



CONSUMER BEHAVIOR: THE PSYCHOLOGY OF MARKETING

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The study of consumers helps firms and organizations improve their marketing strategies by understanding issues such as how

Consumer behavior involves the study of how people--either individually or in groups--acquire, use, experience, discard, and make decisions about goods, services, or even lifestyle practices such as socially responsible and healthy eating. As an evolving phenomenon, one should not be overly dogmatic about this definition. Numerous alternatives, each taking a slightly different angle and emphasizing different aspects. However, the scope presented here suggests that: The behavior occurs either for the individual, or in the context of a group (e.g., friends influence what kinds of clothes a person wears, or family tradition influences which brand of laundry detergent is bought).

Consumer behavior involves the use and disposal of products as well as the study of how they are purchased. Product use is often of great interest to the marketer, because this may influence how a product is best positioned or how we can encourage increased consumption. Since many environmental problems result from product disposal (e.g., motor oil being sent into sewage systems to save the recycling fee, or garbage piling up at landfills) this is also an area of interest.

Consumer behavior involves services and ideas as well as tangible products. The impact of consumer behavior on society is also of relevance. For example, aggressive marketing of high fat foods, or aggressive marketing of easy credit, may have serious repercussions for the national health and economy.

There are four main applications of consumer behavior:

There are several units in the market that can be analyzed. Our main thrust in this course is the consumer. However, we will also need to analyze our own firm's strengths and weaknesses and those of competing firms. Suppose, for example, that we make a product aimed at older consumers, a growing segment. A competing firm that targets babies, a shrinking market, is likely to consider repositioning toward our market. To assess a competing firm's potential threat, we need to examine its assets (e.g., technology, patents, market knowledge, awareness of its brands) against pressures it faces from the market. Finally, we need to assess conditions (the marketing environment). For example, although we may have developed a product that offers great appeal for consumers, a recession may cut demand dramatically.

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