

## Lecture 6: Consumer Behavior in Services

### 1. Definition of Consumer Behavior:

Consumer behavior refers to the set of activities undertaken by individuals during the selection, purchase, and use of goods and services, aimed at satisfying their needs and fulfilling their desires. In essence, consumer behavior encompasses the activities and actions performed by consumers while searching for goods and services they require, evaluating them, acquiring them, using them, and disposing of them, along with the associated decision-making processes.

Consumer behavior is based on several implicit assumptions, which can be summarized as follows:

1. The decision-making process may be individual or collective. For instance, an individual may make a decision alone, such as subscribing to a personal service or visiting a doctor for treatment, while other decisions may require the participation of multiple individuals, such as a family planning a weekend trip.
2. Consumer behavior involves two types of activities: one includes physical actions such as shopping, interacting with sales personnel, and gathering necessary information; the other encompasses mental activities such as analyzing information, comparing alternatives, and making purchase decisions.
3. Consumer behavior is generally non-random; it is a planned activity governed and guided by one or more objectives aimed at satisfying currently unmet needs.

Within this framework, consumer behavior is defined as the actions and conduct of individuals in planning, purchasing, and subsequently consuming a product (good or service). From this perspective, the consumer engages in pre-purchase planning based on two main aspects:

- The consumer's prior experiences with the product, competing products, or alternatives, and the expected level of satisfaction that the product will provide upon purchase.
- The consumer's ongoing effort to gather information in order to reach a satisfactory purchase decision that delivers the desired fulfillment and satisfaction. Accordingly, organizations provide information about their products to facilitate this process.

### 2. Importance of Studying Consumer Behavior for Service Organizations:

- Understanding consumer needs and desires aids in designing products that are more likely to be accepted, thereby achieving organizational goals and fulfilling customer requirements.
- Modern marketing philosophy is consumer-oriented, with the consumer representing both the starting and ending point of the marketing process.
- Identifying new marketing opportunities by exploring unmet or emerging consumer needs and desires and capitalizing on them.
- Studying consumer behavior assists organizations in designing their marketing programs, including setting appropriate pricing policies, promotional strategies, and distribution channels.
- Gaining precise knowledge of customers, their purchasing habits, and the factors influencing their buying decisions.
- Evaluating marketing performance by understanding customer feedback, opinions about products, and overall assessment of marketing policies.

### 3. Service Purchase Decision:

The service purchase decision involves the steps and stages a buyer goes through when making choices regarding preferred products. The purchase decision generally proceeds through three main stages:

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- **Pre-purchase stage:** Recognizing the problem and the need, gathering information, evaluating alternatives, and selecting the optimal option.
- **Purchase stage:** Executing the actual purchase or making the purchase decision.
- **Post-purchase stage:** Evaluating the purchase after consumption.

The stages of the service purchase decision process include:

1. Recognition of the need for the service and awareness of its benefits.
2. Information search stage.
3. Identification of available alternatives.
4. Evaluation of alternatives.
5. Making the purchase decision.
6. Actual purchase.
7. Post-purchase behavior.

### 4. Factors Influencing Service Purchase Decisions:

Consumer behavior may be influenced by a variety of factors, including:

- **External environmental factors:** Economic factors such as income and purchasing power; social and cultural factors including family, friends, reference groups, social classes, traditions, and religious values and beliefs; demographic factors such as gender, age, and geographic distribution; and political factors, most notably political stability.
- **Marketing factors:** Elements of the marketing mix that play a critical role in introducing services and encouraging their purchase.
- **Internal or psychological factors (consumer characteristics):** Such as motivation, learning, perception, and personality.