

# chapter five

## consumer market behaviour

Our footwear is often a means of self-expression. Our choices are usually shaped by a rich mix of influences. Thus, understanding consumer behaviour in this wildly swinging market can be extremely difficult; trying to predict behaviour can be even tougher. The many shoe companies introduce ranges of new styles and colours every year, chasing fads that often fade at blinding speed. One day salespeople will sell all they can get of a new style; the next day they can't discount it enough.

Nike is a company that revolves around athletes; a company managed and marketed by athletes. Nike products are designed on the basic philosophy that they must provide athletes with a performance edge. In Australia, Nike employs merchandisers and technical representatives, known as Ekins (they know Nike backwards), to ensure retail staff are kept up to date with the highest level of in-store presentation and product knowledge. Both merchandisers and Ekins play a critical role in maintaining Nike's leadership position within the industry. Nike Australia approaches retailer partners for orders six months ahead of products arriving in-store—this is referred to as a 'futures' business. Given that most lines have a life cycle of only about six months, retailers who do not order simply miss out altogether—such is the demand of the brand. With impressive stockturns of 12 times per year, the entire range is turned over to make way for the next round of innovative, technological breakthroughs, such as the Nike-Air



technology embodied in the Air Jordan basketball shoes.

Although Nike is part of a global sports industry, local relevance is of fundamental importance to each country operation. In Australia, sports including Australian Rules football, cricket and netball have been a focus in both advertising, sports marketing and product development. Being relevant to Australian sports enthusiasts ensures a leadership position for the brand.

Nike focuses on sports categories including running, cross training, basketball, tennis and football. It has also added more niche categories to the business including golf, outdoor and cycling. Best known for its high performance footwear, Nike is also a market leader in apparel. More recently,

Nike has added sports equipment including timing, eyewear, inflatables and golf equipment to its core business, further authenticating the brand within key sports. Today's Xers prefer the 'ath-leisure' look befitting their more laid-back lifestyles. They don't work out in their sneakers, they wear them to work, then to trance dance at all-night raves. Some are turning away from sneakers altogether, instead opting for hiking boots and other rugged footwear from fast-growing outdoor shoe and dress and work boot makers such as Blundstone, Riverland, R.M. Williams and Timberland.

While footwear fashions come and go rapidly, reflecting the ever-changing lives and lifestyles of the consumers who buy the shoes, Nike knows that winning the sneaker wars, or even just surviving, requires a keen understanding of consumer behaviour. So too do their many and varied footwear competitors!<sup>1</sup>

Nike: <[www.nike.com](http://www.nike.com)>

Converse: <[www.converse.com](http://www.converse.com)>

Adidas: <[www.adidas.com](http://www.adidas.com)>

Reebok International Ltd:  
<[www.reebok.com](http://www.reebok.com)>

Blundstone: <[www.blundstone.com.au](http://www.blundstone.com.au)>

Rivers: <[www.rivers.com.au](http://www.rivers.com.au)>

R.M. Williams: <[rrmwilliams.com](http://rrmwilliams.com)>

Timberland: <[www.timberland.com](http://www.timberland.com)>

# chapter objectives

After reading this chapter, you should be able to:

1. Name the elements in the stimulus-response model of consumer behaviour.
2. Outline the major characteristics affecting consumer behaviour, and list some of the specific psychological, personal, cultural and social factors that influence consumers.
3. Explain the buyer decision process and discuss need recognition, information search, evaluation of alternatives, the purchase decision and post-purchase behaviour.
4. Identify and define the consumer buying roles of initiator, influencer, decider, buyer and user.
5. Illustrate different types of buying decision behaviour, including complex, dissonance-reducing, habitual, and variety-seeking buying behaviour.
6. Express the basics of the buyer decision process for new products and identify stages in the adoption process, individual differences in the adoption of innovation, and the influence of product characteristics on the rate of diffusion of innovation.

**Consumer buying behaviour** The buying behaviour of final consumers, individuals and households who buy goods and services for personal consumption.

**Consumer market** All the individuals and households who buy or acquire goods and services for personal consumption.

The Nike example shows that many different factors affect consumer buying behaviour. Buying behaviour is never simple, yet understanding it is the essential task of marketing management.

This chapter explores the dynamics of consumer behaviour and the consumer market. The consumer market consists of all the individuals and households who buy or acquire goods and services for personal consumption.

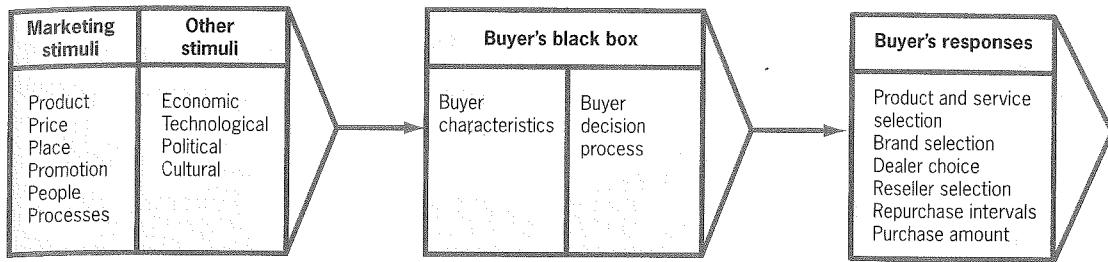
Australian consumers vary tremendously in age, income, education level and tastes. And they buy an incredible variety of goods and services. How consumers make their choices among these products takes us into a fascinating field comprised of personal, cultural and social influences.

## ■ A model of consumer behaviour

Consumers make buying decisions every day. And they make many different types of purchases. Most marketers undertake consumer research to try to learn more about what consumers buy, who buys, how they buy, when they buy, where they buy and, most importantly, why they buy.

The central question is this: How do consumers respond to the various marketing stimuli the marketing organisation might use? The marketing organisation that really understands how consumers will respond to different product features, prices and advertising appeals has a great advantage over its competitors. Therefore, companies and academics have heavily researched the relationship between marketing stimuli and consumer response. Their starting point is the stimulus-response model of buyer behaviour shown in Figure 5-1. This figure shows that marketing and other stimuli enter the consumer's mind and produce certain responses. Marketers must figure out what is in the buyer's mind.<sup>2</sup>

On the left, marketing stimuli consist of the marketing mix elements—product, price, place and promotion, together with the people and processes involved. Other stimuli include major forces and events in the buyer's environment—economic, technological, political and cultural. All these stimuli make themselves felt by coming together in the buyer's black box. Here they are turned into a set of observable buyer responses shown on the right—product and service category selection, brand selection, dealer choice, reseller selection, purchase timing, repurchase intervals and purchase amount.



**Figure 5-1** A model of buyer behaviour

The marketer wants to understand how the stimuli are changed into responses inside the consumer's mind. First, the buyer's individual characteristics influence how he or she perceives and reacts to the stimuli. Second, the buyer's decision process itself affects the buyer's behaviour. This chapter looks first at buyer characteristics as they affect buying behaviour, and then discusses the buyer decision process.



### self-check questions

1. The stimulus-response model of buyer behaviour shown in Figure 5-1 indicates that marketing programs are but one 'controllable' influence on buyer behaviour. What are the implications for marketers given that the other influences are 'uncontrollable'?
2. Figure 5.1 indicates that *experiences* play a part. How important is this factor?

## ■ Characteristics influencing consumer behaviour

Consumer purchases are strongly influenced by two groups of factors. These influences are shown in Figure 5-2. On one hand there are internal characteristics that determine our behaviour: *psychological* and *personal*. And then there are external influences that represent the environment in which the individual behaviour takes place: *cultural* and *social*. At this point we must also acknowledge influences such as *marketing programs* (controllable). For the most part, these factors cannot be controlled by the marketer. Nevertheless, these influences on consumer behaviour must be taken into account.

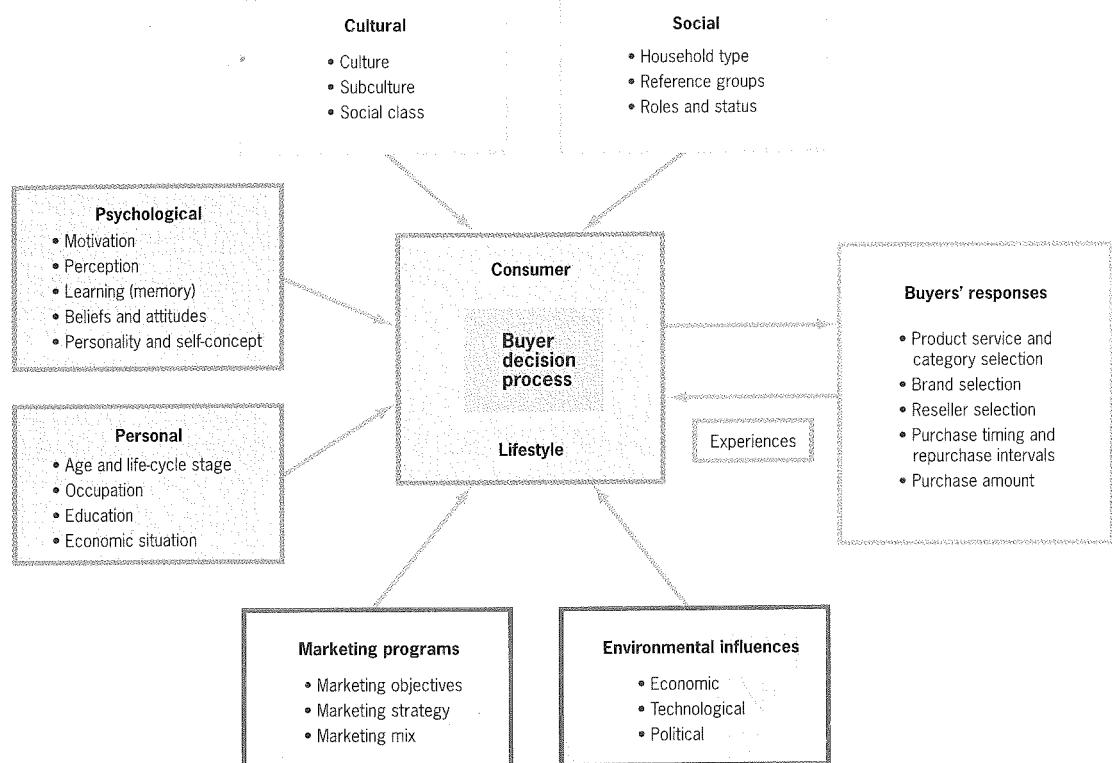
### Psychological factors

As marketers we are intent on predicting buyer behaviour. Among other disciplines, many branches of psychology have led to our present scientific knowledge of consumer behaviour. We commence by examining how a person's buying choices are influenced by five major psychological factors—*motivation, perception, learning, beliefs and attitudes, and personality and self-concept*.

### Motivation

When consumers express interest in buying a product there are a number of questions we might ask. Why? What is the person *really* seeking? What needs is he or she trying to satisfy?

A person has many needs at any given time. Some needs are *biological*, arising from states of tension such as hunger, thirst or discomfort. Other needs are *psychological*, arising from the need for recognition, esteem or belonging (see Marketing Highlight). Most of these needs will not be



**Figure 5-2** Factors influencing consumer behaviour

**Motive (or drive)** A need that is sufficiently pressing to direct the person to seek satisfaction of the need.

### Perception

A motivated person is ready to act. How the person acts is influenced by his or her perception of the situation. Two people with similar motivation and in the same situation might act quite differently because they perceive the situation differently.

Why do people perceive the same situation differently? We all learn from the flow of information through our five senses: sight, sound, smell, touch and taste. However, each of us receives, organises and interprets this sensory information in an individual way using short- and long-term memory as part of the process. **Perception** is the process by which people select, organise and interpret information to form a meaningful, whole picture of the world.

People can form different perceptions of the same stimulus because of three perceptual processes: *selective exposure*, *selective distortion* and *selective retention*.

**Selective exposure** People are exposed to a great number of stimuli every day. For example, the average person might be exposed to more than 1500 ads a day. It is impossible for a person to pay attention to all these stimuli; most will be screened out. Selective exposure means that marketers must work especially hard to attract the consumer's attention.

**Perception** The process by which people select, organise and interpret information to form a meaningful picture of the world.

The term *motivation research* refers to qualitative research designed to probe consumers' hidden, subconscious motivations.

Because consumers often don't know or can't describe just why they act as they do, motivation researchers use a variety of non-directive and projective techniques to uncover underlying emotions and attitudes toward brands and buying situations. The techniques range from sentence completion, word association and inkblot or cartoon interpretation tests to having consumers describe typical brand users or form daydreams and fantasies about brands or buying situations. Some of these techniques verge on the bizarre. One writer offers the following tongue-in-cheek summary of a motivation research session:

Good morning, ladies and gentlemen. We've called you here today for a little consumer research. Now, lie down on the couch, toss your inhibitions out the window, and let's try a little free association. First, think about brands as if they were your friends. Imagine you could talk to your TV dinner. What would he say? And what would you say to him? ... Now, think of your shampoo as an animal. Go on, don't be shy. Would it be a panda or a lion? A snake or a woolly worm? For our final exercise, let's all sit up and pull out our magic markers. Draw a picture of a typical cake-mix user. Would she wear an apron or a negligee? A business suit or a can-can dress?

Such projective techniques seem pretty simplistic. But more and more, marketers are turning to these 'touchy-feely' approaches to probe consumer psyches and develop better marketing strategies.

Many advertising agencies employ teams of psychologists, anthropologists and other social scientists to carry out motivation research. One agency routinely conducts one-on-one, therapy-like interviews to delve into the inner workings of consumers. Another agency asks consumers to describe their favourite brands as animals or cars in order to assess the prestige associated

with various brands. Still another agency has consumers draw figures of typical brand users:



# marketing highlight

## 'TOUCHY-FEELY' RESEARCH INTO CONSUMER MOTIVATIONS

In one instance, an ad agency asked 50 interviewees to sketch likely buyers of two different brands of cake mixes. Consistently, the group portrayed users of one brand as apron-clad, grandmotherly types, while they pictured purchasers of the second brand as svelte, contemporary women.

In a similar study, American Express had people sketch likely users of its gold card versus its green card. Respondents depicted gold card holders as active, broad-shouldered men; green card holders were perceived as 'couch potatoes' lounging in front of television sets. Based on these results, the company positioned its gold card as a symbol of responsibility for people capable of controlling their lives and finances.

Some motivation research studies employ more basic techniques, such as simply mingling with or watching consumers to find out what makes them tick. Saatchi & Saatchi (an advertising agency) hired an anthropologist to spend time in Texas sidling up to Wrangler blue-jeans wearers at rodeos and barbecues. His findings showed what the jeans company suspected: Wrangler buyers identify with cowboys. The company responded by running ads with plenty of Western touches.

In an effort to understand the teenage consumer market better, BSB Worldwide (another ad agency) videotaped teenagers' rooms in 25 countries. It found surprising similarities across countries and cultures:

From the steamy playgrounds of Los Angeles to the stately boulevards of Singapore, kids show amazing similarities in taste, language, and attitude ... From the gear and posters on display, it's hard to tell whether the rooms are in Los Angeles, Mexico City or Tokyo. Basketballs sit alongside soccer balls. Closets overflow with staples from an international, unisex uniform: baggy Levi's or Diesel jeans, NBA jackets, and rugged shoes from Timberland or Doc Martens.

Similarly, researchers at Sega of America's ad agency have learned a lot about videogame buying behaviour by hanging around with 150 kids in their bedrooms and by shopping with them in malls. Above all else, they learned, do everything fast. As a result, in Sega's most recent 15-second commercials, some images fly by so quickly that adults cannot recall seeing them, even after repeated showings. The kids, weaned on MTV, recollect them keenly.

Some marketers dismiss such motivation research as mumbo-jumbo. And these approaches do present some problems. They use small samples and researcher interpretations of results are often highly subjective, sometimes leading to rather exotic explanations of otherwise ordinary buying behaviour. However, others believe strongly that these approaches can provide interesting nuggets of insight into the relationships between consumers and the brands they buy. To marketers who use them, motivation research techniques provide a flexible and varied means of gaining insights into deeply held and often mysterious motivations behind consumer buying behaviour.

Sources: Excerpts from Annetta Miller and Dody Tsiantar, 'Psyching Out Consumers', *Newsweek*, 27 February 1989, pp. 46–47; and Shawn Tully, 'Teens: The Most Global Market of All', *Fortune*, 6 May 1994, pp. 90–97. Also see Rebecca Piirto, 'Words that Sell', *American Demographics*, January 1992, p. 6; and 'They Understand Your Kids', *Fortune*, Special Issue, Autumn/Winter 1993, pp. 29–30.

## Questions

1. Motivation researchers investigating the failure of early instant cake mixes used projective techniques to discover that women viewing the photograph of a typical instant-cake-mix user saw someone who did not care adequately for her family, and failed in other ways as a carer and housewife. Why might this have been the situation in the 1950s? Would this be the situation today?
2. How would you describe yourself in terms of a car? What make and model do you see yourself as? Why? Ask a number of your friends to do the exercise as well.

**Selective distortion** Even stimuli that consumers do notice do not always come across in the intended way. Each person tries to fit incoming information into an existing mindset. Selective distortion describes the tendency of people to adapt information to personal meanings.

**Selective retention** People will also forget much of what they learn. They tend to retain information that supports their attitudes and beliefs.

These three perceptual factors—selective exposure, distortion and retention—mean that marketers have to work hard to get their messages through. This explains why marketers use so much drama and repetition in sending messages to their market. Interestingly, although most marketers worry about whether their offers will be perceived at all, some consumers are worried that they will be affected by marketing messages without even knowing it.

## Learning

**Learning** Changes in an individual's behaviour arising from experience.

When people act, they learn. Learning describes changes in an individual's behaviour arising from experience. Learning theorists say that most human behaviour is learned. Learning occurs through the interplay of *drives, stimuli, cues, responses* and *reinforcement*.

The practical significance of learning theory to marketers is that they can build demand for a product by associating it with strong drives, using motivating cues and providing positive reinforcement. A new company can enter the market by appealing to the same drives as competitors and providing similar cues because buyers are more likely to transfer loyalty to similar brands than to dissimilar ones (generalisation). Or it may design its brand to appeal to a different set of drives and offer strong cue inducements to switch (discrimination). Perception is also involved in consumer dissatisfaction, as are one's emotions in many instances.<sup>3</sup>

## Beliefs and attitudes

Through acting and learning, people acquire their beliefs and attitudes. These in turn influence their buying behaviour. A **belief** is a descriptive thought or conviction that a person holds about something, and involves holding an opinion. A buyer may believe that a small Pentax camera takes great pictures, is robust and costs under \$400. These beliefs may be based on real knowledge, opinion or an act of faith, and they may or may not carry an emotional charge. Incorrect beliefs about product features or brand image can block sales. Marketers will take corrective action—such as a television advertising campaign—when they find that such incorrect beliefs are held. An **attitude** describes a person's relatively consistent evaluations, feelings and tendencies towards an object or an idea. Just as people have attitudes towards religions, political parties, varieties of music and food types, so too do they have attitudes towards companies as well as brands.

There are thought to be three components of an attitude: cognitive (beliefs and evaluations not influenced by emotion), affective (emotional feelings such as like and dislike) and behavioural (intentions to purchase or the purchase itself). Because attitudes are usually developed over a long time, it is often a lengthy, expensive and sometimes fruitless task for a marketer to set out to change a person's beliefs or feelings about a product. It is more likely that they can alter the behavioural component. This is often one reason why cut-price specials or sales are offered for particular products whose sales levels are not as high as the marketer desires.

Buyers may hold other attitudes that have a bearing on the purchase. For example, a buyer might believe that the Japanese make the world's best stereo systems. She might also believe that it is better in the long run to buy the best, based on past experiences. If the buyer's beliefs and attitudes are all favourable towards the purchase of a brand such as Sony, then all is well. If this is not the situation, it might be better for Sony to make changes so that the product fits with existing attitudes, rather than attempting the task of changing one or more of the components of the attitude. There are exceptions, of course.

Discussion on what is the 'world's best' or what is 'good service'—service quality measures—also involves attitudes.<sup>4</sup>

## Personality and self-concept

Each person's distinct personality influences his or her buying behaviour. Personality is perhaps the most complex of all aspects of human make-up. Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Personality is closely tied to motivation and is usually described in terms of traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability and aggressiveness. Personality can be useful in analysing consumer behaviour for certain product or brand choices. For example, coffee makers have discovered that heavy coffee drinkers tend to be high on sociability. Thus, coffee ads show people relaxing in a variety of situations and socialising over a cup of coffee.<sup>5</sup>

Many marketers use a concept related to personality—a person's *self-concept* (also called *self-image*). The basic self-concept premise is that people's possessions contribute to and reflect their identities; that is, 'we are what we have'. Thus, in order to understand consumer behaviour, the marketer must first understand the relationship between consumer self-concept and possessions. For example, it has been noted that people buy books to support their self-image—books with which they can identify.

## Personal factors

A buyer's decisions are also influenced by personal characteristics such as the buyer's *age and life-cycle stage*, *occupation* and *economic situation*.

**Belief** A descriptive thought or conviction that a person holds about something.

**Attitude** A person's relatively consistent evaluations, feelings and tendencies towards an object or an idea.

**Personality** A person's distinguishing psychological characteristics that lead to relatively consistent and lasting responses to his or her own environment.

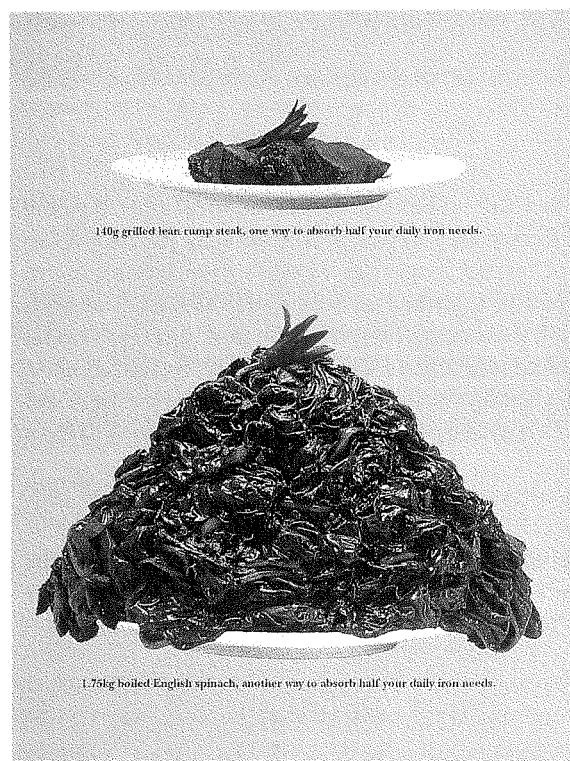
### **Age and life-cycle stage**

People change the goods and services they buy over their lifetime. For instance, they eat baby food in their early years, most foods in their growing and mature years, and special diets in their later years. Their taste in clothes, furniture and leisure pursuits is also age-related. Some services such as homes for the elderly and lawn-mowing services cater mainly to those in their senior years.

Buying is also shaped by the stage of the family life cycle—the stages through which families might pass as they mature over time. The stages of the family life cycle are listed in Table 5-1. Marketers often define their target markets in terms of life-cycle stage and develop appropriate products and marketing plans. However, marketers are increasingly catering to a growing number of alternative, non-traditional stages such as unmarried couples, single parents, extended parents (those with young adult children returning home) and others.

### **Occupation**

A person's occupation affects the goods and services bought. Manual workers tend to buy more work clothes, work shoes and lunch boxes and enjoy sports like motor racing, whereas those involved in information-intensive industries tend to buy more business shirts and ties and would be more likely to have a home computer. Marketers try to identify the occupational groups that have an above-average interest in their products and services. A company can even specialise in making products needed by a given occupational group. For example, computer software companies will design products for brand managers, accountants, engineers, lawyers or doctors.



**If you rarely eat  
beef we hope you're  
big on spinach.**

**Lean Beef**  
Your best source of essential daily iron.  
New Zealand Beef and Lamb Marketing Board

Attitudes can be hard to change but it can be done. For the equivalent iron intake, beef is by far a less bulky alternative.

**Table 5-1** Family life-cycle stages

Young	Middle-aged	Older
Single	Single	Older married
Married without children	Married without children	Older unmarried
Married with children	Married with children	
Divorced with children	Married without dependent children	
	Divorced without children	
	Divorced with children	
	Divorced without dependent children	

Sources: Adapted from Patrick E. Murphy and William A. Staples, 'A Modernized Family Life Cycle', *Journal of Consumer Research*, June 1979, p. 16; © Journal of Consumer Research, Inc., 1979. Also see Leon G. Schiffman and Leslie Lazar Kanuk, *Consumer Behavior* (Englewood Cliffs, NJ: Prentice Hall, 1994), pp. 361–70.

### Education

A person's education level is one factor that determines social class. Those with higher education levels tend to hold positions that influence such things as standard of dress and computer usage. They tend to place a high value on information and education for their children.

### Economic situation

A person's economic situation will affect product choice. People will consider buying an expensive new sports car if they have enough disposable income, savings or borrowing power. Otherwise, they might buy a lower-priced model with fewer features, or not buy a new car at all. Marketers of income-sensitive goods—such as motor vehicles—closely watch trends in personal income, savings and interest rates.

### Cultural factors

Cultural factors exert the broadest and deepest influence on consumer behaviour. Marketers need to understand the role played by the *culture*, the *subculture* and the *social class*.

### Culture

Culture is a major influence on a person's wants and general behaviour. Much of human behaviour is learned. Growing up in a particular society, children learn basic values,



Global fast-food chain KFC acts locally to cater to different cultural requirements.

**Culture** The set of basic values, perceptions, wants and behaviours learned by a member of society from family and other important institutions.

perceptions, wants and responses from the family unit and from other important institutions. Global marketers must be fully aware of the cultures in each market where sales are sought, and adapt their marketing strategy accordingly.

Marketers are always trying to spot *cultural shifts* in order to conceive and develop new products that might be wanted. The cultural shift towards greater concern about health and fitness has created a large industry for exercise equipment, specialised apparel, lighter and more natural foods, exercise gyms and fitness services. Another shift has occurred in the move to a more informal lifestyle.

### **Subculture**

**Subculture** A group of people with shared value systems based on common life experiences and situations.

The cultures in Australia and New Zealand are similar. Their cultures developed mainly from an Anglo-Saxon base followed by a European influence. Today there are many *subcultures*, or smaller groups of people with shared value systems based on common life experiences and situations. Nationality groups such as Italians and Greeks, as well as Chinese and Vietnamese, have distinctly different tastes and interests. This has led to a blending with previous aspects of Australian culture, notably in restaurant fare. Religious groupings such as Catholics, Anglicans, Presbyterians, Jews, Islamic groups and others too numerous to mention are subcultures with their own preferences, mores and taboos. And it is not just in the capital cities that the impact of subcultures is evident. Australian geographical areas such as Shepparton East in Victoria and Griffith–Narrandera in New South Wales are noted for displays of their southern European cultural heritage. The impact for marketers is that they need to design products and marketing programs tailored to the wants and desires of these segments.<sup>6</sup>

The interest of buyers in various goods and services will be influenced by their subcultural background and their religion, race and geographical situation, or those of their partners and family. These factors will affect food preferences, clothing choices, recreational pursuits and even aspirations, such as career goals. Subcultures place different values on female education, for example. Women may or may not have been encouraged to strive for post-secondary qualifications in a particular society. This could affect women's interest in all manner of products, as well as their brand preferences.

### **Social class**

**Social classes**  
Relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviours.

Almost every life form and society has some kind of pecking order or social class structure. India has a rigid caste system, whereas Australia, New Zealand and South-East Asian countries have a class system that permits movement between the classes. Completing tertiary education may give rise to a better occupation and movement up the social scale. Other factors, such as losing a prestigious position, may cause one to slide back down the social scale. Social classes are relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviours.

Social class is not determined by a single factor. A number of classification schemes have been developed, ranging from those using occupation and education to those based on a combination of occupation, income, education, source of income, house type and dwelling area.<sup>7</sup> Marketers are interested in social class when it is relevant, because people within a given social class tend to exhibit similar behaviour, including buying behaviour. Researchers such as Hugh Mackay have suggested that social class may not be a good basis for developing marketing strategies. Although there is a class system in Australia, Australians seem not to be able to place themselves within groups such as 'working class', and in any event the groups are so large as to make them ineffective as market segments.<sup>8</sup>

### **Social factors**

A consumer's behaviour is also influenced by social factors, such as the consumer's *household type* and *reference groups*, as well as *social roles* and *status*. Because these social factors can strongly affect consumer responses, companies must take them into account when designing their marketing strategies.

## Household types

The members of a person's household can strongly influence buyer behaviour. We can distinguish between three household types in the buyer's life. The buyer's parents make up the family of orientation. From parents a person acquires an orientation towards religion, politics and economics, and a sense of personal ambition, self-worth and love. Even if the buyer no longer interacts very much with his or her parents, the parents can still significantly influence the buyer's unconscious behaviour. In countries where parents continue to live with their children, their influence can be significant.

The *family of procreation*—the buyer's spouse and children—exert a more direct influence on everyday buying behaviour. The family is the most important consumer buying organisation in society, and it has been researched extensively. Marketers are interested in the roles and relative influence of the husband, wife and children on the purchase of a large variety of products and services.

Husband–wife involvement varies widely by product category and by stage in the buying process. And buying roles change with evolving consumer lifestyles. The wife has traditionally been the main purchasing agent for the family, especially in the areas of food, household products and clothing. But this is changing with the increased number of working wives and the willingness of husbands to do more of the family purchasing. For example, in America women now buy about 45% of all cars and men account for about 40% of food shopping dollars.<sup>9</sup>

## Reference groups

A person's behaviour is influenced by many small groups. Groups which have a direct influence and to which a person belongs are called **membership groups**. Some are *primary groups* with whom there is regular but informal interaction, such as family, friends, neighbours and co-workers. Some are *secondary groups*, which are more formal and have less regular interaction. They include organisations such as religious groups, professional associations and trade unions.

Reference groups are groups that serve as direct (face-to-face) or indirect points of comparison or reference in the forming of a person's attitudes or behaviour. People are often influenced by reference groups to which they do not belong—even those they may not want to belong to. *Kinship groups* such as the family have the closest ties and exert strong influence over buyer behaviour, while *associational groups* such as trade union membership have weaker links and exert weak influence over buyer behaviour. An *aspirational group* is one to which the individual wishes to belong, as when a teenage football player aspires to play some day for a National Rugby League (NRL) team or with an Australian Football League (AFL) team. He identifies with this group although there is no face-to-face contact.

Marketers try to identify the reference groups of their target markets. Reference groups influence a person in at least three ways. They expose the person to new behaviour and lifestyles. They influence the person's attitudes and self-concept because he or she wants to 'fit in'. In addition, they create pressures to conform that may affect the person's product and brand choices. Figure 5.3 illustrates the extent of group influence on product and brand choice.

Manufacturers of products and brands subject to strong group influence must work out how to reach the opinion leaders in the relevant reference groups. Opinion leaders are people within a reference group who, because of their special skills, knowledge, personality or other characteristics, exert influence on others. At one time, sellers thought that opinion leaders were primarily community social leaders whom the mass market imitated because of 'snob appeal'. But opinion leaders are found in all strata of society, and one person may be an opinion leader in certain product areas and an opinion follower in others. Marketers try to identify the personal characteristics of opinion leaders for their products, determine what media they use and direct messages at them.

*Family of procreation*  
- parents

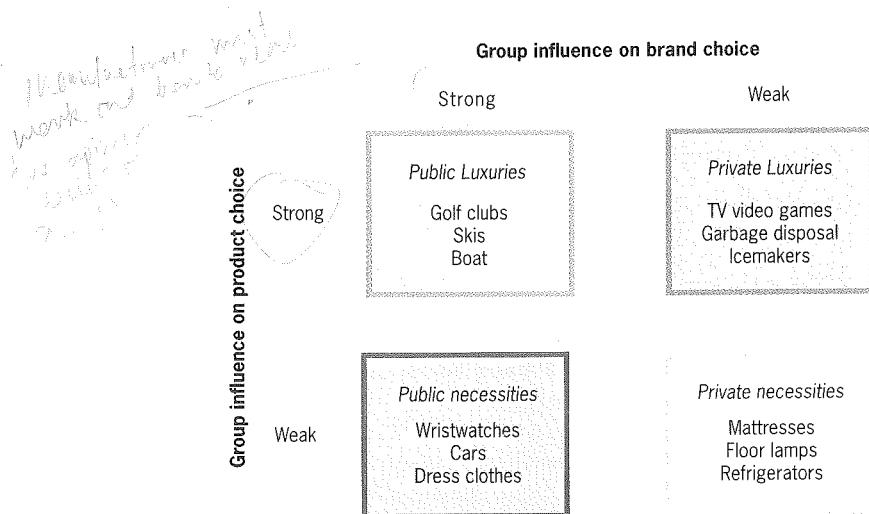
*Family of orientation*  
- spouse, children

**Membership groups**  
Groups that have a direct influence on a person's behaviour and to which a person belongs.

**Reference groups**  
Groups that have direct (face-to-face) or indirect influence on the person's attitudes or behaviour.

*Primary group*  
- regular interaction  
- close ties  
- low pressure  
- low status  
- low income

*Secondary group*  
- formal  
- less interaction  
- low pressure  
- high status  
- high income



**Figure 5-3** Extent of group influence on product and brand choice

Source: Adapted from William O. Bearden and Michael J. Etzel, 'Reference Group Influence on Product and Brand Purchase Decisions', *Journal of Consumer Research*, September 1982, p. 185.

### Roles and status

A person belongs to many groups—family, clubs, organisations. The person's position in each group can be defined in terms of both *role* and *status*. With her parents, a woman plays the role of daughter; in her family, she plays the role of wife; in her company, she plays the role of product manager. A role consists of the activities people are expected to perform according to the persons around them. Each role a person plays will influence some part of their buying behaviour.

Each role carries a status reflecting the general esteem given to it by society. This manifests itself at parties, where people are more likely to ask a person's occupation or position than concern themselves with family lineage. People will buy the kind of clothing and other products that reflects their role and status.

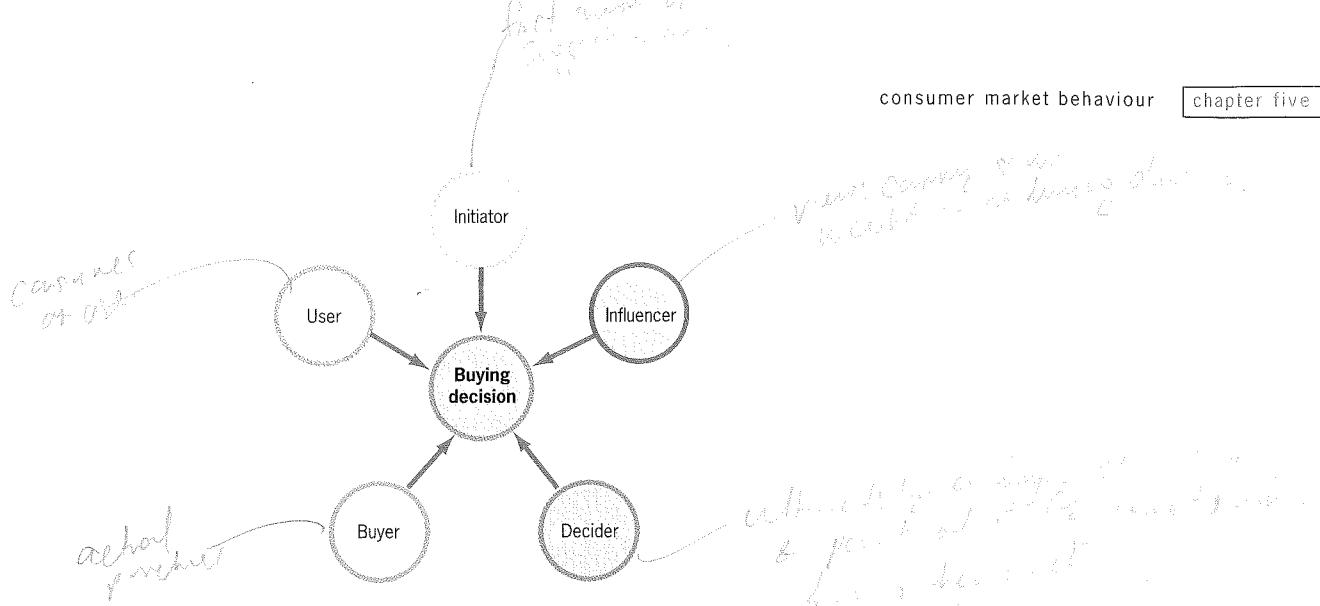
### Roles in the buying process

The marketer needs to know which people are involved in the buying decision and what role each person plays. Identifying the decision maker in many transactions is fairly easy. Men normally choose their own shoes and women choose their own pantyhose. Other products, however, involve group decisions.

Figure 5-4 shows that people might play any of several roles in a buying decision:

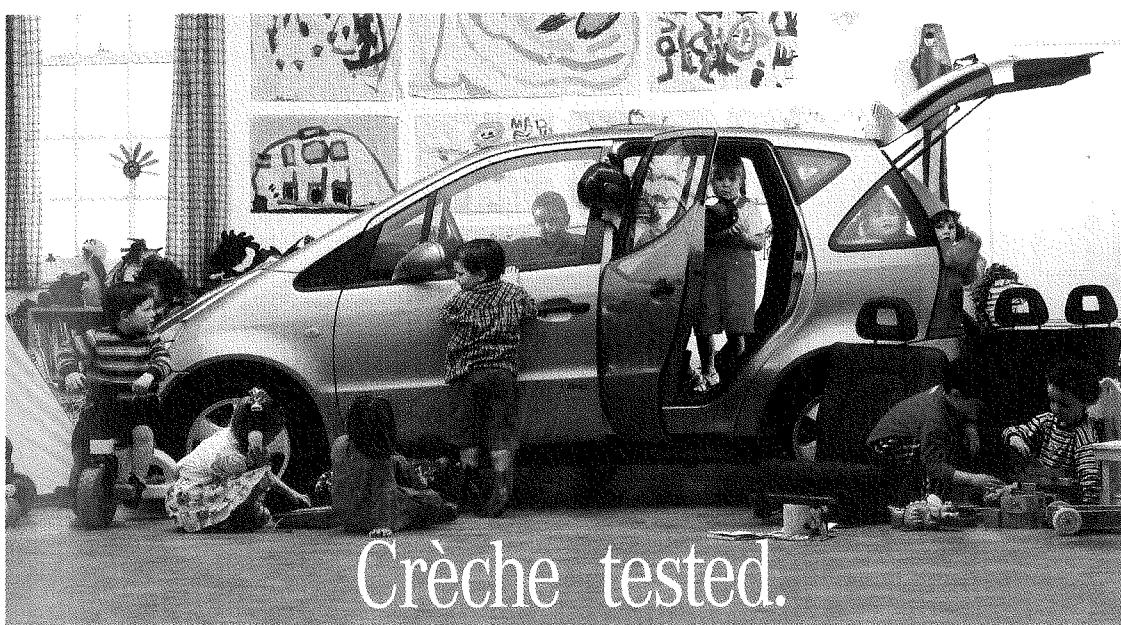
- *Initiator*: the person who first suggests or thinks of the idea of buying a particular product or service;
- *Influencer*: a person whose views or advice carry some weight in making the final buying decision;
- *Decider*: the person who ultimately makes a buying decision or any part of it—whether to buy, what to buy, how to buy or where to buy;
- *Buyer*: the person who makes an actual purchase;
- *User*: the person who consumes or uses a product or service.

A company needs to identify who occupies the various roles because this information affects product design and advertising message decisions. If General Motors-Holden's finds that husbands



**Figure 5-4** Consumer buying roles

make buying decisions for the family station wagon, it will direct most of its advertising for these models towards husbands. But GM-H ads will include wives, children and others who might initiate or influence the buying decision. And the company will design its station wagons with features that meet the needs of those buying decision participants. Knowing the main participants and the roles they play helps the marketer fine-tune the marketing program.



Mercedes position their A-class car as tough, safe and versatile for the young parent.



### self-check question

3. Discuss with your class which group(s) you feel have had the most influence in determining the beliefs and attitudes you hold towards major brands of sneakers or runners, jeans and cosmetics.

## ■ Consumer lifestyle

**Lifestyle** A person's pattern of living as expressed in his or her activities, interests and opinions.

**Psychographics** The technique of measuring lifestyles and developing lifestyle classifications; it involves measuring the major AIO dimensions (activities, interests, opinions).



People coming from the same subculture, social class and occupation might have quite different lifestyles. Lifestyle is people's pattern of living as expressed in their psychographics. It involves measuring consumers' major AIO dimensions—activities (work, hobbies, shopping, sports, social events), interests (food, fashion, family, recreation) and opinions (about themselves, social issues, business, products). Lifestyle captures something more than the person's social class or personality. It profiles a person's whole pattern of acting and interacting in the world.

Several research firms have developed lifestyle classifications. The most widely used in the United States is the SRI *Values and Lifestyles* (VALS) typology. This typology has developed from the work of Maslow and the social researcher David Reisman. It was Reisman who developed the notion of individuals being 'inner-directed' or 'outer-directed'. Reisman postulated that as societies develop from being self-sufficient, agrarian-based to highly socialised societies with much greater human contact, individuals move from being inner-directed to being outer-directed.

In Australia, the Roy Morgan Research Centre operates omnibus research into consumer opinions and trends. It has established ten lifestyle groups. These groups are shown to have different reading patterns, among other lifestyle differences.<sup>10</sup>

When used carefully, the lifestyle concept can help the marketer understand changing consumer values and how they affect buying behaviour. Today, women can choose to live the role of a capable homemaker, a career woman or a free spirit—or all three. She may play several roles, and the way she blends them expresses her lifestyle.



### self-check question

4. Two households are situated on opposite sides of the same street, in the same suburb of your city or town. One male head of household is a self-employed truck driver, while the other is a Malaysian-born university professor. Each household comprises two adults and two children in their early teens. The truck driver's wife does not work, whereas the professor's wife works as a laboratory assistant in a local hospital. The gross income before tax for each household is \$100 000 per annum. Work on your own or in syndicates to present the likely lifestyle for each household and how this impacts on buying behaviour for each household member.

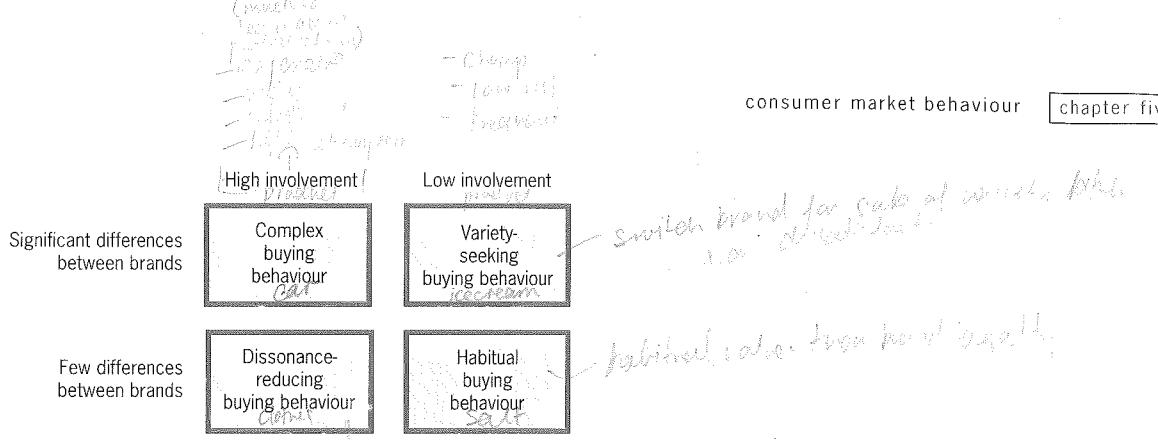
## ■ Types of buying decision behaviour

**Complex buying behaviour** Consumer buying behaviour in situations characterised by high consumer involvement in a purchase and significant perceived differences among brands.

Consumer decision making varies with the type of buying decision. There are great differences between buying toothpaste, a tennis racquet, an expensive camera and a new car. More complex decisions are likely to involve more buying participants and more buyer deliberation. Figure 5-5 identifies the types of buying behaviour and the degree of differences among brands.<sup>11</sup>

### Complex buying behaviour

Consumers undertake complex buying behaviour when they are highly involved in a purchase and perceive significant differences among brands. Consumers may be highly involved when the product

**Figure 5-5** Four types of buying behaviour

Source: Adapted from Henry Assael, *Consumer Behavior and Marketing Action* (Boston: Kent Publishing Co., 1987), p. 87. Copyright © 1987 by Wadsworth, Inc. Printed by permission of Kent Publishing Co., a division of Wadsworth, Inc.

is expensive, risky, purchased infrequently and highly self-expressive. Typically, the consumer has much to learn about the product category.

### **Dissonance-reducing buying behaviour**

Dissonance-reducing buying behaviour occurs when consumers are highly involved with an expensive, infrequent or risky purchase, but see little difference between brands. After the purchase, consumers might experience post-purchase dissonance (after-sale discomfort) when they notice certain disadvantages of the purchased carpet brand or hear favourable things about brands not purchased. To counter such dissonance, the marketer's after-sale communications should provide evidence and support to help consumers feel good about their brand choices.

Dissonance-reducing buying behaviour  
Consumer buying behaviour in situations characterised by high involvement but few perceived differences among brands.

### **Habitual buying behaviour**

Habitual buying behaviour occurs under conditions of low consumer involvement and little significant brand difference. Taking salt as our example, we would find that consumers have little involvement in this product category—they simply go to the store and reach for a brand. If they keep reaching for the same brand, it is out of habit rather than strong brand loyalty. Consumers appear to have low involvement with most low-cost, frequently purchased products.

Habitual buying behaviour  
Consumer buying behaviour in situations characterised by low consumer involvement and few significant perceived brand differences.

### **Variety-seeking buying behaviour**

Consumers undertake variety-seeking buying behaviour in situations characterised by low consumer involvement but significant perceived brand differences. In such cases, consumers often do a lot of brand switching. For example, when buying biscuits a consumer might hold some beliefs, choose a biscuit brand without much evaluation, then evaluate that brand during consumption. But the next time the consumer might pick another brand out of boredom or simply to try something different. Brand switching occurs for the sake of variety rather than because of dissatisfaction.

Variety-seeking buying behaviour  
Consumer buying behaviour in situations characterised by low consumer involvement but significant perceived brand differences.

In such product categories, the marketing strategy of the market leader will often be different from that of the minor brands. The market leader will try to encourage habitual buying behaviour by dominating shelf space, keeping shelves fully stocked and running frequent reminder advertising. Challenger firms will encourage variety seeking by offering lower prices, special deals, coupons, free samples and advertising that presents reasons for trying something new.



#### **self-check question**

- If a consumer is in a buying situation where there is a high-involvement product and few perceived differences between the brands, the consumer may exhibit behaviour designed to reduce the anxiety. What is the term used to describe this anxiety-reducing behaviour?



Foster's Brewing want customers to continually select their brand—habitually.

or reverse some of these stages. A woman buying her regular brand of toothpaste would recognise the need and go right to the purchase decision, skipping information search and evaluation. However, we use the model in Figure 5-6 because it shows all the considerations that arise when a consumer faces a new and complex purchase situation.



**Figure 5-6** Buyer decision process

## Need recognition

**Need recognition** The first stage of the buyer decision process in which the consumer recognises a problem or need.

**Information search** The stage of the buyer decision process in which the consumer is aroused to search for more information; the consumer may simply have heightened attention or may go into active information search.

## The buyer decision process

We are now ready to examine the stages buyers pass through to reach a buying decision. Figure 5-6 shows the consumer as passing through five stages: *need recognition*, *information search*, *evaluation of alternatives*, *purchase decision* and *postpurchase behaviour*. Clearly, the buying process starts long before actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision.

The figure implies that consumers pass through all five stages with every purchase. But in more routine purchases consumers often skip

or reverse some of these stages. A woman buying her regular brand of toothpaste would recognise the need and go right to the purchase decision, skipping information search and evaluation. However, we use the model in Figure 5-6 because it shows all the considerations that arise when a consumer faces a new and complex purchase situation.

## Information search

An aroused consumer may or may not search for more information. If the consumer's drive is strong and a satisfying product is near at hand, the consumer is likely to buy it then. If not, the consumer may store the need in memory or undertake an *information search* related to the need.

The relative influence of information sources varies with the product and the buyer. Generally, the consumer receives the most information about a product from commercial sources—those controlled by the marketer. The most effective sources, however, tend to be personal. Personal sources appear to be even more important in influencing the purchase of services.<sup>12</sup> Commercial sources normally *inform* the buyer, but personal sources *legitimise* or *evaluate* products for the buyer. For example, doctors normally learn of new drugs from commercial sources, but turn to other doctors for evaluative information.

As more information is obtained, the consumer's awareness and knowledge of the available brands and features increases. During information search, the computer games buyer will learn about the many games available. The information also allows certain brands to be eliminated

from consideration. A company must design its marketing mix to make prospects aware of and knowledgeable about its brand. It should carefully identify consumers' sources of information and the importance of each source. Consumers should be asked how they first heard about the brand, what information they received, and what importance they placed on different information sources.

*Consequential - information  
Received. Beginning of choice set*

## Evaluation of alternatives

We have seen how the consumer uses information to arrive at a set of final brand choices. How does the consumer choose among the alternative brands? The marketer needs to know about **alternative evaluation**—that is, how the consumer processes information to arrive at brand choices. Unfortunately, consumers do not use a simple and single evaluation process in all buying situations. Instead, several evaluation processes are at work.

**Alternative evaluation**  
The stage of the buyer decision process in which the consumer uses information to evaluate alternative brands in the choice set.

## Purchase decision

In the evaluation stage the consumer ranks brands and forms purchase intentions. Generally, the consumer's **purchase decision** will be to buy the most preferred brand, but two factors can come between the purchase *intention* and the purchase *decision*. The first factor is the *attitudes of significant others*. If a buyer's partner feels strongly that he or she should buy the lowest-priced CD-ROM player, then the chances of buying a more expensive player will be reduced.

The second factor is *unexpected situational factors*. The consumer may form a purchase intention based on factors such as expected income, expected price and expected product benefits. However, unexpected events may change the purchase intention. The buyer may lose his job, some other purchase may become more urgent, or a friend may report being disappointed in the brand the buyer has expressed a preference for. Or a close competitor may drop its price. Thus, preferences and even purchase intentions do not always result in actual purchase choice.

**Purchase decision** The stage of the buyer decision process in which the consumer actually buys the product.

## Post-purchase behaviour

The marketer's job does not end when the product is bought. After purchasing the product, the consumer will be satisfied or dissatisfied and will engage in **post-purchase behaviour** of interest to the marketer. What determines whether the buyer is satisfied or dissatisfied with a purchase? The answer lies in the relationship between the *consumer's expectations* and the product's *perceived performance*. If the product falls short of expectations, the consumer is disappointed; if it meets expectations, the consumer is satisfied; if it exceeds expectations, the consumer is delighted.

**Post-purchase behaviour** The stage of the buyer decision process in which consumers take further action after the purchase, based on their satisfaction or dissatisfaction.

Consumers base their expectations on information they receive from sellers, friends and other sources. If the seller exaggerates the product's performance, consumer expectations will not be met, and dissatisfaction will result. The larger the gap between expectations and performance, the greater the consumer's dissatisfaction. This suggests that sellers should make product claims that faithfully represent the product's performance so that buyers are satisfied.

*Satisfactory stage of consumer decision-making*

Some sellers might even underestimate performance levels to boost consumer satisfaction with the product. For example, Boeing sells aircraft worth tens of millions of dollars each, and consumer satisfaction is important for repeat purchases and the company's reputation. Boeing's salespeople tend to be conservative when they estimate their product's potential benefits. They almost always underestimate fuel efficiency—they promise a 5% saving that turns out to be 8%. Customers are delighted with this better-than-expected performance; they buy again and tell other potential customers that Boeing lives up to its promises.

**Cognitive dissonance**  
Buyer discomfort caused by post-purchase conflict.

Almost all major purchases result in cognitive dissonance, or discomfort caused by post-purchase conflict. After the purchase, consumers are satisfied with the benefits of the chosen brand and are glad to avoid the drawbacks of the brands not bought. However, every purchase involves compromise. Consumers feel uneasy about acquiring the drawbacks of the chosen brand and about

losing the benefits of the brands not purchased. Thus, consumers feel at least some post-purchase dissonance for every purchase.<sup>13</sup>

Why is it so important to satisfy the customer? Such satisfaction is important because a company's sales come from two basic groups—*new customers* and *retained customers*. It usually costs more to attract new customers than to retain current ones, and the best way to retain current customers is to keep them satisfied. Satisfied customers buy a product again, talk favourably to others about the product, pay less attention to competing brands and advertising, and buy other products from the company. Many marketers go beyond merely *meeting* the expectations of customers—they aim to *delight* the customer. A delighted customer is even more likely to purchase again and to talk favourably about the product and the company.

A dissatisfied consumer responds differently. Whereas, on average, a satisfied customer tells three people about a good product experience, a dissatisfied customer gripes to 11 people. In fact, one study showed that 13% of the people who had a problem with an organisation complained about the company to more than 20 people.<sup>14</sup> Clearly, bad word of mouth travels farther and faster than good word of mouth and can quickly damage consumer attitudes about a company and its products. It must also be noted that some 96% of unhappy customers never tell the company about their problem.



### self-check question

6. Describe at least two buying situations where a buyer might not pass through each of the five steps mentioned in arriving at a purchase decision.

## The buyer decision process for new products

We have looked at the stages buyers go through in trying to satisfy a need. Buyers may pass quickly or slowly through these stages, and some of the stages may even be reversed. Much depends on the nature of the buyer, the product and the buying situation.

**New product** A good, service or idea that is perceived by some potential customers as new.

**Adoption process** The mental process through which an individual passes from first learning about an innovation to final adoption.

We now look at how buyers approach the purchase of new products. A **new product** is a good, service or idea that is perceived by some potential customers as new. It may have been around for a while, but our interest is in how consumers learn about products for the first time and make decisions on whether to adopt them. We define the **adoption process** as the mental process through which an individual passes from first learning about an innovation to final adoption, and *adoption* as the decision by an individual to become a regular user of the product.<sup>15</sup>

### Stages in the adoption process

Consumers go through five stages in the process of adopting a new product:

- **Awareness.** The consumer becomes aware of the new product, but lacks information about it.
- **Interest.** The consumer seeks information about the new product.
- **Evaluation.** The consumer considers whether trying the new product makes sense.
- **Trial.** The consumer tries the new product on a small scale to improve his or her estimate of its value.
- **Adoption.** The consumer decides to make full and regular use of the new product.

### Individual differences in the adoption of innovations

People differ greatly in their readiness to try new products. In each product area there are those who like to live on the ‘bleeding edge’ and who are considered to be early adopters. Other individuals adopt new products much later. People can be classified into the adopter categories

shown in Figure 5-7. After a slow start, an increasing number of people adopt the new product. The number of adopters reaches a peak and then drops off as fewer non-adopters remain. Innovators are defined as the first 2.5 per cent of the buyers to adopt a new idea (those beyond two standard deviations from mean adoption time); the early adopters are the next 13.5 per cent between one and two standard deviations); and so forth.

The five adopter groups have differing values. *Innovators* are venturesome—they try new ideas at some risk. *Early adopters* guide by virtue of the respect others have for them—they are *opinion leaders* in their communities and adopt new ideas early but carefully. The *early majority* are deliberate—although they are rarely leaders, they adopt new ideas before the average person. The *late majority* are sceptical—they adopt an innovation only after a majority of people have tried it. Finally, *laggards* are tradition-bound—they are suspicious of changes and adopt the innovation only when it has become something of a tradition itself.

This adopter classification suggests that an innovating firm should research the characteristics of innovators and early adopters and direct marketing efforts to them. In general, innovators tend to be relatively younger, better educated and higher in income than later adopters and non-adopters. They are more receptive to unfamiliar things, rely more on their own values and judgment and are more willing to take risks. They are less brand loyal and more likely to take advantage of special promotions such as discounts, coupons and samples.

*Opinion leaders* People within a reference group who, because of special skills, knowledge, personality or other characteristics, exert influence on others.

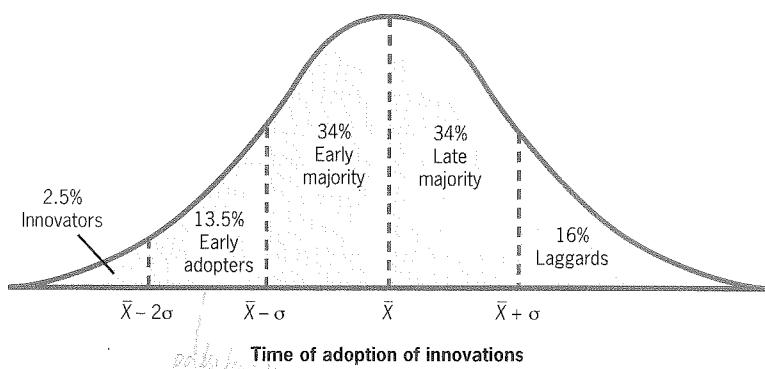


figure 5-7 Adopter categorisation on the basis of relative time of adoption of innovations

source: Redrawn from Everett M. Rogers, *Diffusion of Innovations*, 3rd edn (New York: 1983), p. 247. Adapted with permission of the Free Press, a division of Simon & Schuster, Inc. Copyright © 1962, 1971, 1983 by the Free Press.

## Influence of product characteristics on rate of adoption

The characteristics of the new product affect its rate of adoption. Some products are adopted almost overnight (Internet—50 million users in 4 years), some are fast (mobile telephones), others take longer to gain acceptance (personal computers—50 million users in 16 years).<sup>16</sup> Five characteristics are especially important in influencing an innovation's rate of adoption. For example, consider the characteristics of World Wide Web technology in education and the rate of adoption by educators and students:

**Relative advantage:** the degree to which an innovation such as a PC connected to the World Wide Web appears superior to existing products such as CD-ROM. The greater the perceived relative advantage of using the WWW—say, in easier access to information—the sooner such technology will be adopted.

- *Compatibility*: the degree to which the innovation fits the values and experiences of potential consumers. Educational websites, for example, are highly compatible with the lifestyles found in middle-class homes.
- *Complexity*: the degree to which the innovation is difficult to understand or use. Small and medium enterprises (SMEs) have found the issue of online business quite complex and are therefore taking more rather than less time to add online transactions to their business model.
- *Divisibility*: the degree to which the innovation may be tried on a limited basis. Web access is expensive when one includes a multimedia Pentium PC with high-speed modem, sound card and speakers for the PC. To the extent that people can lease them with an option to buy, or have the PC cost bundled in with the monthly service charge (so-called free PCs) their rate of adoption will increase.
- *Communicability*: the degree to which the results of using the innovation can be observed or described to others. Because the Web lends itself to demonstration and description, computer use for this purpose has spread faster among consumers than many other technologies. This is particularly so because educators—who might be regarded as opinion leaders—have recommended the use of such technology to their students.<sup>17</sup>

Other characteristics influence the rate of adoption, such as initial and ongoing costs, risk and uncertainty and social approval. The new-product marketer has to research all these factors when developing the new product and its marketing program.



### self-check questions

7. Everett M. Rogers made the point that an innovation is any new device or way of doing things as perceived by the user. What are the implications arising from this notion that ‘newness’ is in the ‘eyes of the beholder’?
8. The adopter categories shown in Figure 5-7 were derived from studies involving the adoption of new chemicals by farmers, where there was almost 100% adoption over time. What are the implications where there is a lower adoption rate, such as where only 25% of the population adopt mobile telephones?

## ■ Consumer behaviour across international borders

Understanding consumer behaviour is difficult enough for companies marketing within the borders of a single country. For companies operating in many countries, understanding and serving the needs of consumers can be daunting. Although consumers in different countries may have some things in common, their values, attitudes and behaviours often vary greatly. International marketers must understand such differences and adjust their products and marketing programs accordingly.

Sometimes the differences are obvious. For example, in Australia and New Zealand, where most people eat cereal regularly for breakfast, Kellogg’s focuses its marketing on persuading consumers to select a Kellogg’s brand rather than a competitor’s brand. In France, however, where most people prefer croissants and coffee or no breakfast at all, Kellogg’s advertising simply attempts to persuade people that they should eat cereal for breakfast. Its packaging includes step-by-step instructions on how to prepare cereal.

Often, differences across international markets are more subtle. They may result from physical differences in consumers and their environments. For example, Remington makes smaller electric shavers to fit the smaller hands of Japanese consumers, and battery-powered shavers for the British market, where few bathrooms have electrical outlets. Other differences result from varying customs. Consider the following examples:

- Shaking your head from side to side means ‘no’ in most countries but ‘yes’ in Bulgaria and Sri Lanka.
- In South America, southern Europe and many Arab countries, touching another person is a sign of warmth and friendship. In the Orient, it is considered an invasion of privacy.
- In Norway or Malaysia, it is rude to leave something on your plate when eating; in Egypt, it is rude *not* to leave something on your plate.
- A door-to-door salesperson might find it tough going in Italy, where it is improper for a man to call on a woman if she is at home alone.<sup>18</sup>

Failing to understand such differences in customs and behaviours from one country to another can spell disaster for a marketer’s international products and programs.

Marketers must decide on the degree to which they will adapt their products and marketing programs to meet the unique cultures and needs of consumers in various markets. On the one hand, they want to standardise their offerings in order to simplify operations and take advantage of cost economies. On the other hand, adapting marketing efforts within each country results in products and programs that better satisfy the needs of local consumers. The question of whether to adapt or standardise the marketing mix across international markets has created a lively debate in recent years.



### self-check questions

9. How might you address the situation where a new electronic auto-flushing toilet released in the South Korean market is not selling because women in that country tend to flush the toilet immediately before or during use due to extreme modesty?
10. In Thailand it is unacceptable to show feet in a television commercial. What alternatives are open to the marketer of an inner sole for shoes in Thailand?

## ■ Summary

Markets have to be understood before marketing strategies can be developed. The consumer market buys goods and services for personal consumption. Consumers vary tremendously in age, income, education, tastes and other factors. Marketers must understand how consumers transform marketing and other inputs into buying responses. *Consumer behaviour* is influenced by the buyer’s characteristics and by the buyer’s decision process. *Buyer characteristics* include four major factors: cultural, social, personal and psychological.

Consumer buying behaviour is influenced by five major *psychological factors*—motivation, perception, learning, beliefs and attitudes, and personality and self-concept. Each of these factors provides a different perspective for understanding the workings of the buyer’s mind. The buyer’s age, life-cycle stage, occupation, education and economic circumstances are *personal factors* which influence his or her buying decisions. Consumer *lifestyles*—the whole pattern of acting and interacting in the world—are also an important influence on buyers’ choices. *Culture* is the most basic determinant of a person’s wants and behaviour. It includes the basic values, perceptions, preferences and behaviours that a person learns from family and other key institutions. *Subcultures* are ‘cultures within cultures’ with their own distinct values and lifestyles. People with different cultural and subcultural characteristics have different product and brand preferences. Marketers may want to focus their marketing programs on the special needs of certain groups.

*Social factors* also influence a buyer’s behaviour. A person’s *reference groups*—family, friends, social organisations, professional associations—strongly affect product and brand choices. Although many of these factors cannot be controlled by marketers, they are useful in identifying and understanding the consumers that marketers are trying to influence.

Some *buying decisions* involve only one decision maker. Other decisions may involve several participants who play such roles as *initiator, influencer, decider, buyer* and *user*. The marketer's job is to identify the other buying participants, their buying criteria and their level of influence on the buyer.

The number of buying participants and the amount of buying effort increase with the complexity of the buying situation. There are four types of *buying decision behaviour* based on the degree of buyer involvement and the degree of differences between brands: *complex buying behaviour, dissonance-reducing buying behaviour, habitual buying behaviour* and *variety-seeking buying behaviour*.

In buying something, the buyer goes through a decision process consisting of *need recognition, information search, evaluation of alternatives, purchase decision* and *postpurchase behaviour*. The marketer's job is to understand the buyer's behaviour at each stage and the influences that are operating. This allows the marketer to develop significant and effective marketing programs for the target market.

With regard to new products, consumers respond at different rates, depending on the consumer's characteristics and the product's characteristics. Manufacturers try to bring their new products to the attention of potential early adopters, particularly those with opinion-leader characteristics.

Understanding consumer behaviour is difficult enough for companies marketing within the borders of a single country. For companies operating internationally, however, understanding and serving the needs of consumers can be even more difficult. Consumers in different countries can vary dramatically in their values, attitudes and behaviours. International marketers must understand such differences and adjust their products and marketing programs accordingly.

## ■ Key terms

adoption process 132	dissonance-reducing buying behaviour 129	perception 118
alternative evaluation 131	habitual buying behaviour 129	personality 121
attitude 121	information search 130	postpurchase behaviour 131
belief 121	learning 120	psychographics 128
cognitive dissonance 131	lifestyle 128	purchase decision 131
complex buying behaviour 128	membership groups 125	reference groups 125
consumer buying behaviour 116	motive (or drive) 118	social classes 124
consumer market 116	need recognition 130	subculture 123
culture 123	new product 132	variety-seeking buying behaviour 129
	opinion leaders 133	

## ■ Applying the concepts

1. Different types of products can fulfil different functional and psychological needs.
  - List five public or private luxury products that are very interesting or important to you. Some possibilities are cars, clothing, sports equipment and cosmetics. List five necessities that you use which have little interest for you, such as pencils, laundry detergent or petrol.
  - Make a list of words that describe how you feel about each of the products you listed. Are there differences between the types of words you used for luxuries and those you used for necessities? What does this tell you about the different psychological needs these products fill?
2. Examining our own purchases can reveal ways in which buying decisions really occur.
  - Describe the five stages of your own buyer decision process for a major purchase such as a camera, a stereo or a car.
  - Next, describe your decision process for a minor purchase such as a chocolate bar or a soft drink.
  - Are the decision processes the same for major and minor purchases? Which steps differ, and why do they change?

With books and music CDs we can turn to a favourite online mall or store to read book reviews or sample music and then buy online. However, some products seem quite unsuited to marketing over the Web. We started this chapter with a focus on sneakers from firms such as Nike and fashionable yet rugged walking and dress-cum-work boots from Timberland, Blundstone and Rivers. This is surely a class of goods that could not possibly be sold over the Web?

Yet there are many Web retailers of boots to prove this view incorrect. Take Boots Online <[www.bootsonline.com.au](http://www.bootsonline.com.au)>, for example. This was one of the first commercial websites in Australia and has continued to thrive. Known in the 'bricks and mortar' world as The Stitching Horse Bootery, its online presence (Boots Online) is known far and wide. In this Web Workout we look at the online marketing of this product category which

often provides a window on our inner selves.



## web workout

### BUT YOU CAN'T TOUCH THE BOOTS!

1. Why does clicking on a pair of boots at <[bootsonline.com.au](http://bootsonline.com.au)> bring forth prices in both Australian dollars and United States dollars?
2. Click on the B500 Bushman. Would you feel comfortable buying online after merely selecting colour and size? Why or why not?
3. When did Mr Colin Oliver buy the RM Williams boots on display at Boots Online?
4. What is the involving feature on the web page for the display advertisement for the High Country Riding Coat 'The Professional'?
5. Do you think the name given to the coat (High Country Riding Coat 'The Professional') is appropriate? If so, why? If not, why not?
6. What is your overall view of this website? Which market segments is the website targeted towards?