

Principles of Marketing

Chapter Five

Consumer Markets and Consumer Buyer Behavior

Consumer Markets and Consumer Buyer Behavior

Topic Outline

- Model of Consumer Behavior
- Characteristics Affecting Consumer Behavior
- The Buyer Decision Process
- The Business Decision-Making Process

Model of Consumer Behavior

- Consumer buyer behavior refers to the buying behavior of final consumers—individuals and households who buy goods and services for personal consumption
- Consumer market refers to all of the personal consumption of final consumers

Characteristics Affecting Consumer Behavior

Culture is the learned values,
perceptions, wants, and behavior from
family and other important institutions

Characteristics Affecting Consumer Behavior

- **Subculture** are groups of people within a culture with shared value systems based on common life experiences and situations
 - Hispanic
 - African American
 - Asian
 - Mature consumers

Characteristics Affecting Consumer Behavior

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

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

Characteristics Affecting Consumer Behavior

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

Reference Groups

- Groups that form a comparison or reference in forming attitudes or behavior

Characteristics Affecting Consumer Behavior

Groups and Social Networks

- Word-of-mouth influence and buzz marketing
 - Opinion leaders are people within a reference group who exert social influence on others
 - Also called *influentials* or *leading adopters*
 - Marketers identify them to use as brand ambassadors

Characteristics Affecting Consumer Behavior

Groups and Social Networks

- Online social networks are online communities where people socialize or exchange information and opinions
- Include blogs, social networking sites (facebook), virtual worlds (second life)

Characteristics Affecting Consumer Behavior

Social Factors

- Family is the most important consumer-buying organization in society
- Social roles and status are the groups, family, clubs, and organizations that a person belongs to that can define role and social status

Characteristics Affecting Consumer Behavior

Personal Factors

- Age and life-cycle stage
- Shaped by the stage of family life style

Characteristics Affecting Consumer Behavior

Personal Factors

Occupation affects the goods and services bought by consumers

Economic situation includes trends in:

Personal
income

Savings

Interest
rates

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

Characteristics Affecting Consumer Behavior

Personal Factors

- Personality and Self-Concept
 - Personality refers to the unique psychological characteristics that lead to consistent and lasting responses to the consumer's environment

Characteristics Affecting Consumer Behavior

Self confidence

Dominance

Autonomy

Defensiveness

Adaptability

Aggressiveness

Characteristics Affecting Consumer Behavior

Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes

Characteristics Affecting Consumer Behavior

Psychological Factors Motivation

A **motive** is a need that is sufficiently pressing to direct the person to seek satisfaction

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

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

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
- **Post purchase satisfaction.**
- Relationship between:
 - Consumer's expectations
 - Product's perceived performance
- The larger the gap between expectation and performance, the greater the consumer's dissatisfaction
- **Post purchase action**
- **Post purchase use and disposal**

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 BUSINESS BUYING DECISION-MAKING PROCESS

- Business buyer behavior
- Business buying process

Stages In The Buying Process

- Problem recognition
- General need description
- Product specification
- Supplier search
- Proposal solicitation
- Supplier selection
- Order-routine specification
- Performance review

The End