cross-functional deliberation.

The Buying Centre Concept (Webster and Wind): Informal, cross-functional organizational decision-making unit (DMU) participating in enterprise procurement decisions: **Initiator:** The operational department or engineer who first identifies a production bottleneck or equipment requirement. **Influencer:** Technical specialists and quality engineers who define specifications and establish evaluation criteria. **Gatekeeper:** Administrative personnel and purchasing agents who control the flow of commercial information and vendor access. **Decider:** Senior executive or committee with formal authority to authorize capital expenditure. **Buyer:** Formal procurement specialist responsible for negotiating contract terms, issuing purchase orders, and tracking shipments. **User:** Operational factory workers or technical operators who directly utilize the acquired equipment or software.

MODULE II

INDIVIDUAL INFLUENCES ON CONSUMER BUYING BEHAVIOUR

Perception, Sensation, and Sensory Marketing Dynamics: Sensation represents the direct physiological response of human sensory receptors (eyes, ears, nose, mouth, skin) to basic environmental stimuli. Perception represents the active cognitive process through which individuals select, organize, and interpret sensory inputs into a coherent, meaningful worldview. Perception is inherently subjective and mediated by prior learning, cultural values, and immediate motives.

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Sensory Thresholds and Weber's Law: Absolute Threshold: The minimal intensity at which a human sensory channel can detect the presence of a stimulus 50% of the time. **Differential Threshold (Just Noticeable Difference - JND):** The minimal difference detectable between two similar stimuli. **Weber's Law:** States that the change in stimulus intensity required to produce a JND is a constant ratio of the baseline intensity (Delta I divided by I equals k). Product managers keep price increases and packaging downsizing below the JND to avoid conscious consumer resistance, while engineering promotional discounts and quality upgrades comfortably above the JND to guarantee immediate market recognition.

Perceptual Organization: Gestalt Psychological Principles: Figure and Ground: Organizing visual fields into an eye-catching focal object (figure) against a subordinate background (ground); advertisers must make the brand name the clear figure. **Closure:** The psychological urge to mentally complete an incomplete visual image or auditory phrase, increasing consumer cognitive participation and recall. **Similarity:** The tendency to group objects sharing visual or tactile characteristics together, facilitating family packaging and brand extensions. **Proximity:** The tendency to perceive objects located near one another as belonging to a common conceptual category.

Consumer Learning Theories and Memory Architecture: Classical Conditioning (Ivan Pavlov): Pairing an unconditioned stimulus (emotional music, beautiful visuals) with a neutral conditioned stimulus (brand logo) until the brand logo independently evokes positive conditioned responses. Governed by Stimulus Generalization (me-too brands copying leaders) and Stimulus Discrimination (leaders emphasizing unique trademarks). **Operant Conditioning (B.F. Skinner):** Learning through trial-and-error reinforced by outcomes: Positive Reinforcement (loyalty rewards, exceptional product utility), Negative Reinforcement (removing anxiety or discomfort), and Punishment (penalty fees). **Memory Store Architecture:** Sensory Memory (split-second buffer), Short-Term Memory (limited working space of 4 to 5 chunks, lasting under 30 seconds without rehearsal), and Long-Term Memory (unlimited associative network of semantic brand nodes and emotional links).

Consumer Attitudes: The Tricomponent Model and Fishbein Multiattribute Framework: Tricomponent (ABC) Model: Attitudes comprise **Cognitive:** Objective beliefs and factual knowledge about brand attributes; **Affective:** Emotional feelings, evaluations, and overall mood states; **Conative:** Behavioral purchase intentions and action tendencies. **Fishbein Multiattribute Model:** Overall attitude toward a brand equals the mathematical summation of the consumer's cognitive belief strength regarding each attribute multiplied by the subjective importance weight assigned to that attribute. **Attitude Change Strategies:** Modifying attribute importance weights, shifting brand beliefs, introducing an innovative novel attribute, or correcting competitor brand perceptions. **Cognitive Dissonance (Leon Festinger):** Post-purchase remorse emerging after expensive, difficult trade-offs between attractive alternatives; mitigated through confirming reviews, warranties, and congratulatory onboarding messages.

Personality, Self-Concept, and Jennifer Aaker's Brand Personality: Freudian Theory: Unconscious conflict between Id (pleasure instincts), Ego (reality mediator), and Superego (moral conscience) expressed through symbolic status goods. **Self-Concept Theory:** Congruence between brand image and Actual Self-Image (how consumers see themselves), Ideal Self-Image (how they aspire to be), Social Self-Image (how others see them), and Extended Self (possessions becoming extensions of identity). **Jennifer Aaker's Five Brand Personality Dimensions: Sincerity:** Down-to-earth, honest, wholesome (Amul, Dove); **Excitement:** Daring, imaginative, trendy (Apple, Red Bull); **Competence:** Reliable, intelligent, leader (Google, Volvo); **Sophistication:** Glamorous, luxurious, charming (Rolex, Chanel); **Ruggedness:** Outdoorsy, tough, durable (Jeep, Timberland).

Consumer Motivation, Conflicts, and the FCB Grid: Motivational Conflicts (Kurt Lewin): Approach-Approach: Choosing between two equally desirable options (two luxury vacation destinations); **Approach-Avoidance:** Desiring a product with negative side-effects (rich gourmet chocolate vs weight gain; resolved by sugar-free variants); **Avoidance-Avoidance:** Dilemma between two undesirable options (costly auto repair vs high replacement cost; resolved by low-interest installment loans). **The Foote, Cone & Belding (FCB) Grid:** Quadrant 1 (Informative: High involvement, thinking - cars, real estate; detailed rational facts); Quadrant 2 (Affective: High involvement, feeling - jewelry, perfumes; emotional imagery); Quadrant 3 (Habitual: Low involvement, thinking - detergents, paper towels; reminder coupons); Quadrant 4 (Self-Satisfaction: Low involvement, feeling - snacks, soft drinks; sensory impulse displays).

MODULE III

GROUP, FAMILY, AND CULTURAL INFLUENCES ON CONSUMERS

Reference Groups and Francis Bourne's Product Conspicuousness Matrix: Reference groups provide behavioral benchmarks that prescribe social norms, lifestyle choices, and status symbols. Francis Bourne classified reference group influence across product conspicuousness: **Public Luxuries:** Strong group influence on both product choice and specific brand selection (golf clubs, sports cars, designer sunglasses). **Public Necessities:** Weak influence on product choice, but Strong influence on brand selection (automobiles, wristwatches, formal suits). **Private Luxuries:** Strong influence on product choice, but Weak influence on brand selection (home espresso machines, jacuzzi spas). **Private Necessities:** Weak influence on both product choice and brand selection (mattresses, refrigerators, laundry detergent).

Social Influence Mechanisms and Opinion Leadership: Influence Mechanisms: Informational Social Influence (seeking expert advice under uncertainty), Normative Social Influence (conforming to secure praise or avoid group ostracism), and Value-Expressive Social Influence (expressing core personal identity through group brand symbols). **Two-Step Flow of Communication:** Mass media messages flow first to knowledgeable opinion leaders who filter and interpret content before diffusing it via word-of-mouth (WOM) to peers. **Opinion Leader versus Market Maven:** Opinion leaders possess category-specific technical depth (gaming PCs, cameras), whereas Market Mavens possess generalized marketplace awareness across retail discounts, shopping locations, and promotional deals.

Family Buying Roles and Household Decision Authority: Six Decision Roles: Initiator (recognizes need), Influencer (shapes evaluation criteria), Gatekeeper (controls information inflow), Decider (authorizes financial commitment), Buyer (executes physical or digital transaction), and User (consumes or operates product). **Husband-Wife Decision Patterns:** Autonomic (independent decisions made by either spouse), Husband-Dominant (automotive repairs, life insurance), Wife-Dominant (groceries, children's clothing), and Syncretic (collaborative joint decisions for housing, schooling, major vacations). **Consumer Socialization of Children (Deborah Roedder John):** Perceptual Stage (ages 3 to 7: concrete perceptual cues, single attributes), Analytical Stage (ages 7 to 11: functional processing, commercial intent awareness), and Reflective Stage (ages 11 to 16: abstract symbolic brand meanings, status signaling, social peer conformity).

Social Class Stratification and Thorstein Veblen's Theory: Determinants of Social Standing: Occupation (strongest single status indicator), Educational Attainment (cultural capital), and Income/Wealth. **Warner's Six Social Classes:** Upper-Upper ("Old Money" aristocracy), Lower-Upper ("Nouveau Riche" self-made wealth), Upper-Middle (educated professionals), Lower-Middle (white-collar technicians and teachers), Upper-Lower (working-class manual laborers), and Lower-Lower (unskilled, resource-depleted cohorts). **The New SEC System in India:** Replaced income with two objective parameters: Educational Attainment of Chief Wage Earner and Ownership of 11 Specified Consumer Durables, classifying households into 12 standardized grades (A1 to E3). **Veblen's Status Phenomena:** Conspicuous Consumption (public display of luxury goods to flaunt wealth), Conspicuous Leisure (non-productive consumption of time), and Conspicuous Waste (frivolous outlays signaling vast surplus capital).

Geert Hofstede's Cultural Dimensions Framework: Power Distance Index (PDI): Degree of deference toward authority; high PDI cultures demand prominent luxury status symbols that signal social hierarchy. **Individualism vs Collectivism:** Personal autonomy versus group loyalty; individualist markets respond to uniqueness appeals, while collectivist markets prioritize family harmony. **Uncertainty Avoidance (UAI):** Tolerance of ambiguity; high UAI markets demand extensive warranties, return policies, and established brand reputation. **Masculinity vs Femininity:** Material ambition and competition versus nurturing quality of life and consensus. **Long-Term Orientation (LTO):** Fostering perseverance, thrift, and future payoffs versus immediate traditional consumption. **Indulgence vs Restraint:** Free gratification of human leisure desires versus strict social duty norms.

Cross-Cultural Adaptation: Warren Keegan's Five Strategic Options: Straight Extension: Standardized product and standardized promotional message (universal electronics, luxury watches). **Communication Adaptation:** Standardized product adapted for localized communication (bicycles promoted for fitness in the West vs transportation in developing nations). **Product Adaptation:** Adapted product with standardized communication (right-hand drive vehicles keeping global brand tagline). **Dual Adaptation:** Localized product formulation and localized marketing campaign (packaged foods reformulated for local palates and promoted via indigenous cultural values). **Product Invention:** Engineering completely novel low-cost products for emerging market resource constraints.

MODULE IV

THE CONSUMER DECISION-MAKING PROCESS

Problem Recognition and Need Activation: Initiates when consumers perceive a significant discrepancy between their Current Actual State (where they are) and their Desired Ideal State (where they want to be). Need Recognition occurs through actual state depression (equipment breakdown, physical hunger), while Opportunity Recognition occurs through desired state elevation (exposure to innovative technology). Activated through internal physiological drives, routine product depletion, major Family Life Cycle transitions, and persuasive marketing stimuli.

Information Search Behaviour and Perceived Risk Dimensions: Internal versus External Search: Internal search retrieves stored knowledge and brand impressions from long-term memory; external search gathers data from personal friends, commercial ads, independent consumer reviews, and experiential testing. **Five Dimensions of Perceived Risk:** Financial Risk (wasting capital; mitigated by warranties and price-match guarantees), Performance Risk (product failure; mitigated by certifications and free trials), Physical Risk (bodily injury; mitigated by safety seals), Psychological Risk (loss of self-esteem; mitigated by onboarding support), and Social Risk (peer ridicule; mitigated by prestige endorsements).

Behavioural Economics: Kahneman & Tversky's Prospect Theory: Reference Dependence: Outcomes are evaluated as gains or losses relative to an internal psychological reference point rather than absolute wealth. **Loss Aversion:** The psychological pain of a monetary loss is empirically proven to be 2.0 to 2.5 times more intense than the pleasure of an equivalent financial gain. **Diminishing Sensitivity:** The marginal psychological impact of gains or losses diminishes as distance from the reference point increases. **Framing Effects:** Highlighting positive gain frames ("90% lean meat") generates significantly higher purchase intent than negative loss frames ("10% fat content"). **Richard Thaler's Mental Accounting:** Consumers mentally segregate money into non-fungible accounts, evaluating acquisition utility (value relative to price) and transaction utility (pleasure of getting a perceived bargain).

Alternative Evaluation Sets and Non-Compensatory Decision Rules: Sets of Alternatives: Total Market Set → Awareness Set → Evoked (Consideration) Set (3 to 5 acceptable brands) → Inept Set (rejected brands) and Inert Set (indifferent brands). **Compensatory Rules:** Outstanding performance on one attribute compensates for weaknesses on other attributes. **Non-Compensatory Rules:** Attribute deficits cannot be compensated; failure to meet cutoffs causes immediate disqualification: **Lexicographic Rule:** Rank attributes by importance; select the brand scoring highest on the single top attribute. **Conjunctive Rule:** Establish minimum acceptable cutoffs across all attributes; brand must pass all cutoffs simultaneously to qualify. **Disjunctive Rule:** Establish exceptional thresholds on key attributes; brand qualifies if it passes the threshold on at least one key attribute. **Elimination-by-Aspects (EBA):** Select top attribute and eliminate failing brands; repeat sequentially with next attributes until one brand survives.

Point of Purchase Atmospherics and Expectancy Disconfirmation: Store Atmospherics (Philip Kotler): Engineering retail physical lighting, acoustics, scent, and layout to induce positive emotional states (Pleasure, Arousal, Dominance - PAD Model) that expand store dwell time and approach behaviors. **Oliver's Expectancy Disconfirmation Model:** Post-purchase satisfaction equals comparison between expectations (E) and perceived performance (P): Positive Disconfirmation (P > E: customer delight and passionate advocacy); Zero Disconfirmation (P = E: passive satisfaction); Negative Disconfirmation (P < E: dissatisfaction, complaint action, defection). **Service Recovery Paradox:** Customers who experience service failures that are resolved swiftly and generously often develop higher long-term brand loyalty than customers who never encountered any problem.

Industrial Buying Process and Sheth's Organizational Model: The Buygrid Framework: Mapping 8 sequential Buyphases (Need Recognition, Specifications, Sourcing, Proposal Analysis, Supplier Selection, Order Routine, Performance Audit) across 3 Buyclasses (New Task, Modified Rebuy, Straight Rebuy). **Jagdish Sheth's Industrial Buying Model:** Evaluates organizational decision-making across psychological world of buyers, determinants of joint decisions, conflict resolution methods (Problem Solving, Persuasion, Bargaining, Politics), and unexpected situational disruptions. **Supplier Scorecards:** Evaluating vendors through Weighted Point Plans that score product quality, on-time delivery compliance, and technical service responsiveness.

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MODULE V

DIGITAL, GLOBAL, AND ETHICAL DIMENSIONS OF CONSUMER BEHAVIOUR

The Global Consumer and Cultural Positioning Frameworks: Globalization and digital telecommunications create convergence in universal consumer aspirations alongside persistent divergence in local culinary, linguistic, and religious traditions. International enterprises deploy Glocalization ("Think Global, Act Local"), adapting marketing mixes to regional realities. Brand positioning strategies comprise Global Consumer Culture Positioning (universal modern citizenship - Apple, Nike), Local Consumer Culture Positioning (domestic pride and heritage - Amul, Tata), and Foreign Consumer Culture Positioning (exotic national craftsmanship - IKEA, Chanel).

Technology Acceptance and the Digital Customer Journey: Technology Acceptance Model (TAM - Fred Davis): Digital adoption is governed by Perceived Usefulness (PU - efficiency gains) and Perceived Ease of Use (PEOU - freedom from technical friction), which jointly shape user attitudes and actual system usage. **UTAUT Framework (Venkatesh):** Integrates Performance Expectancy, Effort Expectancy, Social Influence, and Facilitating Conditions. **Digital Moments of Truth:** Zero Moment of Truth (ZMOT - online research, video reviews before visiting stores), First Moment of Truth (FMOT - 3 to 7 seconds deciding to add item to digital cart), Second Moment of Truth (SMOT - unboxing and physical product usage), and Ultimate Moment of Truth (UMOT - sharing user reviews and social media feedback that triggers ZMOT for other consumers).

Omnichannel Dynamics: Showrooming versus Webrooming: Showrooming: Inspecting physical merchandise inside a retail brick-and-mortar storefront to assess tactile quality, then purchasing it online from a competitor at a lower price; countered by price-matching guarantees, exclusive bundles, and superior immediate service. **Webrooming:** Researching product specifications, customer reviews, and pricing online, then purchasing at a physical retail store to secure immediate gratification and avoid shipping fees; supported by real-time inventory visibility and curbside pickup.

M-Commerce, Spatial AR/VR, and Social Selling Dynamics: M-Commerce Affordances: Micro-moments ("I-want-to-buy"), geolocation beacon notifications, and frictionless UPI / digital wallet checkouts that accelerate impulse purchasing by decoupling payment pain from immediate acquisition. **Immersive Spatial Technologies (AR/VR):** Augmented Reality overlays true-to-scale 3D models into domestic spaces (IKEA Place) and virtual try-on mirrors (eyewear, cosmetics), overcoming online sensory limitations and slashing e-commerce return rates. **Live-Stream Commerce:** Merges video broadcasting, interactive real-time audience chat, flash countdown scarcity, and social proof cascades to drive viral transactional conversion.

Algorithmic Marketing, AI Concierges, and Dark Patterns: Recommender Engines: Collaborative Filtering (user similarity clusters), Content-Based Filtering (item attribute matching), and Hybrid architectures. **Generative AI Commerce:** Conversational shopping concierges synthesizing unstructured natural language queries, accompanied by risks of algorithmic filter bubbles that trap consumers within narrow preference silos. **Psychological Reactance (Jack Brehm):** Negative emotional backlash experienced when aggressive behavioral retargeting and surveillance algorithms threaten personal autonomy, prompting consumers to install ad-blockers. **Deceptive UX Dark Patterns (Harry Brignull):** Roach Motel (easy to enter, nearly impossible to cancel), Hidden Costs (disclosing mandatory fees only at final checkout), Confirmshaming (insulting decline buttons), Forced Continuity (auto-renewing trials without warning), and Sneak into Basket (pre-checking add-on insurance).

Surveillance Capitalism, Greenwashing, and Legal Protections (CPA 2019): Surveillance Capitalism (Shoshana Zuboff): Unilateral commodification of behavioral data processed into predictive behavioral futures traded in behavioral modification markets. **Greenwashing Sins:** Deceptive environmental claims characterized by hidden trade-offs, lack of third-party proof, vague terminology ("eco-friendly"), false certification seals, and outright fibbing. **Consumer Protection Act 2019 (India):** Established Central Consumer Protection Authority (CCPA) with powers to recall defective goods and penalize misleading ads; instituted strict Product Liability for manufacturers and sellers; held celebrity endorsers financially accountable (fines up to ₹50 lakhs and 3-year bans); regulated e-commerce platforms; and provided a three-tiered adjudication commission (District up to ₹50L/₹1Cr, State up to ₹2Cr/₹10Cr, National over ₹2Cr/₹10Cr) guaranteeing six cardinal consumer rights (Safety, Information, Choice, Hearing, Redressal, and Education).

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