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SEM II  
**MARKETING MANAGEMENT**

CHAPTER 2

**CONSUMER BEHAVIOUR AND MARKET SEGMENTATION**

DEFINITION: Consumer behaviour is the study and analysis of an individual customer, group and organizational customer to select, purchase, use and organize ideas, goods and services to satisfy their needs and wants.

Factors influencing consumer behaviour:

1. Psychological Factors(needs and motivation, perception, learning, attitudes and beliefs)
2. Social Factors(family, reference group, role and status)
3. Cultural Factors(culture, subculture, social class)
4. Personal Factors(age, occupation, lifestyle, income)
5. Economic Factors(personal income, family income, income expectation, consumer credit, liquid assets, savings)

Market segmentation: Kotler and Armstrong define market segmentation as dividing a market into distinct groups of buyers who have distinct needs, characteristics, or behaviour and who might require separate products or marketing mixes.

Bases of Market Segmentation:

1. Demographic segmentation
2. Psychographic segmentation
3. Behavioural segmentation
4. Geographic segmentation

## CHAPTER 3

### PRODUCT

A product is anything that satisfies a need or want and can be offered in an exchange.

Product Classification:

A. Based on nature:

1. Goods
2. Services
3. Ideas
4. Experiences
5. Events
6. Persons
7. Places
8. Properties
9. Organisations
10. Information

B. Based on consumers intentions:

1. Consumer Products(Convenience Products, Shopping Products, Speciality Products, Unsought Products)
2. Industrial Products(Raw materials, Capital Equipment, Accessory Equipment, Component Parts, Process Materials, Supplies, Industrial Services)

C. Based on social benefits:

1. Pleasing products
2. Deficient products
3. Salutary products
4. Desirable products

### CONCEPT OF PRODUCT MIX

A product mix is the set of all products and items that a particular seller offers for sale.

## BRANDING

Brand is a name, term , sign , symbol, design, or a combination of some or all of them to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors.

## PACKAGING

- PRIMARY PACKAGE
- SECONDARY PACKAGE
- SHIPPING PACKAGE

## LABELLING

- IDENTIFICATION
- GRADATION
- DESCRIPTION
- PROMOTION

## PRODUCT LIFE CYCLE

1. INTRODUCTION STAGE
2. GROWTH STAGE
3. MATURITY STAGE
4. DECLINE STAGE

## NEW PRODUCT DEVELOPMENT PROCESS

### PHASE 1: IDEAS

### PHASE11: CONCEPT TO STRATEGY

### PHASE 111: DEVELOPMENT TO COMMERCIALISATION