

Analyzing Consumer Markets

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Lecture Questions

- How do consumer characteristics influence buying behavior?
- What major psychological processes influence consumer responses to the marketing program?
- How do consumers make purchasing decisions?
- How do marketers analyze consumer decision making?

What Influences Consumer Behavior?



Cultural Factors

Social Factors

Personal Factors

What is Culture?

Culture is the fundamental determinant of a person's wants and behaviors acquired through socialization processes with family and other key institutions.

Subcultures

Nationalities

Religions

Racial groups

Geographic regions



David's Bridal Targets the Latino Sub-Culture with its Collection of Quinceañera Dresses

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Quinceañera Dresses

David's Bridal can provide you with an extraordinary Quinceañera dress or Quinceañera gown to fit the occasion. Perfect for the Quinceañera spiritual ceremony at the church, visiting with relatives and then dancing throughout the night, our Quinceañera dresses and Quinceañera gowns are exactly what you're looking for on this festive occasion. Quinceañera dress sizes are 2-18 and 14W-26W.

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- **Fabrics:** Tulle, satin, lace, organza and more
- **Accessories :** Beautiful headpieces, shoes, and jewelry

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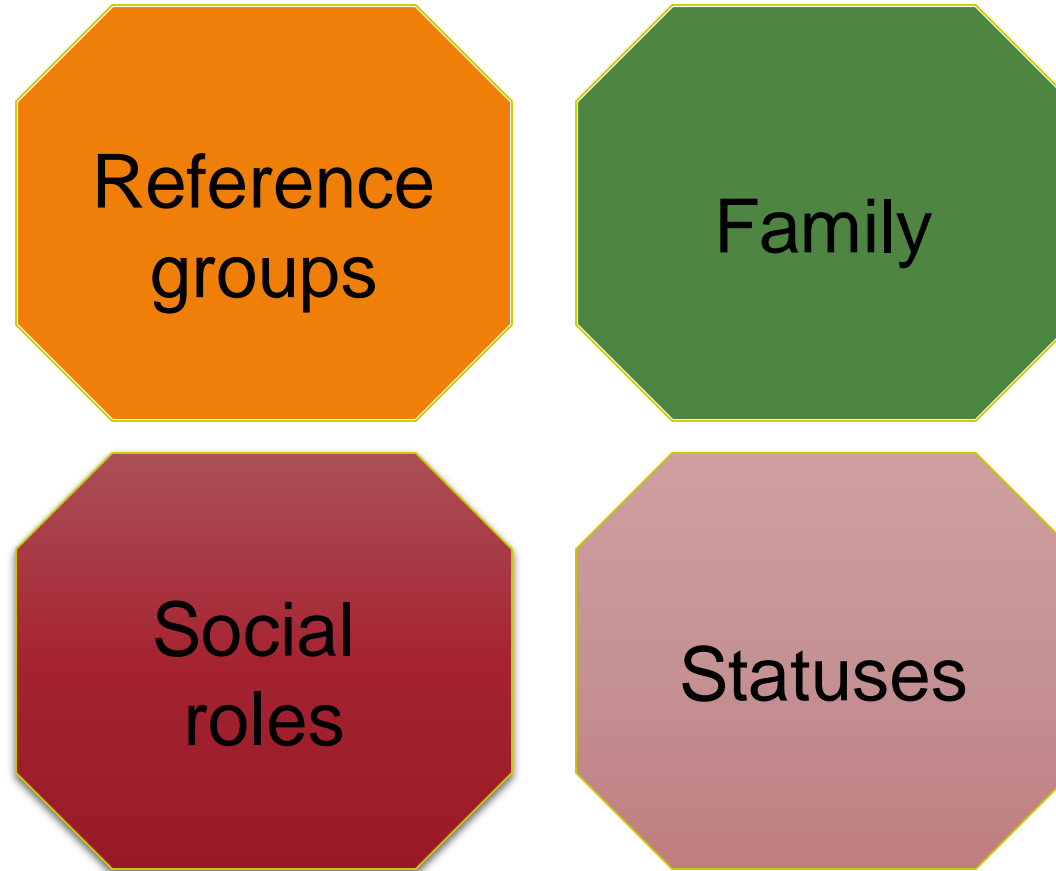
Fast Facts About American Culture

- The average American:
 - chews 300 sticks of gum a year.
 - goes to the movies 9 times a year.
 - takes 4 trips per year.
 - attends a sporting event 7 times each year.

Characteristics of Social Classes

- Within a class, people tend to behave alike.
- Social class conveys perceptions of inferior or superior position.
- Class may be indicated by a cluster of variables (occupation, income, wealth).
- Class designation is mobile over time.

Social Factors



Reference Groups



- Membership groups

- Primary groups

- Secondary groups

- Aspirational groups

- Dissociative groups

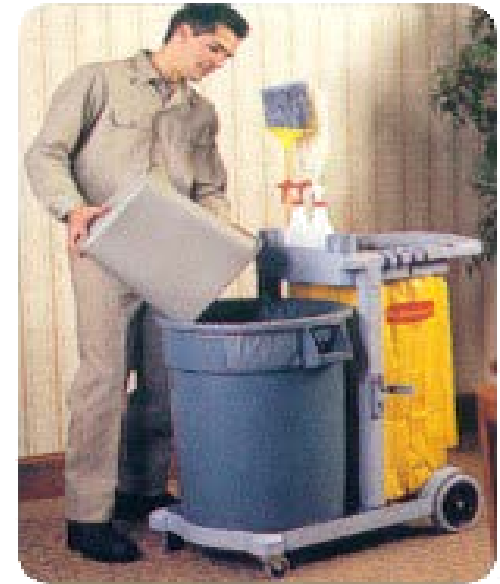
Family Distinctions Affecting Buying Decisions

- Family of Orientation
- Family of Procreation

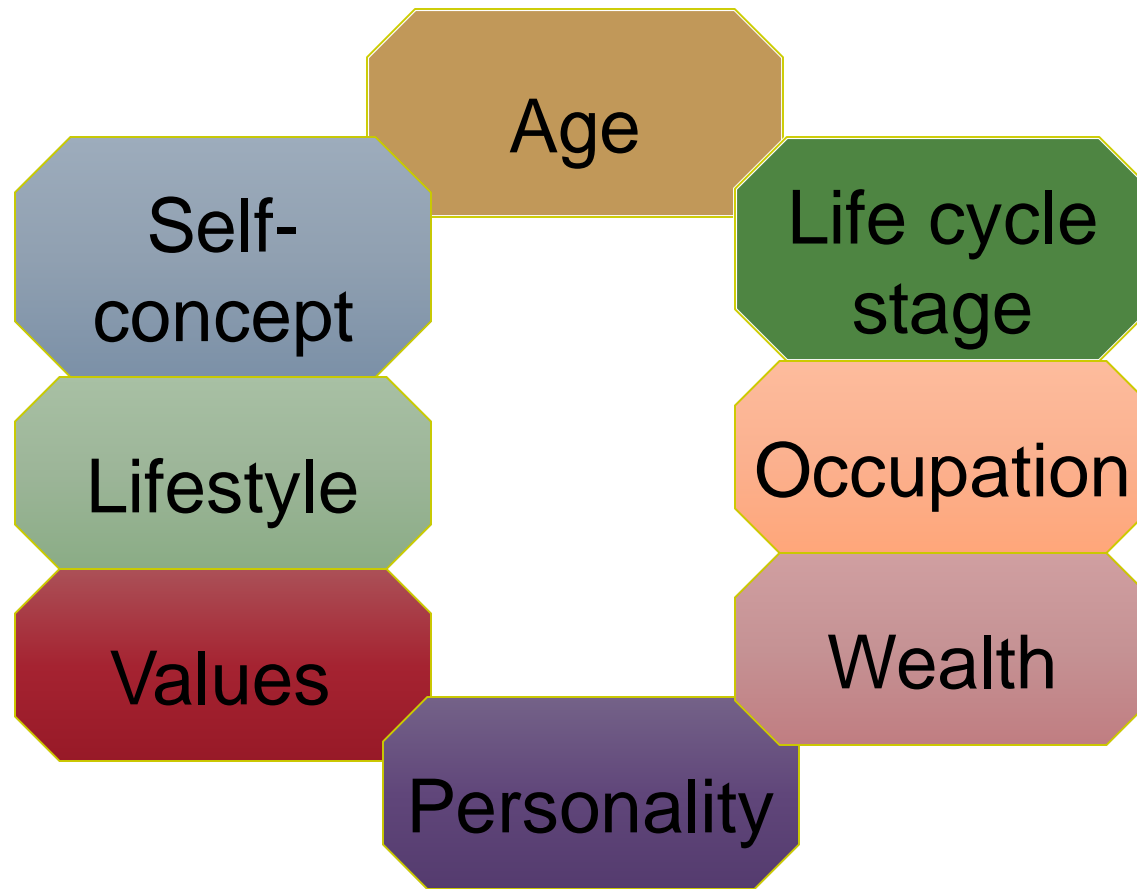


Roles and Status

- What degree of status is associated with various occupational roles?



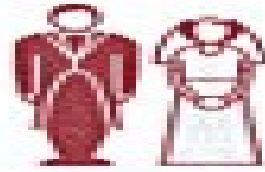
Personal Factors



The Family Life Cycle



1. Bachelor stage:
young single
people



2. Young married
couples with no
children



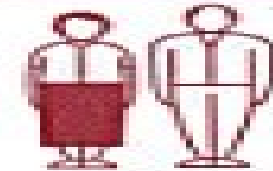
3. Full nest I: young
married couples
with children



A. Young or middle-aged
person with dependent
children—the single
parent



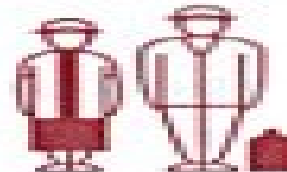
B. Divorced person
without dependent
children



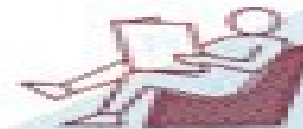
C. Middle-aged
married couples
without children



4. Full nest II: middle-aged
married couples still
with dependent children

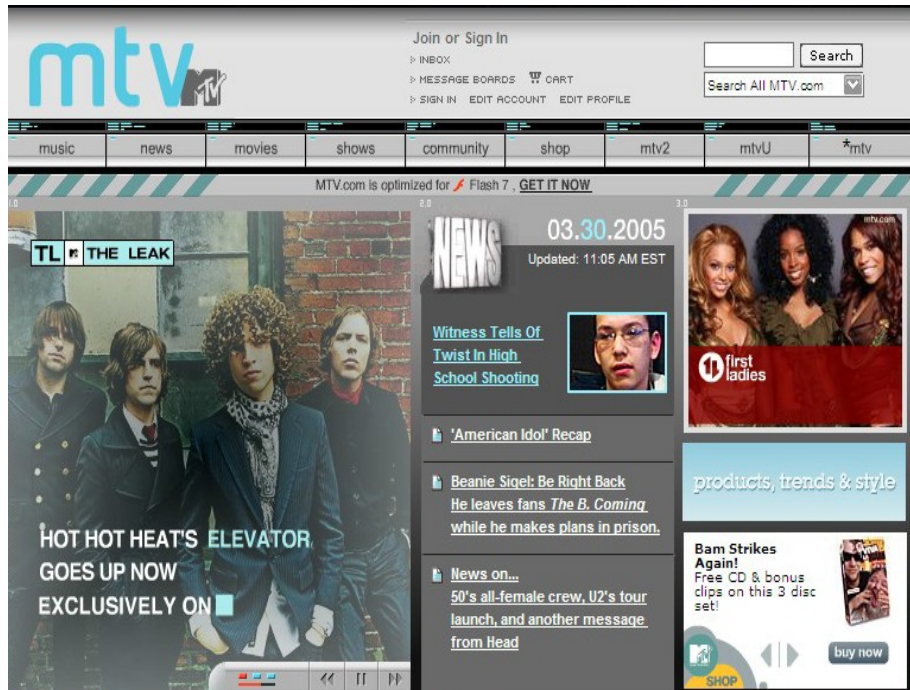


5. Empty nest: older
married couples with no
children living with them



6. Older single people,
still working or
retired

Brand Personality



Sincerity

Excitement

Competence

Sophistication

Ruggedness

Lifestyle Influences

Multi-tasking

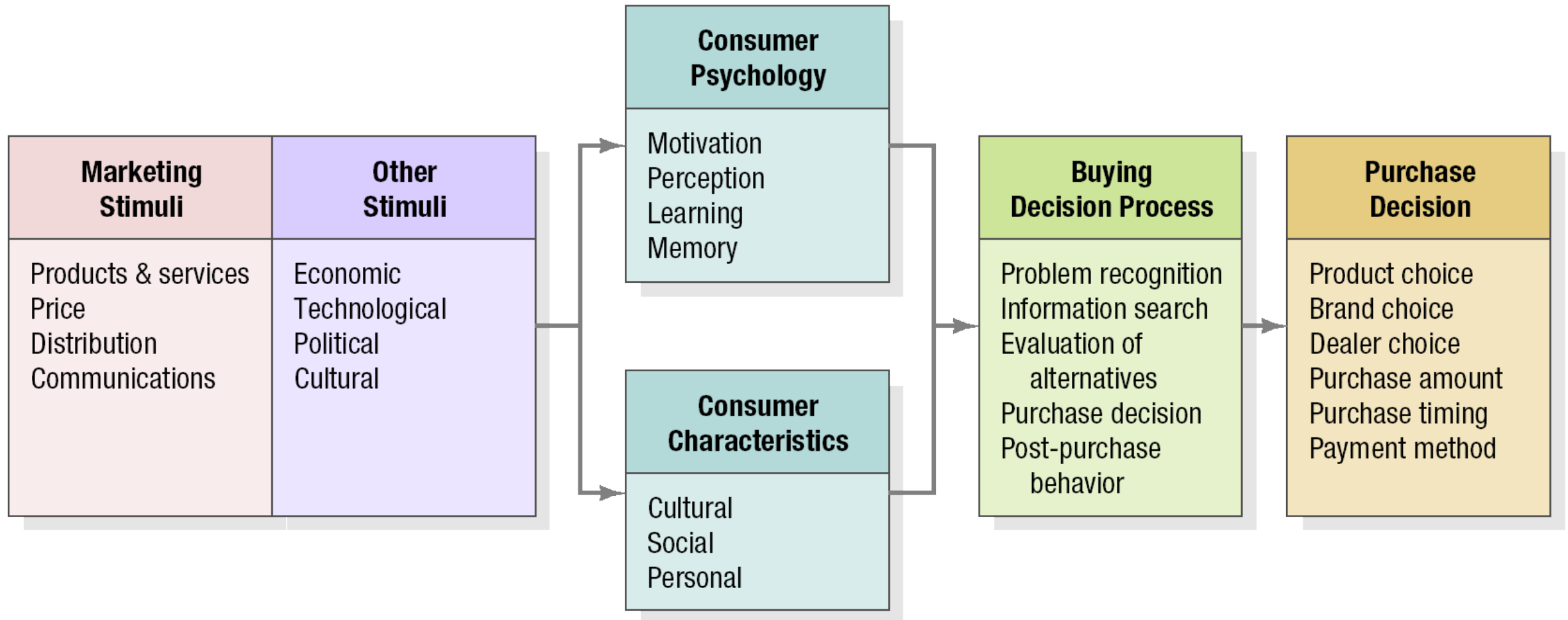
Time-starved

Money-constrained

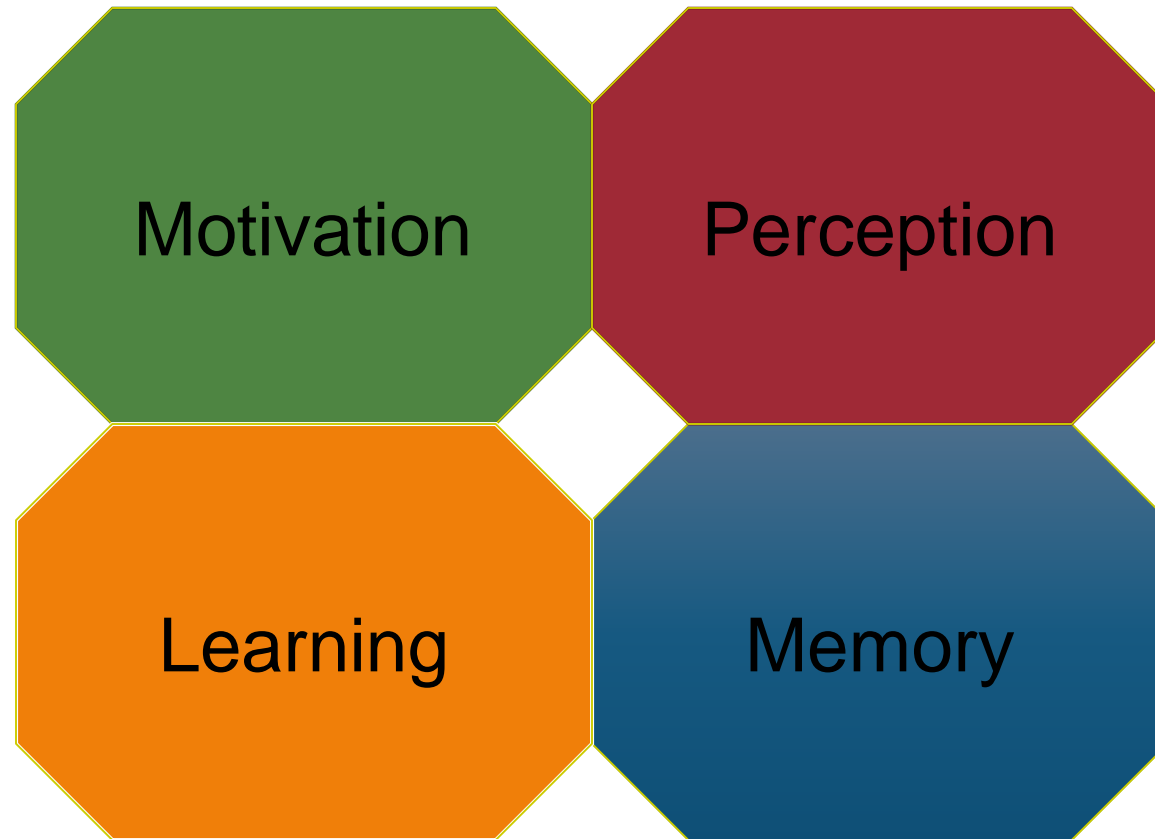


Figure 8.1

Model of Consumer Behavior



Key Psychological Processes



Motivation

Freud's Theory

Behavior is
guided by
subconscious
motivations

Maslow's Hierarchy of Needs

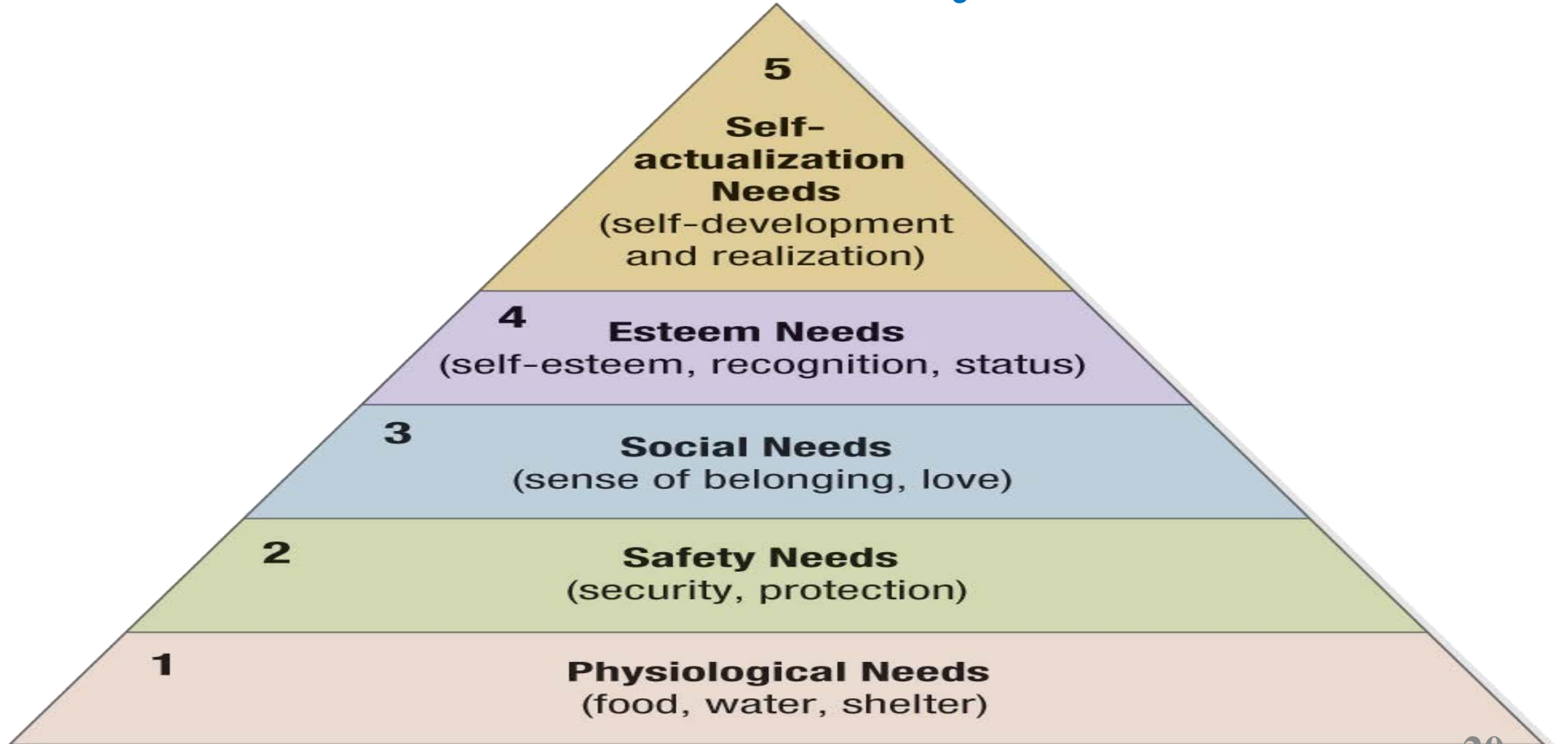
Behavior is
driven by the
lowest,
unmet need

Herzberg's Two-Factor Theory

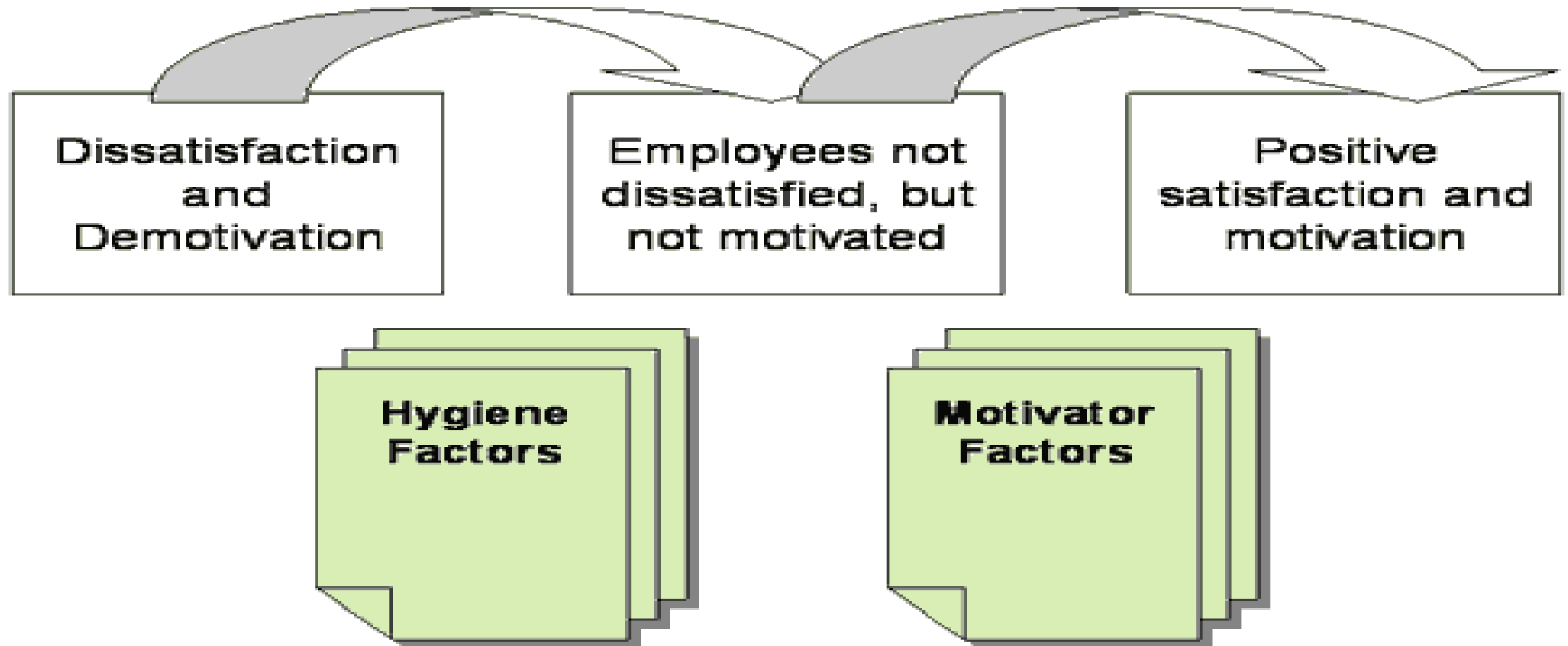
Behavior is
guided by
motivating
and hygiene
factors

Figure 8.2

Maslow's Hierarchy of Needs



Herzberg's Two-Factor Theory



Perception



Selective Attention

Selective Retention

Selective Distortion

Subliminal Perception

Figure 8.3 State Farm Mental Map

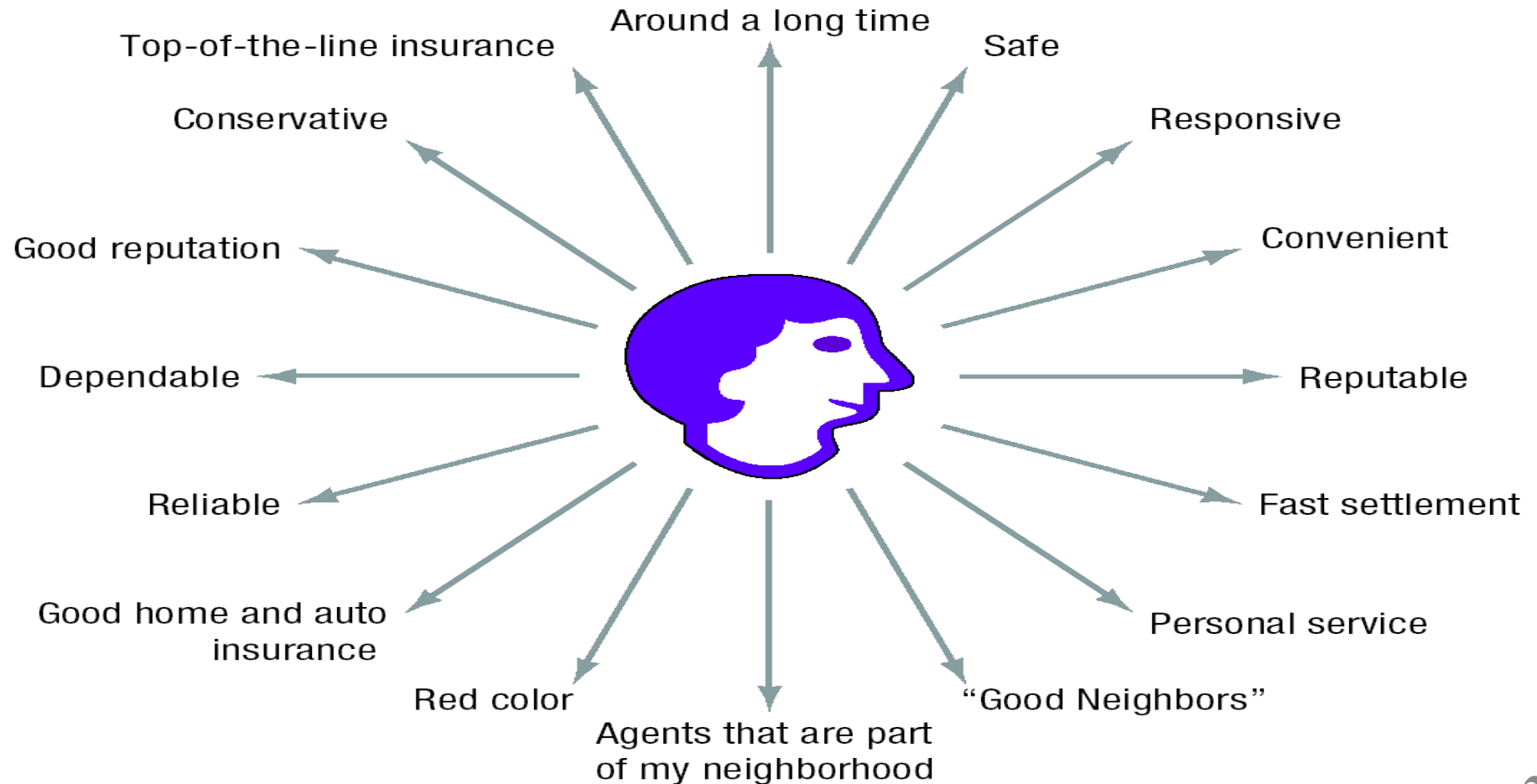
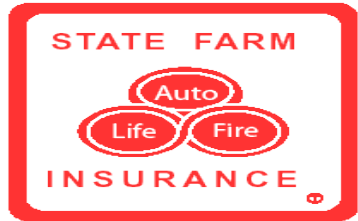
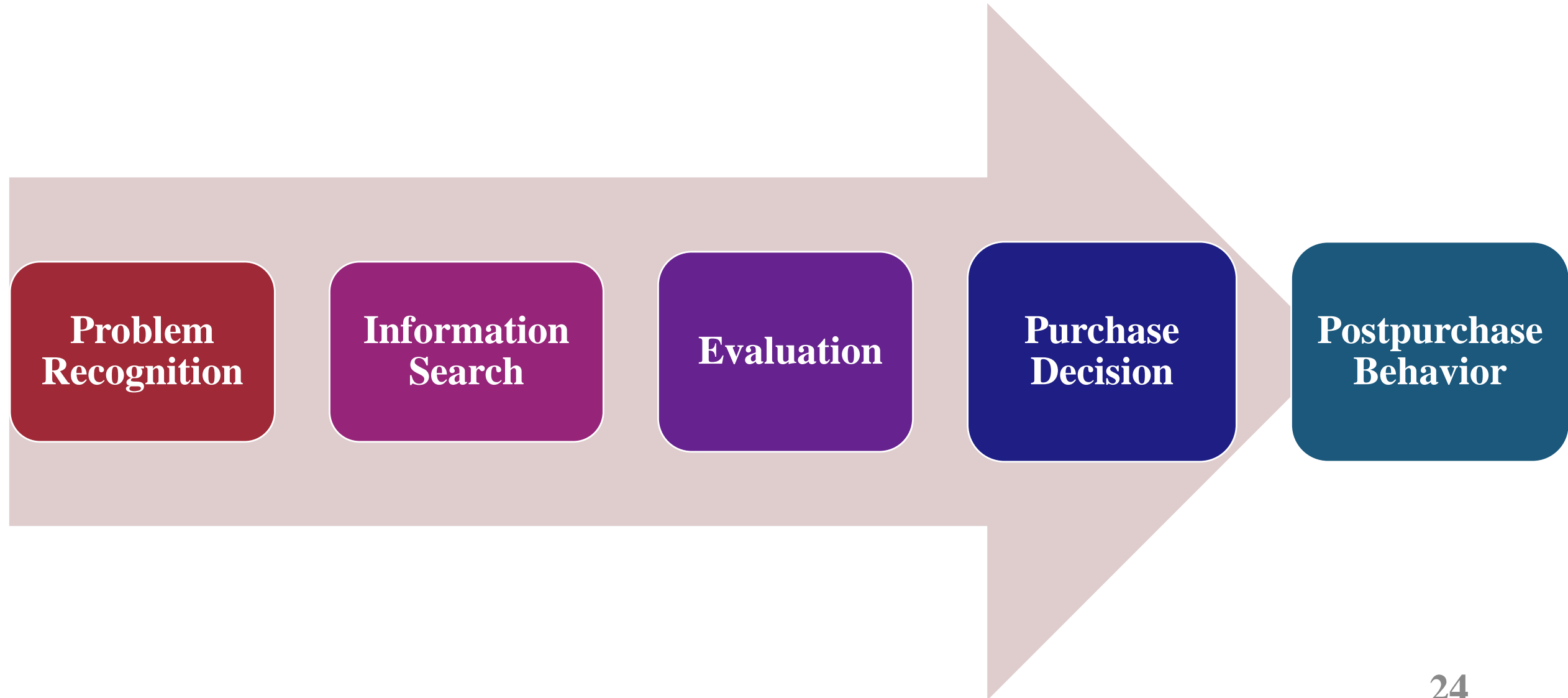


Figure 8.4 Consumer Buying Process



Problem Recognition



Sources of Information

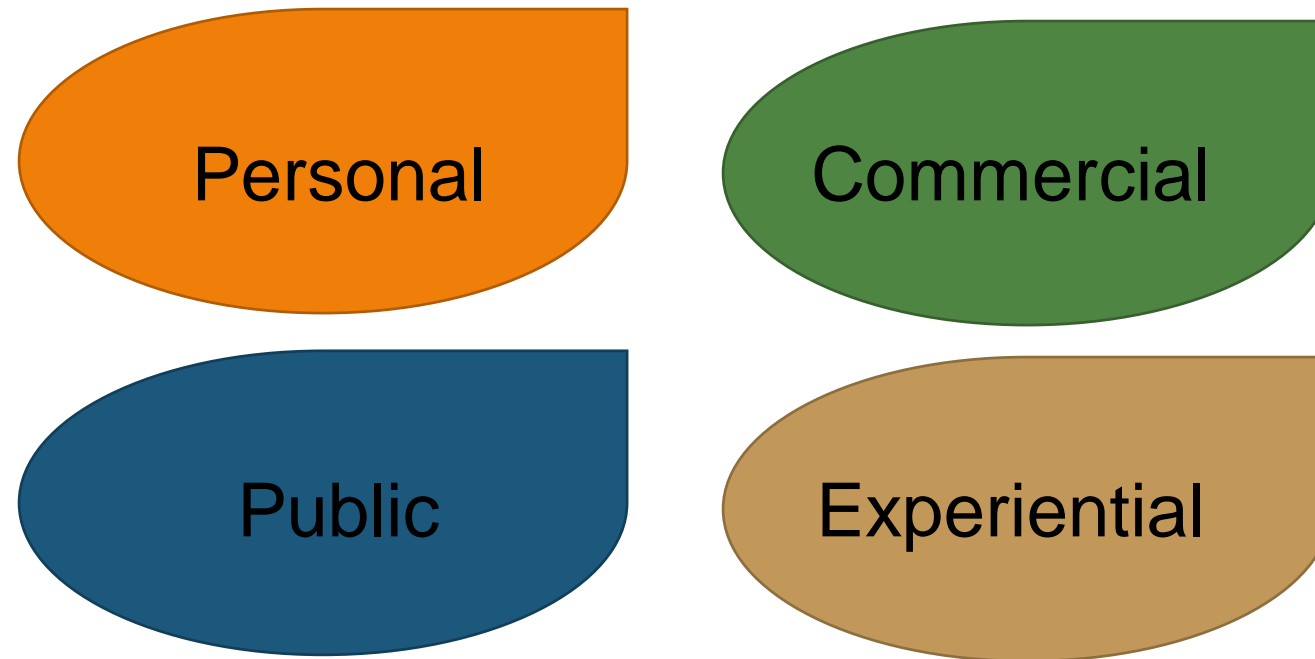


Figure 8.5 Successive Sets Involved in Consumer Decision Making

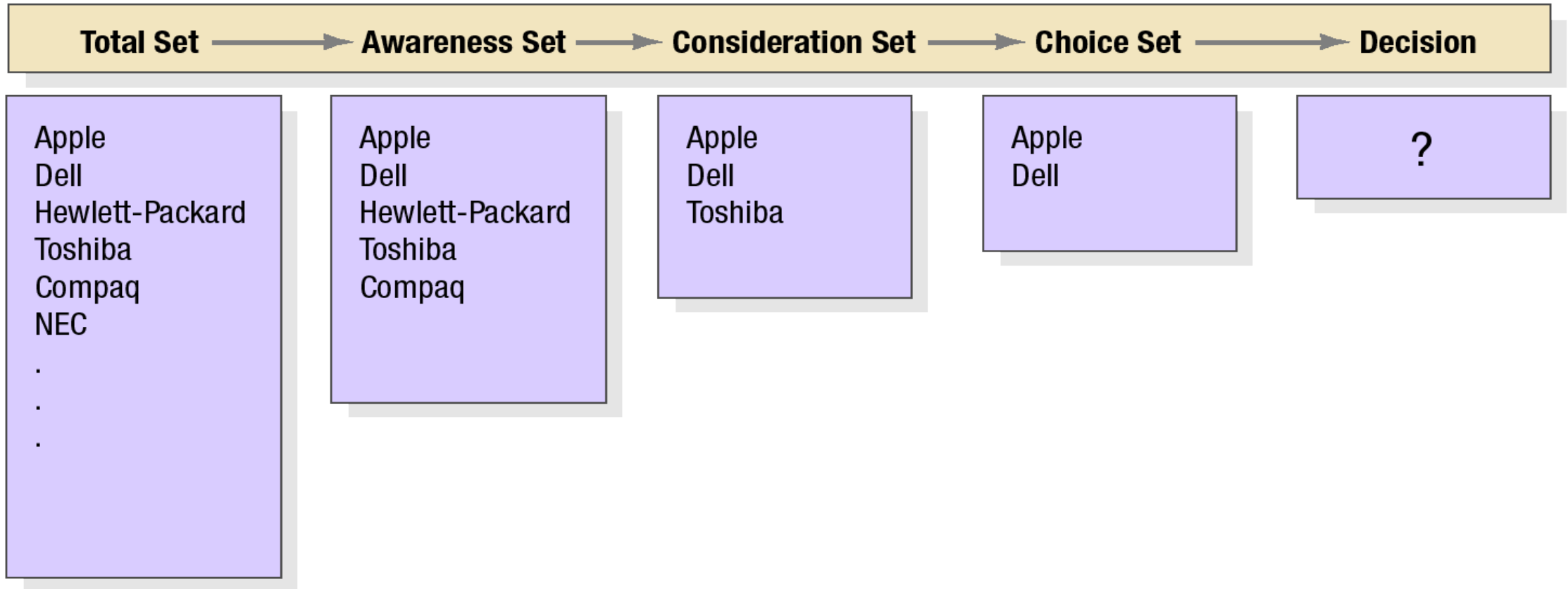
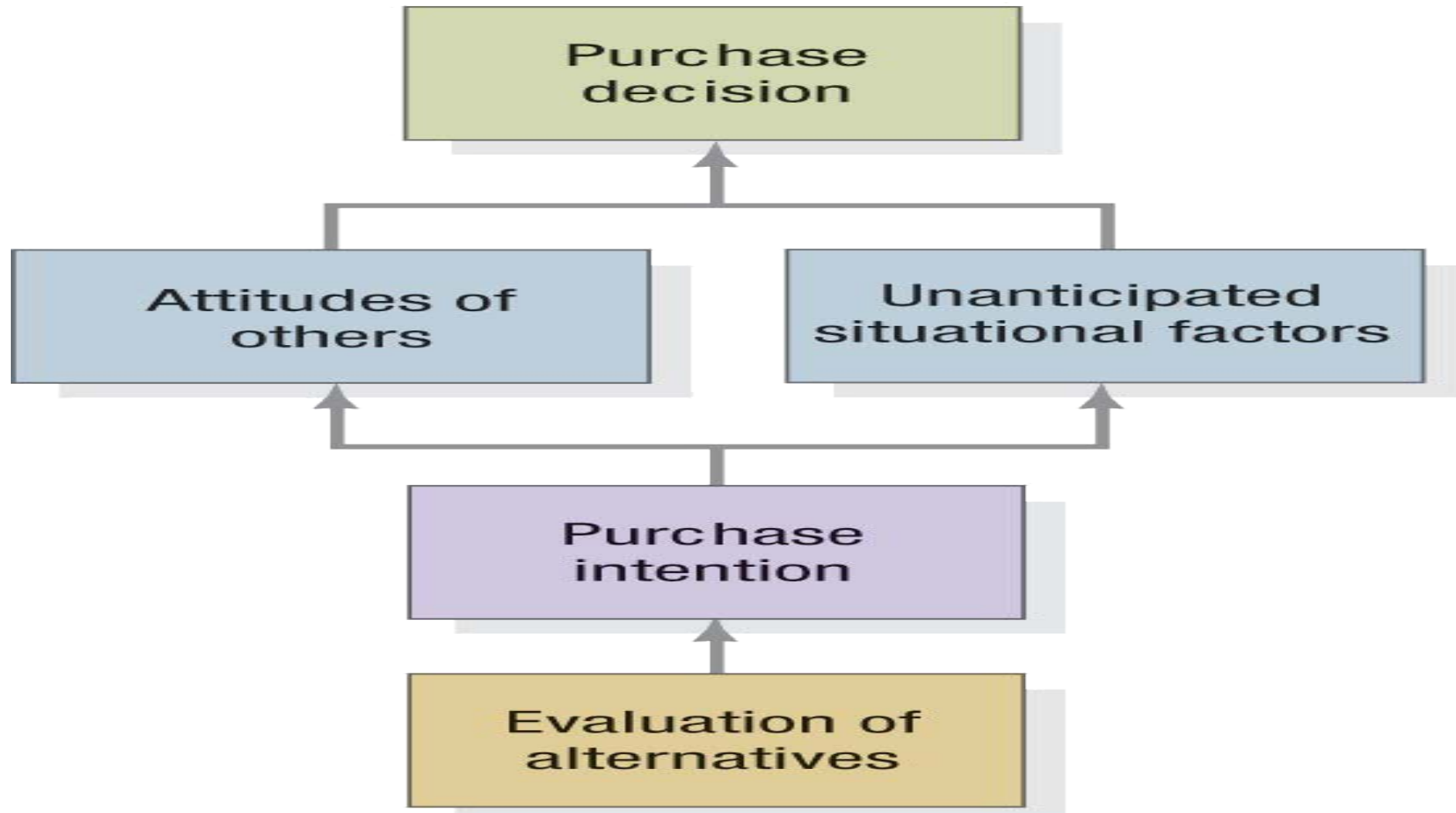


Figure 8.6 Stages between Evaluation of Alternatives and Purchase



Non-Compensatory Models of Choice

- Conjunctive
- Lexicographic
- Elimination-by-aspects

Perceived Risk



Functional

Physical

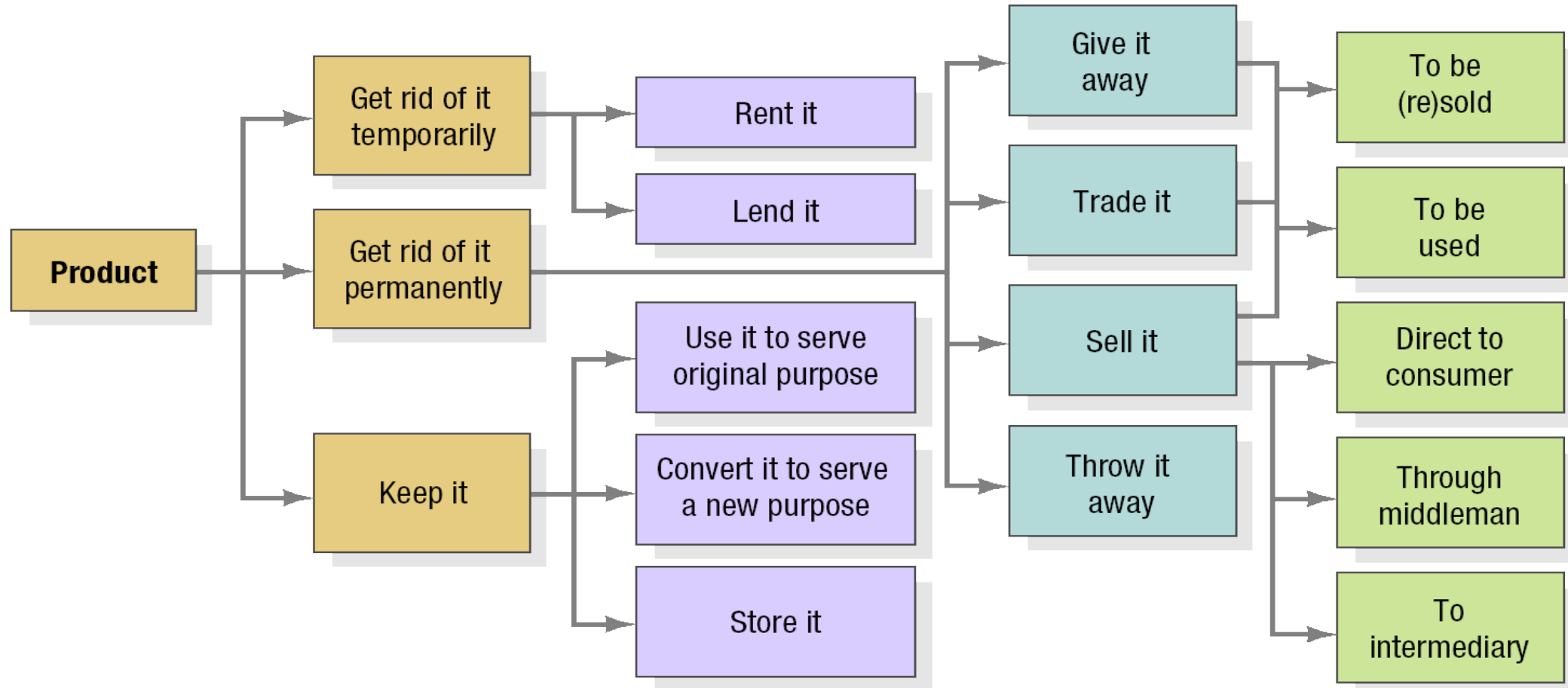
Financial

Social

Psychological

Time

Figure 8.7 How Customers Use and Dispose of Products



Other Theories of Consumer Decision Making

Involvement

- Elaboration Likelihood Model
- Low-involvement marketing strategies
- Variety-seeking buying behavior

Decision Heuristics

- Availability
Representativeness
- Anchoring and adjustment

Mental Accounting

- Consumers tend to...
 - Segregate gains
 - Integrate losses
 - Integrate smaller losses with larger gains
 - Segregate small gains from large losses

Debate

Is target marketing ever bad?

Take a position:

1.Targeting minorities is exploitive.

or

2.Targeting minorities is a sound business practice.

Discussion

Do you have rules you employ in spending money?

Do you follow Thaler's four principles in reacting to gains and losses?

Thank You

Q & A