

Consumer and industrial buyer behaviour assignment

[Psychology](#), [Behaviorism](#)



In consumer markets, segmentation typically entails statistically categorizing a large number of customers with similar needs into the same group so that they can be reached with similar marketing and advertising channels. By doing so, the marketer can then analyze the needs of the consumers and cater the products to better fit their needs.

For the consumers, the decision process for making purchases begin with need recognition -- they differentiate between their actual or desire states. Needs are the basic forces that motivate the person to do something. Some needs involve a person's physical well being; others the individual's self-view and relationship with others. Needs are more basic than wants. Wants are needs that are learned during the person's life. A successful marketer will be able to create the need amongst consumers and try to satisfy it.

After the consumer become aware of their needs or wants, they will store them in their memory or go around searching for information on these needs. There are two kinds of searches: internal and external. Internal search is when the consumers search within their existing knowledge base, beliefs and attitudes. External search is when they seek information from neighbors, sales peoples or consumer reports etc. The consumer can obtain information from any of several sources: personal, commercial, public and experiential. Personal sources include family and friends. The personal sources are important for the person when making a buying decision. The marketer can use commercial sources such as advertising and point-of-sale marketing to reinforce the product awareness and increase the knowledge of the brand name.

After gathering information from various sources, the consumer will then start to evaluate the different alternatives, weighing the pros against the cons. They rank the brands and form purchase intention. The purchase decision will result in the consumers buying the preferred brand and two factors can affect the purchase intention: attitudes of the others and unexpected situational factors. If you want to buy product A, but your mother feels product B is cheaper while the quality of the two products is similar, it is very likely that you will end up buying product B instead.

After purchasing the product, the consumer will be satisfied if they find that the product has met or exceeded their expectations. Re-purchases will likely occur, and consumers will probably introduce the product to their relatives and friends and become loyal customers of the brand. If, on the other hand, the reverse occurs, bad word-of-mouth will result and even consumers who have never tried the product will be hesitant to buy it.

Societal values in the Body Shop

It is critical that all aspects of the firm's marketing mix be consistent with the value system of its target market. Different groups will have different value systems and marketers must adjust their activities to the values of their target group. Marketers must also change their marketing mix as the value systems of their target groups evolve. Fortunately, values generally change slowly. Firms will have time to allow the practices to evolve if they monitor customer values. Firms can do that by conducting their own monitoring surveys or subscribe to one of the many commercial surveys. However, caution should be used in responding to popular press declarations of major

value shifts. Nowadays, most of customers increasing concern for the environment.

Marketers need to respond this approach by 1) producing products whose production, use or disposal is less harmful to the environment than the traditional versions of the product, 2) developing products that have a positive impact on the environment or 3) tying the purchase of a product to an environmental organization or event. Marketers need to be cautious when making environmental claims. Those most concerned with the environment are opinion leaders who are active shoppers. These people carefully evaluate advertising claims and are skeptical about them.

As concern for the environment grew throughout the 1980s and into the 1990s, many firms began to improve their products and processes relative to the environment and to advertise those improvements. In recent years, most of the companies have included ethical objectives in their mission statement. The products and services provided by these companies acquire a special meaning to their customers, which is associated with the value chain. However, failure to live up to ethical objectives may attract criticism. One company that has been very successful establishing an environmentally friendly image is "The Body Shop."

The name "The Body Shop" creates a natural and ethic subculture to the customers, which is further reinforced by the use of green to decorate their retail shops. It gives a standardized message - The Body Shop sells natural products. Store image is composed of many different factors. Store features, coupled with such consumer characteristics as shopping orientation, help to

predict which shopping outlets people will prefer. Some of the important dimensions of a store's profile are location; merchandise suitability and the knowledge and congeniality of the sales staff.

The Body Shop started in Brighton on the South Coast of England by Anita Roddick with only twenty-five hand-mixed products on sale in 1976. At first, The Body Shop employed mostly friends and friends of friends and everybody viewed themselves as one big family. However, the organization rapidly expanded through a system of franchises and to gain a franchise the potential franchisees are all screened to ensure that they have the same ethical beliefs as the founder. The Body Shop now operates around the world with almost one thousand four hundred shops.

The Body Shop maintains a number of formal policies, guidelines and manuals that underpin the ideals expressed in the Mission Statement. The Body Shop's mission statement as quoted in Values Report 1997 is that the company is unique in explicitly giving attention to social problems. They focus on social responsibility and naturally based quality personal care products. Their core principles are organized into five pillars: Defend human Rights; Protect Our Planet; Promote Community Trade; Activate Self-esteem and Against Animal Testing.

These are core to their campaigning and community engagement programmes and are an integral part of their business philosophy and practice. The Body Shop is committed to doing business with integrity and transparency. This means using their principles to inform customers of the way they do business and setting their business partners and themselves

clear standards of practice. It also involves engaging stakeholders with their business aims and reporting on their performance within the overall context of their business strategy.

They focus are on being a world-class retailer, offering customers prestige products at value prices with excellent customer services. In United Kingdom, they have driven through a major initiative called 'Inspiring the Customer' in order to improve service.

Unlike other cosmetics companies, the Body Shop does not claim that their cosmetics will eliminate wrinkles, make you look years younger or thirty pounds slimmer and change one's life. The company promotes health and well-being instead of beauty. Instead, it used stories to promote products. In 1998, they introduce Ruby dolls- love your body. She is a fat lady like a real person and she does not look like conventional models. The whole campaign aimed to give a self-esteem message to the customers. The Body Shop's philosophy of promoting health and well-being and actually serves as a promotion device. They focus on naturalness and health is a kind of niche marketing strategy, which attracts a relatively small segment of the market. This niche market generated a pre-tax profit of GBP20.4 million in 2003.

The Body Shop sells skin and hair care products from Vitamin E cream to Tea Tree Oil, from Banana Shampoo to Aloe Vera Lotion. All in all, The Body Shop's product range includes over 400 products and 400 accessories. There are special product lines for men, for expectant mothers and for babies.

There are sun-tanning products perfume oils and a full range of accessories,

including brushes, towels, household gloves and sponges. At the time of writing, it enhanced its skin care range with the launch of kinetin.

The Body Shop also undertook a stance of being against animal testing and seeking to gain attention and business from the environmentalist market by recycling bottles and keeping wastage to a minimum. However, it is worth noting that The Body Shop originally introduced recycling plastic bottles as a cost reduction exercise. Due to falling customer demand, the company discontinued their long-running refill service in January 2003. However, by investing time and resources to introduce the recycled plastic programme they believe they will have a greater positive impact on the environment globally than their refill service could possibly offer.

In November 1998, the United Kingdom government banned tests on cosmetic products and ingredients. There were also finished product test bans in the Netherlands and Germany. After two years, Europe banned cosmetics animal testing. It is an environment influence the customers chose their cosmetics. They will choose the anti-animal testing cosmetics. The Body Shop was the first international cosmetics retailer to be approved in the USA for its non-animal testing policy under a common Corporate Standard of Compassion for Animals.

The Body Shop asserts a philosophy based on the exchange principle: a company that owes its success to society should do something in return. Hence, the company should take responsibility for society in several respects. Of course there is no real indication that social and environmental policies negatively impact The Body Shop's profits. Rather the company

cultivates an ethical profile and its customers get the idea that in buying the products, they help people in the Third World or help save the environment.

The company's Fair Trade policy includes buying ingredients and accessories from Third World countries, thus attempting to improve living conditions in poor areas. In 2001/2 The Body Shop purchased over GBP5 million worth of natural ingredients and accessory items through the Community Trade programme, including nearly 60 tonnes of natural ingredients. Now there are 37 suppliers ranging from Nicaraguan sesame farmers to Indian handicraft producers from 24 countries from Australia to Zambia.

The sponsoring of Greenpeace in 1985 reinforced this approach. In addition to encouraging employee involvement in the local community, the Company also facilitates employees' personal donations to their selected charities through a give-as you-earn payroll scheme. Other initiatives include Charity Works, an on-site charity shop enabling employees at the United Kingdom head office and distribution center in Littlehampton to purchase products that are substandard or shop spoiled. This initiative allows for the disposal of non-saleable stock in an environmentally responsible way, while also bringing benefits to the local community and employees of The Body Shop.

The use of environmental and ethical issues are used to appeal to those who have the same concerns as well as in gaining free publicity from local and national press.

Marketing uses psychographics to identify those not only with the desire for more natural and high quality products, but those with the same beliefs and

attitudes towards the products they buy. The increased awareness in environmentalism and concern over the way the planet is being treated has also created a fashion of environmental awareness, taking this appeal mainstream rather than remaining as a marginal target market. The good value and the simple packaging with clear labels were also more extensive than most common brands.

For many products there is a decision making process, this takes place in the black box. Black box models treat the individual and his or her physiological and psychological make-up as an impenetrable black box. They are concerned with the external environmental influences on behavior and in the context of consumer behavior. The producer is affected by the actions of its competitors and the government; distributors are affected by the sales and marketing efforts of their suppliers and by the needs of consumers and finally consumers are affected by the marketing activities of producers and retailers and by the actions of the other consumers. This may be by the category-based evaluation or piecemeal processing.

Category based decision making is a method of evaluating a product. The category based process will involve the consumer will make use of the existing knowledge or memories that they already have regarding the product. They may remember that a particular brand was associated with Fair Trade, or received a good review in a magazine.

Advertising may play a large part in this but as the Body Shop philosophy is against advertising. Many of the consumers will have gone into the shop aware of the philosophy, this is usually through publicity surrounding Anita

Roddick or by the notices that advertising the philosophy in the window such as trade not aid and supporting environmental issues.

A piecemeal process is where the consumer takes into account the different characteristics of the different products. The consumer looking for a product may therefore look to see if it is scented, tested on animals, what the strength and type is described as and possibly even the usefulness of the jar after the product is used. In attracting the consumers into the store the category process may be used and inside the piecemeal process may be seen as determining what products are purchased.

Conclusion

The consumer decision produces an image of an individual carefully evaluating the attributes of asset of products, brands or services and rationally selecting the one that solves a clearly recognized need for the least cost. It has a rational, functional connotation. While consumers do make many decisions in this manner, many others involve little conscious effort. Furthermore, many consumer decisions focus not on brand or with the environment in which the product is purchase or used. Purchase cosmetics requires limited decision making. It involves internal and limited external search, few alternatives, simple decision rules on a few attributes and little post purchase evaluation

The marketers of the Body Shop are helping consumers recognize problems. The approach is generic problem recognition to cause problem recognition. It creates the need for affiliation and for assertion. Affiliation is the need to develop mutually helpful and satisfying relationship with others. Group

membership is a critical part of most consumers' lives and many consumer decisions are based on the need to maintain satisfying relationships with others. The need for assertion reflects a consumer's need for engaging in those types of activities that will bring about an increase in self-esteem as well as esteem in the eyes of others. The Body Shop has full range body products and they are natural and protect environment and has gained a first mover advantage in this market.

The Body Shop believes that disclosure is an important tool in helping stakeholders to feel engaged in its business aims and approach. As importantly, it regards the discipline of preparing accounts and reviewing its performance in an objective way as a crucial management tool for developing the company's understanding of its current approach. The company aims to provide a current insight into the business to share its philosophy and aims and helps manage expectations around its ongoing performance. It will create the customer awareness and reinforce them to choose their products.

The product is seen as ethically appealing with good quality ranges that appeal to a wide target market. The slightly high price of a high mid rate product is justified by the increased value that consumer places on the goods and the way that the consumer will also feel good about themselves. Promotion is the communication of the company values in some form. All these come together to form a successful company that has since been emulated by many larger leading companies, however they lack the credibility and as such fail in total emulation.