

Subject: Business Economics

Course: B.A., 5th Semester, Undergraduate.

Paper No: 521

Paper Title: Consumer Behaviour

Unit No.: 5 (Five)

Title: Consumer Decision Making Process

Lecture No: 2 (Two)

Title: Consumer Decision Making

Glossary

Passive view

The opposite of economic view is the view that consumers are passive, basically submissive to the self-serving and promotional efforts of marketers. eg. Verimark ads and infomercials.

A cognitive view

This view portrays the consumer as a thinking problem solver. Risk is the key component the problem solver tries to dispel the risk associated with many product choices.

Economic Value: The economic value of a gift is a prominent dimension, but when gift giving becomes merely an economic exchange, reciprocity is expected immediately or at a later time. Gift giving from an economic perspective diminishes the process to a level of “market exchange.” Most people would likely consider focusing on the economic value of a gift as taking away the mystique and thoughtfulness of the process.

Social Value : Social networks is managed by gift giving frameworks. In the context of these social relationships, gift giving is used to cultivate, enhance, maintain, or discontinue social connections Gift giving can even result in a “bond of goodwill” or “social indebtedness,” intensifying the obligation for continued gift exchange

Expressive Value : Expressive value, also called as personal value adds to the understanding of gift giving intent. It reflects a giver’s self-identity through the gift . Often, the giver chooses the gift as a reflection of himself or herself. The giver hopes the recipient will think of him/her when viewing or using the gift. Rejecting or accepting a gift can be a strategic assertion of selfhood.

Functional Value: Functional reasons are always attached for a gift to be given which is referred to as “perceived utility”. Utility is central on purchase of products, but this focus is less present in gift selection.

Intergroup:

It is a group which giving a gift to another group. For e.g A Christmas gift from one family to another family

Interpersonal:

It is an individual giving a gift to another individual. For.e.g Valentine’s Day chocolates presented from a boyfriend to a girlfriend

Intercategory:

It is an individual giving a gift to a group or a group giving a gift to an individual. For e.g. A group of friends chips in to buy a new mother a baby gift.

Prestation: It is the middle stage of the gift giving cycle. During this stage, the recipient and giver have often established a specific time, place, and date for the gift exchange to occur. The gift is presented to the recipient in a manner that can vary in levels of formality and ritualism. Response from the recipient is the giver’s reward, occurring in two phases; the recipient decodes the content of the gift, often with immediate facial expressions, and then responds directly to the giver verbally or by actions such as embracing.