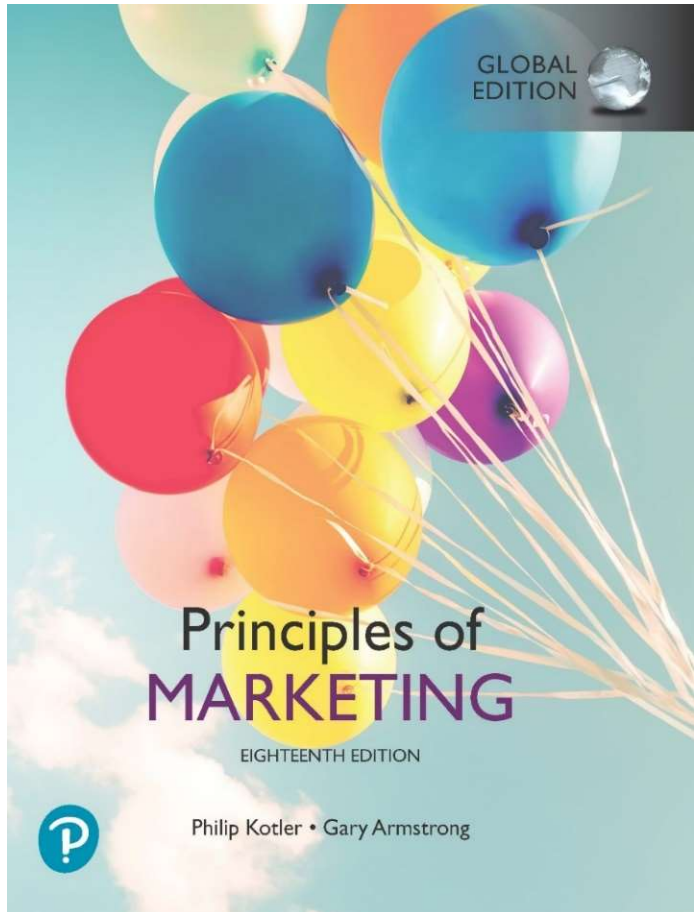


# Principles of Marketing

Eighteenth Edition, Global Edition



## Lecture 5

Consumer Markets and Buyer Behavior

Business Markets and Business Buyer Behavior

# Learning Objectives

- 5.1** Define the consumer market and construct a simple model of consumer buyer behavior.
- 5.2** Name the four major factors that influence consumer buyer behavior.
- 5.3** List and define the major types of buying decision behavior and the stages in the buyer decision process.
- 5.4** Describe the adoption and diffusion process for new products.

# Learning Objective 1

Define the consumer market and construct a simple model of consumer buyer behavior.

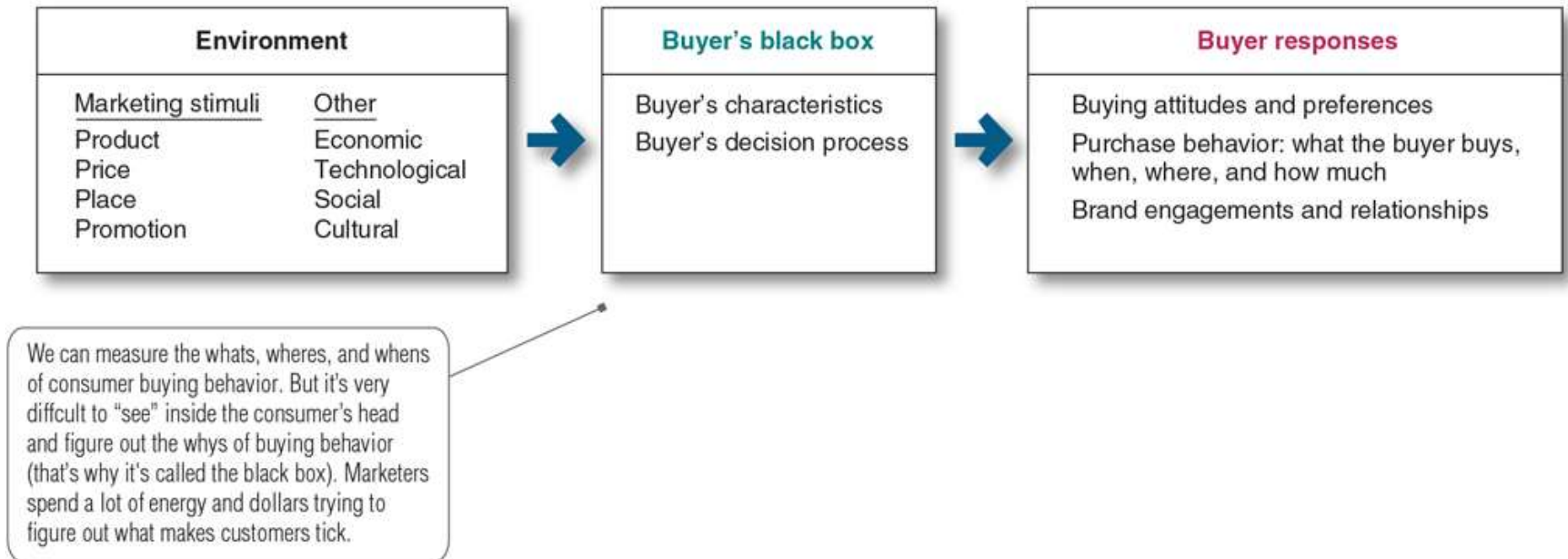
# Consumer Markets and Buyer Behavior

**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** The Model of Buyer Behavior



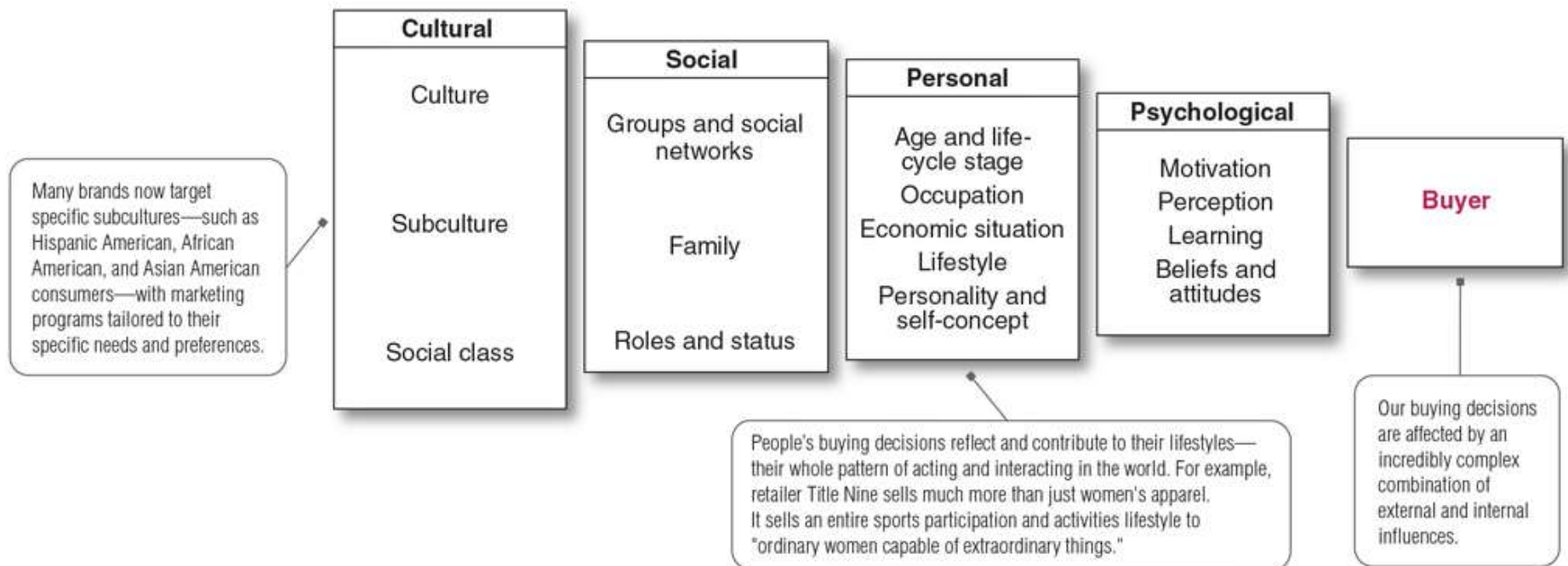
Copyright © 2021 by Pearson Education, Inc.

# Learning Objective 2

Name the four major factors that influence consumer buyer behavior.

# Characteristics Affecting Consumer Behavior (1 of 15)

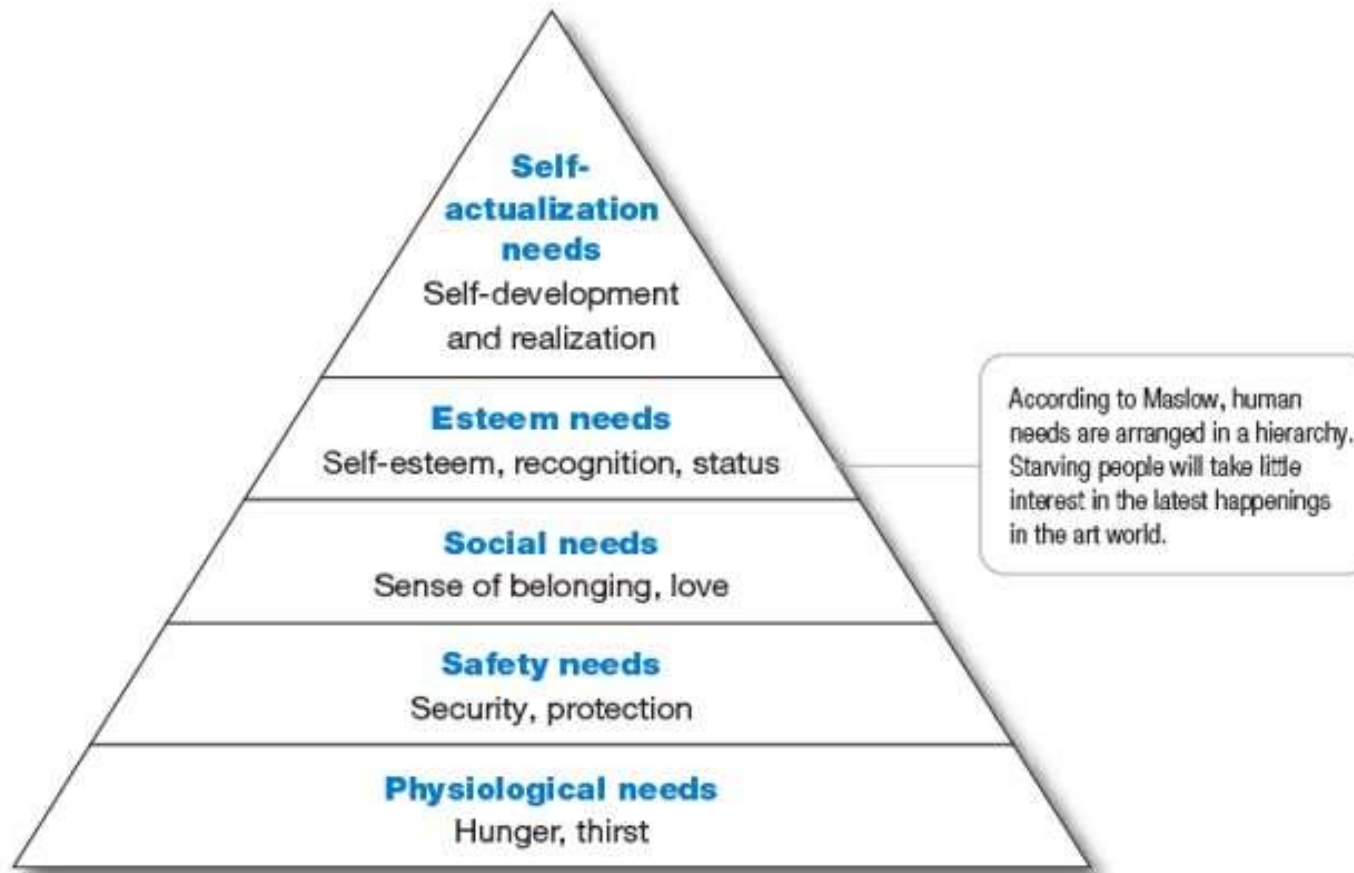
**Figure 5.2** Factors Influencing Consumer Behavior



Copyright © 2021 by Pearson Education, Inc.

# Characteristics Affecting Consumer Behavior

**Figure 5.3** Maslow's Hierarchy of Needs

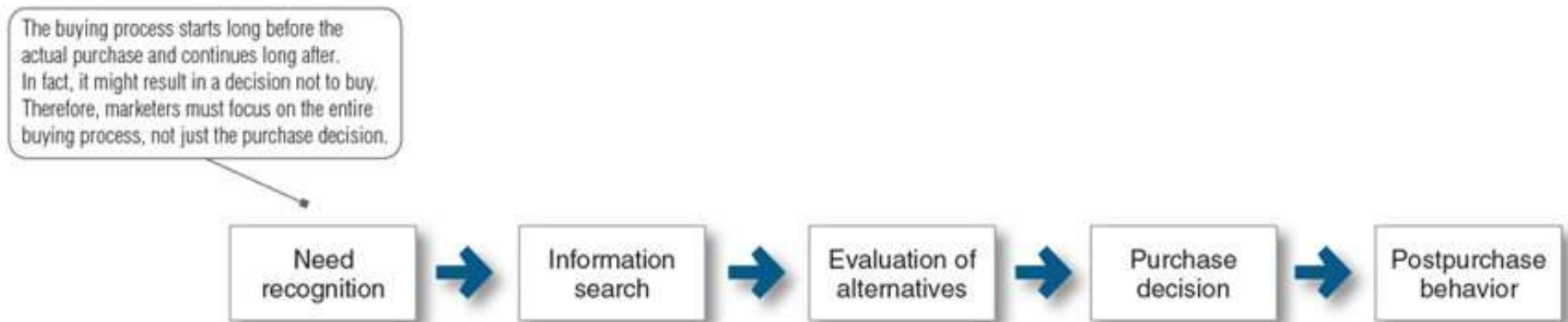




# Learning Objective 3

Define the major stages in the buyer decision process.

# Figure 5.5 The Buyer Decision Process



Copyright © 2021 by Pearson Education, Inc.

# The Buyer Decision Process (1 of 6)

## 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

# The Buyer Decision Process (2 of 6)

## 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
- Commercial sources
- Public sources
- Experiential sources

# The Buyer Decision Process (3 of 6)

## 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 (4 of 6)

## 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 (5 of 6)

## 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 (6 of 6)

## Postpurchase Behavior

**Cognitive dissonance** is buyer discomfort caused by postpurchase conflict.

Customer Satisfaction



Postpurchase cognitive dissonance: Postpurchase customer satisfaction is a key to building profitable customer relationships. Most marketers go beyond merely meeting the customer expectations—they aim to delight customers.

Dusit/Shutterstock



# Learning Objective 4

Describe the adoption and diffusion process for new products.

# The Buyer Decision Process for New Products (1 of 3)

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:
  - Awareness
  - Interest
  - Evaluation
  - Trial
  - Adoption



Beyond Meat

The adoption process: To help get tentative consumers over the buying decision hump, Beyond Meat invited consumers to “try some free—zip, zero, zilch” at their local grocery store.

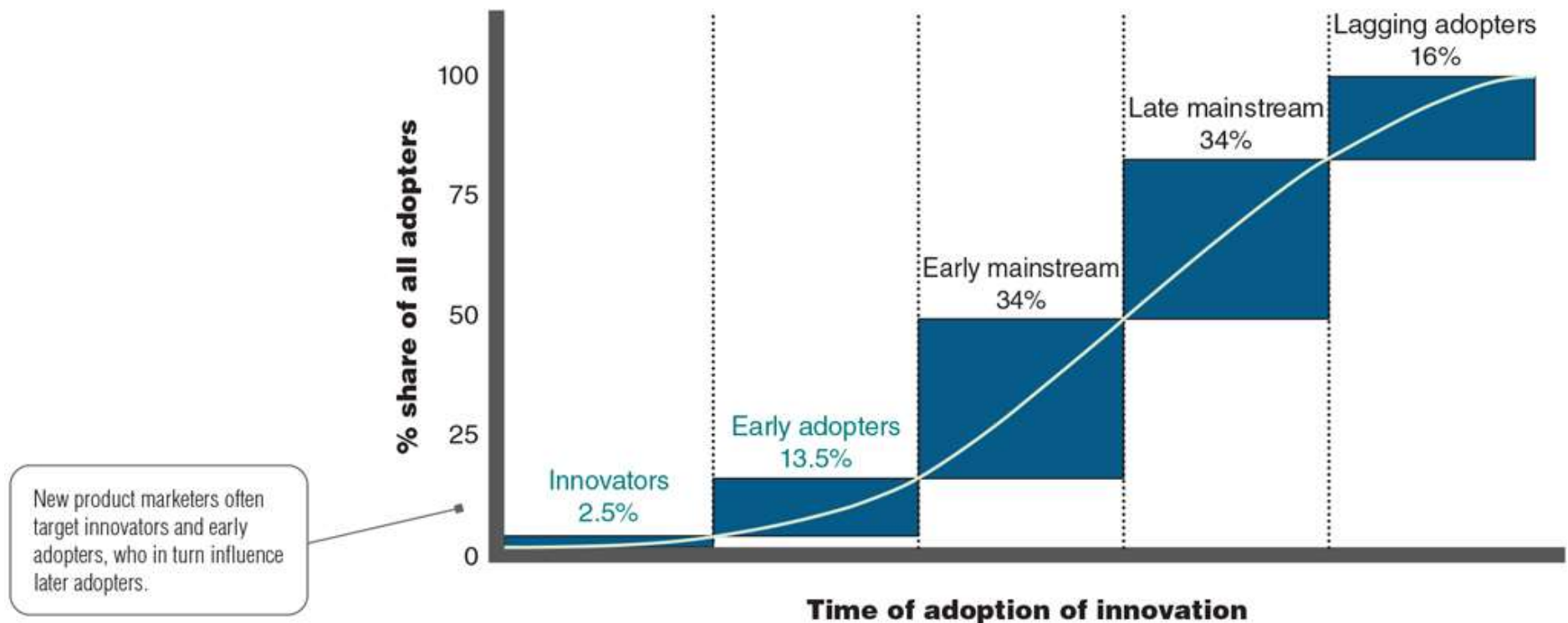
# The Buyer Decision Process for New Products (2 of 3)

## Individual Differences in Innovativeness

- Innovators
- Early Adopters
- Early Mainstream
- Late Mainstream
- Lagging Adopters

# The Buyer Decision Process for New Products (3 of 3)

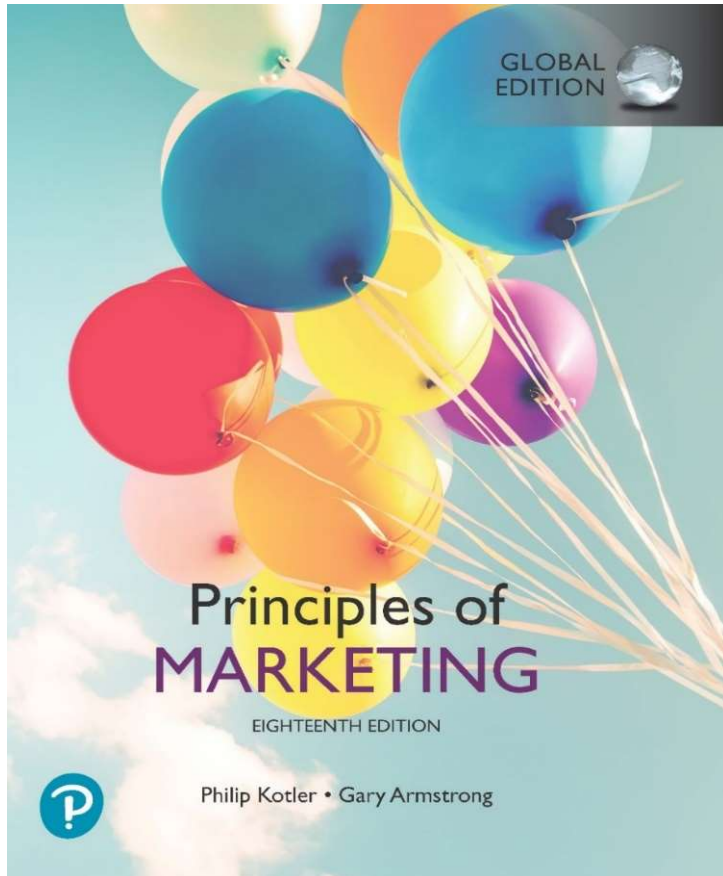
**Figure 5.6** Adopter Categories Based on Relative Time of Adoption of Innovations



Copyright © 2021 by Pearson Education, Inc.

# Principles of Marketing

Eighteenth Edition, Global Edition



Business Markets and Business Buyer Behavior

# Learning Objectives

- 6.1** Define the business market and explain how business markets differ from consumer markets.
- 6.2** Identify the major factors that influence business buyer behavior.
- 6.3** List and define the steps in the business buying decision process.
- 6.4** Compare the institutional and government markets and explain how institutional and government buyers make their buying decisions.

# Consumer Markets and Buyer Behavior

**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.

# Learning Objective 1

Define the business market and explain how business markets differ from consumer markets.



# Business Markets (1 of 3)

## Market Structure and Demand

- Fewer but larger buyers
- Derived demand
- Inelastic demand
- Fluctuating demand



Courtesy: Gore-Tex, Shine United, Eric Cook (art director), James Breen (copywriter), John Krull (creative director), Michael Kriefski (executive creative director), Mike Tittle (photographer), and Scott Lanza (photographer).

# Business Markets (2 of 3)

## Nature of the Buying Unit

Business buyers usually face more complex buying decisions than do consumer buyers. Compared with consumer purchases, a business purchase usually involves:

- More decision participants
- More professional purchasing effort
- More buyer and seller interaction

# Business Markets (3 of 3)

## Types of Decisions and the Decision Process

Business buyers usually face *more complex* buying decisions than consumer buyers.

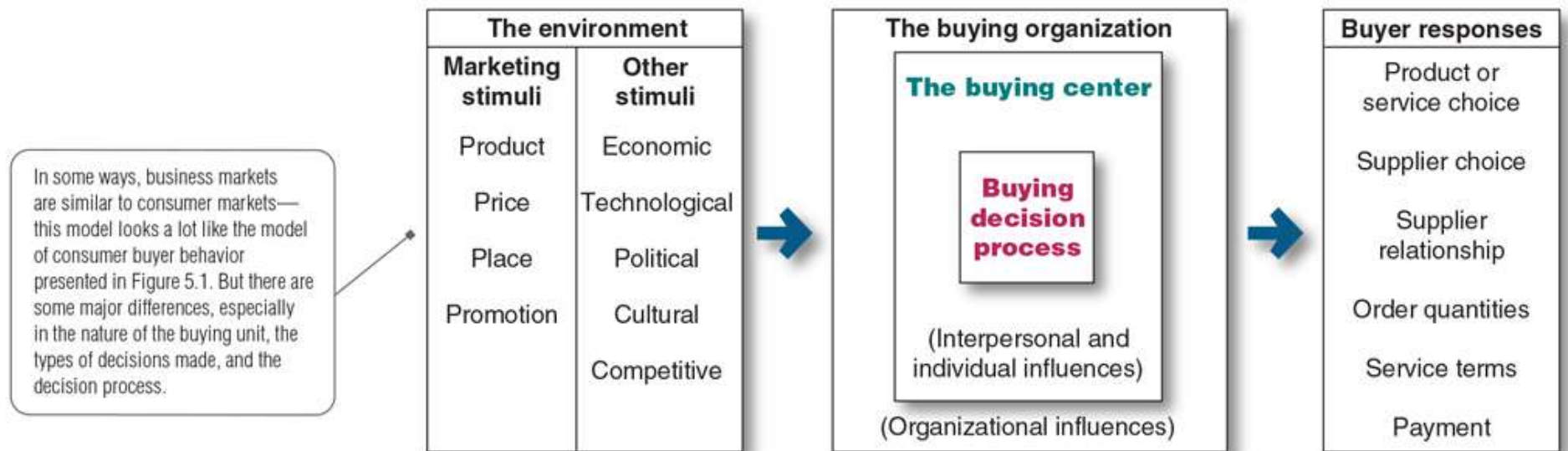
**Supplier development** is the systematic development of networks of supplier-partners to ensure an appropriate and dependable supply of products and materials for use in making products or reselling them to others.

# Learning Objective 2

Identify the major factors that influence business buyer behavior.

# Business Buyer Behavior

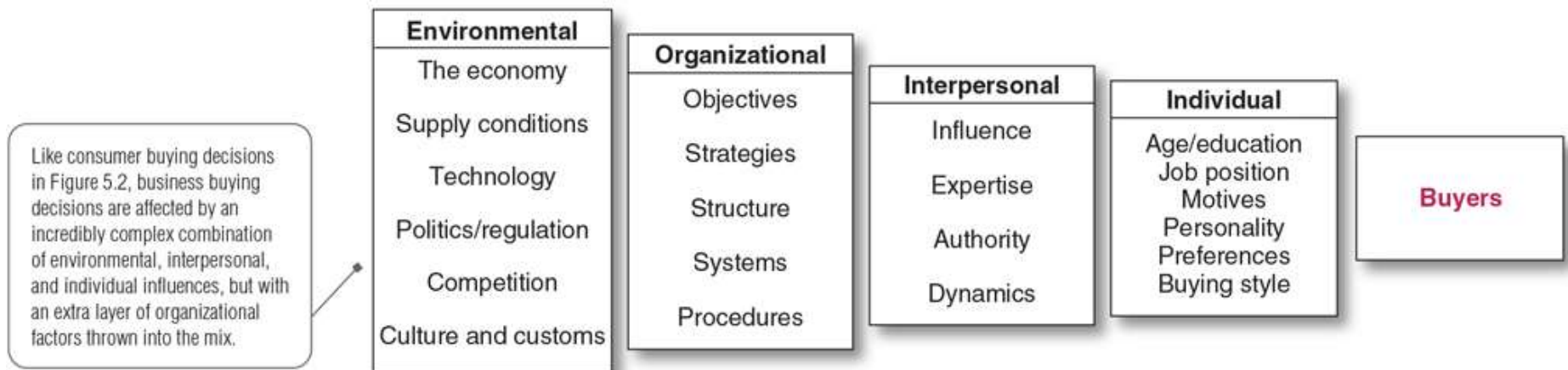
**Figure 6.1** A Model of Business Buyer Behavior



Copyright © 2021 by Pearson Education, Inc.

# Business Buyer Behavior

**Figure 6.2** Major Influences on Business Buyer Behavior



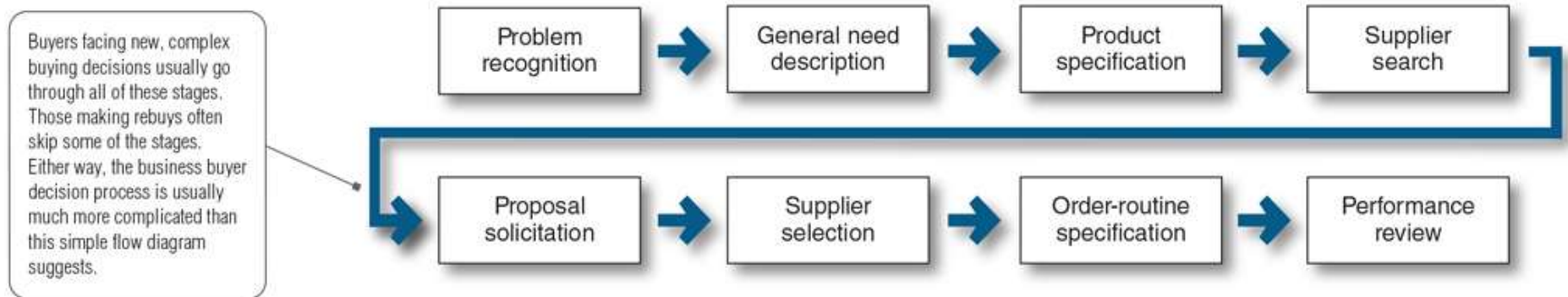
Copyright © 2021 by Pearson Education, Inc.

# Learning Objective 3

List and define the steps in the business buying decision process.

# The Business Buying Process (1 of 5)

**Figure 6.3** Stages of the Business Buyer Decision Process



Copyright © 2021 by Pearson Education, Inc.



# Learning Objective 4

Compare the institutional and government markets and explain how institutional and government buyers make their buying decisions.

# Institutional and Government Markets (1 of 2)

**Institutional markets** consist of schools, hospitals, nursing homes, and prisons that provide goods and services to people in their care.

- Characteristics
  - Low budgets
  - Captive patrons

# IBM: Staying Nimble and Relevant with B-to-B Digital and Social Media Marketing



Although IBM is one of the oldest companies around, when it comes to grasping digital and social media, good old Big Blue is young, nimble, and relevant.

Courtesy of International Business Machines Corporation, © (2019) International Business Machines Corporation.

# Institutional and Government Markets (2 of 2)

**Government markets** tend to favor domestic suppliers, require them to submit bids, and normally award the contract to the lowest bidder.

- Affected by environmental factors
- Non-economic factors considered
  - Minority firms
  - Depressed firms
  - Small businesses