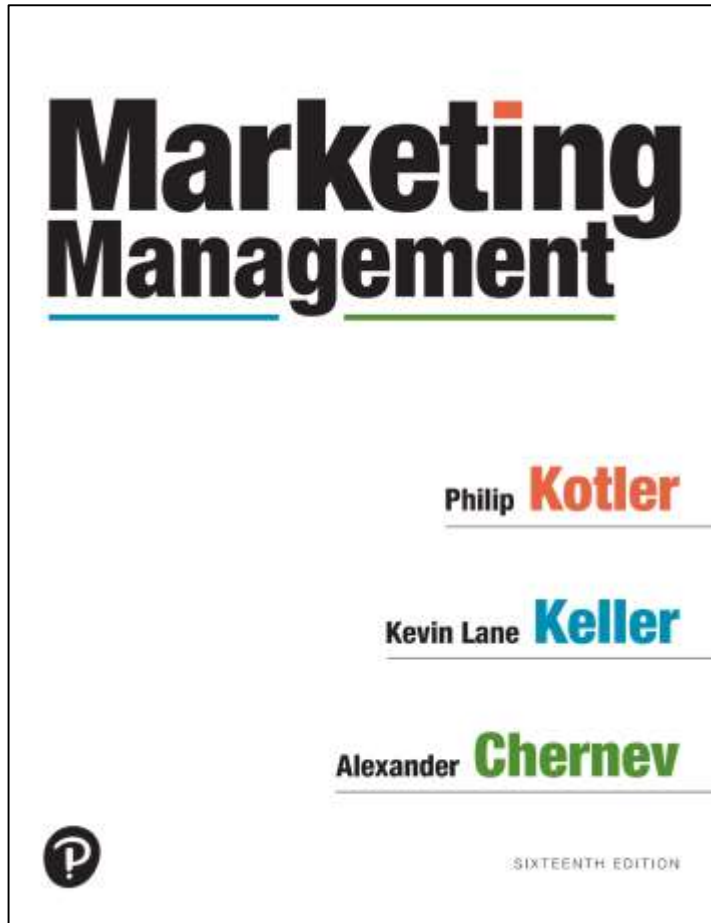


Marketing Management

Sixteenth Edition



Chapter 3

Analyzing Consumer Markets

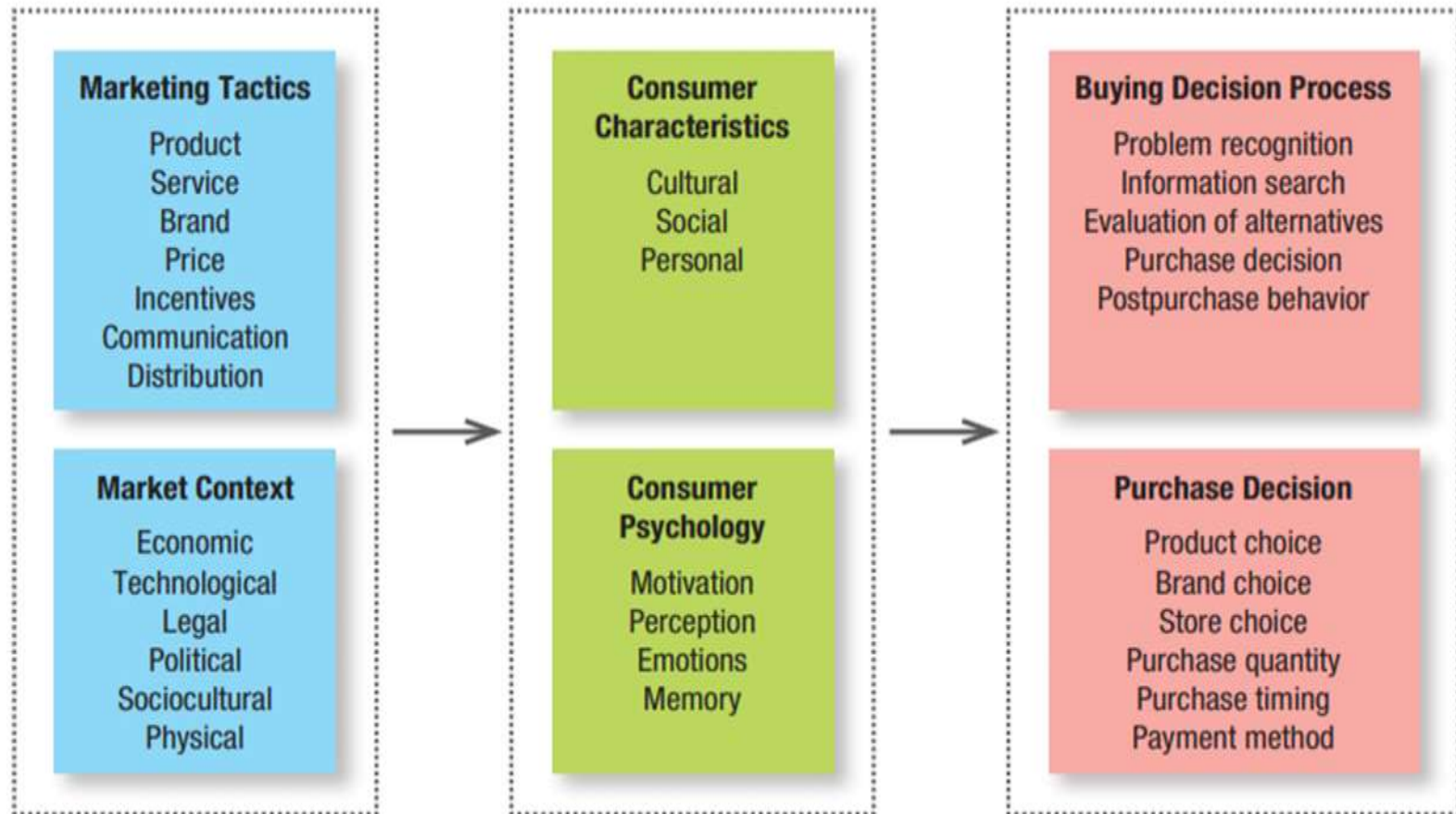
Learning Objectives

- 3.1** Identify the key factors that influence consumer behavior.
- 3.2** Explain the role cultural, social, and personal factors play in consumer behavior.
- 3.3** Explain how consumers' needs, emotions, and memory influence their behavior.
- 3.4** Illustrate the key stages of the buying decision process.

What Is Consumer Behavior?

- Consumer behavior
 - The study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants

Figure 3.1 Model of Consumer Behavior



What Influences Consumer Behavior? (1 of 3)

- Cultural factors
 - Culture
 - Subcultures
 - Social classes



What Influences Consumer Behavior? (2 of 3)

- Social factors
 - **Reference groups** include all the groups that have a direct or indirect effect on a person's beliefs, decisions, and behavior
 - Family

Reference Groups

- Primary group is family
- Aspirational groups
- Dissociative groups
- **Opinion leader** or **influencer** offers informal advice or information about a specific product or product category

Family

- Family of orientation vs family of procreation



What Influences Consumer Behavior? (3 of 3)

- Personal factors
 - Age/stage in life cycle
 - Occupation and economic circumstances
 - **Personality** and self-concept
 - Lifestyle and values

Late 1990's →



Friday Dressing

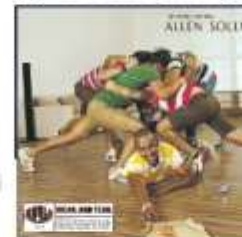


Allen Solly rode the semi-formal workwear adoption wave, courtesy 'Casual Fridays'

2008 →

ALLEN SOLLY

My World. My Way.



The brand matched the fashion sensibilities of a young & dynamic workforce that viewed success differently

2018 →



OPEN WORK CULTURE



Allen Solly was reintroduced as the brand for young, fashion forward leaders of the future.

Consumer Psychology

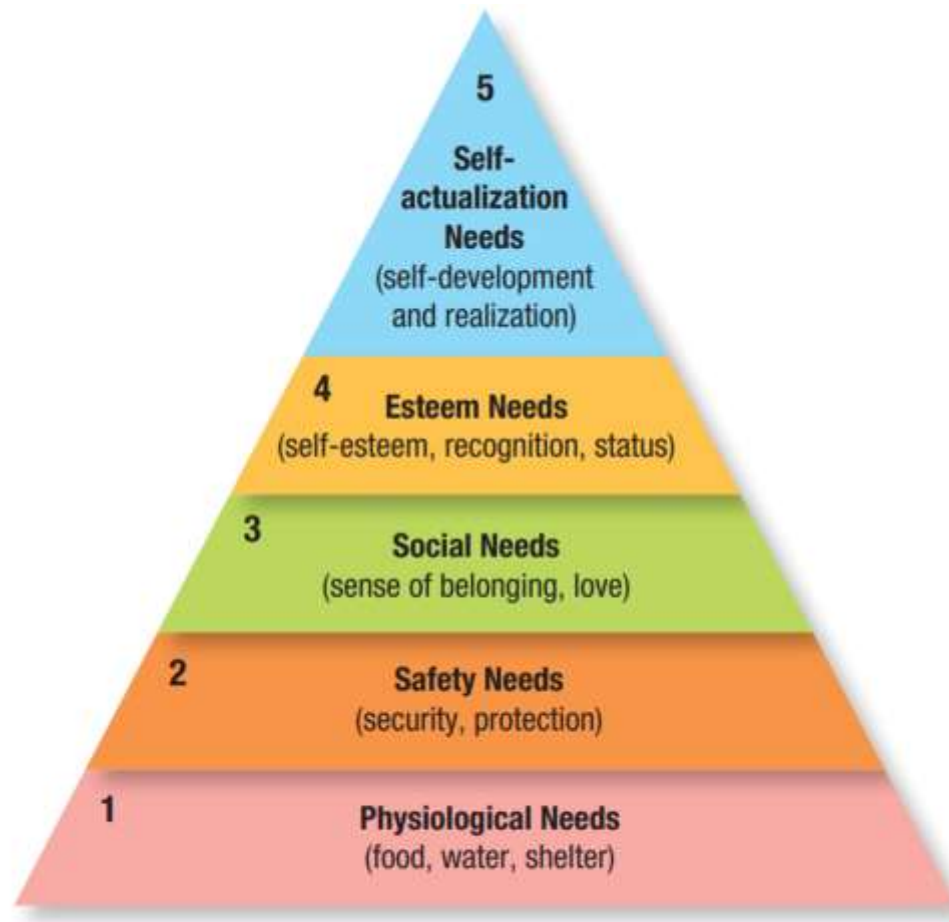
- Consumer motivation
- Perception
- Learning
- Memory



Consumer Motivation (1 of 2)

- Consumer needs
 - Basic human requirements
 - Biological
 - Psychological
 - Wants
 - Demands

Figure 3.2 Maslow's Hierarchy of Needs



Consumer Motivation (2 of 2)

- Consumer motivation
 - A need becomes a motive when it is aroused to a sufficient level of intensity to drive us to act



Perception (1 of 3)

- **Perception**
 - The process by which we select, organize, and interpret information inputs to create a meaningful picture of the world

Perception (2 of 3)

- **Selective attention**
 - Marketers must work hard to attract the notice of consumers
 - **Subliminal perception**

Perception (3 of 3)

- **Selective distortion**
 - Tendency to interpret information in a way that fits our preconceptions

Emotions

- **Emotions**
 - Leverage emotional appeal

Memory (1 of 3)

- Memory models
 - **Short-term memory**—a temporary and limited repository of information
 - **Long-term memory**—a more permanent, essentially unlimited repository
 - Episodic memory
 - Semantic memory
 - Procedural memory

Memory (2 of 3)

- Associative network memory model
 - **Brand associations**—all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes that become linked to the brand node

Memory (3 of 3)

- Memory processes
 - **Memory encoding**—how and where information gets into memory
 - **Memory retrieval**—the way information gets out of memory

The Buying Decision Process (1 of 6)

- The consumer typically passes through five stages
 - Problem recognition
 - Information search
 - Evaluation of alternatives
 - Purchase decision
 - Postpurchase behavior

Figure 3.3 Five-Stage Model of the Consumer Buying Process



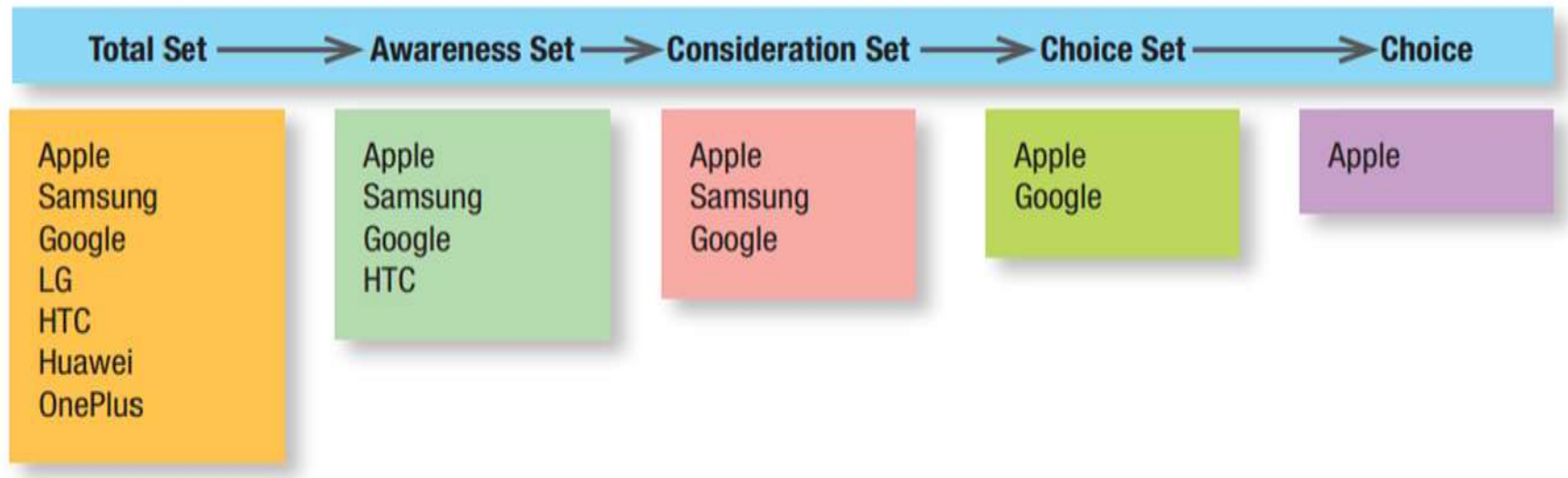
The Buying Decision Process (2 of 6)

- Problem recognition
 - The buyer recognizes a problem/need triggered by internal/external stimuli

The Buying Decision Process (3 of 6)

- Information search
 - Personal sources
 - Commercial sources
 - Public sources
 - Experiential sources
- Search Dynamics

Figure 3.4 Successive Sets Involved In Consumer Decision Making



The Buying Decision Process (4 of 6)

- Evaluation of alternatives
 - **Beliefs and attitudes**
 - Information processing
 - **Expectancy-value model**

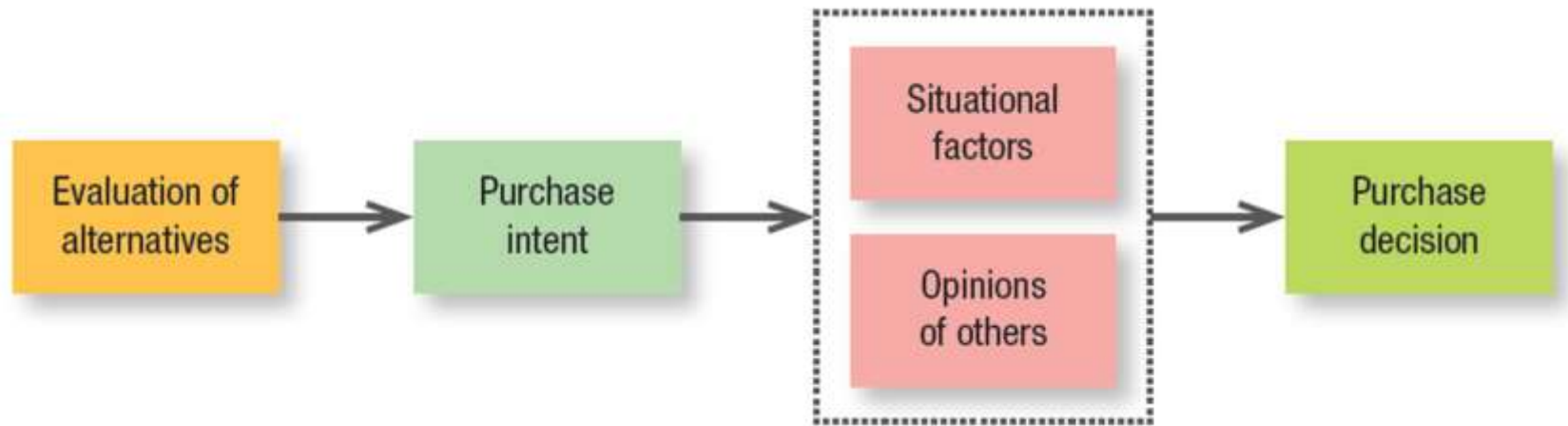
Table 3.1 Laptop Computer Choice Set

Laptop Computer	Attribute Memory Capacity	Attribute Graphics Capability	Attribute Size and Weight	Attribute Price
A	8	9	6	9
B	7	7	7	7
C	10	4	3	2
D	5	3	8	5

The Buying Decision Process (5 of 6)

- Purchase decision
 - Decision **heuristics**—rules of thumb
 - Level of consumer involvement
 - **Elaboration likelihood model**
 - Intervening factors

Figure 3.5 Steps between Evaluation of Alternatives and a Purchase Decision



Intervening Factors

- Types of perceived risk
 - Functional risk
 - Physical risk
 - Time risk
 - Financial risk
 - Psychological risk
 - Social risk

The Buying Decision Process (6 of 6)

- Postpurchase behavior
 - Postpurchase satisfaction
 - Postpurchase actions
 - Postpurchase uses and disposal



Discussion Questions (1 of 2)

- Think back to the commercial breaks in last year's Super Bowl.
 - How do they appeal to emotions?
 - Why are marketers using this tactic?
 - How do the appeals reflect the current sentiment of audiences?

Discussion Questions (2 of 2)

- If you've taken a flight recently, you may have received an email from the airline asking about your onboard experience.
 - What is the value to companies of understanding consumer behavior following a purchase.
 - How has technology facilitated marketers' understanding postpurchase behavior?

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