


Chapter 3

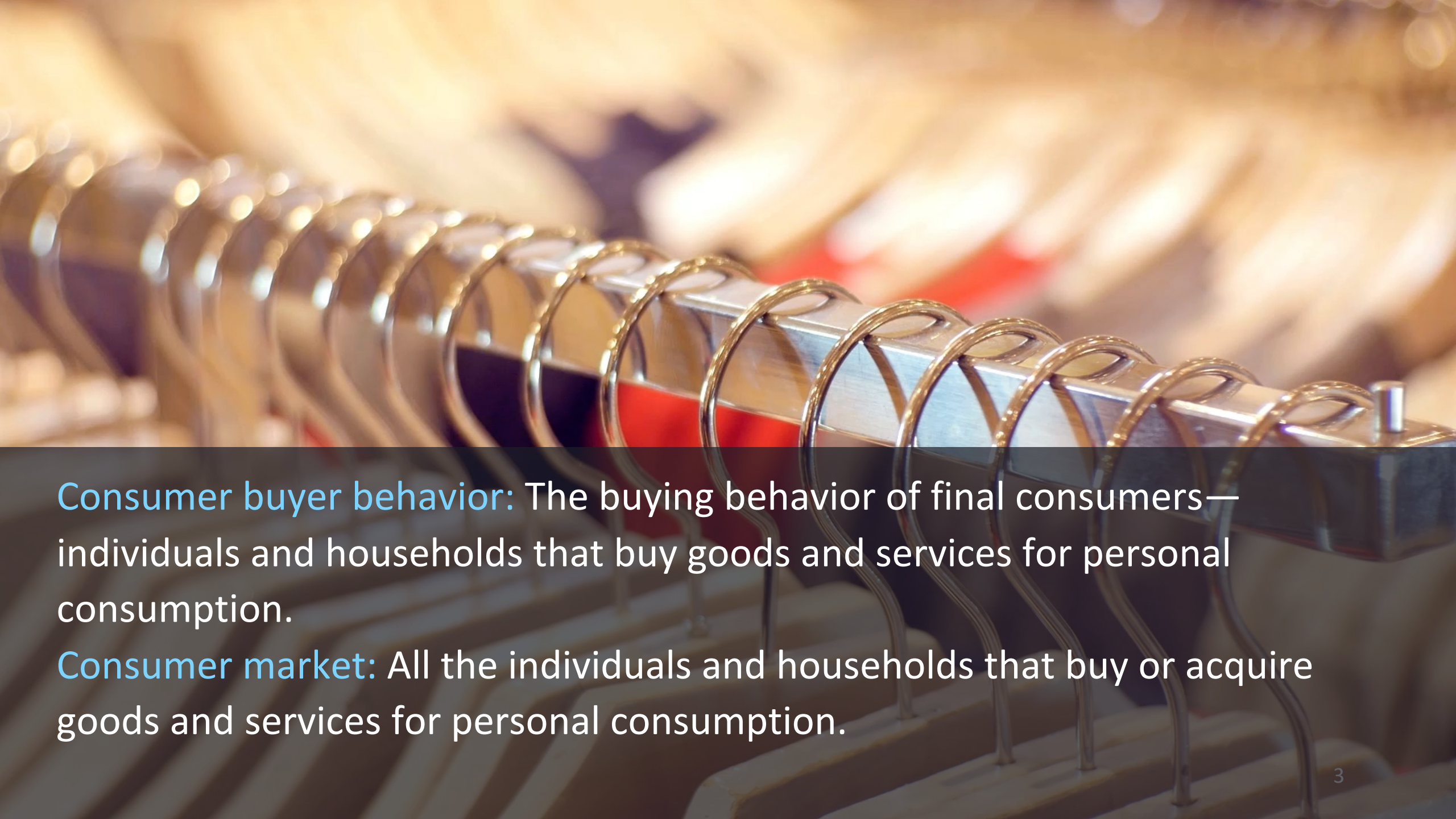
Consumer Behavior

- 
- ▶ 1. Model of Buyer Behavior
 - ▶ 2. Factors affecting Consumer Behavior
 - ▶ 3. Buying Decision Behavior & Buying Decision Process



1. Model of Buyer Behavior





Consumer buyer behavior: The buying behavior of final consumers—individuals and households that buy goods and services for personal consumption.

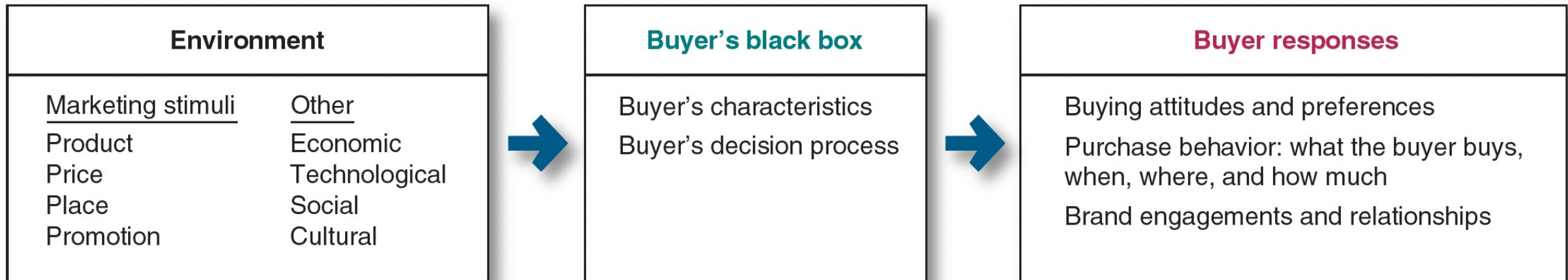
Consumer market: All the individuals and households that buy or acquire goods and services for personal consumption.

Model of Buyer Behavior

- ▶ Marketers mine mountains of big data on consumers to learn about their **paths to purchase**.
- ▶ But learning about the **whys** behind consumer buying behavior is not so easy—the answers are often **locked deep within the consumer's mind**.
- ▶ Often, consumers themselves don't know exactly **what influences** their purchases.

● FIGURE 5.1

The Model of Buyer Behavior



We can measure the whats, wheres, and whens of consumer buying behavior. But it's very difficult to "see" inside the consumer's head and figure out the whys of buying behavior (that's why it's called the black box). Marketers spend a lot of energy and dollars trying to figure out what makes customers tick.

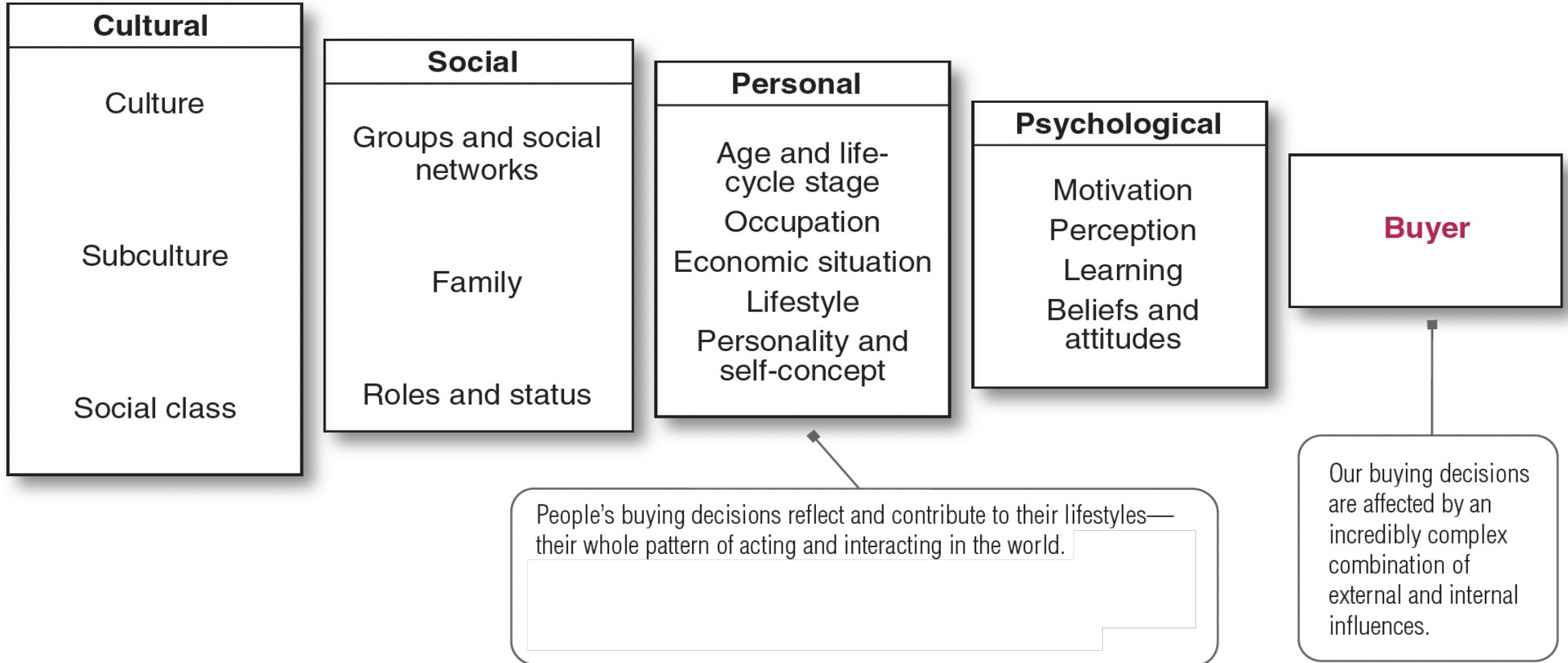
Central questions:

How do consumers respond to various marketing efforts the company might use?



2. Factors affecting Consumer Behavior

2. Factors affecting Consumer Behavior



Marketers **can't control** such factors, but they **must take them into account**.

Cultural factors

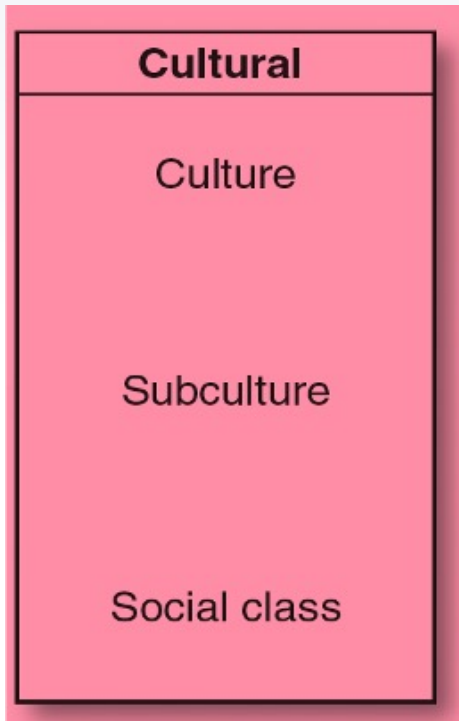
Culture:

- The set of basic **values, perceptions, wants, and behaviors** learned by a member of society from family and other important institutions.
- Vietnamese (East Asian) culture > < Western culture
- Marketers are always trying to spot cultural shifts to discover new products that might be wanted.

Ex: the cultural shift toward greater concern about health & fitness has created a huge industry for health-&-fitness services, exercise equipment, clothing, organic foods

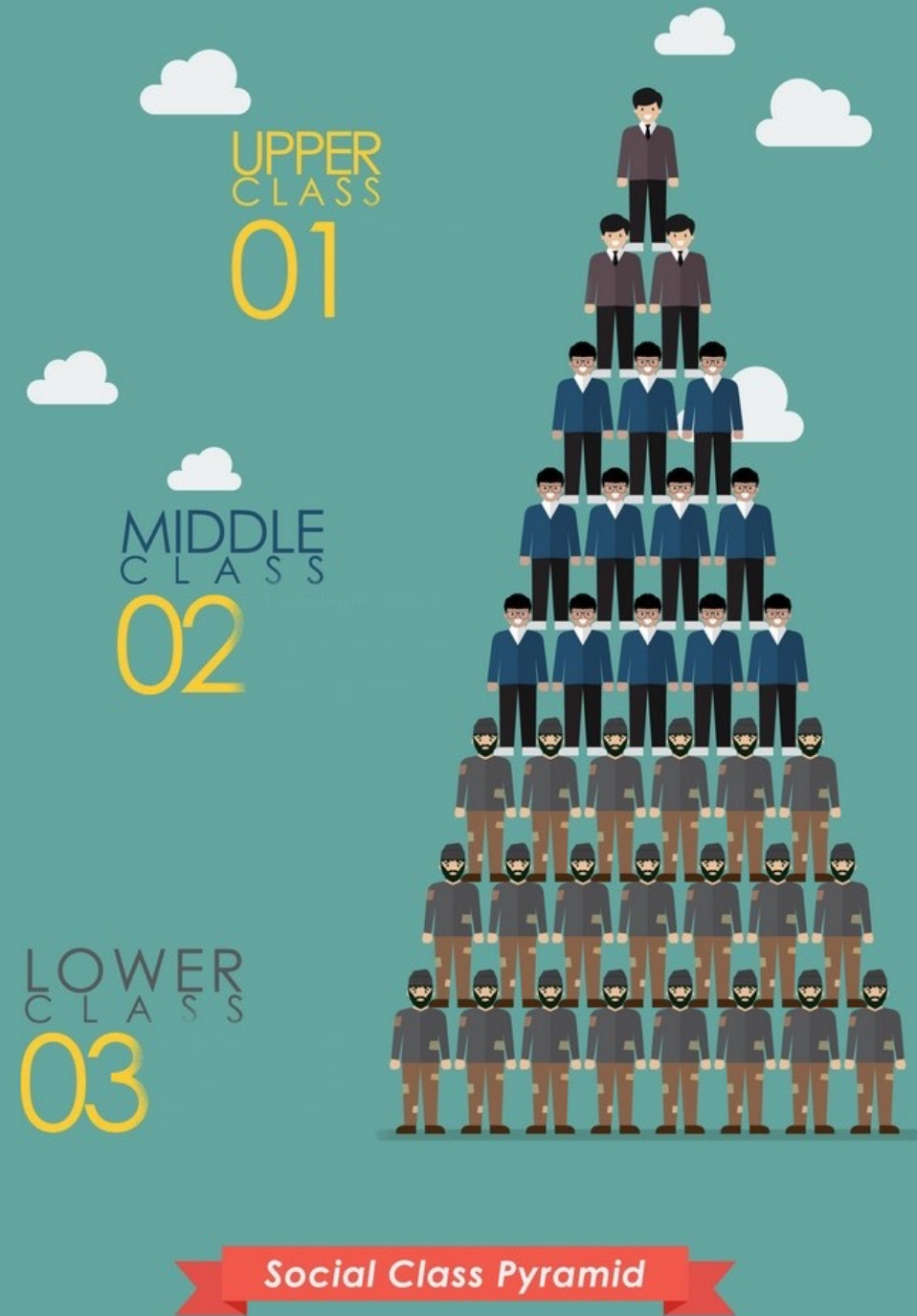
Subculture:

- A group of people with **shared value systems** based on **common** life experiences and situations.
- Subcultures include **nationalities, religions**, racial groups, and **geographic regions**.



Social class

- ▶ Social classes are society's relatively permanent and ordered divisions whose members share **similar values, interests, and behaviors**.
- ▶ Most people classify themselves as "middle class"
- ▶ Social class is based on a **combination** of **occupation, income, education, wealth &** other variables
- ▶ People within a given social class tend to exhibit **similar buying behavior**
- ▶ Social classes show distinct **product and brand preferences** in areas such as *clothing, home furnishings, travel and leisure activity, financial services, and automobiles*.



Social factors - Groups and social networks

Social
Groups and social networks
Family
Roles and status

- **Reference group:** A group that serves as direct or indirect point of **comparison or reference** in **forming** a person's **attitudes** or **behavior**.
- **Opinion leader:** A person within a reference group who, because of **special skills, knowledge, personality**, or other characteristics, exerts **social influence** on others.

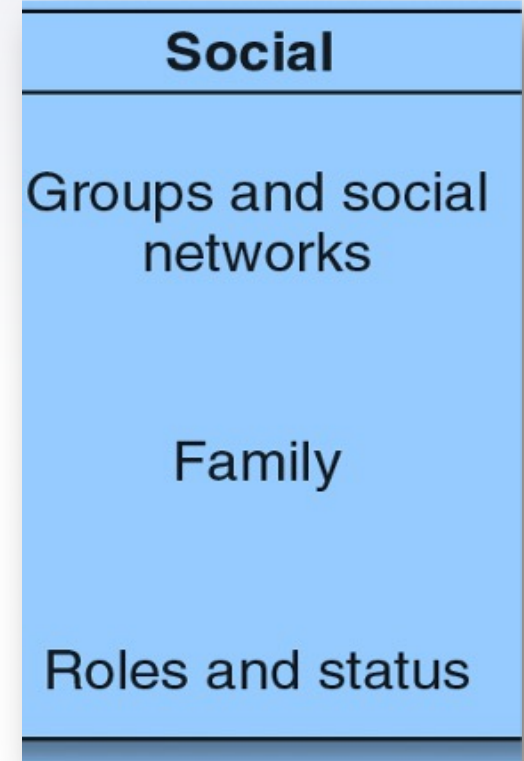
Social factors - Groups and social networks

- **Word-of-mouth influence:** The impact of the **personal words** and **recommendations** of **trusted** friends, family, associates, and other consumers on buying behavior.
- **Influencer marketing:** Enlisting **existing influencers** or building **new** influencers to **spread the word** about a company's brands.
- **Online social networks:** Online social communities—*blogs, online social media, brand communities, forums*—where people **socialize** or **exchange** information and opinions.

Social
Groups and social networks
Family
Roles and status

Social factors - Family

- the **most important** reference group and consumer buying organization in society
- Family imparts to children the **basic values** and **modes of behavior** consistent with the family culture, including:
 - moral principles
 - interpersonal skills
 - dress and grooming standards
 - appropriate manners and speech
 - selection of suitable educational & career goals
- Children may also have a **strong influence** on family buying decision



Social factors – Roles and status

Social
Groups and social networks
Family
Roles and status

- A person belongs to many groups—*family, clubs, organizations, online communities*
- The person's position in each group is defined in terms of both role & status.
- People usually choose products **appropriate** to their **roles & status**.



Personal Factors

► Age and life 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**
 - marriage >> having children >> purchasing a home >> divorce >> children going to college >> changes in personal income >> retirement

► **Occupation:** A person's occupation affects the goods and services bought

► **Economic situation**

- A person's economic situation will affect his or her **store** and **product choices**:
 - Wet market >> supermarket >> shopping mall >> hi-end supermarket & shopping mall
- Marketers watch **trends** in **spending, personal income, savings, and interest rates** <=> design appropriate store & product choices

Personal
Age and life-cycle stage
Occupation
Economic situation
Lifestyle
Personality and self-concept

Personal Factors - Lifestyle

- **Lifestyle:** A person's pattern of living as expressed in his or her psychographics.
- It involves measuring consumers' major AIO dimensions:
 - activities (work, hobbies, shopping, sports, social events)
 - interests (food, fashion, family, recreation)
 - opinions (about themselves, social issues, business, products)
- Lifestyle captures something more than the person's **social class** or **personality**.
- Consumers don't just buy products; they buy the values and lifestyles those products represent (linked to **brand DNA**)
- Lifestyle concept helps marketers understand **changing consumer values** and how they affect buyer behavior.



● Lifestyles: The Body Shop markets much more than just beauty products; its cosmetics seek to embody the ethical consumerism lifestyle.

Personal Factors - Personality & Self-concept



Personality: The unique psychological characteristics that distinguish a person or group; traits such as self-confidence, dominance, sociability, autonomy, defensiveness, adaptability, aggressiveness...

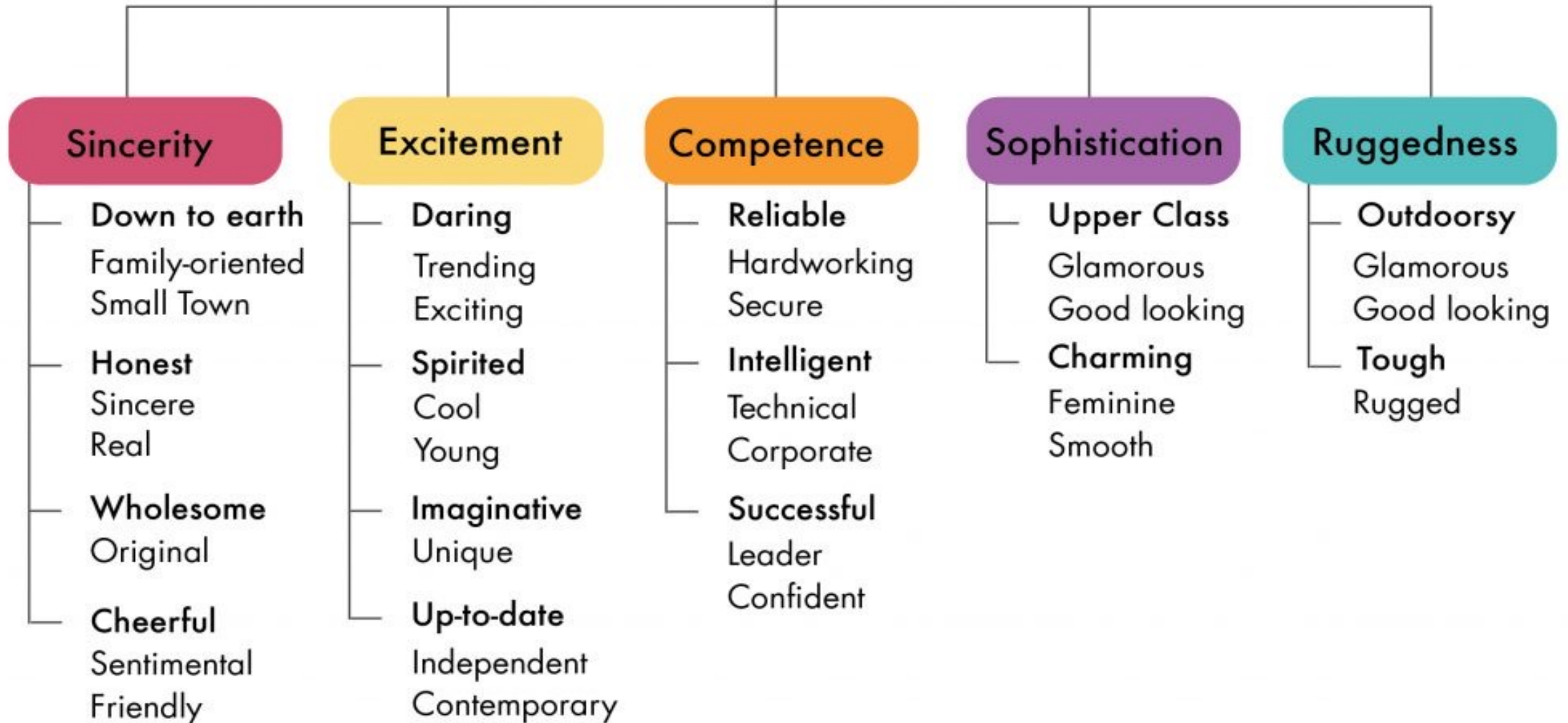


A brand personality: is the specific mix of human traits that may be attributed to a particular brand.



Self-concept (or self-image): people's possessions contribute to and reflect their identities—that is, “*we are what we consume*”; To understand consumer behavior, marketers must first understand the relationship between *consumer self-concept* and *possessions*.

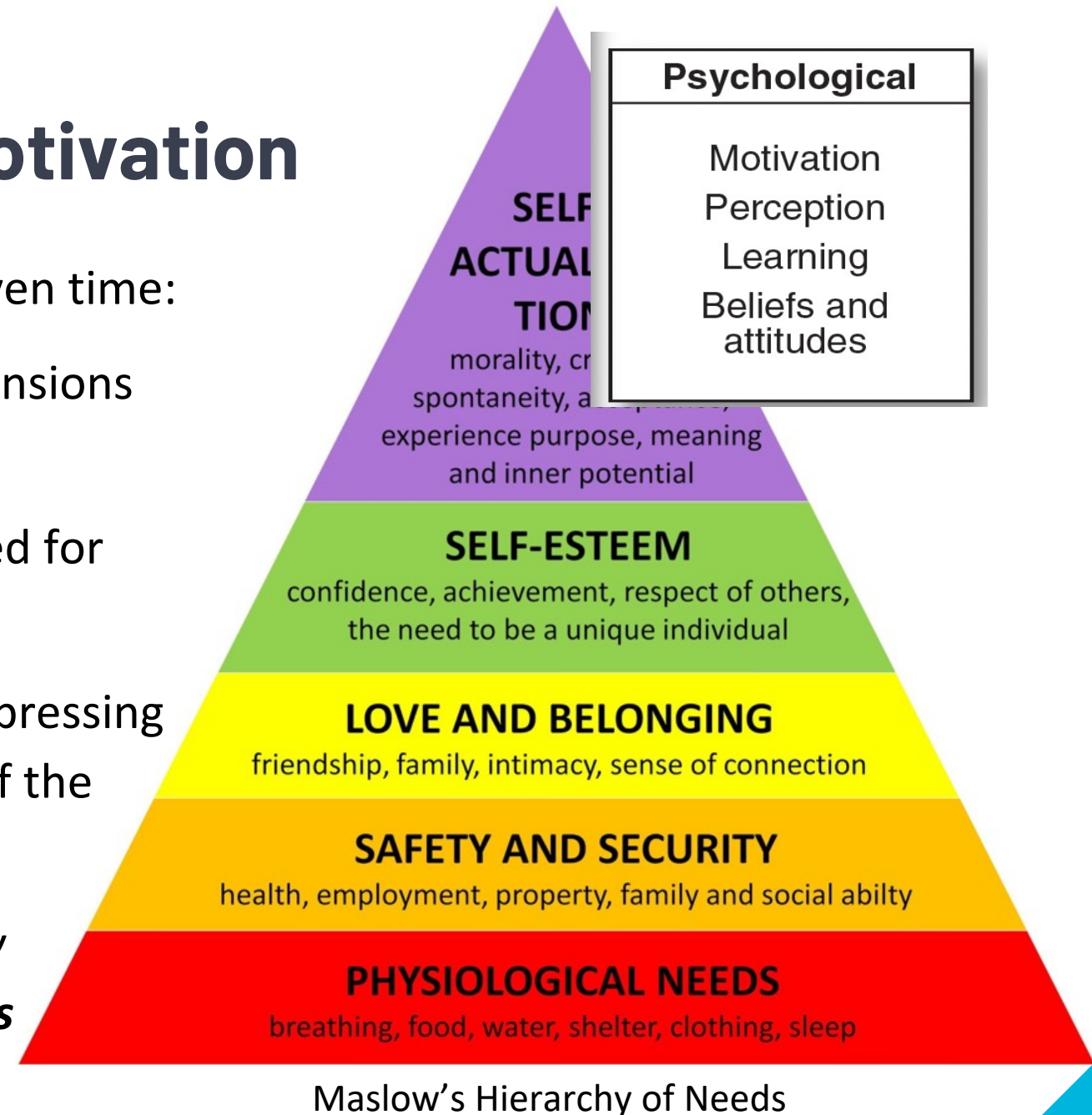
Brand Personality



Psychological Factors – Motivation

- **Need:** A person has many needs at any given time:
 - *Biological needs:* arising from states of tensions such as hunger, thirst, or discomfort.
 - *Psychological needs:* arising from the need for recognition, esteem, or belonging.
- **Motive (drive):** A need that is sufficiently pressing to direct the person to **seek satisfaction** of the need.

*Sigmund Freud assumed that people are largely unconscious about the **real psychological forces** shaping their behavior.*



Psychological Factors

Psychological
Motivation
Perception
Learning
Beliefs and attitudes

Perception

- Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world.
- People can form different perceptions of the same stimulus because of 3 perceptual processes:

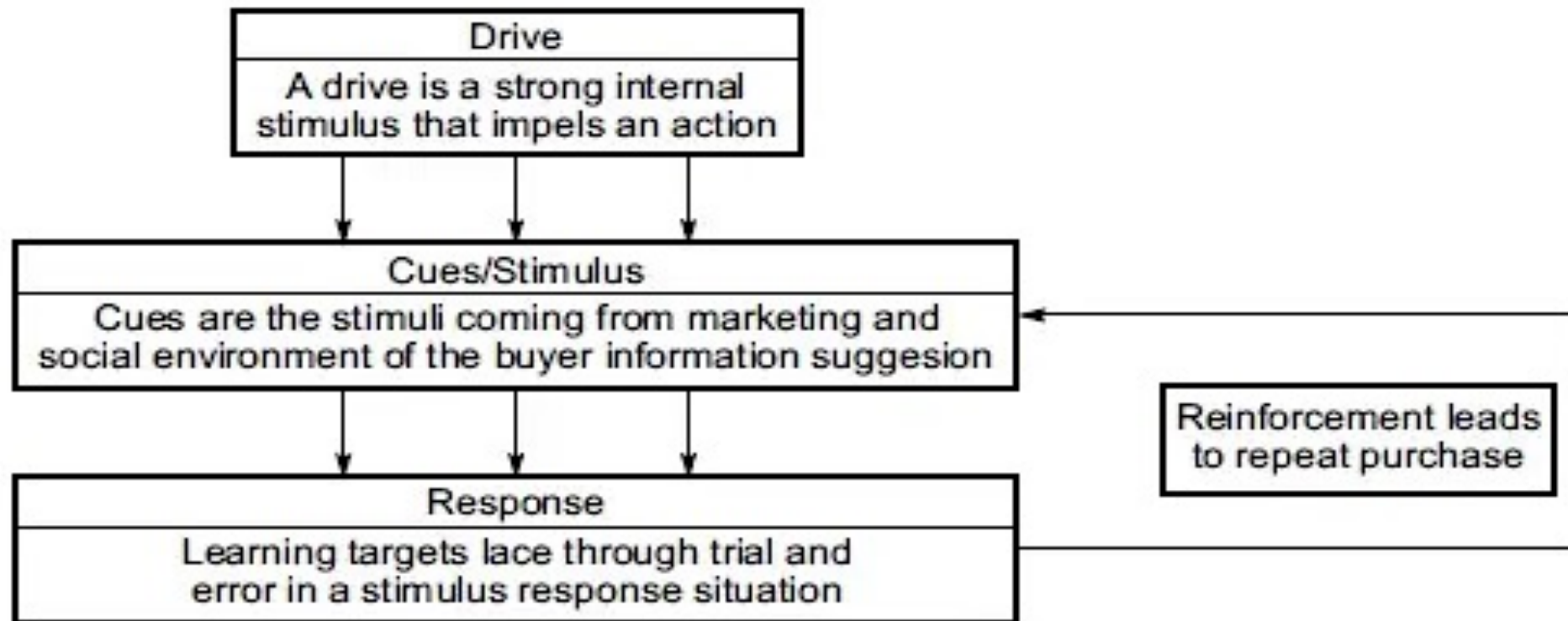
Selective attention: the tendency for people to screen out most of the information to which they are exposed—means that marketers must work especially hard to attract the consumer's attention.

Selective distortion describes the tendency of people to interpret information in a way that supports what they already believe

Selective retention means that consumers are likely to remember good points made about a brand they favor and forget good points made about competing brands.

Psychological Factors - Learning

- **Learning** describes **changes** in an individual's **behavior** arising from **experience**; Most human behavior is learned.
- Learning occurs through the interplay of **drives – cues – response - reinforcement**





Psychological Factors

Beliefs & Attitudes

- **Belief:** A **descriptive thought** that a person holds **about something**.
- **Attitude:** A person's consistently **favorable or unfavorable evaluations, feelings & tendencies** toward an object or idea.

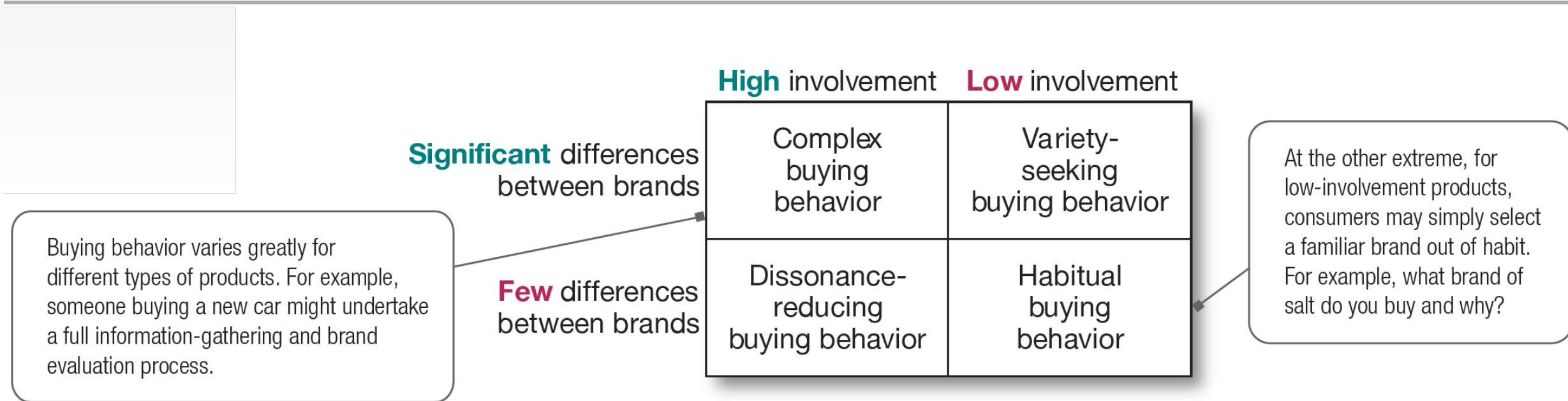


3. Buying Decision Behavior and Buying Decision Process



Buying Decision Behavior and Buying Decision Process

Four Types of Buying Behavior





Consumers undertake **complex buying behavior** when they are highly involved in a purchase and perceive significant differences among brands



Dissonance-reducing buying behavior occurs when consumers are highly involved with an expensive, infrequent, or risky purchase but see little difference among brands.



Habitual buying behavior occurs under conditions of low-consumer involvement and little significant brand difference.



Consumers undertake **variety-seeking buying behavior** in situations characterized by low consumer involvement but significant perceived brand differences

Buying Decision Process: 5 stages



- **Need recognition:** the consumer recognizes a problem or need.
- **Information search:** the consumer is motivated to search for more information.
- **Alternative evaluation:** the consumer uses information to evaluate alternative brands in the choice set.
- **Purchase decision:** The buyer's decision about which brand to purchase.
- **Postpurchase behavior:** consumers take further action after purchase, based on their satisfaction or dissatisfaction.