

Consumer behavior

[Business](#), [Marketing](#)



The first thing I would like to say is that I am very grateful for this course work given by my tutor Charlotte Coope because I get acquainted and gained some very crucial information about my course at the university next year. I also would like to mention my tutor for the patience and understanding because it was not easy even to start this course work due to its wide and sometimes confusing direction of the aim given to us. Even my classmates made a contribution because they encouraged me and made me stay positive and that is why I am very thankful to them.

Eventually, I would like to thank my parents, who gave me this opportunity to study here and become independent and probably mature. It was a pleasure to know that you did such a long way and achieved good results with hopefully good prospects. Also the marketing classes made a big impact on, especially Gavin Nattras, who was very creative, positive and very helpful with some wise advice. Brief summary Summarising this report I can highlight that big companies, today, are focusing and concentrating very much on consumer behaviour because it is a way to success in business.

I explained detailed and hopefully clearly what exactly consumer behaviour is at all and what processes it has. Observing the way of Vodafone or O2 doing its business on the market I show you how deep and how salient consumer behaviour for these companies is. I will represent it in form of questionnaire and therefore will point out the importance of the consumer behaviour. Glossary Consumer - the person who actually uses or consumes a product or service Consumer Behaviour - The study of which products people

buy, why they buy these products and how they make their purchasing decisions

Consumer Confidence - The state of mind of consumers relative to their optimism or pessimism about economic decisions
Consumer Satisfaction - A positive emotional response to an evaluation of a product or service consumption experience
Sample - Subgroup or part of a larger population
Want - The particular form of consumption chosen to satisfy a need
Long Term Memory - The system that allows us to retain information for a long period of time
Model - A representation that seeks to illustrate or explain a phenomenon
Growth Market - A market where demand is growing significantly
Introduction

I was asked to investigate what my course at the university will be about, particularly marketing. So I have chosen to do report about consumer behavior because it is a crucial part of the successful marketing. At first I will tell something about consumer behavior and its processes and how it is important to understand what the customer needs and wants. To achieve this aim I will use questionnaires, a focus group and a literature search, where I also will be analyzing one of the biggest, thriving and successful mobile companies names O2 and Vodafone to show you why they are so popular and how do they acquire loyal customers.

Importance of understanding customer motives
In recent years there have been many changes and the competition on the market has so strongly increased, so that all big and small organizations, companies and firms are required to analyze the way in which they operate. A comprehensive

understanding of Consumer Behavior has today become a growing focus among businesses as it can be seen as the key to staying competitive in today's rapidly changing business world. The overall aim of marketing is to identify 'consumers' needs, then to develop products and services that will satisfy them.

For marketing the most important is not only to discover what customers want, but to find out why they want it to. Only by gaining a deep and comprehensive understanding of buyer behaviour, marketing's goals could be realised. Such an understanding of buyer behaviour works to the mutual advantage of the consumer and the marketer (Vodafone or O2), allowing the marketer to become better equipped to satisfy the consumer's needs efficiently and establish a loyal group of customers with positive attitudes towards the company's products. Consumer behaviour can be defined as:

The acts of individuals directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these acts. The underlying concepts of this chapter form a system in which the individual consumer is the core, surrounded by an immediate and a wider environment that influences his or her goals. These goals are ultimately satisfied by passing through a number of problem-solving stages leading to purchase decisions. (Macinnis. H, 2000) INTRODUCTION TO CONSUMER BEHAVIOUR Consumers go through a few processes from the moment they feel the need to buy anything.

The 'buyers' consciousnesses or awareness will be evoked by a number of desires. These desires may be in the form of marketing or the environment

in which consumers are in. Looking at the world of trade, nowadays, we can see that consumers are constantly in 'face to face' contact with messages or adverts that are desires or some kind of stimulations, which induce us to go and buy certain product. Taking Vodafone we can realise that they are especially successful at this with their sponsorship campaigns of high popularity sports teams.

Such teams include the England cricket team or Ferrari team in Formula 1. It is very clever marketing because they put there their logo and brand into the public's memory to try to gain a recognition and feeling of belonging with their company's brand and logo, which of course is very beneficial for them if a consumer is looking, for instance, for a new mobile phone. To show that simply and elaborately, I will show you a small scheme or a 'consumer box' that you can better understand it. The consumer as a box A consumer's motivation for buying a phone may come from diverse needs that they want to fulfil.

There may be a number of different reasons for a consumer to buy a mobile phone, some of which may be more purposeful than others. Maslow (1970) recognised that people in general have a variety of needs that can be categorised into a basic hierarchy (his Hierarchy of Needs). That means that people once fulfilled or satisfied themselves with lower needs like water, food or sleep (Psychological needs) will move to higher needs such as egoistic or self-actualisation. (http://en.wikipedia.org/wiki/Maslow's_hierarchy_of_needs, Tuesday 10th of May)

For instance, I we can use a consumers decision to buy a mobile phone, where a family with young children may feel the need to buy them a phone due to necessity to be always in touch with their children and also to know that they are safe. Also when parents may have heard on the news or radio that the area is dangerous at the moment or at night and it will induce them to buy a child a phone for a safety point of view. After consumers have recognised the need to buy a mobile phone for whatever reason, they will do through a series of processes in their minds looking to satisfy this need.

For example, a consumer who has now decided that they want a phone will be very carefully and consciously looking for the information about mobile phones. Probably consumer may have never really paid much attention to adverts on the radio, TV or in the local newspaper about mobile phone deals, because they may never needed it. Therefore consumers will be tempted with hundreds of marketing stimulations which means they will turn their attention towards these stimulations.

There are five stages that a consumer will go through in the process of choosing a mobile phone: - Problem recognition - Information search - Evaluation of alternatives - Purchase decision - Post-purchase decision The consumer's decision process begins when a consumer finds out consumption problem that needs to be solved like " I need a mobile phone". Problem recognition is the perceived difference between an ideal and actual position, where the consumer will be strongly motivated to buy a product.

After problem recognition has been stimulated, the consumers will begin the decision process to solve the particular problem, where they will search

around to find the information about the brand and they will ask their friends and others to find out as much information as possible to be sure about certain product they want. In this case big brands like Vodafone or O2 will be in benefit because they always try to keep awareness of the customers and therefore they will be always taken into consideration of the choice set.

Evaluation of alternatives means that the consumer will try to get the best or most appropriate brand with the right attributes for themselves, where they will also compare different brands and its advantages. For example, the first thing consumers will be looking at is the right price. Once the consumers have compared a number of alternative brands they will make a purchase decision of one brand and this decision will not only be based on their own opinion and choice but others like parents or friends will also have influence.

The final stage of the five stage model will follow after consumer has made the purchase. The consumer will show post-purchase behaviour if he or she will be satisfied, but if not so the customer will display post-purchase dissatisfaction, where he or she will be looking again to try to find the problems and information on alternatives.

CONCLUSION

As a conclusion I would like to highlight the importance of this researches where I found out the very important information about consumer behavior, which is one of the crucial parts of marketing and which I am going to study at the university next year.

Consumer behavior is dynamic and requires ongoing research and analysis. For marketing managers, knowledge of consumer behavior has important implications for environmental analysis, product positioning, segmentation of the market place, the design of market research, and the development of a strategic marketing mix. Understanding consumer behavior is a vital aspect of marketing as it helps marketers to understand the role of involvement and habits, information processing and the concept of life values in consumer behavior which allows organizations to improve their marketing strategies.