Victory University
of
Bangladesh

Course Title : Principles of Marketing

Course Code : MKT 324

Submitted By

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## Ans to ques no - 1 (a)

Most business buyers prefer products and services that provide support in the form of guarantee or technical support. Consumers buy products even without the support and the restrictions to buy products will be minimum.

### Consumer buyer behaviour:

Consumer buyer behaviour refers to the process by which individuals or groups make decisions and take action to purchase and use products or services.

### Business buyer behaviour:

Business buyer behaviour refers to the decision

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making process and actions undertaken by businesses, organizations or institutions when purchasing goods, services or raw materials for production.

Differences between Consumer buyer behaviour and business buyer behaviour are -

| Aspect | CBB | BBB |
| --- | --- | --- |
| Type of buyer | Individual or household | Business or organization |
| Decision making unit | Individual or family unit. | Collective buying unit |
| Purchase volume | Small to moderate | Large to bulk |

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| | | |
|---|---|---|
| Nature of purchase | Personal or non-business | Business or organizational |
| Emotional influence | Significant | Minimal |
| Decision timeframe | Shorter | Longer |
| Information requirements | Less technical | More technical |
| Post purchase evaluation | Individual satisfaction | Organizational performance |
| Risk Consideration | Personal | Organizational |

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## Ans to ques no-1(b)

A consumer's behaviour has a major impact on his buying decision behaviour. The buying decision behaviour of a consumer encompasses the various approaches consumers employ when making purchase decisions.

Types of buying decision behaviour are given below —

### Complex Buying Behaviour:

Complex buying behaviour occursrs when consumers face a high level of involvement in the purchase decision.

Example: A customer wants to buy a new laptop. He would likely spend time

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researching different brands, comparing features before finalising their purchase. Simply put, in complex buying behaviour, the consumer will go through different learning phases.

**Dissonance-Reducing Buying Behaviour:** Dissonance Reducing Buying Behaviour occurs when consumers face a high level of involvement in the purchase decision but encounter little difference among brands.

**Example:** A consumer wants to buy a portable tent for camping. He will make the purchase decision without doing

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enough research and inquiring about information. Once the purchase is made, the consumers might experience post purchase dissonance.

## Habitual Buying Behaviour:

Habitual buying behaviour occurs when consumers face a low level of involvement in the purchase decision.

Example: Buying a specific brand of toothpaste, snack items or toiletries from a particular store without much thought.

## Variety-Seeking Buying Behaviour:

Variety Seeking Buying Behaviour occurs when consumers exhibit a desire

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for new experiences.

Example: A consumer chooses a namkeen brand without doing much evaluation and then after consuming the product, evaluates it.

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## Ans to ques no- 2

The stages of business buying includes recognizing the problem, developing product specs to solve the problem. Searching for possible products, selecting a supplier and ordering the product and finally evaluating the product and finally supplier performance.

As I am a buyer, I should follow 7 steps of buying process-

1. Need recognition: No purchase can happen unless I recognise that I have a need for their service or product.

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**2. Information gathering:** Once I recognise the problem or need, the information-gathering process can begin.

**3. Evaluation of alternatives:** The evaluation of alternatives means that I will be comparing a range of options to make sure that I have made a right decision.

**4. Assess the evidence:** Once I have evaluated all ~~my~~ their options, then I can move on to the stage of assessing the evidence I have gathered.

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**5. Selecting an option:** By this stage, I will have explored many different options.

**6. Implement the decision:** This stage is the one retailers and marketers have been waiting for the moment when the customer finally purchase the product.

**7. Decision review and evaluation:**

The sale is finally complete. At this stage, the marketer needs to look at the sale and the purchasing decision that I made, to evaluate

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what went well and what could be changed in the future to make the process even smoother and more efficient.

## Ans to ques no- 3(a)

Segmentation: Segmentation is the process of dividing a company's target market into groups of potential customers with similar needs and behaviours.

The four segmentation variables are the basic factors that marketers use to determine their segmentation

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strategy. The four variables include- geographic, psychographic, demographic and behavioral traits.

□ **Demographic:** Demographic segmentation is the most often used approach because we can count the number of individuals within a segment who have similar characteristics.

□ **Geographic:** It is used when a product or service would appeal to individuals within a specific community, state and region of a country.

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**Psychographic:** It is a market research method used to divide a market or customer group into segments based on their beliefs, values, lifestyle, social status, activities.

**Behavioral:** It refers to a process in marketing which divides customers into segments depending on their behavioral patterns when interacting with a particular business or website.

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## Ans to ques no - 3(b)

**Buzz Marketing:** Buzz marketing is a viral marketing technique that focuses on maximizing the word of mouth potential of a particular campaign or product.

**Example:** Creating a event in which real testing of a product is done. Attendees get to experience what's on offer. They are then asked to share their experiences and opinions on social media. But, to be successful at it, you should

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know who this type of technique is aimed at.

Co-Branding: Co-branding is a marketing strategy where two brands collaborate together with the end goal typically being a new collaborative product.

Example: McDonald's has two popular co-branded McFlurry's: Oreo and M&Ms. This is an example where two brands have partnered together to create a new product offering for their mutual customers.