

# CONSUMER MARKETS AND BUYER BEHAVIOR

## **Bibliography:**

Kotler and Keller (2012), Marketing Management, 14ed.,  
Pearson, cap. 6

# Consumer behavior

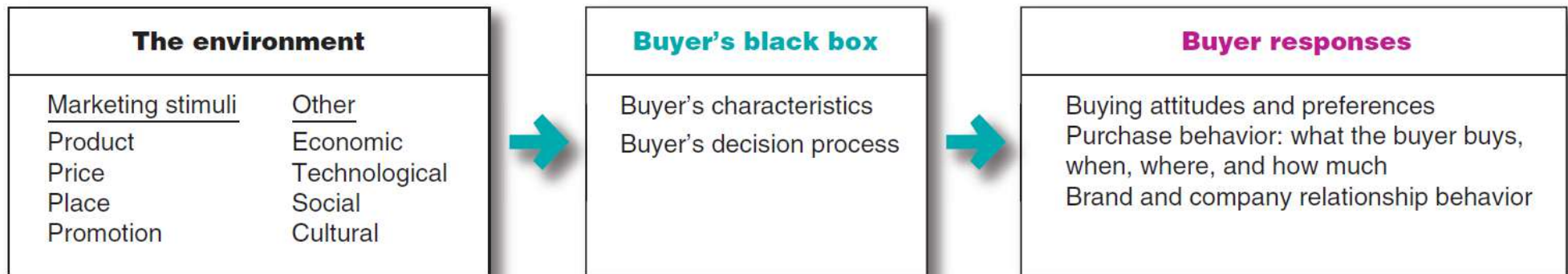
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- The study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs or wants.
  - Crucial tasks for marketing in order to provide information about customer needs and support the company in offering satisfying services
- Consumer Markets
  - All the individuals and households that buy or acquire goods and services for personal consumption



# Model of Buyer Behavior

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Fonte: Marketing: An Introduction, 12 ed. Armstrong & Kotler, 2015

# What influences Consumer Behavior?

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## Cultural Factors



## Personal Factors



## Social Factors



## Psychological Factors



# Cultural Factors

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## Culture

- Set of basic values, perceptions, wants, and behaviors learned by an individual from family and other important institutions

## Subculture

- Group of people with shared value systems based on common life experiences and situations
- **Cross-cultural marketing:** Including ethnic themes and cross-cultural perspectives within a brand's mainstream marketing

## Social class

- Relatively permanent and ordered divisions in a society whose members share similar values, interests, and behaviors

# Sub-culture

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Targeting african american consumers: the U.S. forest service and ad council joined forces to create the “Discover the forest” public service campaign to raise awareness among african american families of the benefits for children of getting outside and enjoying nature.



# Social Factors

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**Groups**

**Word-of-mouth  
influence**

**Opinion  
leader**

**Online social  
networks**

**Family**

**Roles and  
status**



# Word-of-Mouth

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» Creating word of mouth: Mercedes-Benz's "Take the Wheel" influencer campaign really got people buzzing about its all-new CLA model, helping to create millions of positive social conversations and record sales.



# Social Factors

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COMMENTS

**KYLIE Jenner has wiped more than £1BILLION from Snapchat's market value after she sensationally admitted she doesn't use the app anymore.**

Kim Kardashian half-sister slashed seven per cent off parent firm Snap's shares when she tweeted "sooo does anyone else not open Snapchat anymore? Or is it just me... ugh this is so sad."



**Kylie Jenner**

@KylieJenner

Follow

sooo does anyone else not open Snapchat anymore? Or is it just me... ugh this is so sad.

1:50 PM - 21 Feb 2018

50,773 Retweets 279,372 Likes



3.5K



51K



279K



TWITTER



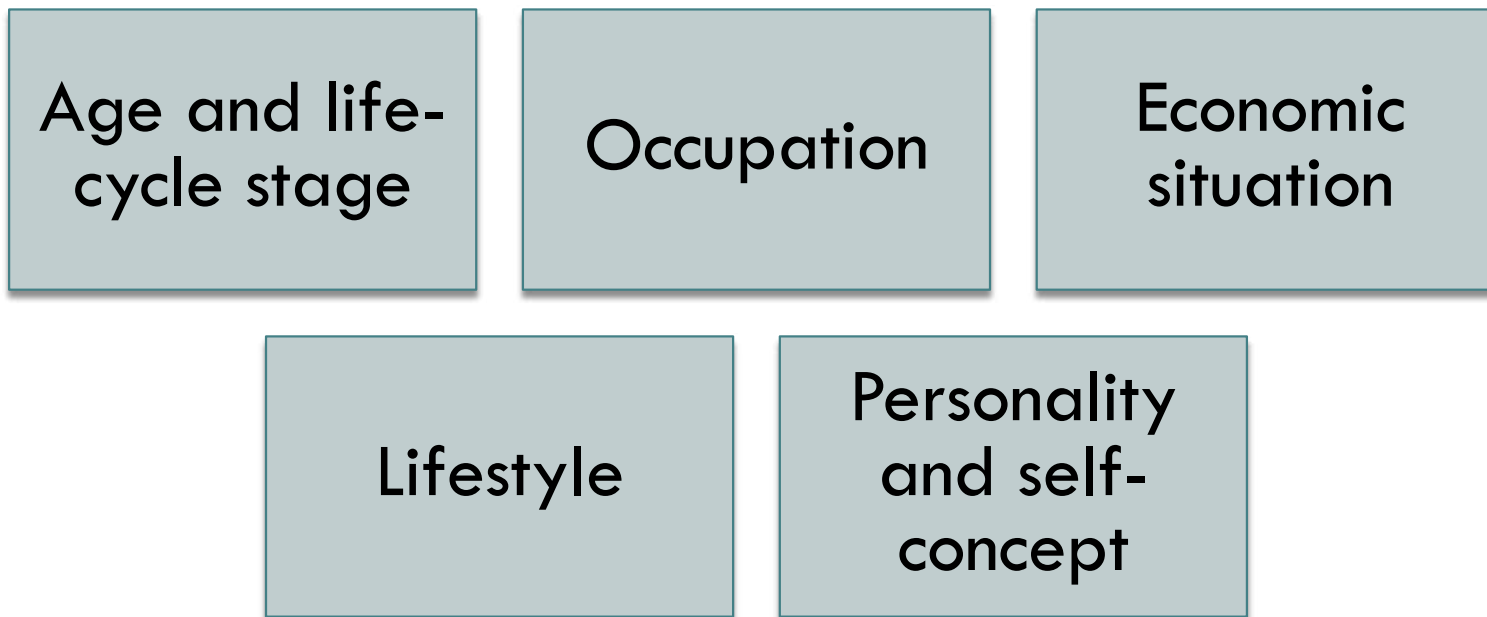
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Kylie Jenner's explosive tweet has knocked over \$1billion off Snapchat's market value

More than 270,000 of Kylie's 24.5 million Twitter's followers liked her post sinking the tech firm's value.

# Personal Factors

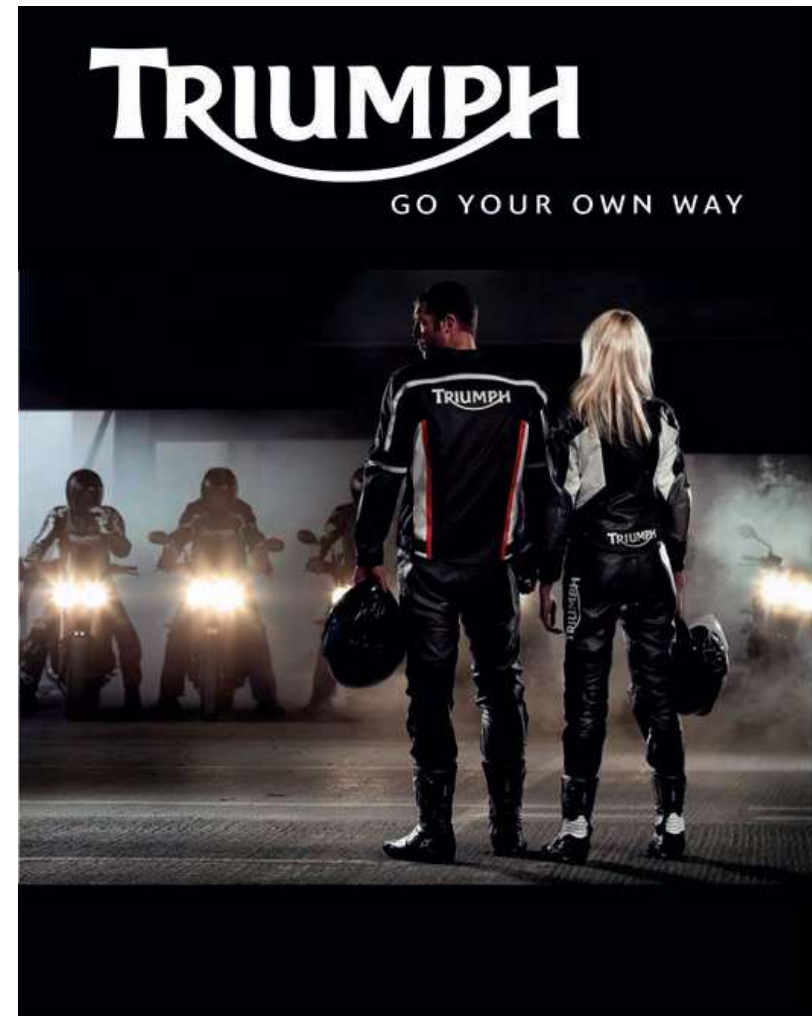
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# Personal Factors

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- Triumph doesn't just sell motorcycles; it sells an independent, "Go your own way" lifestyle"



# Psychological Factors

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Motivation

Memory

Learning

Emotions

Perception

Beliefs and  
Attitudes

# Psychological Factors

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## □ Emotions

- ▣ Many different kinds of emotions can be linked to brands



# Beliefs and Attitudes

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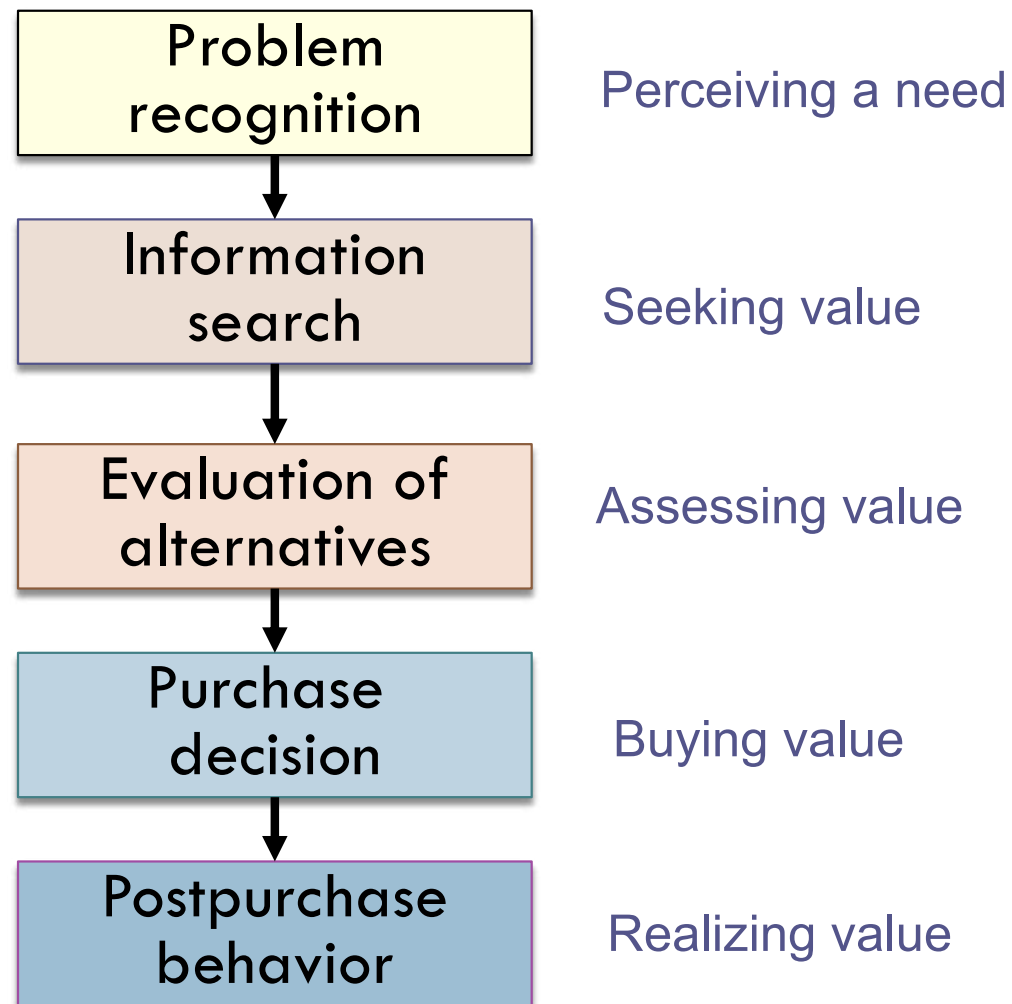
Beliefs and attitudes: By matching today's attitudes about life and healthful living, the SoBe brand has become a leader in the New Age beverage category



# Stages of the Buying Decision Process

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- The consumer typically passes through five stages



# Buying Decision Process – Stage 1

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## □ Problem recognition

- ▣ The buyer recognizes a problem/need triggered by internal/external stimuli
  - Advertising can be very helpful in stimulating need recognition
- ▣ Marketers need to identify the circumstances that trigger a particular need by gathering information from a number of consumers.
- ▣ They can then develop marketing strategies spark consumer interest.



# Buying Decision Process – Stage 2

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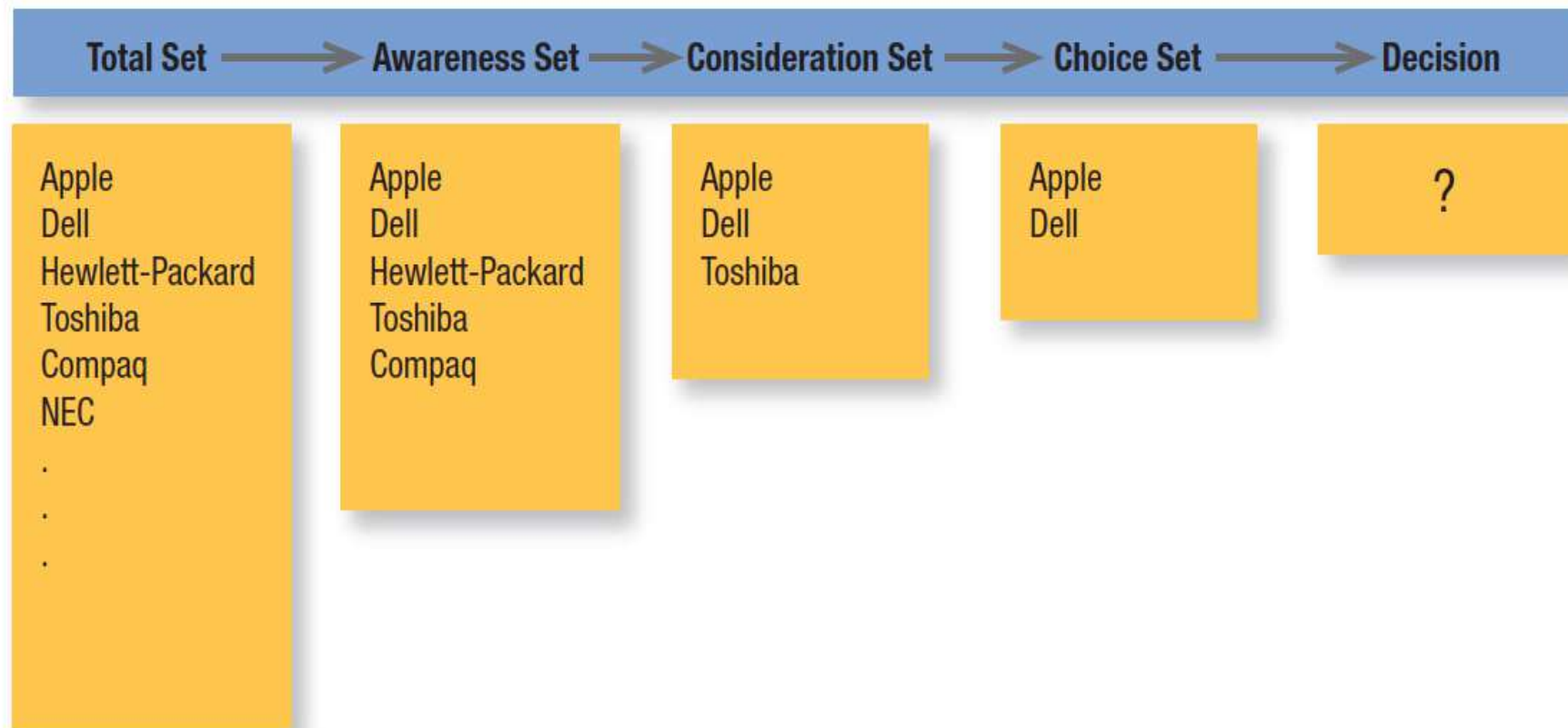
## □ Information search

- ▣ Personal sources - Family, friends, neighbors, acquaintances
- ▣ Commercial sources - Advertising, Web sites, e-mails, salespersons, dealers, packaging, displays
- ▣ Public sources - Mass media, social media, consumer-rating organizations
- ▣ Experiential sources - Handling, examining, using the product

# Buying Decision Process – Stage 3

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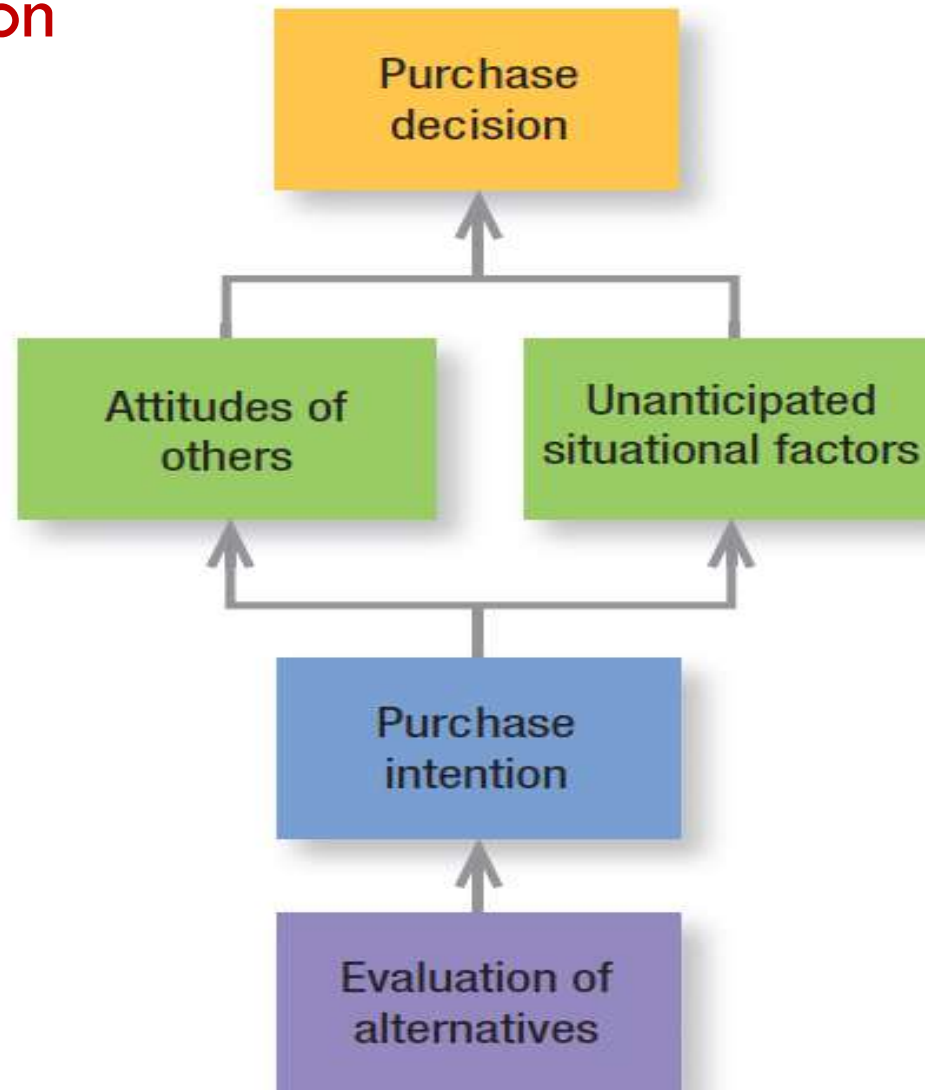
## □ Evaluating alternatives



# Buying Decision Process – Stage 4

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## □ Purchase decision



# Buying Decision Process – Stage 5

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## □ Postpurchase behavior

▣ Postpurchase satisfaction



▣ Postpurchase actions



▣ Postpurchase uses and disposal

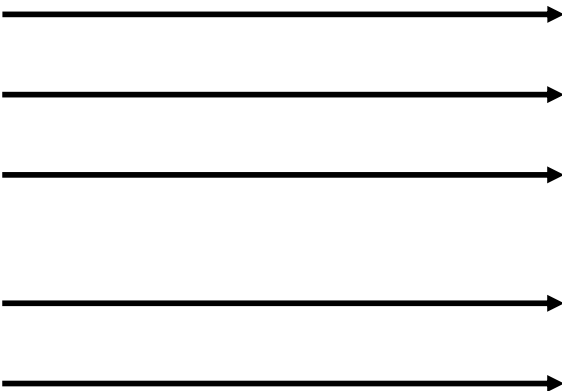




# Consumer decision making

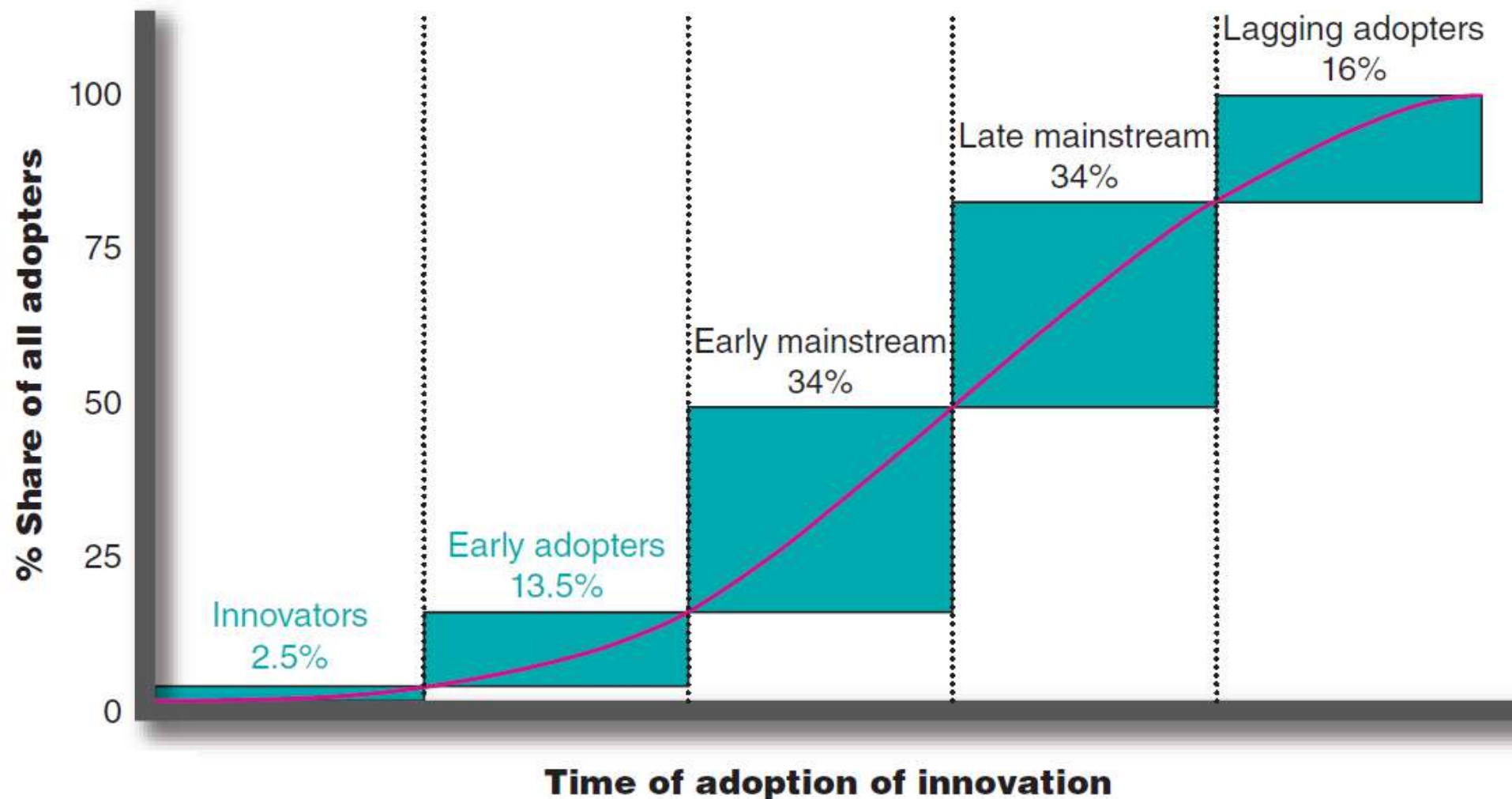
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- Not all decisions go through the same process

Routine	Simple problem	Complex problem
Low cost Frequent purchase Low consumer involvement High familiarity <b>Little time and effort dedicated to purchase process</b>		Expensive purchase Infrequent purchase High consumer involvement Low familiarity <b>Long time and effort dedicated to purchase process</b>
Cinema	Car repair	Mortgage loan

# Adopter Categories Based on Relative Time of Adoption of Innovations

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# The Buyer Decision Process for New Products

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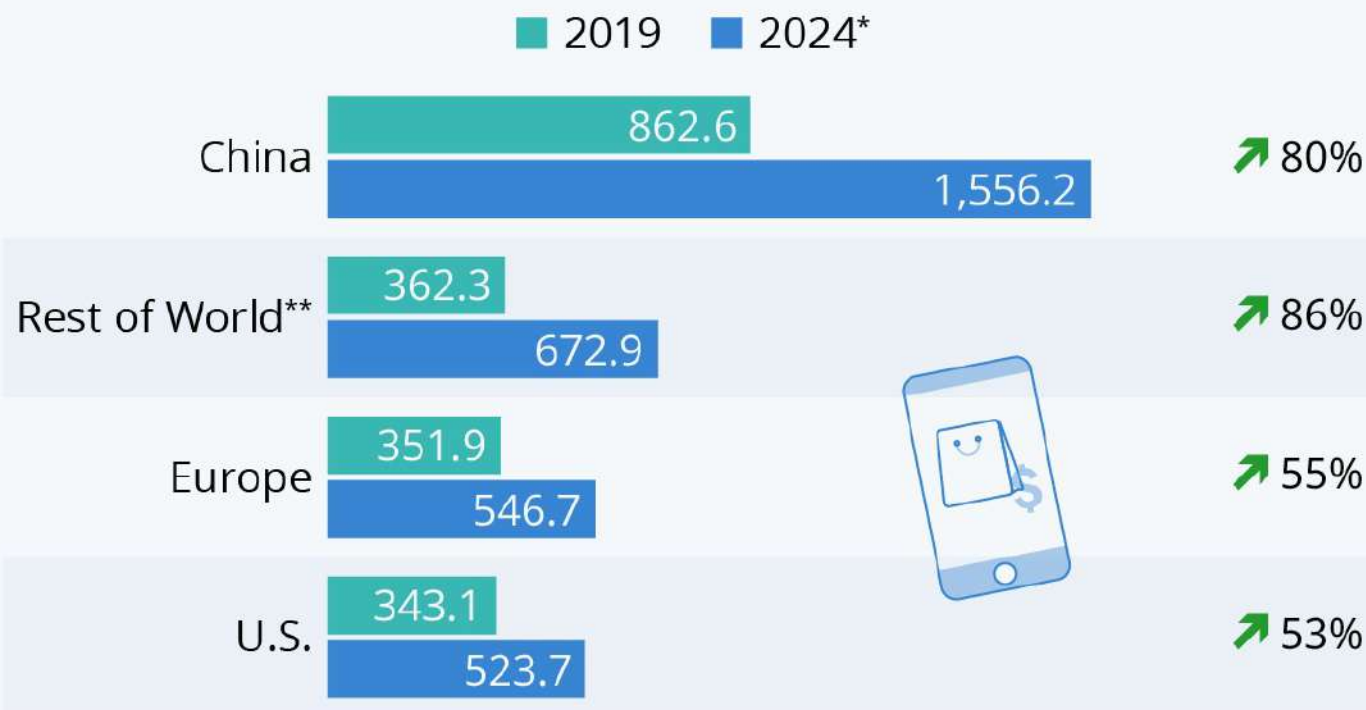
The **adoption process** is the mental process an individual goes through from first learning about an innovation to final regular use.

□ Stages in the adoption process include:



# Where E-Commerce Is Growing Fastest

Projected increase in e-commerce sales in selected countries between 2019 and 2024 (in billion U.S. dollars)



\* projected

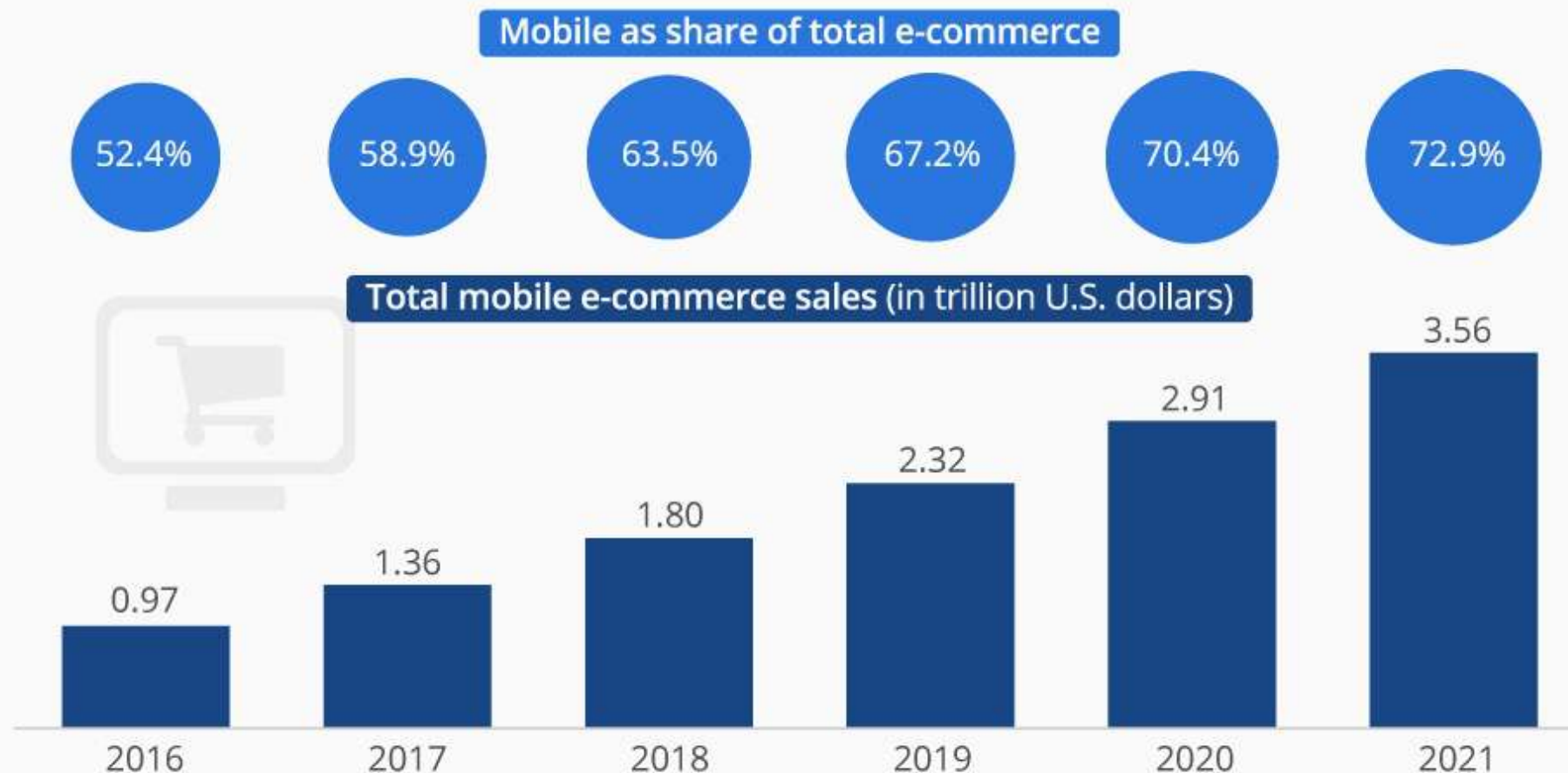
\*\* out of a total of 151 countries

Source: Statista Digital Market Outlook



# Mobile E-Commerce is up and Poised for Further Growth

Estimated mobile e-commerce sales worldwide



Includes products or services purchased via mobile devices (including tablets) regardless of the method of payment or fulfillment; excludes travel and event tickets

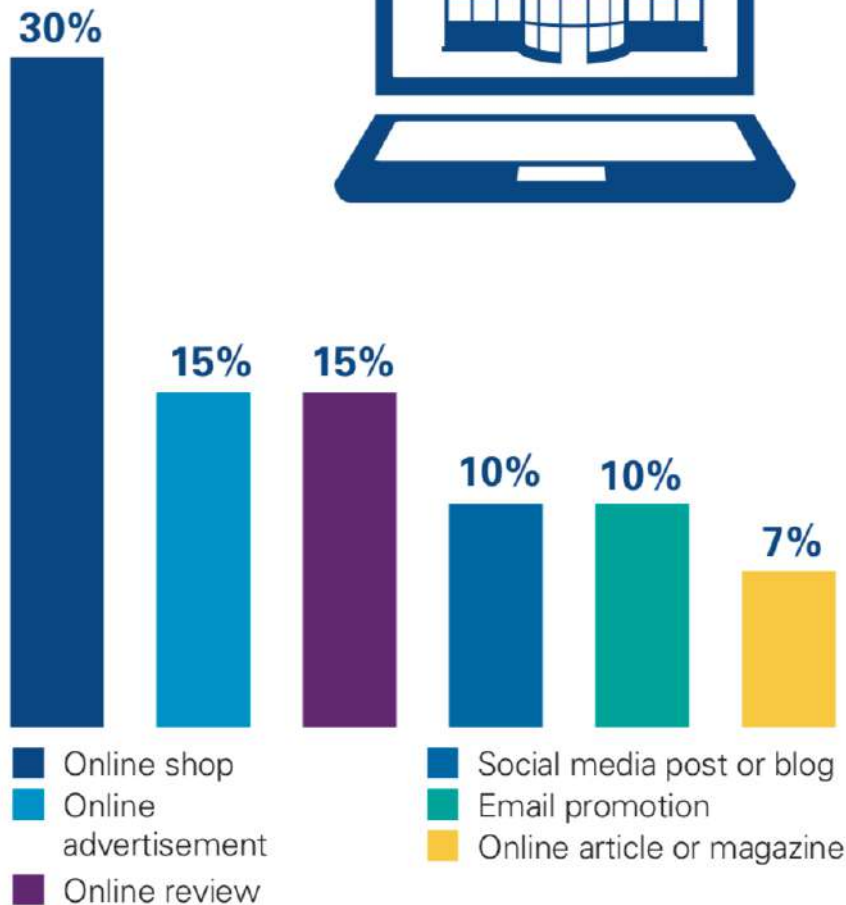
As of January 2018

Source: eMarketer

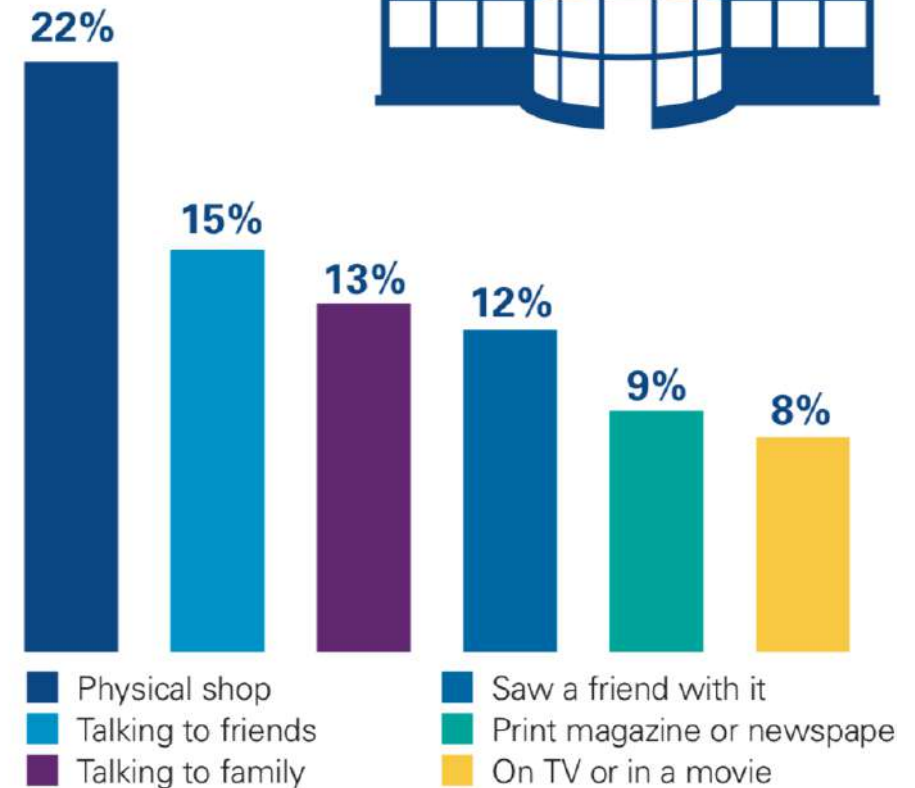
# Channels where consumers saw the product before purchasing

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**Any online channel: 59%**



**Any offline channel: 52%**



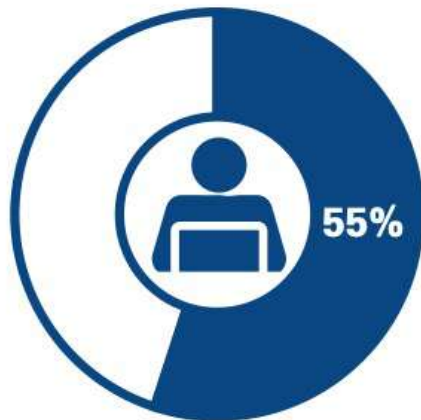
Source: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/01/the-truth-about-online-consumers.pdf>



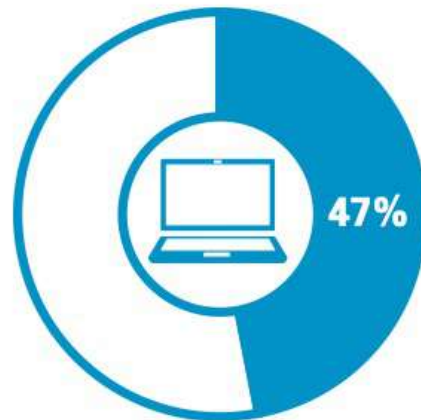
# Consideration: product and company research

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Percentage of consumers using the following channels to research products they bought online



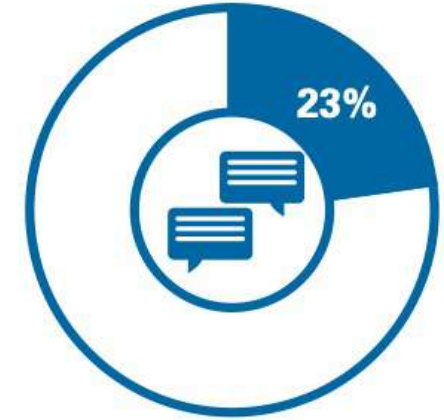
Online search for reviews and recommendations



Visited the company website



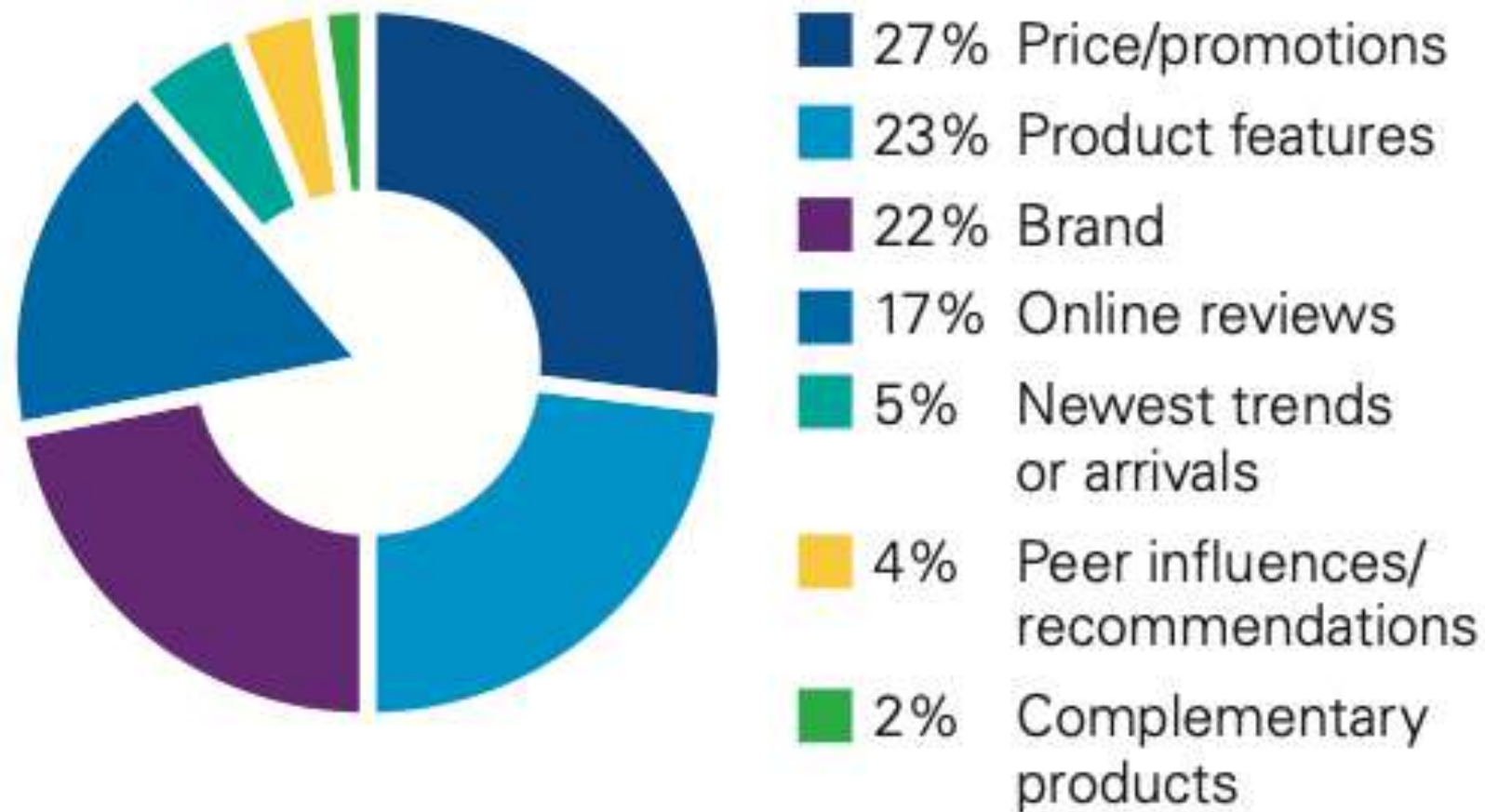
Visited physical stores to see, try or fit the product



Spoke with my friends or family about it

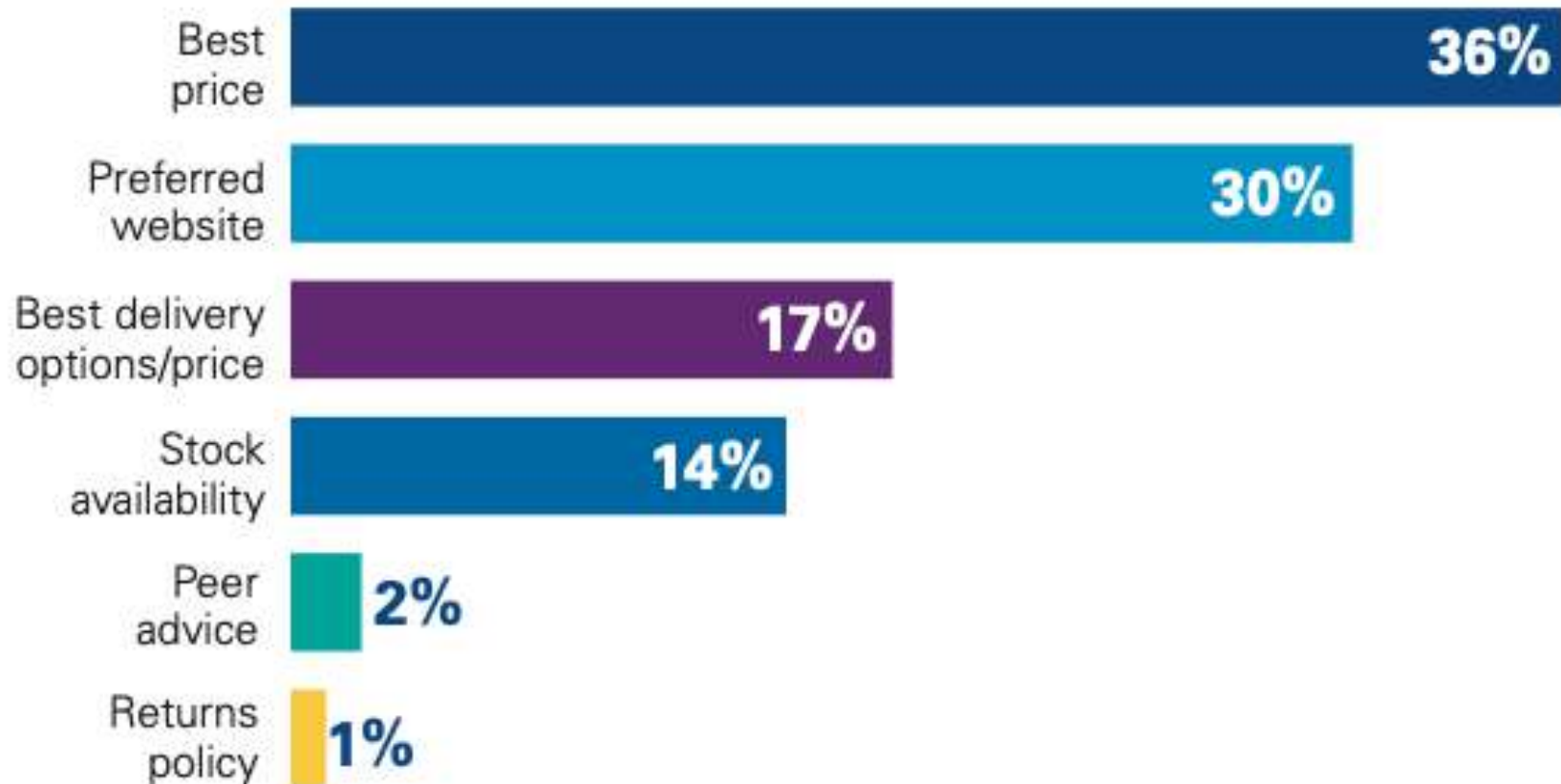
Source: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/01/the-truth-about-online-consumers.pdf>

## Factors driving purchase decisions



Source: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/01/the-truth-about-online-consumers.pdf>

## Most important attributes when deciding where to buy

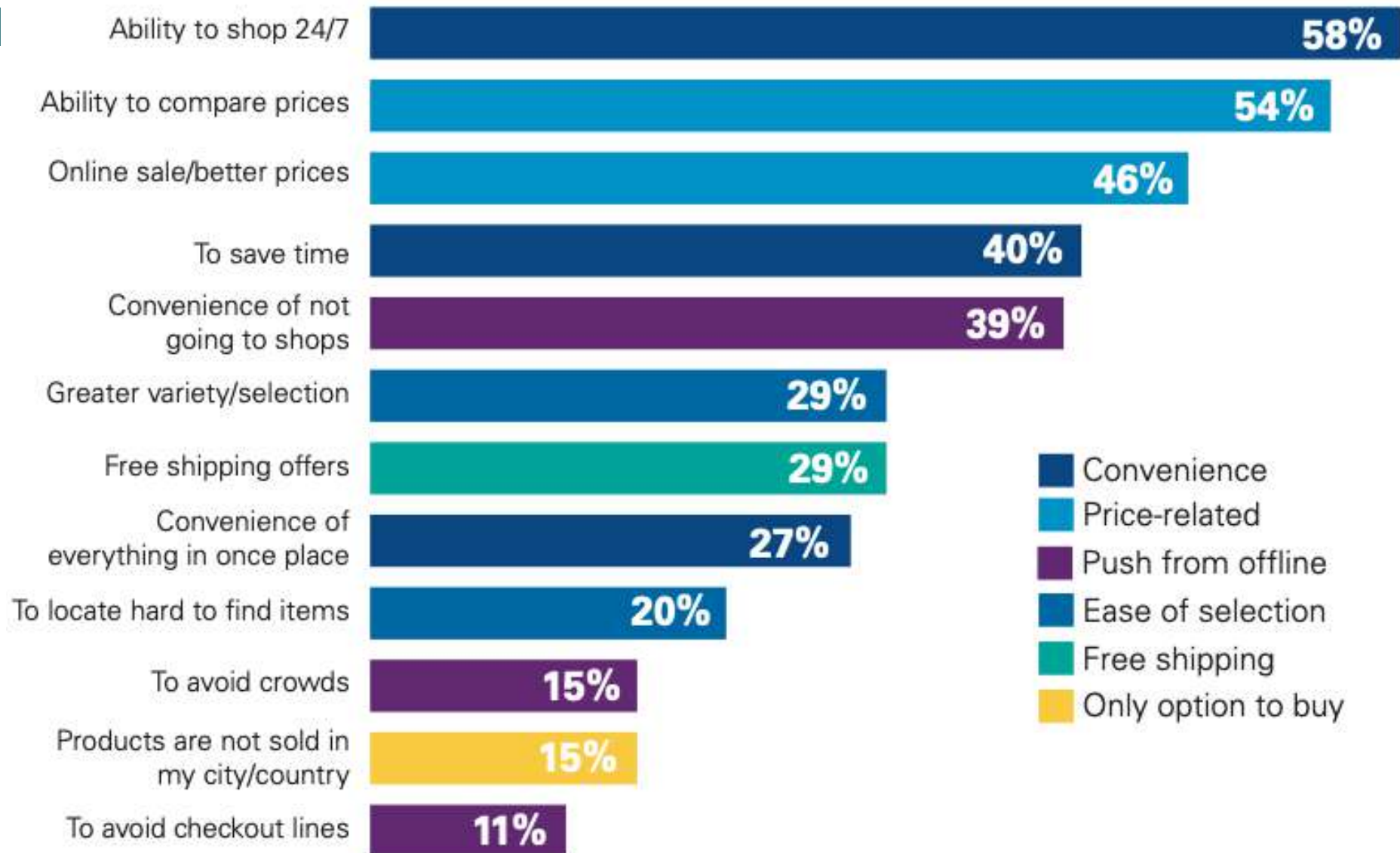


Source: Global Online Consumer Report, KPMG International, 2017

Source: <https://assets.kpmg/content/dam/kpmg/xx/pdf/2017/01/the-truth-about-online-consumers.pdf>

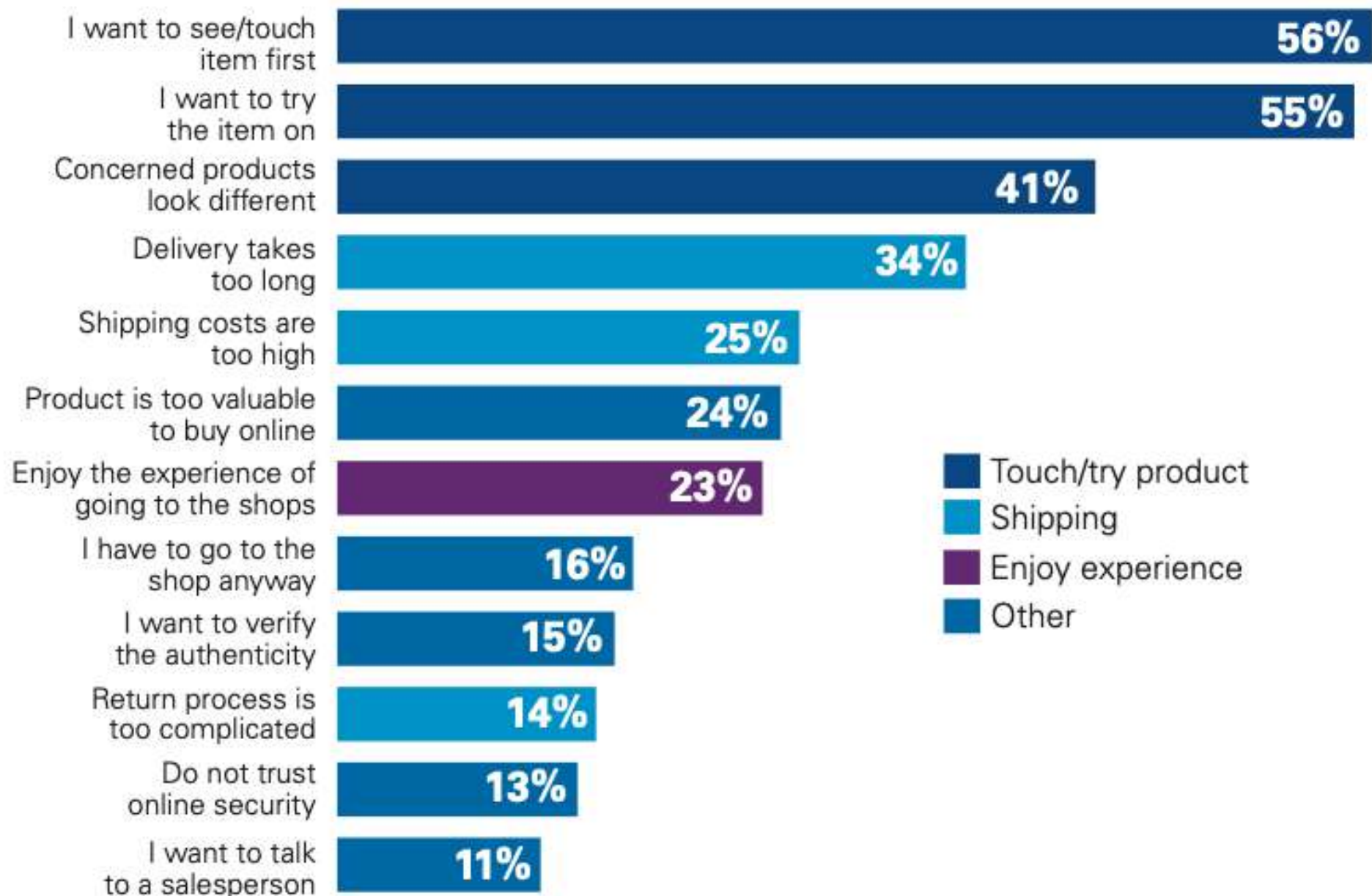
## Reasons consumers shop online instead of in stores

30



Source: Global Online Consumer Report, KPMG International, 2017

## Reasons consumers shop in stores instead of online



Source: Global Online Consumer Report, KPMG International, 2017



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## **Bibliography:**

Kotler and Keller (2012), Marketing Management, 14ed.,  
Pearson, cap. 7



# B2B markets



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- Organizations that buy goods and services used in the production of other products or services that are sold, rented, or supplied to others
  - ▣ Fewer and larger clients.
  - ▣ Close supplier-customer relationship
  - ▣ Professional purchasing
  - ▣ Each purchase requires several contacts
  - ▣ Derived demand from the demand for consumer goods
  - ▣ Fluctuating demand
  - ▣ Geographically concentrated buyers
  - ▣ Direct purchasing without intermediaries

# Business Markets and Business Buyer Behavior

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- In its business markets, UPS does much more than just deliver packages.
- It works hand in hand with business customers to become a logistics *partner*, helping them to shape and sharpen their entire logistics strategy and operations.

# Business Buyer Behavior

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- **Business buyer behavior** refers to the buying behavior of the organizations that buy goods and services for use in the production of other products and services that are sold, rented, or supplied to others.
- **The business buying process** is the process where business buyers determine which products and services are needed to purchase, and then find, evaluate, and choose among alternative brands.

# Business Markets

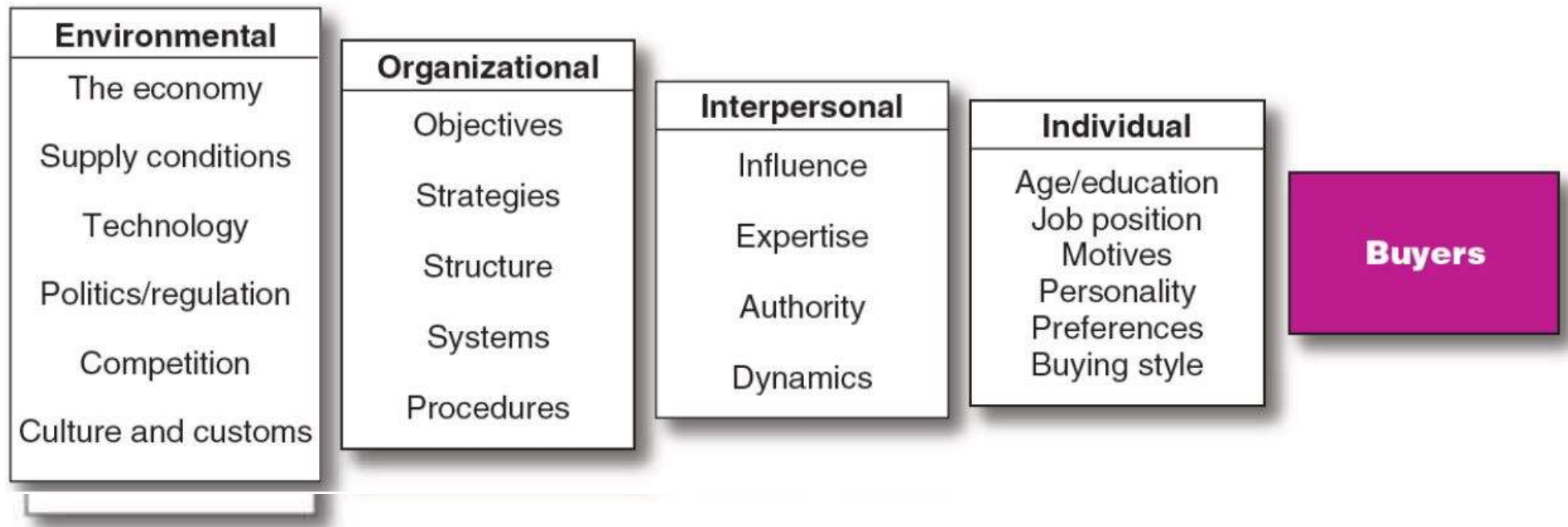
5 - 36

- Key differences exist between business and consumer buying situations:
  - ▣ Business buyers usually face more complex buying decisions
  - ▣ The business buying process tends to be more formalized
  - ▣ Buyers and sellers are much more dependent on each other in business markets

# Major Influences on Business Buyers

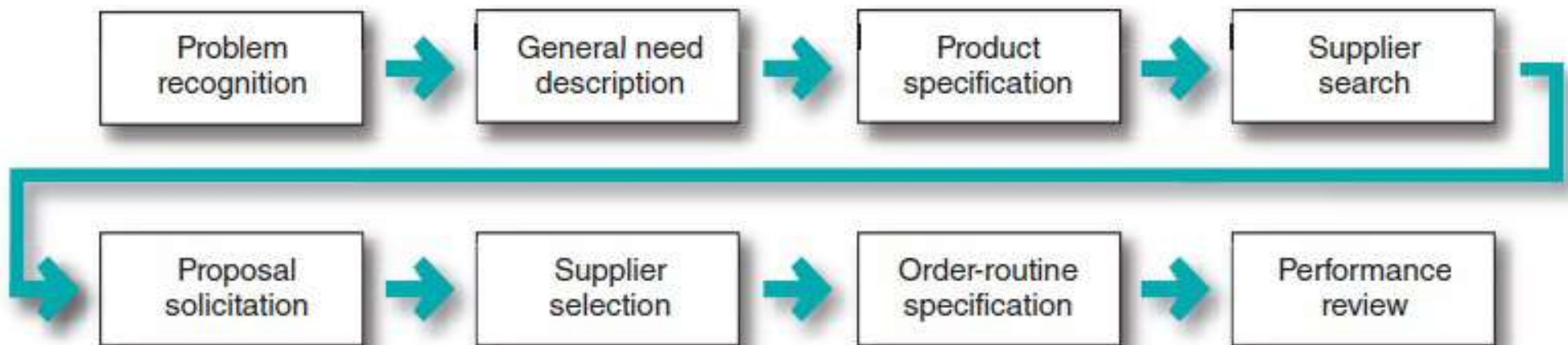
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## Factors Influencing Business Buyers



# Stages in the B2B buying process

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# Customer relationship management in B2B markets

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- B2B Business markets are huge and involve more money and items than consumer markets.
  - ▣ Fewer but larger buyers
  - ▣ **Derived demand:** Business demand that comes from the demand for consumer goods
- **Supplier development:** Systematic development of networks of supplier-partners
  - ▣ Buying and selling relationship
  - ▣ Long term supplier relationship
  - ▣ Strategic outsourcing
  - ▣ Integration of supply chains



# Learning Objectives



- Understand the consumer market and the major factors that influence consumer buyer behavior.
- Identify and discuss the stages in the buyer decision process.
- Define the business market and identify the major factors that influence business buyer behavior.
- Understand the key differences between consumer and business buying situations.

# Example: GoPro: Be a Hero!



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- GoPro, fast-growing company that makes tiny, wearable HD video cameras, drones, apps,....
- GoPro acquired a digital-video software company, CineForm, and now provides free software for creating 3D videos from footage shot by GoPro cameras rigged side-by-side and calibrated to shoot simultaneously.
- GoPro has partnered with YouTube to create a GoPro YouTube network offering a Wi-Fi plug-in that lets GoPro customers upload video directly from their cameras or with a mobile app.
- GoPro's YouTube channel long ago passed 200 million video views.
- GoPro now airs TV commercials created from the best videos submitted by customers at its Web site.

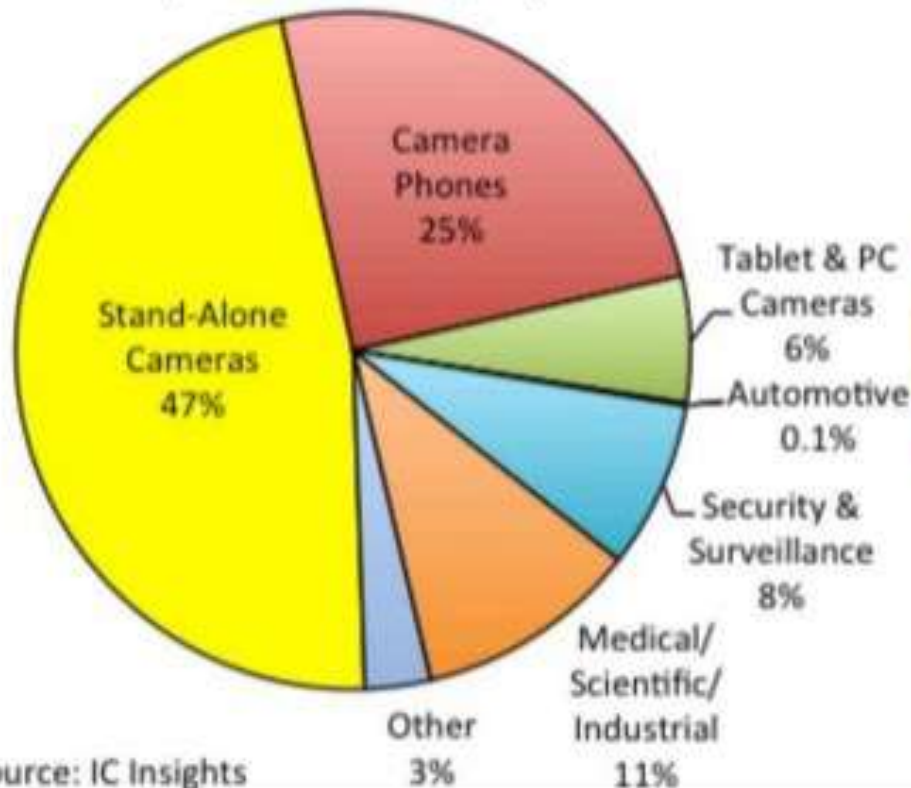
# Example: GoPro: Be a Hero!



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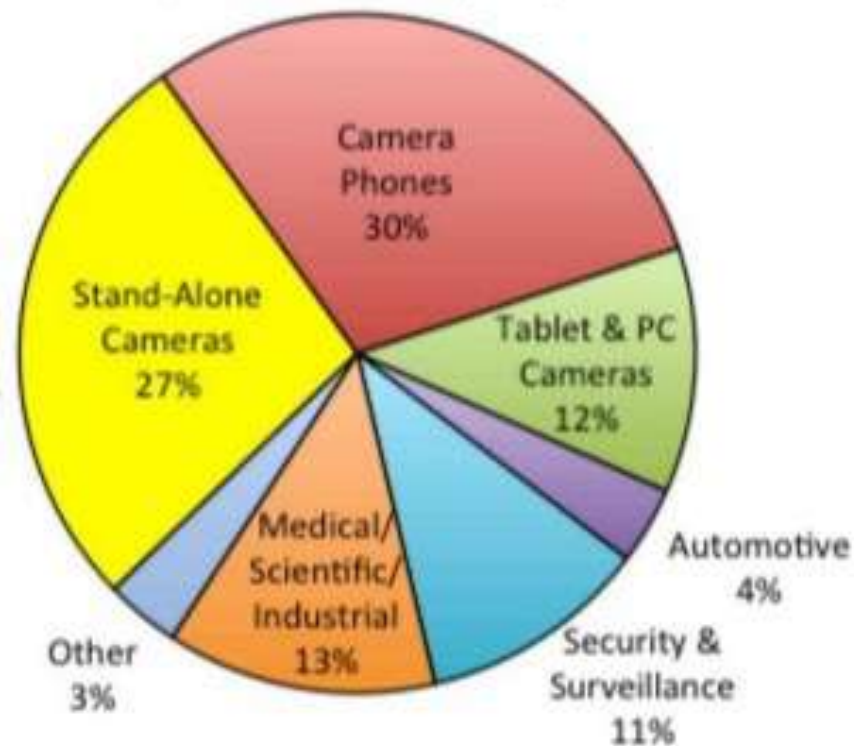
## Camera Systems Market Becomes More Diversified

2012 Digital Camera Sales  
\$55.5 Billion (Est)



Source: IC Insights

2016 Digital Camera Sales  
\$77.8 Billion (Fcst)



# Example: GoPro: Be a Hero!



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1. Beyond a small, durable video camera, what is GoPro really selling its customers?
2. How does GoPro story relate to consumer behavior?

The screenshot shows the GoPro website interface. At the top, there's a navigation bar with 'GoPro' logo, 'SHOP', 'APPS', 'WATCH', 'PLUS', and a search icon. On the right, there are links for 'Free Shipping + Free Returns\*', 'Login/Register', 'Support', and a shopping cart icon. The main content area features a large video player on the left showing a skier in a yellow suit, and a 'Video of the Day' section on the right with a list of featured videos. The video player has a play button, progress bar, and controls. Below the video player, the title 'Riding Big Mountain Lines with the Full Moon Crew' is displayed, along with 'By GoPro Original Productions' and buttons for 'INFO +', 'SIGN IN TO FAVORITE', and 'SHARE'.

GoPro SHOP APPS WATCH PLUS Q

Free Shipping + Free Returns\* Login/Register Support PT

Video of the Day

- Riding Big Mountain Lines with t... By GoPro Original Productions
- Pit Stop Practice with Red Bull ... By GoPro Original Productions
- The Fourth Phase with Travis Ri... By GoPro Original Productions
- Awards: Classic Chute MTB Fre... By GoPro Original Productions
- Backyard Sessions With Luisa S... By GoPro Original Productions
- HERO5 - Journey Through Mexico By GoPro Original Productions
- GoPro New Mounts and Access... By GoPro Original Productions

Riding Big Mountain Lines with the Full Moon Crew  
By GoPro Original Productions

INFO + SIGN IN TO FAVORITE SHARE