

EBM 205 Marketing Entertainment



WEEK 4

UNDERSTANDING CONSUMERS

During this lesson develop an understanding of consumer markets both in the broader economy and in the music, entertainment and arts context.

The more that you learn about people the more that you will be able to understand what motivates them, what they like and dislike, and how they go about making purchasing decisions.

Understanding Consumers



- Today we will be discussing consumers
- What motivates them?
- How do they spend their leisure time?
- What are their needs and wants?
- How do they make purchase decisions?
- What are the basic types of markets that can be targeted?

The Growing Power of Consumers



Consumers are telling us they expect more from brands...



The growing power of consumers | The Deloitte Consumer Review

1,754 views



Understanding Consumers



- The more that you know about your potential customers the better that you will be to market to them.
- Understanding them will give you insights into how you might counteract the effectiveness of your competition

Research



- A lot of research has been done on the arts and entertainment industry and an essential website for you to check out is the Australia Council site <http://www.australiacouncil.gov.au/>
- An Australian Bureau of Statistics study conducted in 1994, “***How Australians Use Their Time***” assessed three main classifications of leisure activity:
 - *Social life and Entertainment*
 - *Active leisure*
 - *Passive Leisure*

How Australians Use Their Time



- 1. The most popular form of leisure was ***passive leisure***.
- Passive leisure includes
 - Watching television and videos
 - Talking, including talking on the phone
 - Reading
 - “just relaxing”

Social life and entertainment



- 2. The second most popular form of entertainment was ***Social life and entertainment*** which includes
 - Sporting events
 - Cinema
 - Nightclubs
 - Library
 - Galleries
 - Festivals
 - Markets

Active leisure



- 3. The third most popular was ***active leisure***.
- Active leisure included;
 - Playing sport
 - Exercising
 - Cycling
 - Jogging
 - Outdoor activities
 - Hobbies, Arts and crafts

Understanding consumer behaviour



Consumer behaviour is concerned with understanding:

- What people like and dislike
- What their interests and motivations are
- How they obtain information and make decisions
- How they evaluate their satisfaction with their purchases
- How they feel about your product/service
- How they feel about your direct and indirect competitors

Understanding consumer behaviour



- All of this information helps us plan the full range of marketing activities including;
- Product development
- Positioning
- Pricing
- Distribution channels
- Promotion

Understanding Content and Exclusives



Marketing Executive Sean McGinn Talks Netflix, Original Content, and Understanding Consumers: GLG

349 views



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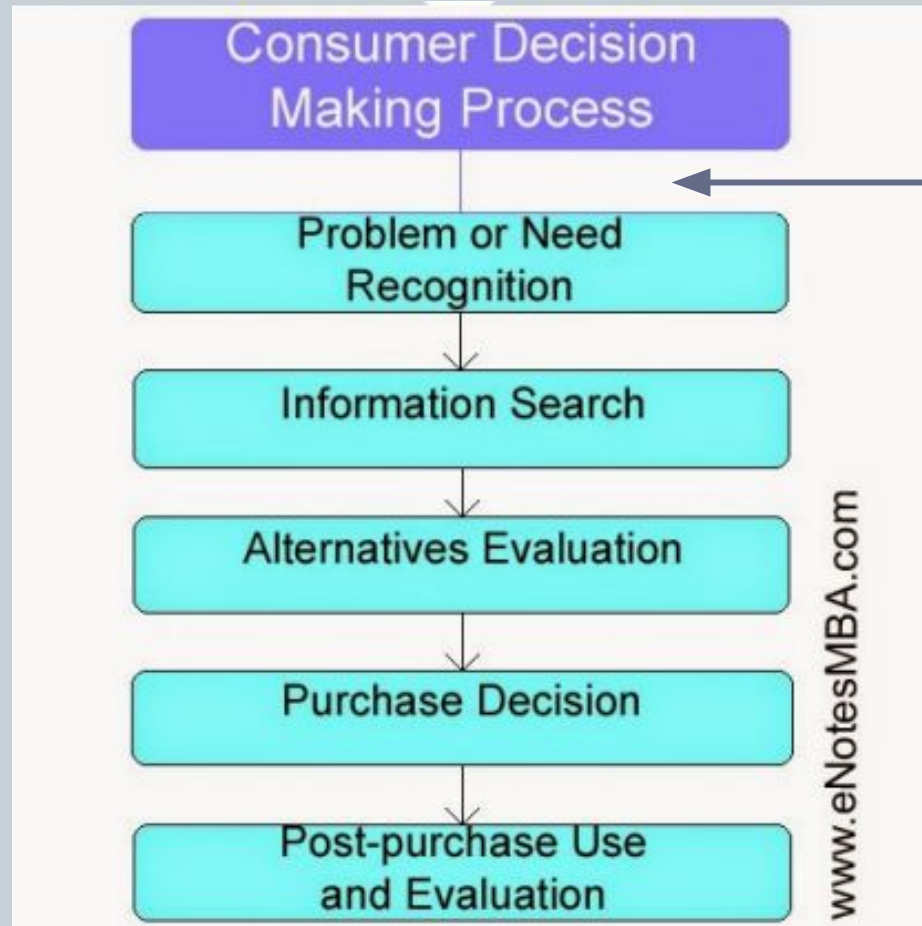
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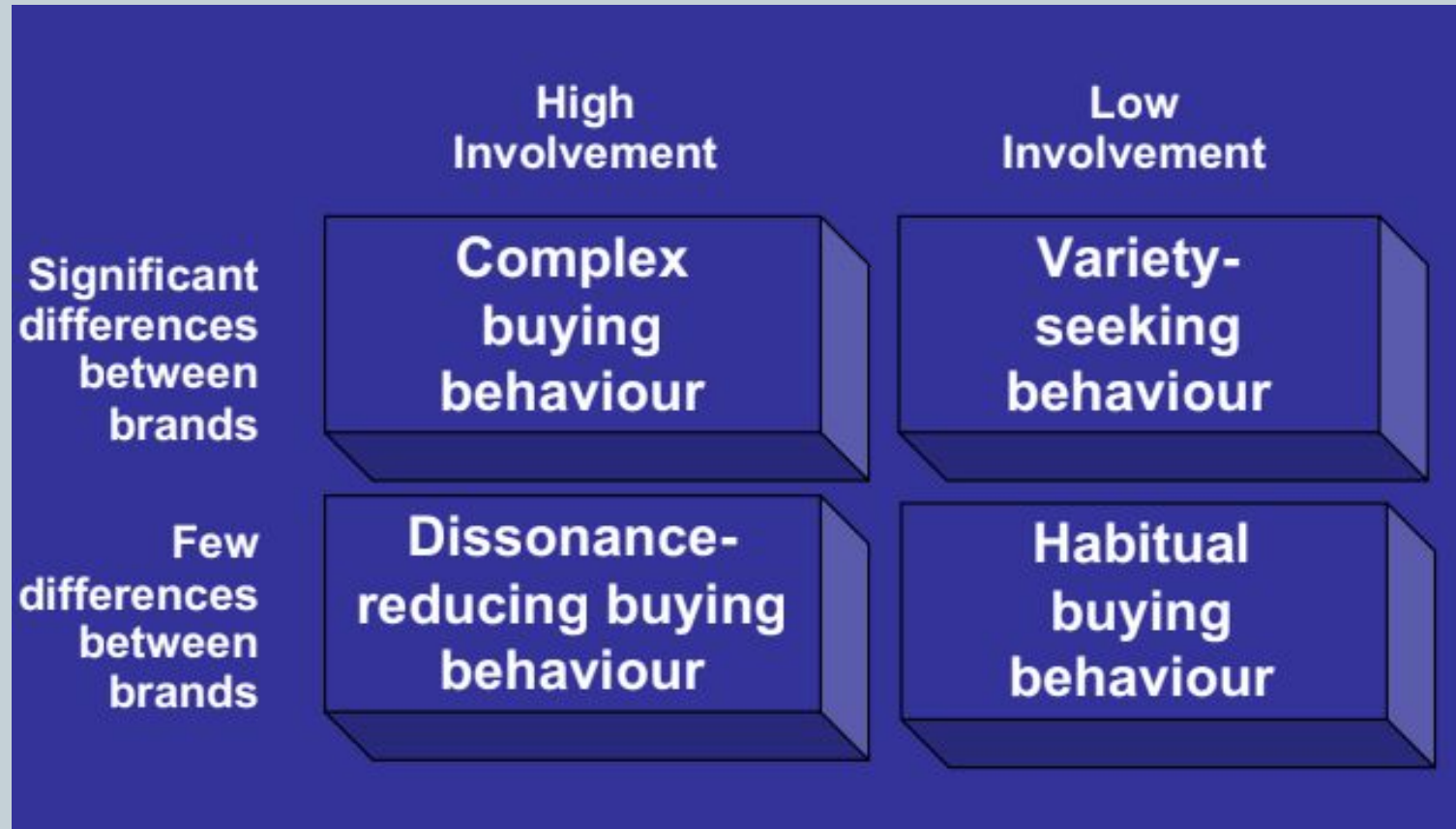
SHARE



Consumer Decision Process



Types of Buying Decisions



Group Exercise



- Get into small groups
- Apply the buying process to a recent purchase you made of a large(ish) \$ value
- Report back to class

→ 5 minutes total



Now - Internal & External Factors



- The Consumer Decision Process
- Internal factors
 - ✧ 1. Motivation
 - ✧ 2. Perception
 - ✧ 3. Learning
 - ✧ 4. Personality
 - ✧ 5. Self-concept
- External Influences
 - ✧ Demographics
 - ✧ Culture & Subculture
 - ✧ Social class
 - ✧ Reference groups
 - Family and households

Consumer Behaviour - Internal Influencers



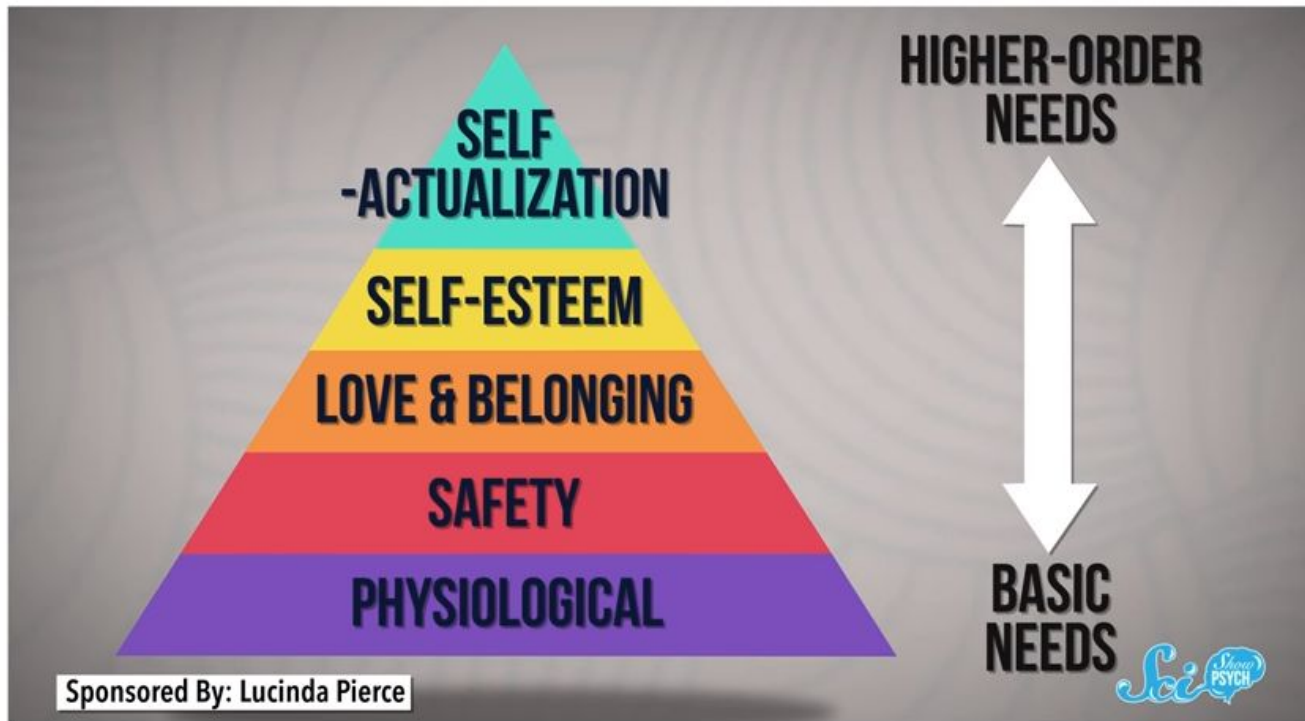
- There are five main physiological forces which influence consumer's decision-making.
 - 1. Motivation
 - 2. Perception
 - 3. Learning
 - 4. Personality
 - 5. Self-concept

1. Motivation - Identifying needs



- Previously we have discussed the fact that marketing is a process in which you exchange something that you have that satisfies a need for something of value, usually money
- But understanding peoples needs is not as simple as it might sound. For example, If someone needs music in their life they can
 - *Play an instrument*
 - *Listen to a CD*
 - *Attend a live performance*

1. Motivation - Identifying needs

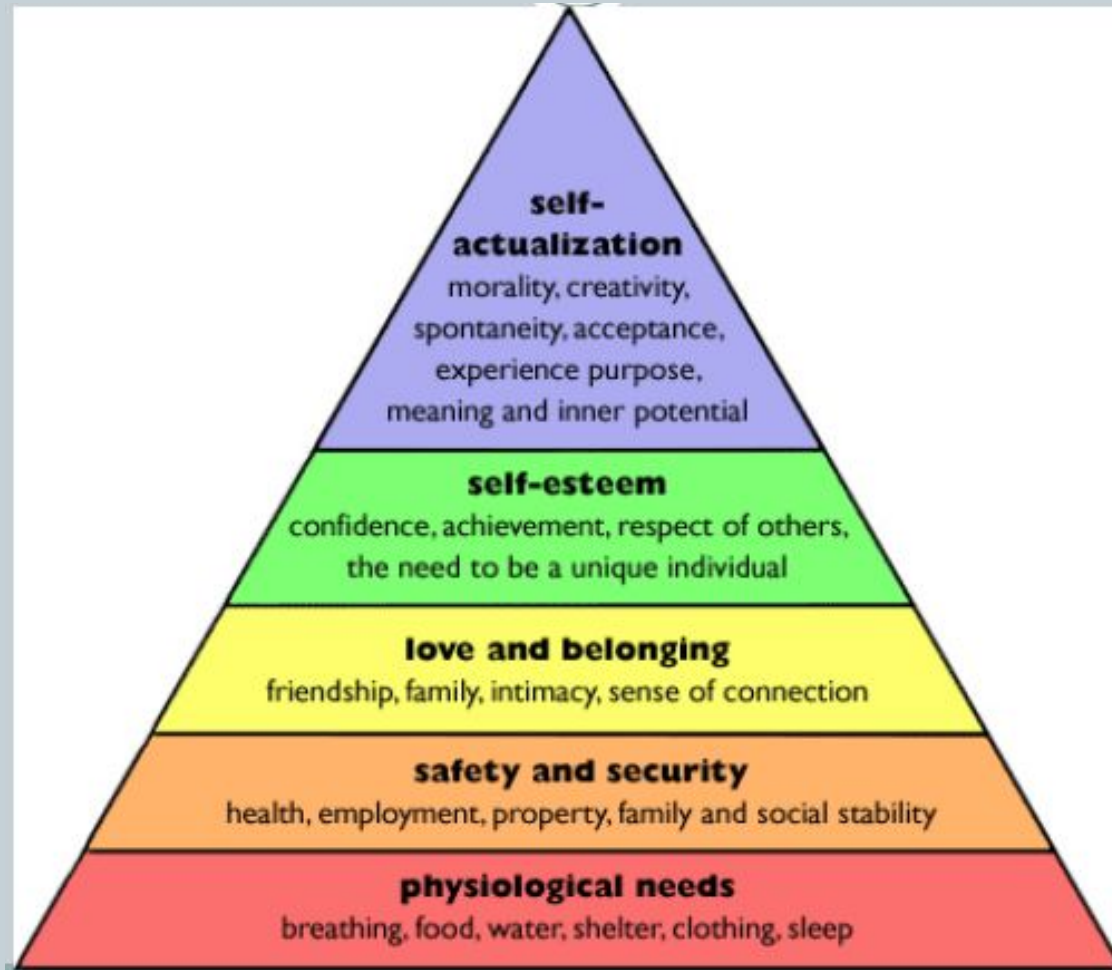


Do Psychologists Still Use Maslow's Hierarchy of Needs?

73,531 views

3K 116 SHARE ...

1. Motivation - Identifying needs



1. Motivation - Identifying needs



- People have almost unlimited wants but limited resources, so they have to make decisions that will supply the most satisfaction for their money
- At the three highest levels of the pyramid, arts and entertainment can satisfy;
 - Sense of belonging when attending events with friends
 - Sense of self esteem when attending major concerts
 - Sense of self actualisation when choosing activities that have a particular personal appeal

2. Perception



- Perception
 - **is the process whereby we receive stimuli (information) through our five senses; we recognise this information, and then we assign a meaning to it**

3. Learning



- Learning: changes in behavior resulting from observation and previous experience
- Learning occurs when a person:
 - Responds to stimuli
 - Is rewarded for correct response
 - Is penalised for incorrect response
 - Repeats a response
 - Forms habitual response

4. Personality



- **Personality: an individual's pattern of traits that influence behavioural response**
- **The Freudian notions of:**
 - **Id (basic instinctive drives)**
 - **Ego (conscious rationale)**
 - **Superego (conscience)**

5. Self Concept



- **Self concept or self image** is the way you see yourself and the picture you think others have of you
- **Actual self-concept** (The way you really see yourself)
- **Ideal self-concept** (The way you want to be seen or would like to see yourself)

Attitudes & Beliefs



- **Attitude**—a person's enduring tendency to evaluate, feel about or act in relation to some object or idea
- **Attitudes** are formed by the information individuals acquire through their learning experience and influenced by personality traits
- Long lasting & harder to change

SOCIAL AND GROUP FORCES

Culture
Subculture
Social class
Reference groups
Family and households

PSYCHOLOGICAL FORCES

Motivation
Perception
Learning
Personality
Attitude

INFORMATION

Commercial sources

Social sources

BUYING-DECISION PROCESS

Need recognition

Identification of alternatives

Evaluation of alternatives

Purchase and related decisions

Post-purchase behaviour

SITUATIONAL FACTORS

When consumers buy
Where consumers buy

Why consumers buy
Conditions under which consumers buy

Consumer Behaviour - External Influencers



Demographics

Culture & Subculture

Social class

Reference groups

Family and households

External Influencers



Geographic distribution, frequently divided into rural, urban, and suburban

Demographics, the vital statistics that describe a population. In particular:

- Age
- Gender
- Family life cycle
- Education
- Income distribution
- Ethnicity

Family Life Cycle



- Family life cycle will determine the purchase behaviour of individuals and reason for purchase
- **Single** parent & two-parent family
- **Young** couples no children
- **Family** (usually 2 adults, 2 young children)
- Family with teenagers
- Multi-cultural (or mixed) family

Key Points to Remember



- The Consumer Decision Process
- Internal factors
 - ✧ 1. Motivation
 - ✧ 2. Perception
 - ✧ 3. Learning
 - ✧ 4. Personality
 - ✧ 5. Self-concept
- External Influences
 - ✧ Demographics
 - ✧ Culture & Subculture
 - ✧ Social class
 - ✧ Reference groups
 - Family and households