

Chapter Five

Consumer Markets and Consumer Buyer Behavior

Model of Consumer Behavior

Consumer buyer behavior: the buying behavior of final consumers, individuals and households, who buy goods and services for personal consumption

Consumer market: all of the personal consumption of final consumers



Model of Consumer Behavior

The environment

Marketing stimuli

Product

Price

Place Promotion Other

Economic

Technological

Social

Cultural



Buyer's black box

Buyer's characteristics Buyer's decision process



Buyer responses

Buying attitudes and preferences

Purchase behavior: what the buyer buys, when, where, and how much

Brand and company relationship behavior





Factors Influencing Consumer Behavior

Cultural Social Personal Culture **Psychological** Reference groups Age and life cycle stage Motivation Occupation Perception Buyer Family Subculture Economic situation Learning Lifestyle Beliefs and Personality and attitudes Roles and status self-concept Social class



Culture is the learned values, perceptions, wants, and behavior from family and other important institutions



Subculture are groups of people within a culture with shared value systems based on common life experiences and situations

- Punjabi
- Pashtoon
- Sindhi
- Balouchi
- Chitrali
- Chahchi



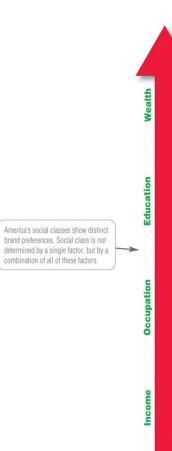


Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors

 Measured by a combination of occupation, income, education, wealth, and other variables



Major American Social Classes



Upper Class

Upper Uppers (1 percent): The social elite who live on inherited wealth. They give large sums to charity, own more than one home, and send their children to the finest schools.

Lower Uppers (2 percent): Americans who have earned high income or wealth through exceptional ability. They are active in social and civic affairs and buy expensive homes, educations, and cars.

Middle Class

Upper Middles (12 percent): Professionals, independent businesspersons, and corporate managers who possess neither family status nor unusual wealth. They believe in education, are joiners and highly civic minded, and want the "better things in life."

Middle Class (32 percent): Average-pay white- and blue-collar workers who live on "the better side of town." They buy popular products to keep up with trends. Better living means owning a nice home in a nice neighborhood with good schools.

Working Class

Working Class (38 percent): Those who lead a "working-class lifestyle," whatever their income, school background, or job. They depend heavily on relatives for economic and emotional support, for advice on purchases, and for assistance in times of trouble.

Lower Class

Upper Lowers (9 percent): The working poor. Although their living standard is just above poverty, they strive toward a higher class. However, they often lack education and are poorly paid for unskilled work.

Lower Lowers (7 percent): Visibly poor, often poorly educated unskilled laborers. They are often out of work and some depend on public assistance. They tend to live a day-to-day existence.





Groups and Social Networks

Membership Groups

 Groups with direct influence and to which a person belongs

Aspirational Groups

Groups an individual wishes to belong to

Reference Groups

 Groups that form a comparison or reference in forming attitudes or behavior



Groups and Social Networks

- Word-of-mouth influence and buzz marketing
 - Opinion leaders are people within a reference group who exert social influence on others
 - Also called *influentials* or leading adopters
 - Marketers identify them to use as brand ambassadors







Groups and Social Networks



- Online Social Networks are online communities where people socialize or exchange information and opinions
- Include blogs, social networking sites (facebook), virtual worlds (second life)



Social Factors

- Family is the most important consumer-buying organization in society
- Social roles and status are the groups, family, clubs, and organizations that a person belongs to that can define role and social status

Personal Factors

- Age and life-cycle stage
- RBC Royal Band stages
 - Youth: younger than 18
 - Getting started: 18–35
 - Builders: 35–50
 - Accumulators: 50–60
 - Preservers: over 60



Personal Factors

Occupation affects the goods and services bought by consumers

Economic situation includes trends in:



Savings





Personal Factors

- Lifestyle is a person's pattern of living as expressed in his or her psychographics
- Measures a consumer's AlOs (activities, interests, opinions) to capture information about a person's pattern of acting and interacting in the environment





Personal Factors

- Personality and self-concept
 - Personality refers to the unique psychological characteristics that lead to consistent and lasting responses to the consumer's environment

Personal Factors

Dominance

Autonomy

Defensiveness

Adaptability

Aggressiveness



Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes





Psychological Factors
Motivation

A **motive** is a need that is sufficiently pressing to direct the person to seek satisfaction

Motivation research refers to qualitative research designed to probe consumers' hidden, subconscious motivations

Maslow's Hierarchy of Needs

Selfactualization needs

Self-development and realization

Esteem needs

Self-esteem, recognition, status

Social needs

Sense of belonging, love

Safety needs

Security, protection

Physiological needs

Hunger, thirst



Psychological Factors

Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world from three perceptual processes

- Selective attention
- Selective distortion
- Selective retention





Psychological Factors

Selective attention is the tendency for people to screen out most of the information to which they are exposed

Selective distortion is the tendency for people to interpret information in a way that will support what they already believe

Selective retention is the tendency to remember good points made about a brand they favor and forget good points about competing brands

Psychological Factors

 Learning is the change in an individual's behavior arising from experience and occurs through interplay of:

Drives Stimuli Cues

Responses Reinforcement



Psychological Factors Beliefs and Attitudes

Belief is a descriptive thought that a person has about something based on:

- Knowledge
- Opinion
- Faith



Psychological Factors

Attitudes

describe a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea



Types of Buying Decision Behavior

Complex buying behavior

Dissonance-reducing buying behavior

Habitual buying behavior

Variety-seeking buying behavior



Types of Buying Decision Behavior

Four Types of Buying Behavior

High involvement Low involvement

Significant differences between brands

Few differences between brands

	The state of the s
Complex	Variety-
buying	seeking
behavior	buying behavior
Dissonance-	Habitual
reducing	buying
buying behavior	behavior



Buyer Decision Making Process





Need Recognition

- Occurs when the buyer recognizes a problem or need triggered by:
 - Internal stimuli
 - External stimuli



Information Search Sources of Information

- Personal sources—family and friends
- Commercial sources—advertising, Internet
- Public sources—mass media, consumer organizations
- Experiential sources—handling, examining, using the product





Evaluation of Alternatives

 How the consumer processes information to arrive at brand choices







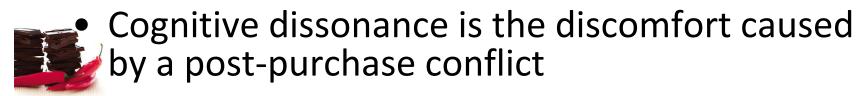
Purchase Decision

- The act by the consumer to buy the most preferred brand
- The purchase decision can be affected by:
 - Attitudes of others
 - Unexpected situational factors



Post-Purchase Decision

- The satisfaction or dissatisfaction that the consumer feels about the purchase
- Relationship between:
 - Consumer's expectations
 - Product's perceived performance
- The larger the gap between expectation and performance, the greater the consumer's dissatisfaction



Post-Purchase Decision

Customer satisfaction is a key to building profitable relationships with consumers— to keeping and growing consumers and reaping their customer lifetime value



The Buyer Decision Process for New Products

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

Stages in the process include:





The Buyer Decision Process for New Products

Influence of Product Characteristics on Rate of Adoption

Relative advantage

Compatibility

Complexity

Divisibility

Communicability

