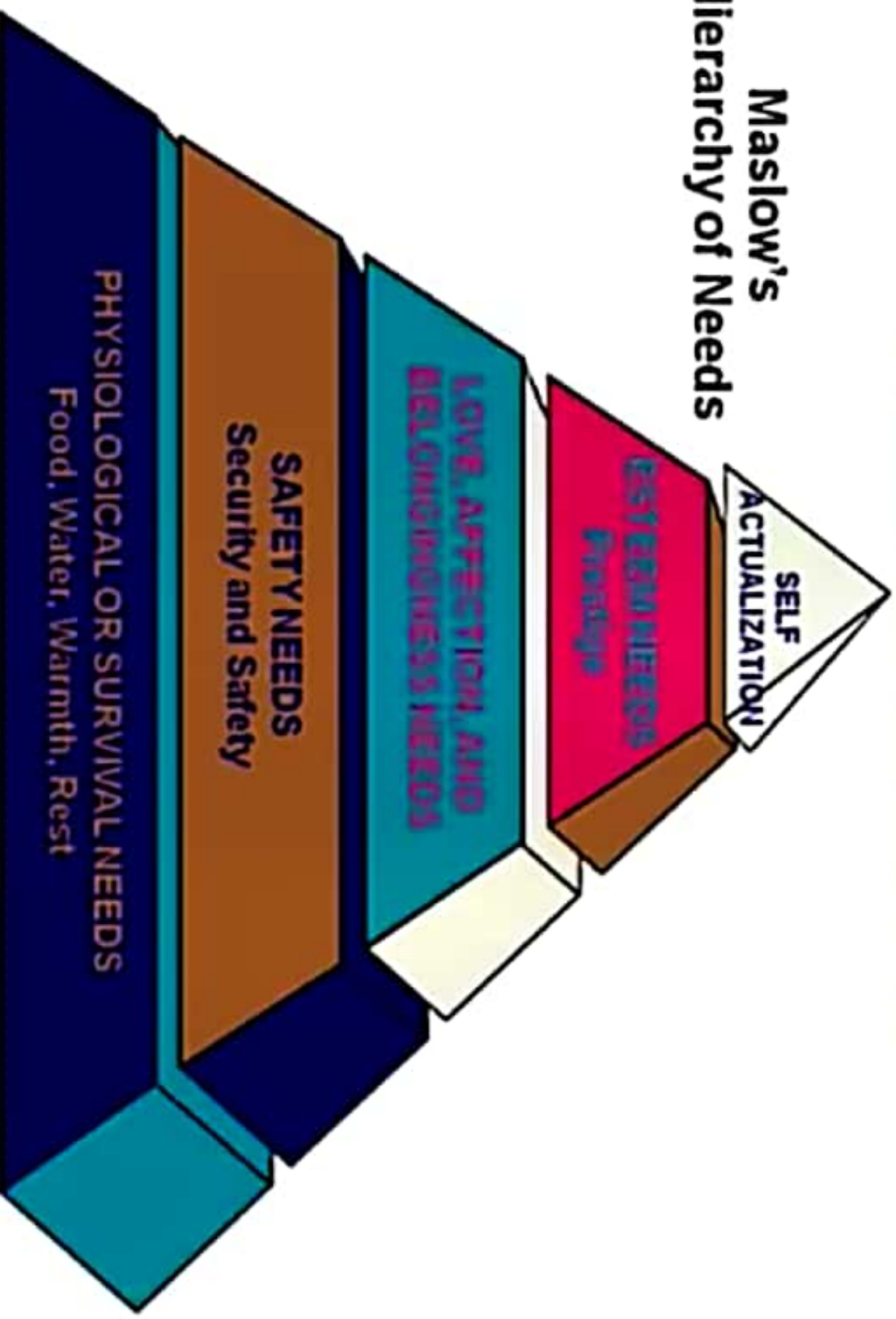


LECTURE-9

Consumer Markets and Consumer Buyer Behavior (Part-2)

Characteristics Affecting Consumer Behavior

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 from three perceptual processes**
- Selective attention
 - Selective distortion
 - Selective retention



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

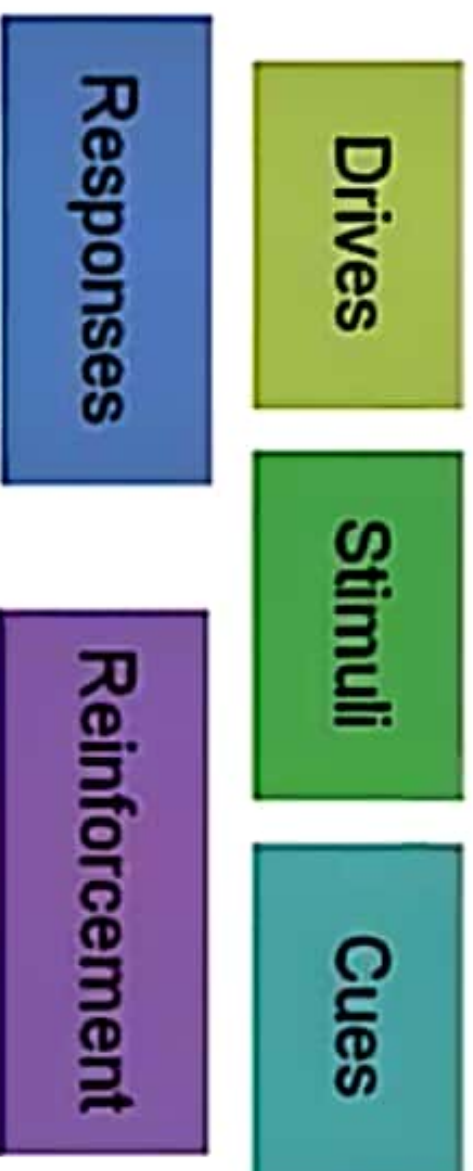
Selective distortion is the tendency for people to interpret information in a way that will support what they already believe

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 experience and occurs through interplay of:



Characteristics Affecting Consumer Behavior

Psychological Factors Beliefs and Attitudes

- **Belief** is a descriptive thought that a person has about something based on:
 - Knowledge
 - Opinion
 - Faith

Characteristics Affecting Consumer Behavior

Psychological Factors

- **Attitudes:** describe a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea

Types of Buying Decision Behavior

Complex buying behavior

Dissonance-reducing buying behavior

Habitual buying behavior

Variety-seeking buying behavior

Types of Buying Decision Behavior

Four Types of Buying Behavior

High involvement Low involvement

Complex buying behavior	Variety-seeking buying behavior
Dissonance-reducing buying behavior	Habitual buying behavior

Significant differences between brands

Few differences between brands

The Buyer Decision Process

Buyer Decision Making Process



The Buyer Decision Process

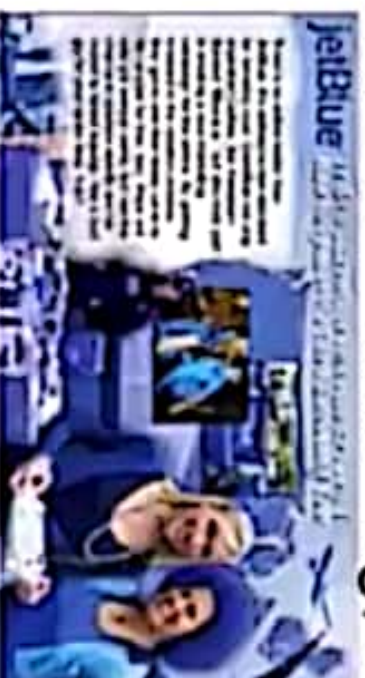
Need Recognition

- Occurs when the buyer recognizes a problem or need triggered by:
 - Internal stimuli
 - External stimuli

The Buyer Decision Process

Information Search Sources of Information

- Personal sources—family and friends
- Commercial sources—advertising, Internet
- Public sources—mass media, consumer organizations
- Experiential sources—handling, examining, using the product



The Buyer Decision Process

Evaluation of Alternatives

- How the consumer processes information to arrive at brand choices



The Buyer Decision Process

Purchase Decision

- The act by the consumer to buy the most preferred brand
- The purchase decision can be affected by:
 - Attitudes of others
 - Unexpected situational factors

The Buyer Decision Process

Post-Purchase Decision

- The satisfaction or dissatisfaction that the consumer feels about the purchase
- Relationship between:
 - Consumer's expectations
 - Product's perceived performance
- The larger the gap between expectation and performance, the greater the consumer's dissatisfaction
- Cognitive dissonance is the discomfort caused by a post-purchase conflict

The Buyer Decision Process

Post-Purchase Decision

Customer satisfaction is a key to building profitable relationships with consumers—to keeping and growing consumers and reaping their customer lifetime value

The Buyer Decision Process for New Products

Adoption process is the mental process an individual goes through from first learning about an innovation to final regular use.

- Stages in the process include:



The Buyer Decision Process for New Products

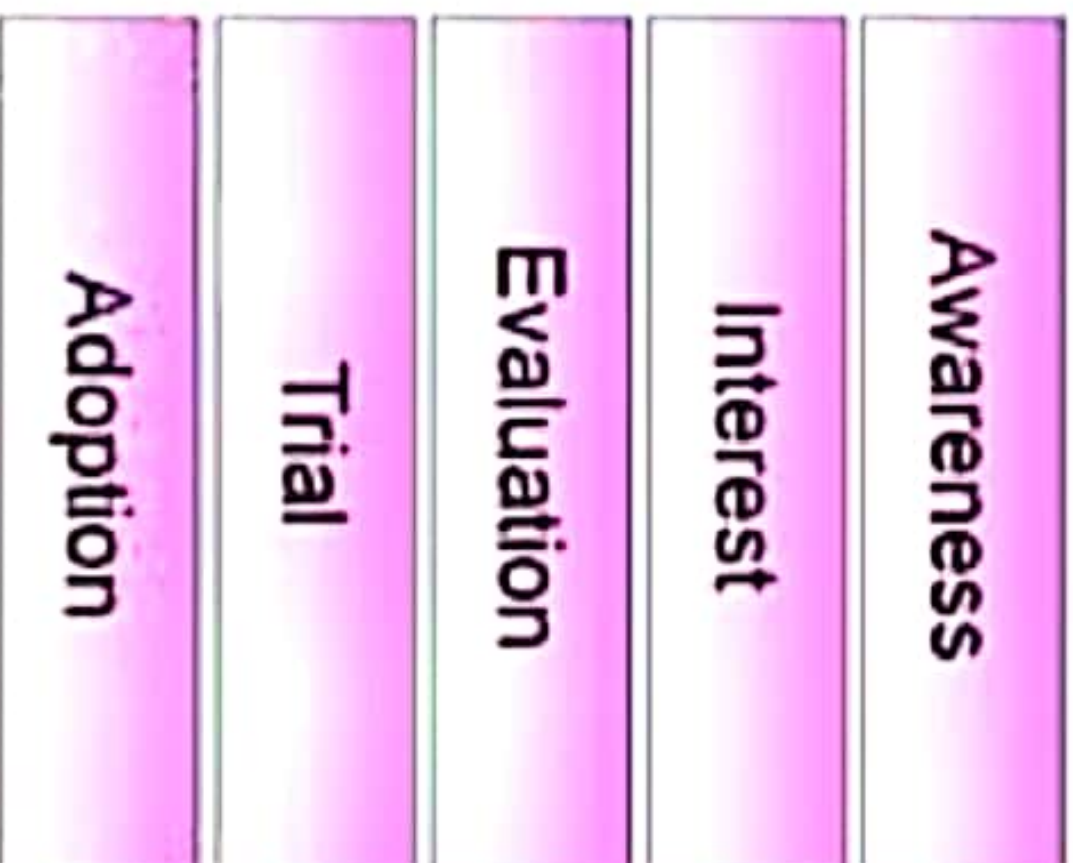
Differences in Innovativeness Adopter Categories

- Innovators
- Early Adopters
- Early Majority
- Late Majority
- Laggards

What is Adoption?

Adoption is an individual's decision to become a regular user of a product.

Stages in the Adoption Process



The Buyer Decision Process for New Products

Influence of Product Characteristics
on Rate of Adoption

Relative
advantage

Compatibility

Complexity

Divisibility

Communicability

Characteristics of an Innovation

- **Relative advantage**
 - The degree to which the innovation appears superior to existing products.
- **Compatibility**
 - The degree to which the innovation matches the values & experiences of the individuals.
- **Complexity**
 - The degree to which the innovation is relatively difficult to understand or use.

Characteristics of an Innovation

- **Divisibility**
 - The degree to which the innovation can be tried on a limited basis.
- **Communicability**
 - The degree to which the beneficial results of use are observable or describable to others.

The End



**"Don't be afraid of the space
between your dreams and
reality.**

**If you can dream it, you can
make it so."
Belva Davis**