



MUTHAYAMMAL ENGINEERING COLLEGE

(An Autonomous Institution)

(Approved by AICTE, New Delhi, Accredited by NAAC & Affiliated to Anna University)
Rasipuram - 637 408, Namakkal Dist., Tamil Nadu.



MUST KNOW CONCEPTS

MKC

MBA

2021 - 22

Course Code & Course Name : 19MBC03- Consumer Behaviour

Year/Sem/Sec : II/III/-

S.No.	Term	Notation (Symbol)	Concept / Definition / Meaning / Units / Equation / Expression	Units
Unit-I : Introduction				
1.	Concepts of consumer behaviour		Study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants.	I
2.	Nature of consumer behaviour		Complex, systematic process, keeps on changing	I
3.	Importance of consumer behaviour		Increase sales, setting prices, sales promotion, helps in forecasting	I
4.	Demand forecasting		Marketers can estimate the demand of their product if they know how would a consumer behave and react after seeing their product.	I
5.	Marketing		It helps to identify the need, expectations and problems of the consumers.	I
6.	Advertising		Advertising is a means of communication with the users of a product or service.	I
7.	Human behaviour		It refers to the way humans act and interact.	I
8.	Consumer		A person who purchases goods and services for personal use.	I
9.	Socio psychology		The branch of psychology that deals with social interactions.	I
10.	Cultural anthropology		The branch of anthropology concerned with the study of human societies and cultures	I

11.	Group Behaviour		A group behavior can be stated as a course of action a group takes as a family.	I
12.	Command Group		It is a group consisting of individuals who report directly to the manager.	I
13.	Interest Group		It is a group formed by individuals working together to achieve a specific	I
14.	Informal Groups		These groups are formed with friendships and common interests.	I
15.	Formal Groups		These are the groups created by the organization and have designated work assignments and rooted tasks.	I
16.	Initiator		The one who proposes, suggests, defines.	I
17.	Informer		The one who offers facts, expresses feelings, gives opinions.	I
18.	Dimensions of Consumer behaviour		Economic, Psychology, sociology, socio psychology, cultural anthropology.	I
19.	Demand		The quantity of a particular good or service that a consumer or group of consumers want to purchase at a given price	I
20.	Supply		the total amount of a specific good or service that is available to consumers.	I
21.	Consumer Equilibrium		The state at which a consumer derives maximum utility from the consumption of one or more goods and services given his/her level of income	I
22.	Types of Supply		Market supply, short-term supply, long-term supply, joint supply, and composite supply	I
23.	Applications of Consumer behaviour		Analyzing the market opportunity, selecting the target market, marketing mix decisions, use in social and non-profits marketing.	I
24.	Marketing mix		Product, price, promotion, place(distribution)	I
25.	Non-profits marketing		Awareness Programmes like family planning, AIDS etc.,	I
Unit-II : Consumer Behaviour Models				

26.	The Nicosia Model		The Nicosia model illustrates how a potential consumer responds to news of a new brand.	II
27.	The Engel, Kollat and Blackwell (EKB) Model		EKB model is the consumer's perception of a want that must be satisfied.	II
28.	The Howard and Sheth Model		It is an approach for analyzing the combined impact of the social, psychological and marketing factors on the buying behaviour or preference of the consumers.	II
29.	The Webster and Wind Model		<u>It considers four sets of variables:</u> environmental, organizational, buying center, and individual, which affect the buying-decision making process in a firm	II
30.	Blackbox model		The stimuli responsible for buyer behavior	II
31.	Word of mouth		Spoken communication as a means of transmitting information.	II
32.	Consumer Involvement		It is the state of mind that motivates a consumer to make a purchase.	II
33.	Consumer Participation		It is when people who use our services can have a say in how services are developed and provided.	II
34.	Feedback		It is information provided by clients about whether they are satisfied or dissatisfied with a product or service.	II
35.	Belief		Positive or negative towards an object.	II
36.	Product		A product is any good, service, or idea that can be offered to a market to satisfy a want or need.	II
37.	Price		Price is the cost consumers pay for a product.	II
38.	Promotion		Promotion means spreading information about an product, service or issue.	II
39.	Physical distribution		The set of activities concerned with efficient movement of finished goods from the end of the production operation to the consumer.	II
40.	Howard Model		An approach for analyzing the combined impact of the social, psychological and marketing factors on	II

			the buying behavior.	
41.	Engel kollat model		EKB model is the consumer's perception of a want that must be satisfied.	II
42.	Webstar & Wind model		<u>It considers four sets of variables:</u> environmental, organizational, buying center, and individual, which affect the buying-decision making process in a firm	II
43.	Industrial model		The industrial model is a creative tool to express a manufacturing process or replicate an engineering facility.	II
44.	Learning model		They argued that living beings were <u>influenced</u> by both innate needs such as the <u>primary needs</u> of hunger, thirst, sex, shelter and learned needs like fear and <u>guilt</u> .	II
45.	Sheth model		<u>Sheth Model</u> is an approach for <u>analyzing the combined impact</u> of the social, <u>psychological and marketing factors</u> on the <u>buying behaviour</u> or preference of the consumers and the <u>industrial buyers</u> into a logical order of information processing.	II
46.	Implications of model in marketing decision		New strategies for new times, find new pastures, relook at your brand portfolio, look at your distribution channels.	II
47.	New strategies for new times		The dynamic economic conditions are <u>affecting consumer</u> behavior, their perceptions and attitudes.	II
48.	Find new pastures		Growth may be easier to come through geographical expansion, than competitive battle in the current markets.	II
49.	Brand Portfolio		The leading brand of a company that covers all other brands or companies operated by a company.	II
50.	Distribution Channels		A chain of businesses or intermediaries through which a good or service passes until it reaches the final buyer or the end consumer.	II

Unit-III : Internal influences and External influences

51.	Motivation		Drives people to identify and buy products or services that fulfill needs or desires	III
52.	Perception		It is a psychological variable involved in the Purchase Decision Process that is known to influence Consumer Behavior	III
53.	Personality		It is an inner Characteristics that determines and reflects how an individual responds to his or her environment.	III
54.	Learning		It is the process by which consumers acquire the information that they apply to future purchase behavior	III
55.	Attitude		Feeling of favorableness or unfavorableness that an individual has towards an object	III
56.	Self Concept		How one perceives himself and his behavior in the market place.	III
57.	Lifestyle		Involves his consumption pattern, his behavior in the market place	III
58.	Customer Expectation		The wants and needs of the people you want to attract to buy your products and services.	III
59.	Family Group		It affects the consumption and disposal of products by an individual.	III
60.	Reference Group		It includes individuals or groups that influence our opinions, beliefs, attitudes and behaviors.	III
61.	Communication		Marketing communication or consumer communication may be defined as the flow of information about a product/service offering from a marketer to the consumer.	III
62.	Factors influencing consumer behavior		Psychological, social, cultural, personal, economic factors	III
63.	Barriers of communication		Physical barrier, Cultural barrier, Language barrier, perceptual barrier, interpersonal barrier, gender barrier.	III
64.	Psychological factors of consumer behavior		Motivation, perception, learning, attitude and beliefs	III

65.	Social factors of Consumer behavior		Family, reference group, roles and status	III
66.	Cultural factors of consumer behavior		Culture, subculture, social class	III
67.	Personal factors of consumer behavior		Age, income, occupation, lifestyle	III
68.	Economic factors of consumer behavior		Personal income, family income, consumer credit, liquid assets, savings	III
69.	Culture		Cultural Factors include the basic values, needs, wants, preferences, perceptions, and behaviors that are observed and learned by a consumer from their near family members and other important people around them.	III
70.	Sub-Culture		Subcultures can consist of people from different religion, caste, geographies and nationalities.	III
71.	Social Class		It includes the factors such as the occupation, family background, and education and residence location.	III
72.	Personal Income		Income earned by an individual person	III
73.	Consumer credit		When there is higher credit available to consumers, the purchase of comfort and luxury items increases.	III
74.	Liquid Assets		Liquid assets are those assets, which can be converted into cash very easily.	III
75.	Family income		Family income is the total income from all the members of a family.	III

Unit-IV : Purchase Decision Process

76.	High Involvement		When a consumer has to buy a product or service that is expensive.	IV
77.	Low-involvement		Inexpensive and pose a low risk to the buyer if she makes a mistake by purchasing them	IV
78.	Pre-Purchase Behaviour		Product through advertisements, sales brochures and personal contacts.	IV
79.	Post-Purchase Behavior		A consumer will take additional action, based on their satisfaction or dissatisfaction	IV

80.	Online buying process		It allows consumers to directly buy goods or services from a seller over the Internet using a web browser.	IV
81.	Diffusion		It means innovations spread throughout the market.	IV
82.	Innovation		It is an idea, practice, or product, perceived to be new by an individual or a group	IV
83.	Dissonance		Lack of agreement or harmony between people or things.	IV
84.	Brand Loyalty		Consumer continuously purchases one brand's products over another.	IV
85.	Product alternatives		If a product is out of stock, and replaced by the alternative product in the shopping cart	IV
86.	Product Hopping		Product hopping is a tactic brand name drug companies use to prevent generic competition by forcing patients to switch to new formulations of a drug.	IV
87.	Alternative brands		It aims at developing unconventional brand contact strategies that break through barriers imposed by commercial clutter to achieve branded impact on targets.	IV
88.	Consumer Self image		Self image shows the relationship between consumer and products.	IV
89.	Examples of high involvement of products		Products include computers, refrigerators, washing machines, TVs, music system, cars, DVDs	IV
90.	Examples of low involvement of products		Products like toothpaste, soap, bread etc.	IV
91.	Characteristics of high involvement of products		High price, Technical features, major differences between alternatives, projection of self, evaluation of risk.	IV
92.	Characteristics of low involvement of products		Brand hopping, availability of alternative brands, effect on consumer's self image	IV
93.	Impulse buying		The tendency of a customer to buy goods and services without planning in advance.	IV

94.	Brand switching		Term in which your customers change brands.	IV
95.	Repeat purchase		The purchase by a consumer of a same-brand product as bought on a previous occasion.	IV
96.	Types of Consumer involvement in buying		<ul style="list-style-type: none"> • Ego involvement • Commitment • Communication in involvement 	IV
97.	3 Levels of consumer decision making		Awareness, consideration, and decision.	IV
98.	Diffusion of innovation		It is the process by which the adoption of an innovation spreads over a period of time to other consumers through communication.	IV
99.	Compatibility		The degree to which potential consumers feel that the new product is consistent with their existing needs, values and practices is a measure of its compatibility.	IV
100.	Complexity		The extent or degree to which the new product is relatively difficult to understand or use.	IV
Unit-V : Organizational Buyer Behaviour				
101.	Need Recognition		It occurs when a consumer discovers an unmet need that must be fulfilled.	V
102.	Product Specification		It provides product teams the information they need to build out new features or functionality.	V
103.	Supplier search		It is a direct portal to parts databases provided through supplier web services.	V
104.	Proposal solicitation		It means the process of advertising/requesting and receiving vendors' proposals.	V
105.	Supplier Selection		It is the process of selecting a supplier to acquire the materials to support the outputs of organizations.	V
106.	Order routine specification		The stage of the business buying process in which the buyer writes the final order with the chosen supplier.	V

107.	Performance Review		It is a formal assessment in which managers evaluate an employee's work performance	V
108.	Consumer Research		It is the research done on consumers' preferences, attitudes, loyalty, usage and behavior in a market.	V
109.	Focus Groups		It provides feedback regarding a product, service, concept, or marketing campaign.	V
110.	Market Segmentation		Dividing a market of potential customers into groups, or segments, based on different characteristics.	V
111.	Organizational behaviour		Organizational behavior is the academic study of how people interact within groups.	V
112.	Few buyers		As organization itself become buyer, organizational buyers are few in number but they buy in huge quantity.	V
113.	Close Relationship		Organizational buyers and suppliers have close relations it may be long lasting. Such relation has positive effect on future buying.	V
114.	Rational buyers		Buyer becomes rational in organizational buying. Professional and trained buyers are involved in buying.	V
115.	Direct channels		As organizational buyers buy a huge quantity, they buy goods directly from producer.	V
116.	Purchase policy		An organization makes certain policy for buying and buys goods according to the policy.	V
117.	Need Recognition		In an organization, a certain person recognizes need of certain goods and after buying the needed goods, need is fulfilled.	V
118.	Need Description		While describing need, features of needed goods and needed quantity should be described. If the goods have standard, this task becomes easy; if otherwise, it becomes complicated.	V
119.	Product specification		Description performance of goods is	V

			prepared to solve the problems. Technician's help should be taken for this task.	
120.	Supplier Search		Buyer prepares a list of suppliers to select good and proper suppliers.	V
121.	Proposal Solicitation		Buyer calls best suppliers for submitting proposal. As the reaction, some send catalog or sellers to the organization.	V
122.	Supplier Selection		For selecting the suppliers, a list is prepared and rating is made on the basis of their attribute and importance.	V
123.	Order routine specification		In this order, all the matters such as <u>attribute of goods, quantity, specification, time for supply, warranty, method of payment, service after sale etc.</u> should be clearly mentioned.	V
124.	Performance Review		This type of review helps to take <u>decision whether to continue relation with the supplier or change or end the relation.</u>	V
125.	Consumer Research		Consumer research is the practice of <u>identifying the preferences, attitudes, motivations, and buying behavior of the targeted customer.</u>	V

Placement Questions

126.	What are Emotional Product Motives?		Emotional Product Motives are those impulses which persuade the consumer on the basis of his emotion.	
127.	What are the Rational Product Motives?		Rational Product Motives are defined as those impulses which arise on the basis of logical analysis and proper evaluation.	
128.	What are the Patronage Motives?		Patronage motives may be defined as consideration or impulses which persuade the buyer to patronage specific shops.	
129.	What are the two types of Patronage Motives?		1. Emotional Patronage Motives 2. Rational Patronage Motives	

130.	What are the emotional Patronage Motives?		Emotional Patronage Motives are those that persuade a customer to buy from specific shops, without any logical reason behind this action.	
131.	What are the Rational Patronage Motives?		Rational Patronage Motives are those which arise when selecting a place depending on the buyer satisfaction that it offers a wide selection, it has latest models, offers good after-sales service etc.	
132.	What is the need to study Consumer Behaviour?		It is essential for marketers to understand consumers to survive and succeed in this competitive marketing environment.	
133.	What is the difference between Organisational Buyer and Individual Buyer?		The obvious difference is that, instead of purchases being made for individual consumption industrial markets are made for business use.	
134.	What are the characteristics of a buyer?		<ol style="list-style-type: none"> 1. Many individuals or group involvement is seen in decision making process. 2. Organisational buyers are quite knowledgeable and professional. 3. The buying motive is mostly rational than individual buyer. 	
135.	What is Consumer Involvement?		A consumer who is highly involved with a product would be interested in knowing a lot about it before purchasing.	
136.	Explain Situational involvement?		Situational involvement is temporary and refers to emotional feelings of a consumer, experiences in a particular situation when one thinks of a specific product.	
137.	Explain Enduring involvement?		Enduring involvement is persistent over time and refers to feelings experienced toward a product category across different situations.	
138.	What is Processing of information?		Processing of information means knowledge of comprehension, extent of cognitive elaboration, and the extent of emotional arousal of information.	

139.	What is depth of comprehension?		Highly involved customers tend to process product information at deeper levels of understanding than the ones with low involvement.	
140.	What is extent of cognitive elaboration?		Highly involved consumers tend to generate cognitive responses either in support of the product information or against the information provided by the marketers.	
141.	What is Information Transmission?		Transmission of information is the extent to which greatly involved customers send information about the product to others.	
142.	What are the models of consumer involvement?		<ol style="list-style-type: none"> 1. Low Involvement Learning Model 2. Learn-Feel-Do Hierarchy model 3. Level of Message Processing Model 4. Product versus Brand Involvement Model 	
143.	What is Low Involvement Learning Model?		Low Involvement products are those which are at low risk, perhaps by virtue of being inexpensive, and repeatedly used by consumers.	
144.	What is Learn-feel-do Hierarchy Model?		The learn-feel-do hierarchy is simple matrix that attributes consumer choice to information, attitude, and behaviour issues.	
145.	What is High Involvement / High Thinking?		Major purchases such as cars, houses and other expensive and infrequently buying items come under this category.	
146.	What is Low Involvement / Low Feeling?		The purchases in this quadrant are motivated primarily by the need to satisfy personal tastes, many of which are influenced by self-image. Products like news paper, soft drinks, Liquor etc., fall under this category.	
147.	What is Brand Loyals?		These consumers are highly involved with both the product category and with particular brand. For example, cigarette smokers and paper readers fall in this category.	
148.	Who are Information Seekers?		These buyers are involved more with product category but may not have preferred brand.	

149.	Who are Routine Brand Buyers?		These consumers are not highly involved with the product category but may be involved with the particular brand with in that category.	
150.	What is Brand Switching?		Consumers in this category have no emotional attachment either with product category or any brand within it. They basically respond to price.	

Faculty Team Prepared

Signatures

1. **S.K.Sendhilsabraviswanath**

HoD

