CONSUMER BEHAVIOUR

Practical Analytical Report

Option 1: Psychological Drivers, Consumer Perception, and Brand Positioning

Submitted by: Roshan

Student ID: PBM26037

Programme/Course: Bachelor in Business Administration and management

Submission date: 10/20/2026

Table of Contents

Contents

Table of Contents 2

Executive Summary 4

1. Introduction 5

2. Theoretical Framework & Consumer Models 5

2.1 Motivation and needs 5

2.2 Perception and selective attention 6

2.3 Learning, memory, and reinforcement 6

2.4 Attitudes and consumer decision models 7

2.5 Heuristics and behavioural biases 7

3. Behavioural Data & Market Analysis 8

3.1 Illustrative decision funnel 8

3.2 Sample consumer profiles 9

3.3 Data collection and metrics 9

4. Discussion & Managerial Implications 10

4.1 From psychological insight to action 10

4.2 Brand positioning 10

4.3 Campaign framework 11

4.4 Loyalty and ethical marketing 11

5. Strategic Positioning & Campaign Framework 12

5.1 Recommended positioning strategy 12

5.2 Implementation plan 12

6. Conclusion & Recommendations 13

References 14

Appendix A: Sample Consumer Survey 15

Appendix B: Illustrative Consumer Profile Data 15

Executive Summary

The present report deals with the concept of motivation, perception, learning and attitudes and their impact on consumer decision making and loyalty. It uses well-known consumer behaviour models in relation to a fictional personal care product around which an imaginary campaign is built, and shows how getting into the minds of consumers can help with segmentation, positioning and campaign design. An example of a decision funnel and consumer profiles illustrate the link between customer needs, product benefits, credible messages, and measurable outcomes. All figures are speculative and are used to illustrate methods of analysis not as a result of any survey of the market.

Not all consumers are rational in their consumption decisions. Knowing what to do, peer pressure, perceived risk, mental shortcut and emotional connections can influence decisions. Marketers will understand the problem to be solved by the consumer, give them information they can understand, minimize uncertainty and ensure positive post-purchase. The suggested approach places the hypothetical brand in a strong position as a reliable, accessible-quality brand with clear messaging, trial opportunities, real reviews and claims. Awareness, consideration, conversion, repeat purchase, satisfaction and complaints should be used to measure performance, but not reach.

1. Introduction

Consumer studies is concerned with consumer behavior, i.e. the process through which a person and/or a group choose, buy, use, analyze and dispose of products and services. Knowing this behavior is essential to creating products, communicating benefits, selecting communication channels, and establishing customer relationships with the organization. Needs, attention, memory, past experience, attitudes, perceived risk and social context all affect decision-making, in addition to the price and product features.

This report examines the psychology behind consumer choices and how to apply them in a real-life brand positioning dilemma. The hypothetical case is a mid-priced personal-care product that is trying to compete against budget, mainstream, and premium products. It looks at the role of motivation, perception, learning and attitudes in purchase decisions, behavioral data that can indicate where a barrier is in the purchase journey, and how a brand can create loyalty by positioning authentically and through a marketing campaign.

2. Theoretical Framework & Consumer Models

2.1 Motivation and needs

Motivation is the internal drive guiding behaviour that moves towards a goal. Consumers might look for a functional benefit (effectiveness and convenience) or a psychological benefit (confidence, comfort, belonging or self-expression). The needs are categorized into five in Maslow's hierarchy: Physiological, Safety, Social, Esteem, and Self-actualization. It can be useful for marketers to make hypotheses about benefits they want to offer, but it should not be regarded as a universal sequence or a rigid sequence as motives overlap and are specific to the culture and situation.

Functional performance and safety may be expected as basic aspects of the product for the potential personal-care product, while trust, confidence and identity may drive preference

choice between similar products. These assumptions should be validated with research and not be taken for granted that all buyers have the same motive.

2.2 Perception and selective attention

Perception involves consumer selection, organizing and interpretation of information. When this occurs, selective attention occurs (only paying attention to selected messages), selective interpretation (interpreting information using preexisting beliefs, and selective retention (information remembered more easily). Exaggeration, or confusing labels or packaging and design can undo this consumer trust.

Perceived risk could refer to performance, safety, cost, social judgement or time being spent. Clear and accurate details, transparent pricing, reputable reviews and honest return policies can minimize uncertainty. Evidence should be provided to support all claims.

2.3 Learning, memory, and reinforcement

Consumer learning is a modification of knowledge, expectation or future behaviour in the event of experience or information. Classical conditioning can pair a brand with a feeling, operant conditioning can be understood as the idea that there's a reward or reinforcement when a person exhibits the behaviour, and observational learning involves consumers learning from family, reviewers or creators and peers. Trial experiences, continual service, and usage information may affect a future purchase.

Rewards do not always guarantee repeat purchase but a loyalty programme may help. However, if the quality of the product is not up to standard, a discount might only further postpone the switch. To achieve sustainable loyalty, there must be compensation that is reliable and convenient, fair treatment, and post-purchase support.

2.4 Attitudes and consumer decision models

An attitude is a learning evaluation of a brand, product or behaviour. It may be comprehended by cognitive beliefs, affective feelings and behavioural intentions. The multi-attribute approach proposed that the consumers apprehend brands on significant attributes like quality, price, safety, availability, and services. Through research, it is possible to determine the features that are most important and what brands are seen as competing.

The consumer decision journey is commonly said to be Awareness, consideration, evaluation or trial, purchase and repeat purchase. This funnel is not a linear path that consumers always take; they can go from one stage to the next, or they may choose to jump steps or repeat information. It can assist with determining the points in the sales cycle where potential customers are dropping out, and what experience or proof they might need before they will proceed.

2.5 Heuristics and behavioural biases

When information is scarce and time is tight, consumers will resort to mental short-cuts, also called heuristics. Repeated viewing can weigh in for brands, previous reviews can sway the latter, the original price can influence the final price judgements, and the risk of failure can be particularly salient when leading to the feeling of a bad purchase. While these shortcuts may be useful, they also may lead to systematic errors.

There are some ethical implications to consider when using behavioural insights for marketers. The goal is to help make useful information more understandable, and easy to comprehend, rather than to trick one into buying what is not good for them.

3. Behavioural Data & Market Analysis

3.1 Illustrative decision funnel

Suppose that these 1000 potential consumers are reached by a hypothetical campaign. Of this, 620 are aware of or engaged with the product, 340 are thinking about buying, 210 buys for the first time in the measured period and 135 buy at least again in the measured period. These are indicative and not actual figures.

Stage	Consumers	Conversion from previous stage	Diagnostic question
Awareness / engagement	1,000	—	Is the message reaching the right audience?
Consideration	620	62.0%	Are benefits clear and credible?
Trial / evaluation	340	54.8%	Is there enough evidence to reduce risk?
First purchase	210	61.8%	Are price, availability, and checkout barriers low?
Repeat purchase	135	64.3%	Did the product meet expectations?

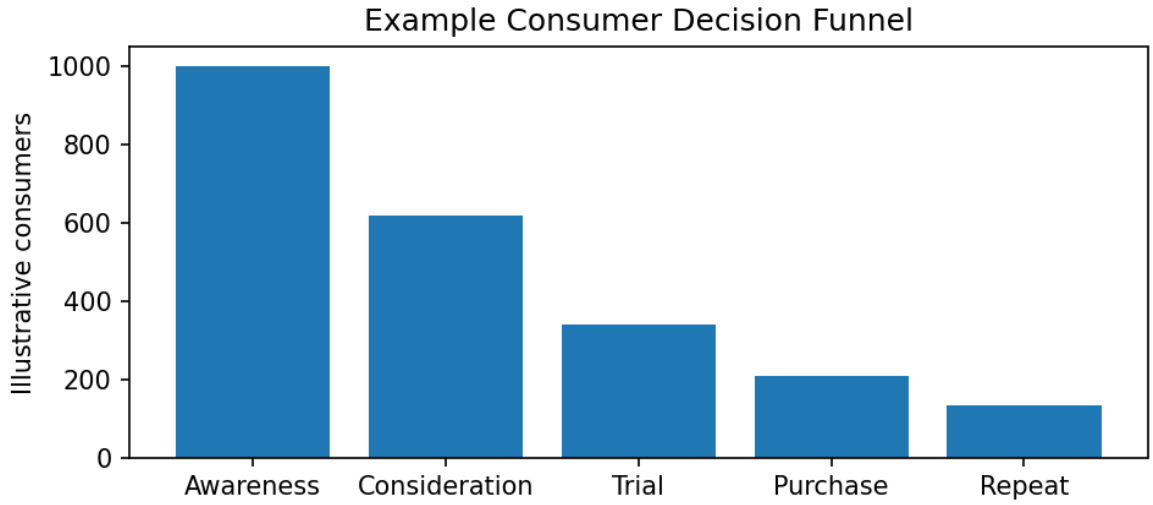


Figure 1. Consumer decision funnel – illustrative and hypothetical figures.

The highest number of people who do not move forward is from awareness to consideration (380). The brand needs to see if the audience is not well targeted, if the value proposition is not clear to the audience, if this content fails to answer the common questions. If the difference between the 75 drop of the first purchase and repeat purchase is due to a different reason: product experience, usage instructions, timeliness of replenishment, or perceived value.

Retention problems must be addressed through different stages in different ways: Ads alone don't fix retention.

3.2 Sample consumer profiles

Profile	Likely motivation	Concern	Useful message or evidence
Value-conscious	Reliable performance at fair cost	Paying too much	Transparent value and price-per-use comparison
Safety-focused	Confidence in ingredients and use	Unclear or unsupported claims	Accurate ingredient details and evidence
Convenience-seeking	Easy purchase and availability	Time and effort	Simple ordering and clear delivery information
Brand-expressive	Identity and recommendations	Brand feels inauthentic	Consistent identity and authentic reviews

These descriptions are a hypothesis and not a classification. Consumers can have multiple profiles and multiple priorities may change when they are shopping. Research may entail conducting surveys, interviews, studying how websites are used, repeat purchase research, and analyzing themes found in customer service.

3.3 Data collection and metrics

Short surveys on purchase motives and brand perceptions, interviews with recent and lapsed customers, website analytics and post-purchase satisfaction questions are just a few of the components of a practical research plan. Questions should be unleading and provide even options. Behavioural data be collected for a proper purpose, given notice and with safeguards.

Some useful metrics are aided and unaided awareness, consideration, product page engagement, conversion, repeat-purchase rate, return rate, satisfaction, complaints, and customer lifetime value (CLV). Each metric should be clearly defined as well as have a time period to compare with, otherwise the comparisons may be misleading.

4. Discussion & Managerial Implications

4.1 From psychological insight to action

Motivation research explores what tasks a product should be designed to accomplish. Perception research tells if the value proposition is perceived and understood. The principle behind learning theory is what makes it possible for repeat behaviours to be reinforced through consistent performance and helpful onboarding. Attitude measures indicate whether or not beliefs and feelings are conducive to purchase intentions. When paired together, they offer a comprehensive explanation that cannot be achieved from either of the two: demographics or clicks.

Each of the barriers should be linked to an intervention and be managed by the Manager. If they don't understand what it is, make the message simple and show consumers how it works. If the perceived risk is high, present accurate evidence, support and clear policies. When trial is high but repeat purchase low, focus on product experience and value, not on upping acquisition spend.

4.2 Brand positioning

Brand positioning is the niche a brand wants to take up in the minds of target customers over other brands. A positioning statement defines a target audience, a category, the benefits to that audience, and the reasons to believe. In this imaginary scenario, the brand is making “For consumers who don't want to spend a lot of money for personal care every day, the brand provides simple quality and honest product information, service is responsive, and the performance is consistent.” This proposition must only be used when the product can back up the quality and service that is being offered.

Positioning element	Proposed direction	Evidence required
Target audience	Consumers seeking everyday value	Research on needs and willingness to pay
Frame of reference	Mid-priced personal-care category	Competitive category analysis
Point of difference	Dependable quality and transparency	Product performance and accurate information
Reason to believe	Clear details and responsive service	Verified product facts and service standards

Survey target consumers before prior to committing to this position; make a comparison of the perceived quality and price with actual competitors. Communication alone will not secure a permanent position if consumers are not satisfied with the product's ability to provide the promised benefit. They must back up the promise with the product, price, packaging and service.

4.3 Campaign framework

Stage	Barrier	Activity	Key measure
Awareness	Low familiarity	Educational content and clear brand promise	Target reach; awareness lift
Consideration	Unclear value or credibility	Demonstrations, FAQs, verified reviews	Consideration and engagement
Trial	Risk or price hesitation	Sample or transparent introductory offer	Trial conversion and acquisition cost
Purchase	Friction or availability	Clear checkout, stock and delivery details	Conversion and abandonment
Post-purchase	Uncertainty about use or value	Usage guidance, support, feedback request	Satisfaction and repeat purchase

The campaign needs to have one simple promise, and to be flexible about the format depending on the channel. Each channel Paid Media, Search, Product, and Post-Purchase can serve as the foundation for achieving each of these goals. Claims should be presented as one and the same throughout channels.

4.4 Loyalty and ethical marketing

Building loyalty involves building product reliability, service recovery, convenience and relevant communication. While a loyalty programme could help, customers will only make repeat purchases when they feel the trade-in is worthwhile, even if it is to get a discount. The doctor should take customer's feedback to make improvements and the complaints should be dealt with fairly.

In the field of ethical marketing, honesty in promotion is the most important factor, as are honest claims, genuine reviews, transparent promotion details, personal data limitation and

consumer autonomy. The aim of behavioural science should not be to mask costs and/or to make you feel like you are in a hurry to make a decision. Trust is an asset that can be developed as a strategy and the short-term gains that come with it can be harmful to the long-term value of the customer.

5. Strategic Positioning & Campaign Framework

5.1 Recommended positioning strategy

A strategy recommended is to situate the brand around the level of trust that it can create in its everyday quality, the transparency of information it provides and its accessibility to the value. This works better than altering product performance and support to meet the low-price standard if the performance and support is consistent. The brand the evidence should state three points: - substantiated performance information - details regarding the product - post purchase support. Claims should be based on evidence and reviewed prior to publication.

5.2 Implementation plan

Phase	Timing (illustrative)	Action	Owner	Success indicator
Research	Weeks 1–2	Survey customers; interview buyers and lapsed customers	Insights / Marketing	Validated motives and barriers
Positioning	Weeks 3–4	Test message and price–quality perceptions	Brand / Product	Improved message comprehension
Pilot campaign	Weeks 5–8	Test creative, landing page, and trial offer	Marketing / E-commerce	Conversion and acquisition cost
Retention	Weeks 6–10	Improve onboarding and support	Customer service / CRM	Satisfaction and repeat purchase
Evaluation	Weeks 9–12	Compare results with baseline or control	Analytics / Leadership	Incremental impact and next steps

Create a control group (if possible) and/or set a baseline prior to launching. Report on the segments, but don't over interpret small samples. Scale only if there is verified, evidence that improvements are tangible and affordable and align with the brand promise.

6. Conclusion & Recommendations

Not only are product attributes and price influencing consumer decisions, so too are psychological processes. Motivation focuses consumers on desired benefits, perception directs them to what information to pay attention to and trust, learning and reinforcement guide consumers' future choices, and attitudes link beliefs and feelings with intended purchase. Heuristics can make decisions easy, but can also cause predictable biases. They're best used when paired with behaviour and research with customers.

The report recommends five strategies: (1) Study customer motivations, perceived risks, brand associations; (2) Chart path in decision making and detect problems at which customers get lost; (3) Take a more credible stance based on benefits that a product can provide; (4) Develop and customize activities in the decision path per channel; and (5) Measure conversion, in addition to satisfaction, retention, complaints, and CLV. This approach can be beneficial for effective marketing, while maintaining the trust of the consumers.

References

Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, 50(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T

Kahneman, D. (2011). Thinking, fast and slow. Farrar, Straus and Giroux.

Kotler, P., & Keller, K. L. (2016). Marketing management (15th ed.). Pearson.

Maslow, A. H. (1943). A theory of human motivation. Psychological Review, 50(4), 370–396. https://doi.org/10.1037/h0054346

Solomon, M. R. (2020). Consumer behavior: Buying, having, and being (13th ed.). Pearson.

Appendix A: Sample Consumer Survey

Purpose: explore consumer motives, perceptions, and purchase behaviour. This sample instrument is illustrative and should be piloted before use.

1. How familiar are you with this product category? (Not at all / Slightly / Moderately / Very / Extremely)

2. Which factors matter most when choosing a product in this category? Select up to three: price, performance, safety, convenience, brand trust, reviews, availability, other.

3. How strongly do you agree: "I trust the product information provided by this brand." (1 = strongly disagree; 5 = strongly agree)

4. What is your main concern before purchasing? (Price / performance / safety / availability / authenticity / other)

5. How likely are you to recommend the brand? (0–10 scale)

6. If you have purchased, how satisfied were you? (1–5 scale; include not applicable)

7. What one change would most increase your likelihood of buying or buying again? (Open response)

Appendix B: Illustrative Consumer Profile Data

Profile	Share of hypothetical sample	Top priority	Marketing implication
Value-conscious	35%	Price and dependable performance	Explain value and price per use
Safety-focused	25%	Clear product information	Provide accurate evidence-based details
Convenience-seeking	22%	Availability and easy ordering	Reduce purchase friction
Brand-expressive	18%	Identity and recommendations	Use authentic stories and reviews

These percentages are invented for demonstration and must not be presented as real survey findings. If primary research is required, collect actual responses and report sample size and method.