##### ***Victoria University of Bangladesh***

##### Mid Assessment-Summer Semester 2023

##### Course Title : Consumer Behaviour

##### Course Code: MKT 436

*Submitted By: Muzahid -ul- islam*

*ID no : 1120500021*

*Department of BBA*

 Ans to the question no.1

Consumer behaviour is the study of how consumers make decisions about what they need, want, and desire and how do they buy, use, and dispose of goods.

Understanding consumer buying behavior is most important for marketers as it helps them to relate better to the expectation of the consumers. Consumer buying behavior studies various situations such as what do consumers buy, why do they buy, when do they buy, how often do consumers buy, for what reason do they buy, and much more.

By understanding how consumers decide on a product it is possible for marketers to fill in the product-market gap and identify which product is needed and which products are obsolete in the market. It also helps marketers decide how to present their products such that they have maximum impact on consumers.

Marketers also need to understand the psychology behind every buying decision so as to be able to influence the same. For example, a consumer may purchase a product because it is fashionable even though it may not be the most utility providing product. In such a case, the marketer needs to understand why the consumer is making this choice and then present the product in such a way that the consumer is convinced that it is the best possible choice.

 Ans to the question no.2

The Engel Kollat Blackwell (EKB) Model of Consumer Behavior was created in 1968,to describe the increasing, fast-growing body of knowledge concerning consumer behavior.

The Engel Kollat Blackwell Model of Consumer Behavior or consists of four distinct stages;

**Information Input Stage:** At this stage the consumer gets information from marketing and non-marketing sources, which also influence the problem recognition stage of the decision-making process. If the consumer still does not arrive to a specific decision, the search for external information will be activated in order to arrive to a choice.

**Information Processing Stage:** This stage consists of the consumer’s exposure, attention, perception, acceptance, and retention of incoming information. The consumer must first be exposed to the message, allocate space for this information, interpret the stimuli, and retain the message by transferring the input to long-term memory.

**Decision Process Stage:** The central focus of the model is on five basic decision-process stages: Problem recognition, search for alternatives, alternate evaluation purchase, and outcomes. But it is not necessary for every consumer to go through all these stages; it depends on whether it is an extended or a routine problem-solving behaviour

**Variables Influencing the Decision Process:** This stage consists of individual and environmental influences that affect all five stages of the decision process. Individual characteristics include motives, values, lifestyle, and personality; the social influences are culture, reference groups, and family. Situational influences, such as a consumer’s financial condition, also influence the decision process.

 Ans to the question no.3

Howard Sheth Model is one of the most objectively constructed contemporary models of consumer behavior. It is an attempt to explain rational brand choice behavior within the constraints of limited individual capacities and incomplete information. The model attempts to deal with both over behavior and internal or congnitive behavior that cannot be directly observed.

The Howard Sheth model of consumer behavior suggests three levels of decision making:

1. The first level describes **extensive problem-solving**. At this level, the consumer does not have any basic information or knowledge about the brand and he does not have any preferences for any product. In this situation, the consumer will seek information about all the different brands in the market before purchasing.
2. The second level is **limited problem-solving**. This situation exists for consumers who have little knowledge about the market, or partial knowledge about what they want to purchase. In order to arrive at a brand preference, some comparative brand information is sought.
3. The third level is **habitual response behavior**. At this level, the consumer knows very well about the different brands and he can differentiate between the different characteristics of each product, and he already decides to purchase a particular product.

Howard Sheth model postulate four sets of concepts that he said as constructs or variables. These are:

1. Inputs

2. Perceptual and learning construct (Hypothetical construct)

3. Output

4. Exogenous Variables.

 Ans to the question no.4

Consumer behaviour is influenced by many different factors. Here are 5 major factors that influence consumer behaviour

**1.Personal Factors:**

Personal factors pertain to an individual's unique characteristics that influence their consumer behaviour. These include age, gender, lifestyle, personality, and self-concept. Different life stages and age groups have varying needs and preferences. For example, an adventurous person might be more inclined to buy outdoor gear.

**2.Psychological Factors:**

Psychological factors delve into the inner workings of the human mind and emotions that drive consumer behaviour. These factors include perception, motivation, learning, beliefs, attitudes, and memory. How a person perceives a product or brand, what motivates them to make a purchase, and their past experiences all influence their decisions. Marketers often aim to create positive associations and emotional connections with their products to influence buying behaviour.

**3.Cultural** **Factors:**

Culture refers to the shared beliefs, values, norms, and behaviors of a particular group of people. Cultural factors play a crucial role in shaping consumer behaviour. This includes elements such as language, religion, social class, and subcultures. For example, a product that is highly popular in one culture might not resonate with another due to cultural differences.

**4.Social Factors:**

Social factors include family, friends, reference groups, and social media. Family, especially parents, has a significant impact on a person's values and purchasing decisions. Reference groups, such as peers or celebrities, can sway individuals' choices.

**5.Economic Factors:**

Factors such as income, savings, disposable income, and economic stability play a role in determining what a person can afford and how they prioritize their spending. During economic downturns, consumers might be more cautious with their spending, while during prosperous times, they may be more willing to indulge in luxury items.

 Ans to the question no.5

The Big Five in consumer behavior typically refers to the five major personality traits that are often used to understand and predict consumer preferences, attitudes, and behaviors. These traits are derived from psychology and are widely used in marketing and consumer research to segment and analyze consumer populations. The Big Five traits are often abbreviated as OCEAN, representing the first letter of each trait: Openness, Conscientiousness, Extraversion, Agreeableness, and Neuroticism. Here's a brief overview of each trait and its implications for consumer behavior:

**Openness to Experience:** This trait reflects an individual's inclination toward curiosity, creativity, and a willingness to try new things. Consumers high in openness are likely to be more receptive to novel products and experiences. They might be early adopters of new technologies and trends, and they may be more exploratory in their purchasing decisions.

**Conscientiousness:** This trait refers to an individual's level of organization, responsibility, and self-discipline. Consumers high in conscientiousness are likely to be more cautious and thorough in their decision-making processes. They might prefer well-established brands and products, conduct thorough research before making a purchase, and focus on practicality and functionality.

**Extraversion:** Extraversion is characterized by sociability, assertiveness, and a preference for social interactions. Consumers high in extraversion might be drawn to products and services that allow them to connect with others, such as social events, group activities, and products that facilitate social engagement.

**Agreeableness:** This trait reflects an individual's degree of empathy, cooperativeness, and concern for others. Consumers high in agreeableness may value customer service, positive relationships with brands, and products that align with their personal values. They might be influenced by recommendations from friends and family and may prioritize ethical and socially responsible brands.

**Neuroticism (Emotional Stability):** Neuroticism refers to emotional stability and resilience. Consumers high in neuroticism might experience more emotional fluctuations in response to marketing stimuli. Marketers targeting individuals with high neuroticism might emphasize stability, security, and stress reduction in their messaging.