Marketing Environment
Consumer Behavior
Buyer Decision Process
Demand Forecasting
Market Segmentation
Targeting
Market Positioning

People behaviour and consumer behaviour effect some influences. Their penetration and final repercussion in particular purchase decision is unique – individual.

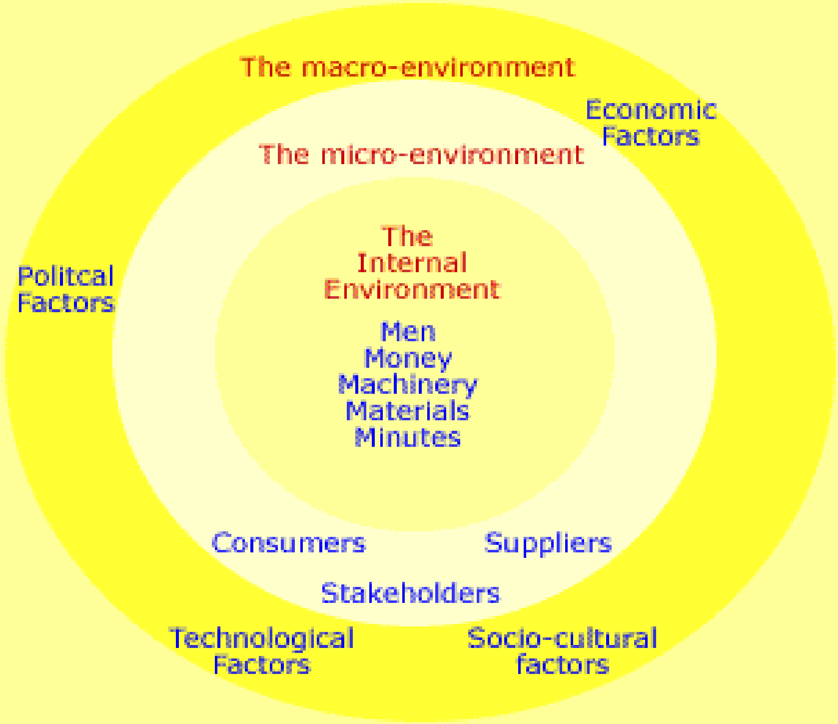
However ;some are in their purchase behaviour in some spheres more similar then others. This similarity is very sought and used value in firm marketing. It enables at the same time also higher satisfaction of need of some group of consumers.

Consumer Vs Customer

Customer is the one who is purchasing the goods.

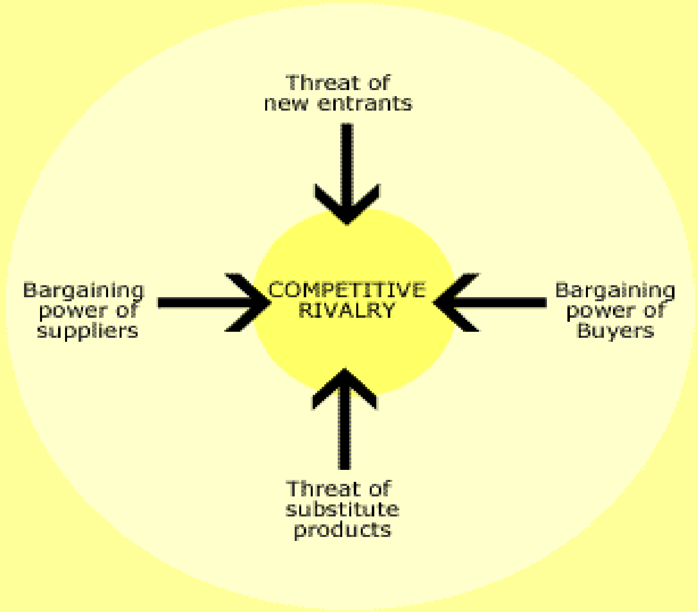
Consumer is the one who is the end user of any goods or services. Any person, other than the buyer who buys the product or services, consumes the product by taking his/her permission is categorized as a **consumer**.

Marketing Environment



The Marketing Environment

Five Forces Analysis



Adapted from M.E. Porter, Competitive Strategy, Free Press, 1980.

- A general model of the **buyer decision process** consists of the following steps:
    - Problem recognition;
    - Information Search
    - Evaluation of Alternative
    - Purchase decision
    - Purchase
    - Post-purchase behavior/buyer's remorse (cognitive dissonance)

- AIUAPR MODEL
    - Awareness
    - Interest
    - Understanding
    - Attitude
    - Purchase
    - Repeat purchase

General model for Consumer Behavior

- "The study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society."
    - how consumers think, feel, reason, and select between different alternatives (e.g., brands, products, and retailers);
    - how the consumer is influenced by his or her environment (e.g., culture, family, signs, media);
    - The behavior of consumers while shopping or making other marketing decisions;
    - Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;
    - How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer; and
    - How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer.

What is demand ?

In economics, demand is the quantity of a good that consumers are willing and able to purchase at various prices during a given period of time. The relationship between price and quantity demanded is also called the demand curve.

What is demand forecasting ?

Demand forecasting is a field of predictive analytics which tries to understand and predict customer demand to optimize supply decisions by corporate supply chain and business management.

What is the purpose of demand forecasting?

Demand forecasting is the process of predicting future sales by using historical sales data to make informed business decisions about everything from inventory planning and warehousing needs to running flash sales and meeting customer expectations.

Consumer buying behavior- Decision Process

Consumer behavior involves services and ideas as well as tangible products.
main applications of consumer behavior

marketing strategy—i.e., for making better marketing campaigns

public policy

Social marketing involves getting ideas across to consumers rather than selling something.

studying consumer behavior should make us better consumers

three ways of analysing consumer buying decisions

Economic models - These models are largely quantitative and are based on the assumptions of rationality and near perfect knowledge. The consumer is seen to maximize their utility. See consumer theory. Game theory can also be used in some circumstances.

Psychological models - These models concentrate on psychological and cognitive processes such as motivation and need recognition. They are qualitative rather than quantitative and build on sociological factors like cultural influences and family influences.

Consumer behaviour models - These are practical models used by marketers. They typically blend both economic and psychological models.

Tourism Demand Modeling and Forecasting

- Tourism demand modeling and forecasting are very important for tourism-related business decision making
    - Stock effect,
    - market response effect

Analysis

- Tourism demand can be measured in terms of
- number of tourist visits from an origin country to a destination country
- tourist expenditure by visitors from the origin country in the destination country
- tourist nights spent by visitors in the destination country

▪the explanatory variables for tourism demand include origin country income, destination country tourism prices, substitute destination country tourism prices, tastes, etc. Empirical studies usually use living costs for tourists in the destination as the tourism price. Various demand models can be used to estimate and forecast tourism demand.

▪modeling tourism demand in a vector autoregressive (VAR) framework, to forecast the number of holidays spent by non residents

Tourism Demand Determinants

modern tourist travels are being modified under the influence of various factors, and there are three determinants which influence the tourist demand in particular (Vellas & Becherel, 1997):

* Demographic changes and social evolution.

* Increased leisure time and duration of holidays.

* Segmentation of holidays and market segmentation.

Market segmentation

- segmentation is the process of:
- (1) taking existing and/or potential customers/visitors (market) and categorizing them into groups with similar preferences referred to as "market segments;"
- (2) selecting the most promising segments as "target markets;" and
- (3) designing "marketing mixes," or strategies (combination of the 4 Ps), which satisfy the special needs, desires and behavior of the target markets.

no unique or best way to segment markets, but ways in which customers can be grouped are:

(1) location of residence---instate, out-of-state, local;

(2) demographics---age, income, family status, education;

(3) equipment ownership/use---RV's, sailboats, canoes, tents, snowmobiles;

(4) important product attributes---price, quality, quantity; and

(5) lifestyle attributes---activities, interests, opinions.

Targeting

- After segments have been identified, the business or community must select the "target markets," those segments which offer them the greatest opportunity. When determining target markets, consideration should be given to:
    - (1) existing and future sales potential of each segment;
    - (2) the amount and strength of competition for each segment;
    - (3) the ability to offer a marketing mix which will be successful in attracting each segment;
    - (4) the cost of servicing each segment; and
    - (5) each segment's contribution to accomplishing overall business/community objectives.
- It is often wiser to target smaller segments that are presently not being served, or served inadequately, than to go after larger segments for which there is a great deal of competition.

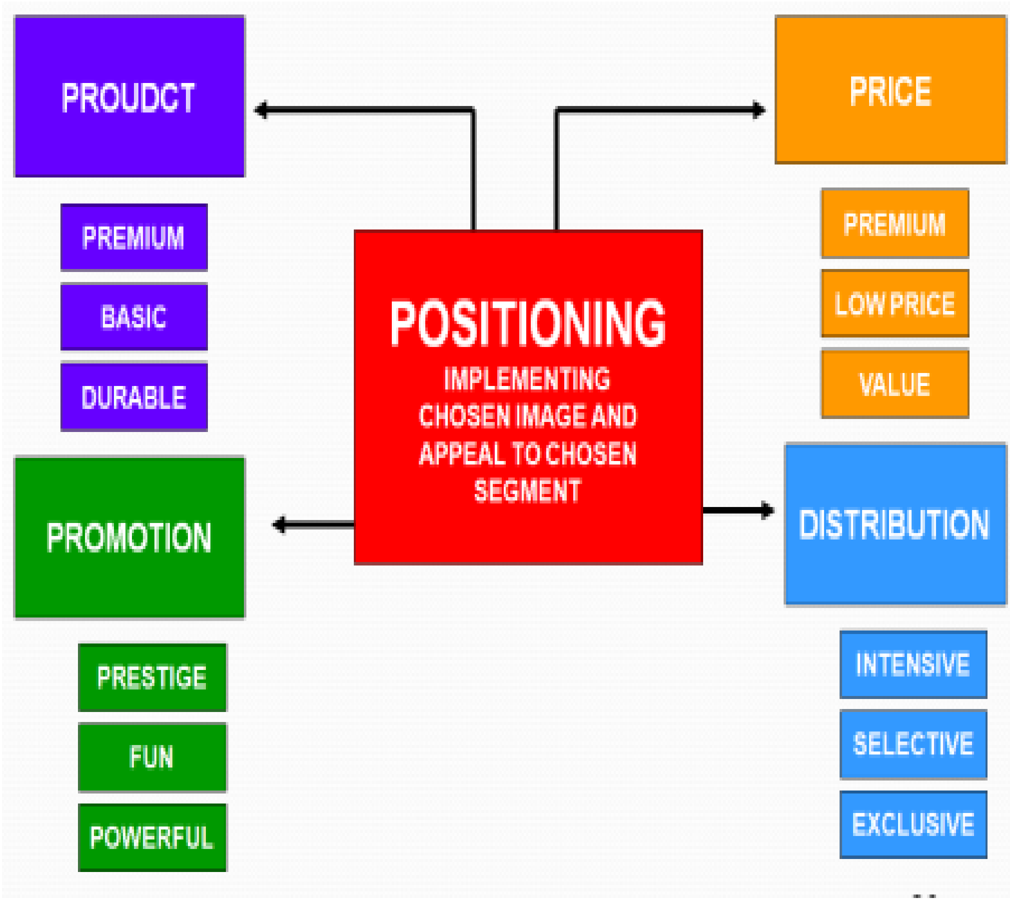
Positioning

- In marketing, **positioning** has come to mean the process by which marketers try to create an image or identity in the minds of their target market for its product, brand, or organization.

- **Re-positioning** involves changing the identity of a product, relative to the identity of competing products, in the collective minds of the target market.

- **De-positioning** involves attempting to change the identity of competing products, relative to the identity of your own product, in the collective minds of the target market.

- The original work on Positioning was consumer marketing oriented, and was not as much focused on the question relative to competitive products as much as it was focused on cutting through the ambient "noise" and establishing a moment of real contact with the intended recipient


PROUDCT
PREMIUM
BASIC
DURABLE
PRICE
PREMIUM
LOW PRICE
VALUE
POSITIONING
IMPLEMENTING CHOSEN IMAGE AND APPEAL TO CHOSEN SEGMENT
PROMOTION
PRESTIGE
FUN
POWERFUL
DISTRIBUTION
INTENSIVE
SELECTIVE
EXCLUSIVE