

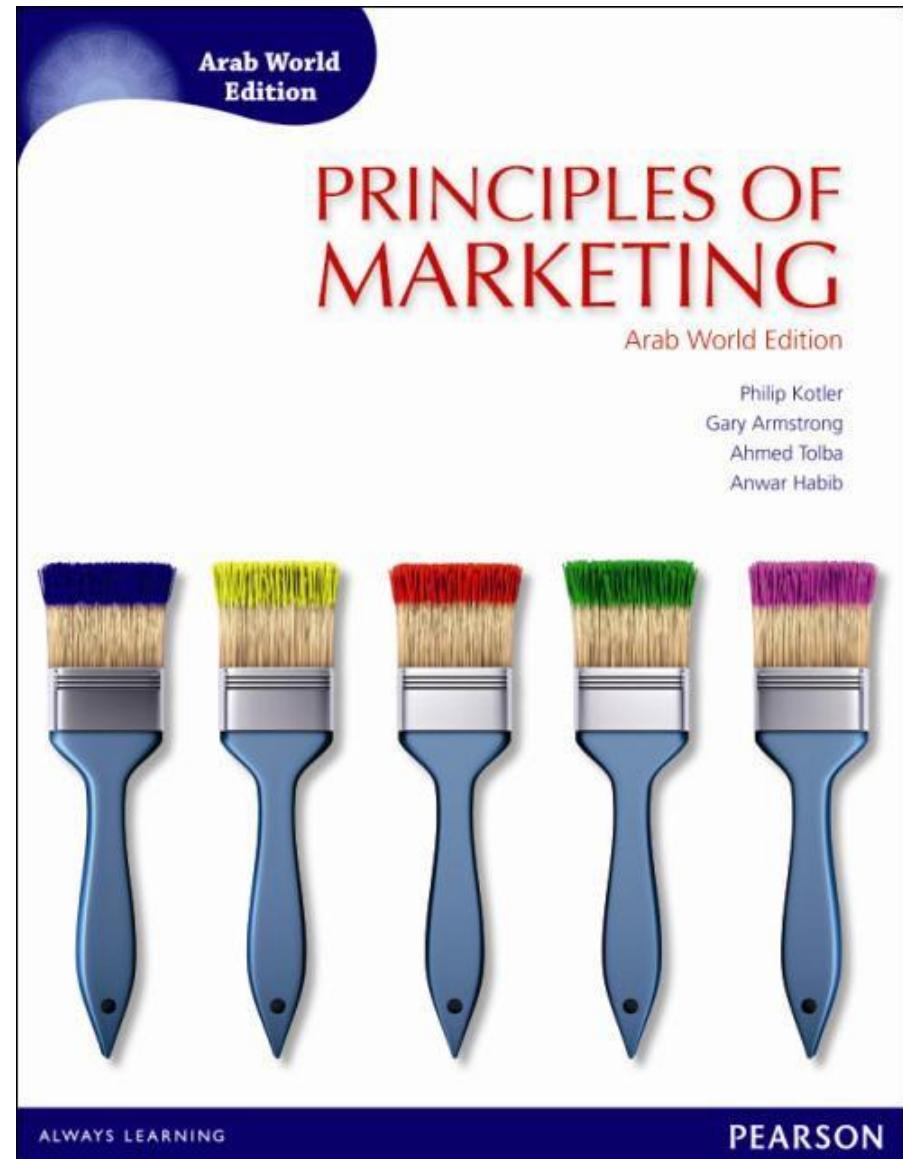
MARKETING MANAGEMENT

Lecture 4 - Chapter 5

Winter Semester 2022/2023

Course Lecturer:

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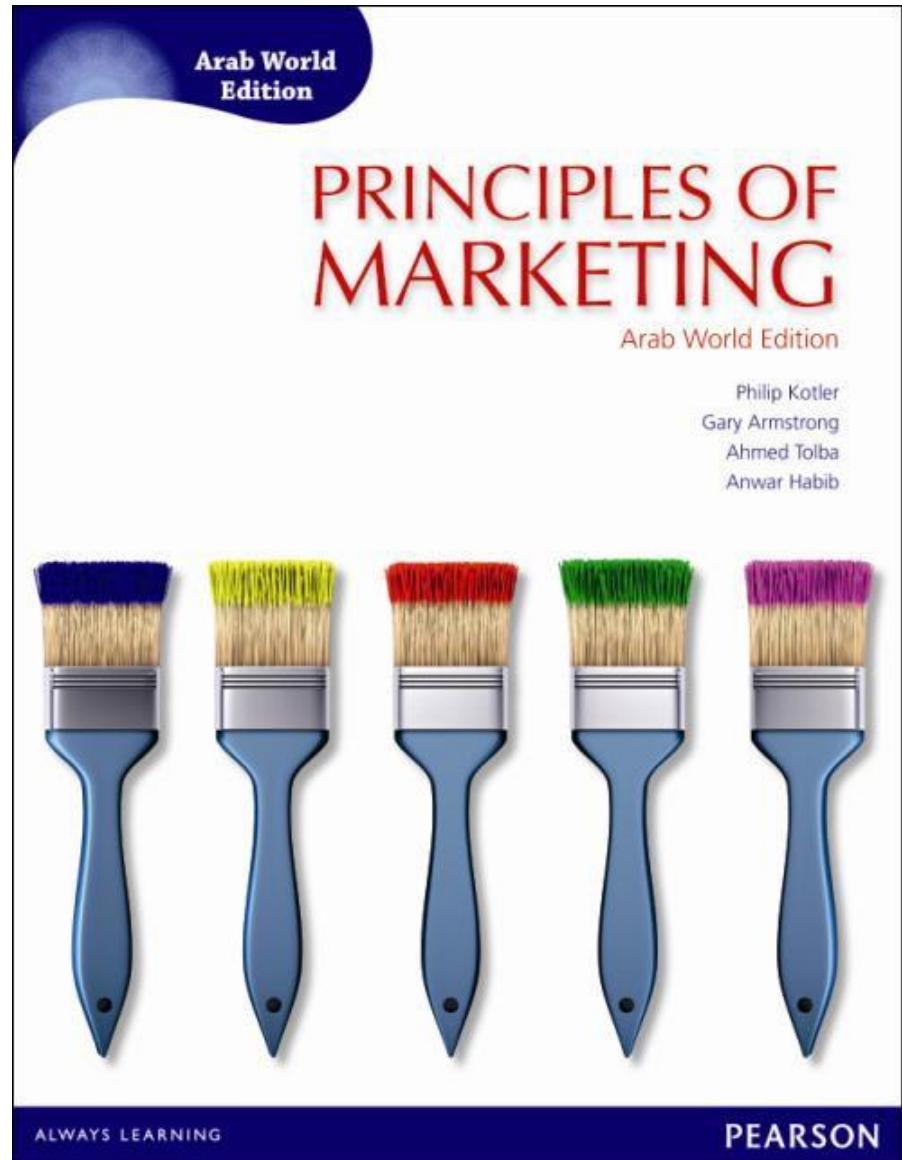


Chapter 5:

Consumer

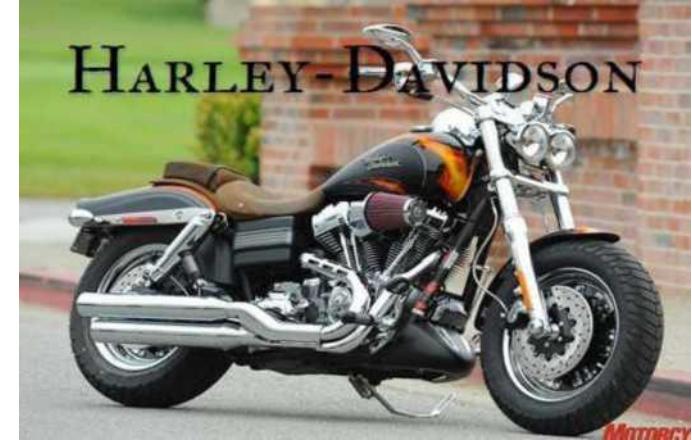
Behavior

Understanding the
Marketplace and
Consumers



Guess the Company

| | | | | | | | |
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Most products and personalities come and go but others, like the Harley Davidson, achieve long-lasting cult status. Why do you think this occurs?

"Doesn't matter if CEO or guy who sweeps the floor, the attraction to Harley is independence, freedom and power".





The company researches its customer base to understand buyer behavior.

The research revealed seven core **customer types**:

- 1) adventure-loving traditionalists
- 2) sensitive pragmatists
- 3) stylish status-seekers
- 4) laid-back campers
- 5) classy capitalists
- 6) cool-headed loners
- 7) cocky misfits



Consumer Markets and Buyer Behavior

Consumer buyer behavior is the buying behavior of final consumers—individuals and **households** that buy goods and services for personal consumption.

Consumer markets are made up of all the individuals and households that buy or **acquire** goods and services for personal consumption.



Model of Consumer Behavior

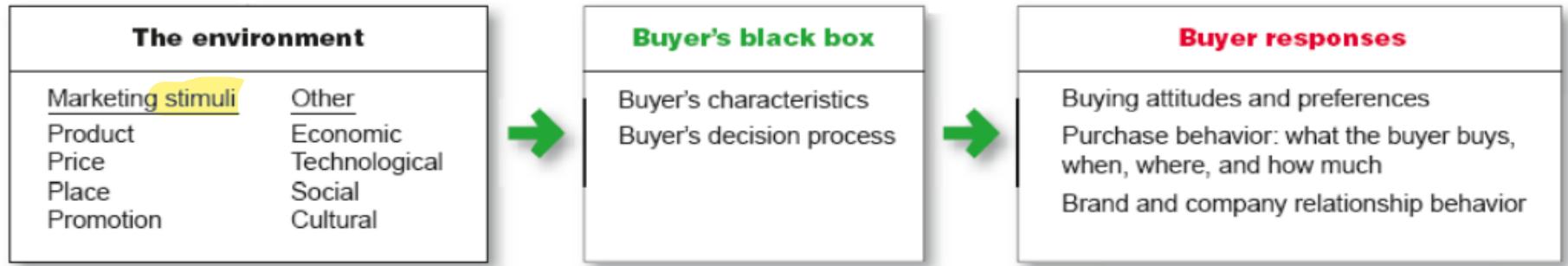


FIGURE | 5.1 Model of Buyer Behavior

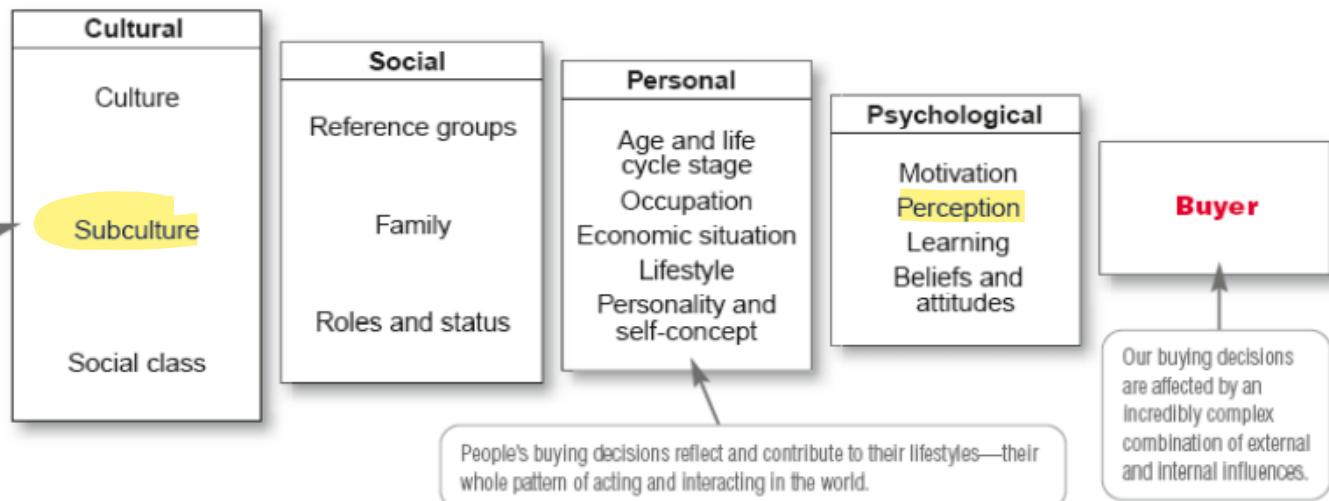
Characteristics Affecting Consumer Behavior

Factors Influencing Consumer Behavior

FIGURE | 5.2

Factors Influencing Consumer Behavior

Many brands now target specific subcultures, with marketing programs tailored to their specific needs and preferences. For example, P&G's CoverGirl Queen cosmetics line was inspired by Queen Latifah to "celebrate the beauty of women of color."



Characteristics Affecting Consumer Behavior

Cultural Factors

Culture is the most basic cause of a person's wants and behavior. It is the set of basic values, **perceptions**, wants, and behaviors learned by a member of society from family and other important institutions.



Cultural shifts

Characteristics Affecting Consumer Behavior

Cultural Factors

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

Subcultures include *nationalities, religions, racial groups, and geographic regions.*



Characteristics Affecting Consumer Behavior

Cultural Factors

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

- Measured as a combination of **occupation**, income, education, wealth, and other variables

Characteristics Affecting Consumer Behavior

Social Factors

Groups and Social Networks

Membership Groups

- Groups with direct influence and to which a person belongs

Aspirational Groups

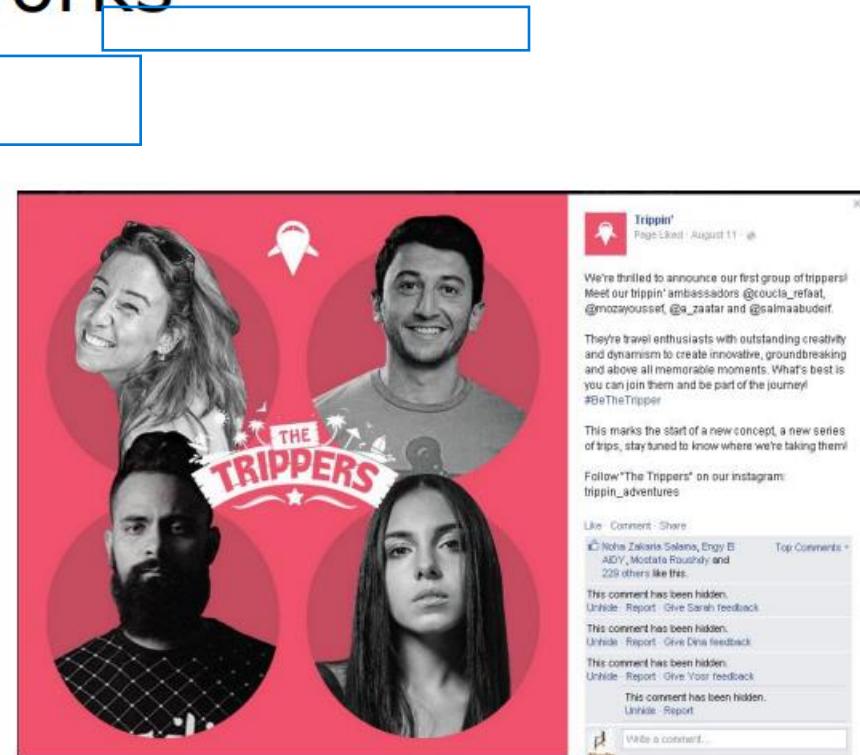
- Groups an individual wishes to belong to

Characteristics Affecting Consumer Behavior

Social Factors

Groups and Social Networks:

- Online social networks
- Buzz marketing
- Word of mouth
- Opinion leaders

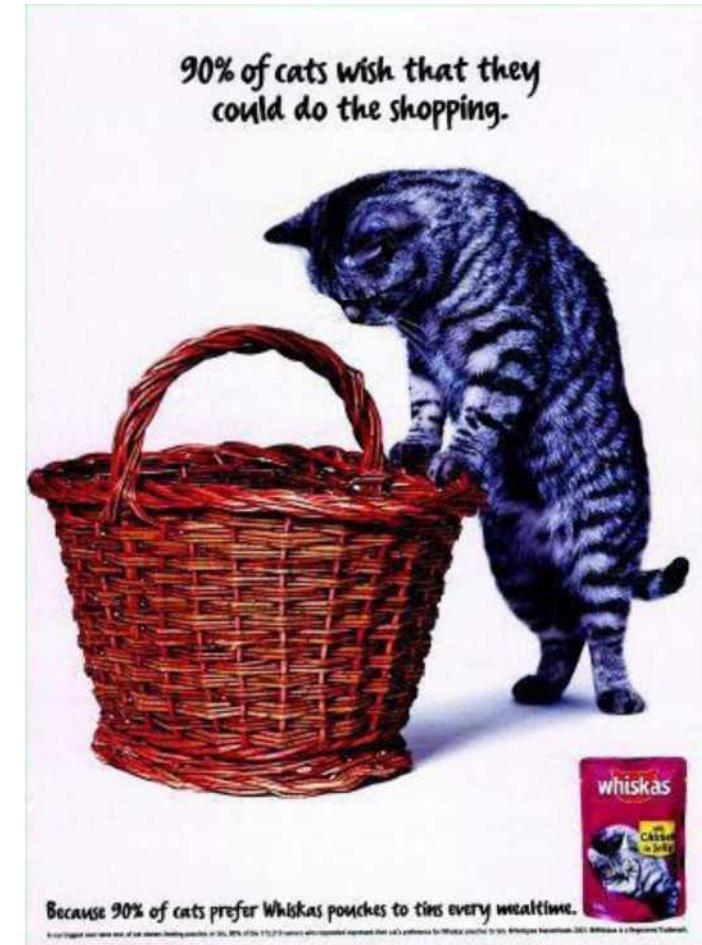


Characteristics Affecting Consumer Behavior

Social Factors

Family is the most important consumerbuying organization in society.

Role and status can be defined bya person's position in a group.



Characteristics Affecting Consumer Behavior

Personal Factors

Age and life-cycle stage:

- People change the goods and services they buy over their lifetimes
- Tastes in food, clothes, furniture, and **recreation** are often age related
- Buying is also shaped by the stage of the family life-cycle



Characteristics Affecting Consumer Behavior

Personal Factors

Occupation affects the goods and services bought by consumers.

Economic situations include trends in:



Spending

Personal income

Savings

Interest rates

Characteristics Affecting Consumer Behavior

EXAMPLE: Personal Factors - Occupation



Lettuceat

July 25 ·

Are you back to #work tomorrow! Are you dreading it?! Let us make it an enjoyable comeback for you . Send us your work address, contact name and phone number now to customer@lettuceat.me and we will put a smile on your day tomorrow with some Lettuceat treats 😊 YUP it's that simple , we just want to make it a very nice comeback for ya 😊

Like · Comment · Share

296 people like this.

Most Relevant ·

17 shares



Lettuceat Dear valued fans and customers , we have a high log of participants , rest assure we will get to every single person that sent today, we never fail on our promises 😊 . THANK YOU ALL

Like · Reply · 6 · July 26 at 8:30pm

2 Replies

Characteristics Affecting Consumer Behavior

EXAMPLE: Personal Factors - Economic situation



vs.



ORASCOM
Housing Communities
أوراسكوم للسكن التعاوني

Characteristics Affecting Consumer Behavior

Personal Factors

Lifestyle is a person's pattern of living as expressed in his or her psychographics.

- Measures a consumer's **AIOs** (activities, interests, opinions) to capture information about a person's pattern of acting and interacting in the environment.
- How people spend their time and money

Characteristics Affecting Consumer Behavior

Personal Factors

Personality refers to the unique psychological characteristics that distinguish a person or group.



Characteristics Affecting Consumer Behavior

Personal Factors



Brand Personality Traits



| | |
|------------------------|--|
| Sincerity: | Down-to-earth, honest, wholesome, and cheerful |
| Excitement: | Daring, spirited, imaginative, and up-to-date |
| Competence: | Reliable, intelligent, and successful |
| Sophistication: | Upper class and charming |
| Ruggedness: | Outdoorsy and tough |

Characteristics Affecting Consumer Behavior

Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes

Characteristics Affecting Consumer Behavior

Psychological Factors

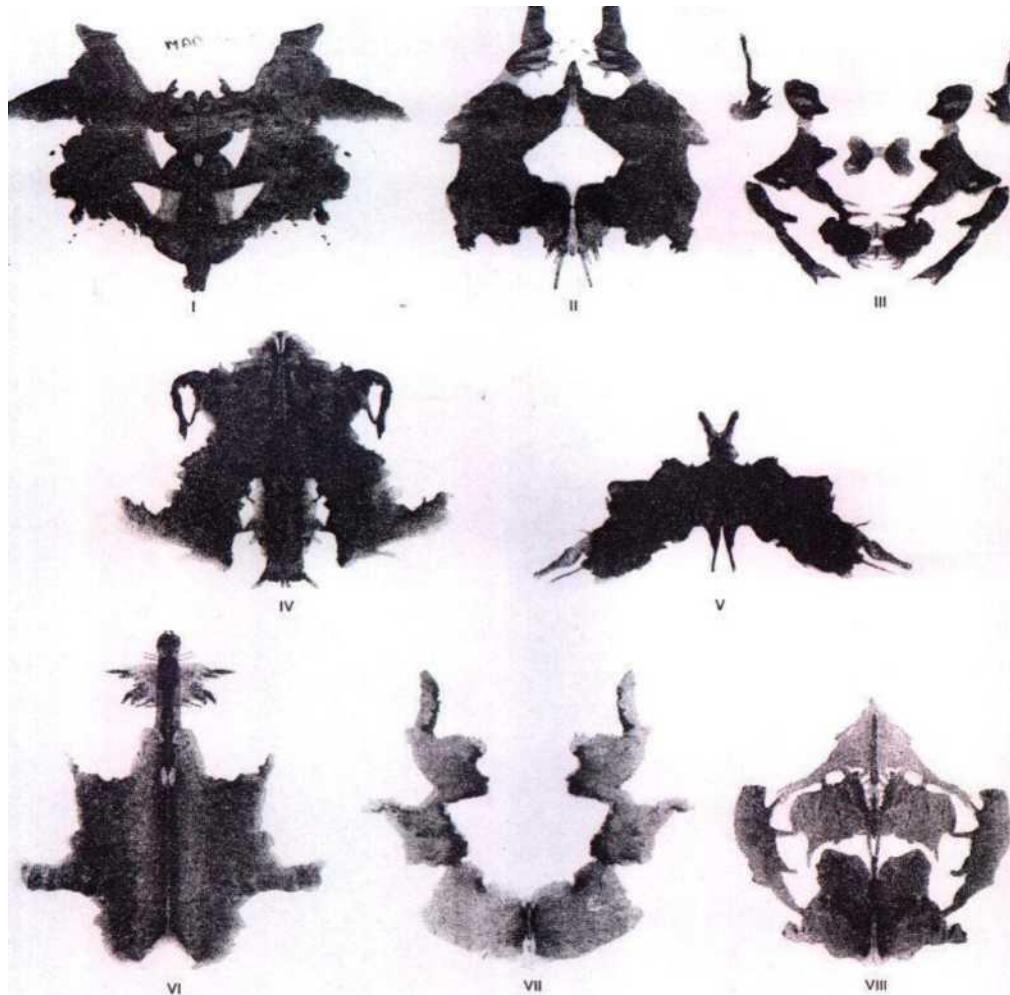
A **motive** (or **drive**) is a need that is sufficiently pressing to direct the person to seek satisfaction of the need.

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



Characteristics Affecting Consumer Behavior

EXAMPLE: Motivation Research - Psychological Factors

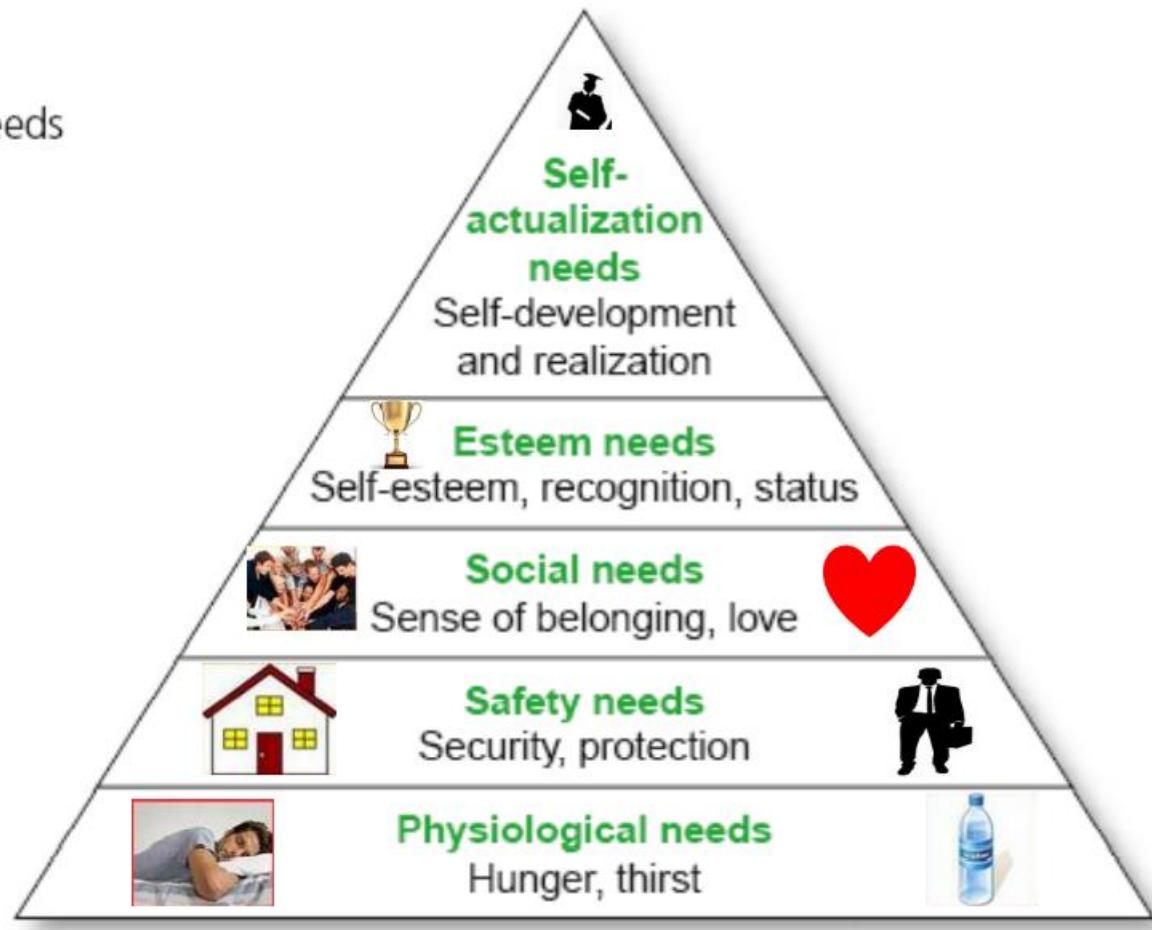


Characteristics Affecting Consumer Behavior

Psychological Factors - Maslow's Hierarchy of Needs

FIGURE | 5.4

Maslow's Hierarchy of Needs



Characteristics Affecting Consumer Behavior

Psychological Factors

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

Perceptual Processes

Selective attention

Selective distortion

Selective retention

Characteristics Affecting Consumer Behavior

EXAMPLE: Perception - Psychological Factors



Characteristics Affecting Consumer Behavior

EXAMPLE: Perception - Psychological Factors

How many ads do you see?

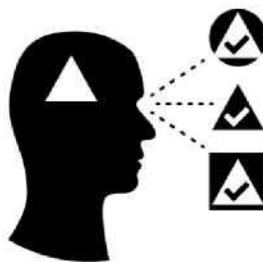


Characteristics Affecting Consumer Behavior

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.

Characteristics Affecting Consumer Behavior

Psychological Factors

Learning is the change in an individual's behavior arising from



Characteristics Affecting Consumer Behavior

Psychological Factors



A **belief** is a descriptive thought that a person has about something based on:

- knowledge
- opinion
- faith



An **attitude** describes a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea

Model of Consumer Behavior

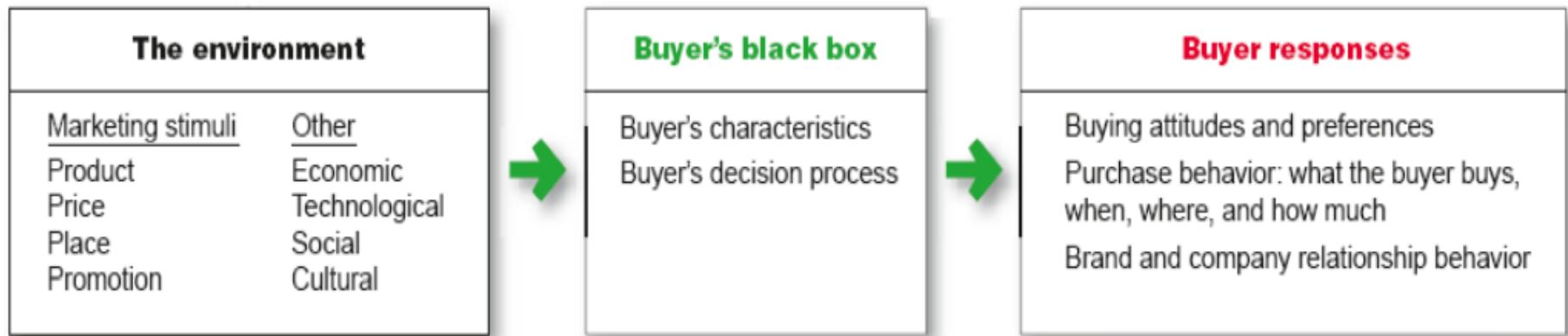


FIGURE | 5.1 Model of Buyer Behavior

The Buyer Decision Process

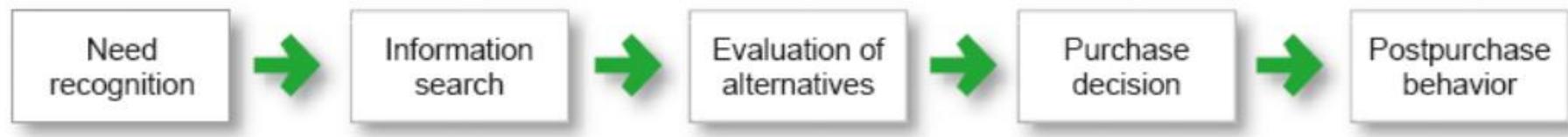
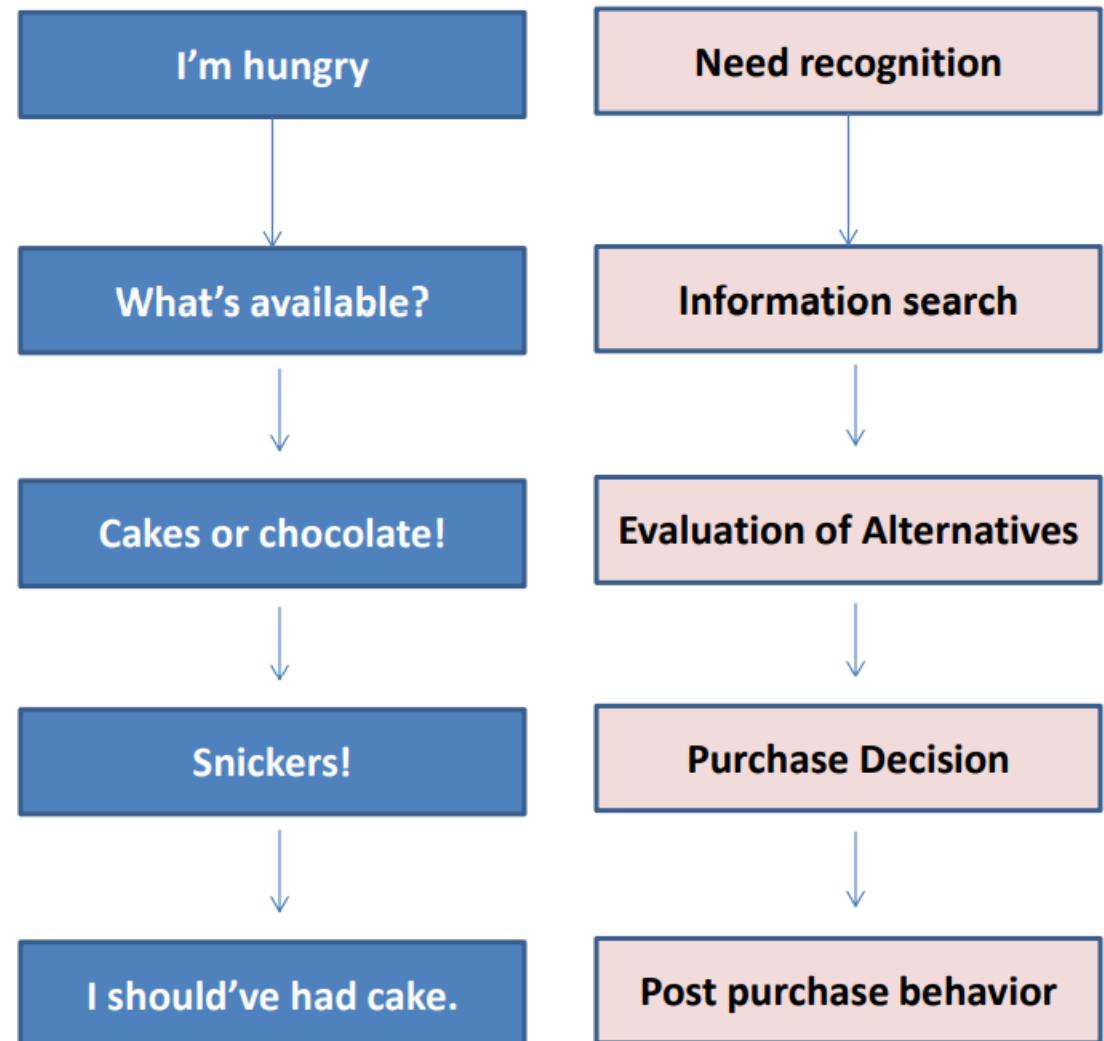


FIGURE | 5.6 Buyer Decision Process

The Buyer Decision Process

EXAMPLE



The Buyer Decision Process

Need Recognition

Need recognition is the first stage of the buyer decision process, in which the consumer recognizes a problem or need triggered by:

- Internal stimuli
- External stimuli

TV commercial

Internal Stimuli



Hunger

External Stimuli



The Buyer Decision Process

Information Search

Information search is the stage of the buyer decision process in which the consumer is motivated to search for more information.

Sources of information:

Personal sources—family and friends

Commercial sources—advertising, dealer websites, sales people

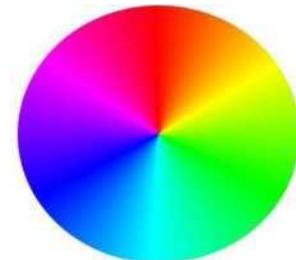
Public sources—mass media, Internet, consumer rating org.

Experiential sources—handling, examining, using the product

The Buyer Decision Process

Evaluation of Alternatives

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



The Buyer Decision Process

Purchase Decision

Purchase decision is the buyer's decision about which brand to purchase.

The purchase **intention** may not be the purchase **decision** due to:

- Attitudes of others
- Unexpected situational factors

The Buyer Decision Process

Postpurchase Behavior

Postpurchase behavior is the stage of the buyer decision process in which consumers take further action after purchase, based on their satisfaction or dissatisfaction.

The Buyer Decision Process

Postpurchase Behavior

Cognitive dissonance is buyer discomfort caused by postpurchase conflict.



The Buyer Decision Process for New Products

The Adoption Process

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.

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:



The Buyer Decision Process for New Products

Individual Differences in Innovativeness

- **Innovators** are venturesome—they try new ideas at some risk
- **Early Adopters** are guided by respect—they are opinion leaders in their communities and adopt new ideas early but carefully.
- **Early Majority** is **deliberate**—although they rarely are leaders, they adopt new ideas before the average person.
- **Late Majority** is **skeptical**—they adopt an innovation only after a majority of people have tried it.
- **Laggards** are tradition bound—they are suspicious of changes and adopt the innovation only when it has become something of a tradition itself.

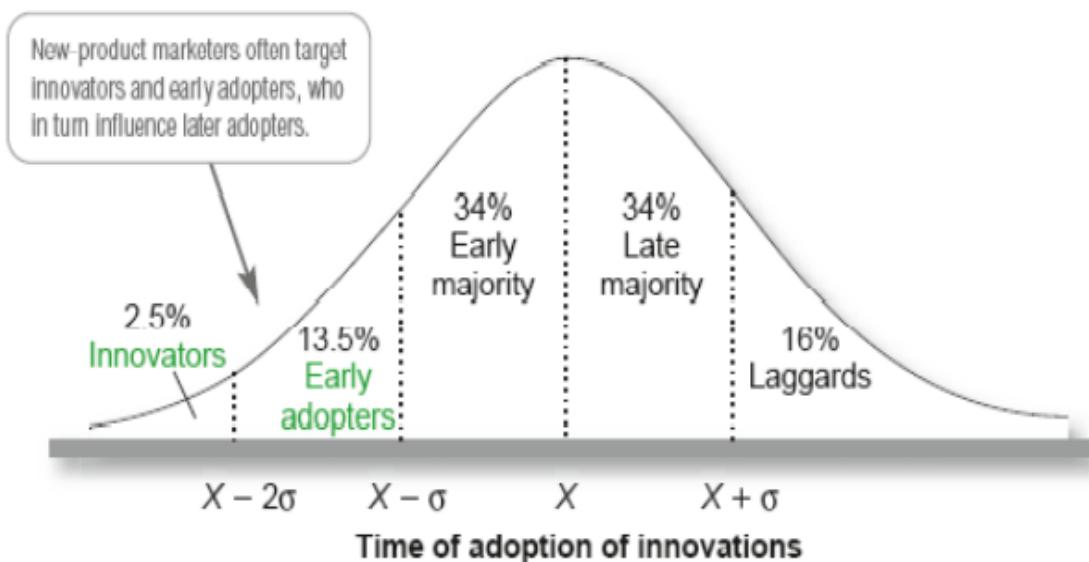
The Buyer Decision Process for New Products

Individual Differences in Innovativeness

FIGURE | 5.7

Adopter Categorization on the Basis of Relative Time of Adoption of Innovations

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The Buyer Decision Process for New Products

Influence of Product Characteristics on Rate of Adoption

Relative
advantage

Compatibility

Complexity

Divisibility

Communicability