

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
- Types of Buying Decision Behavior
- The Buyer Decision Process
- The Buyer Decision Process for New Products



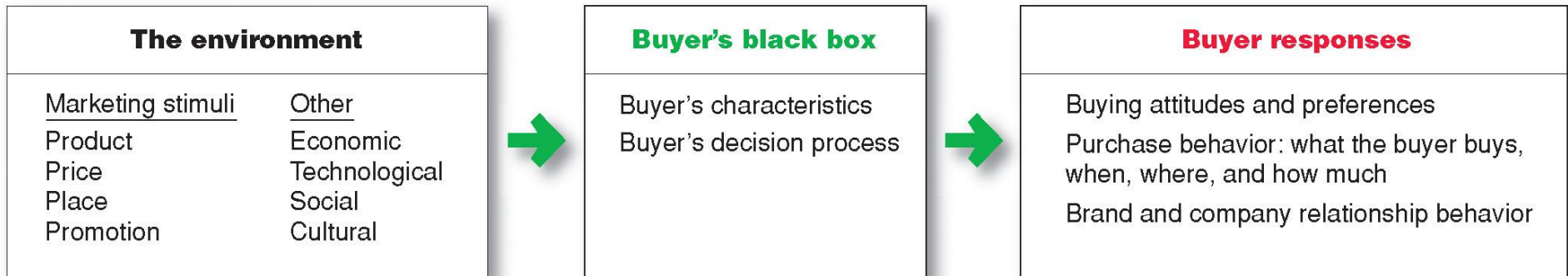
# Model of Consumer Behavior

**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

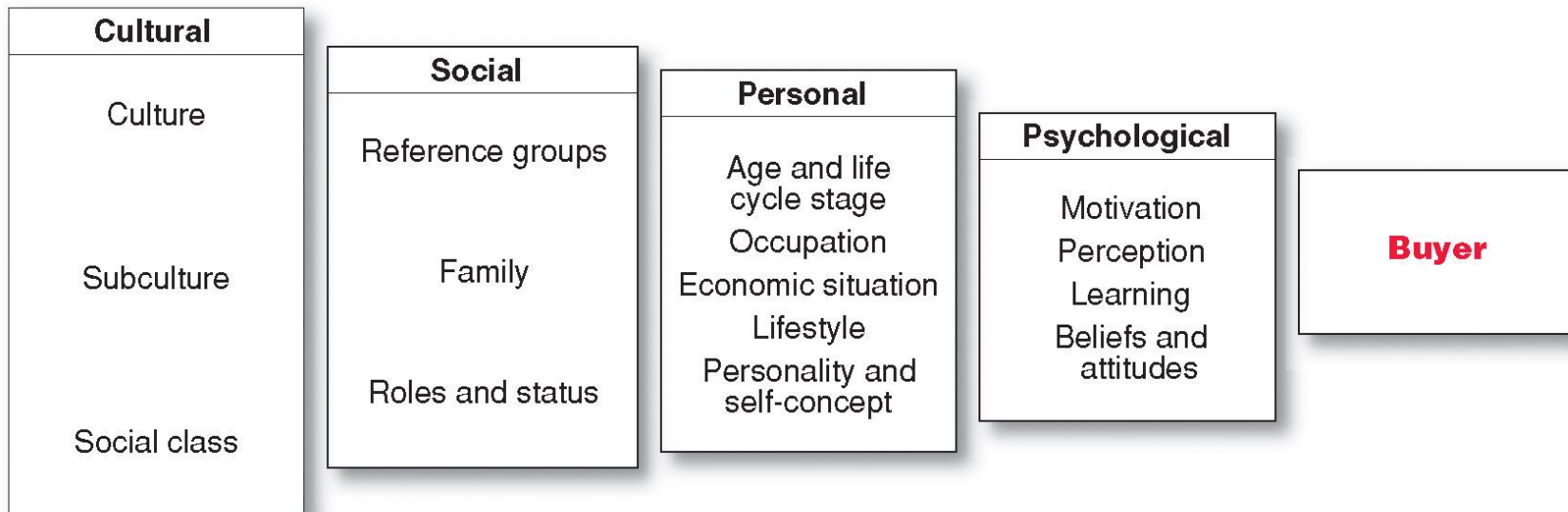


# Model of Consumer Behavior



# Characteristics Affecting Consumer Behavior

## Factors Influencing Consumer Behavior



# 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

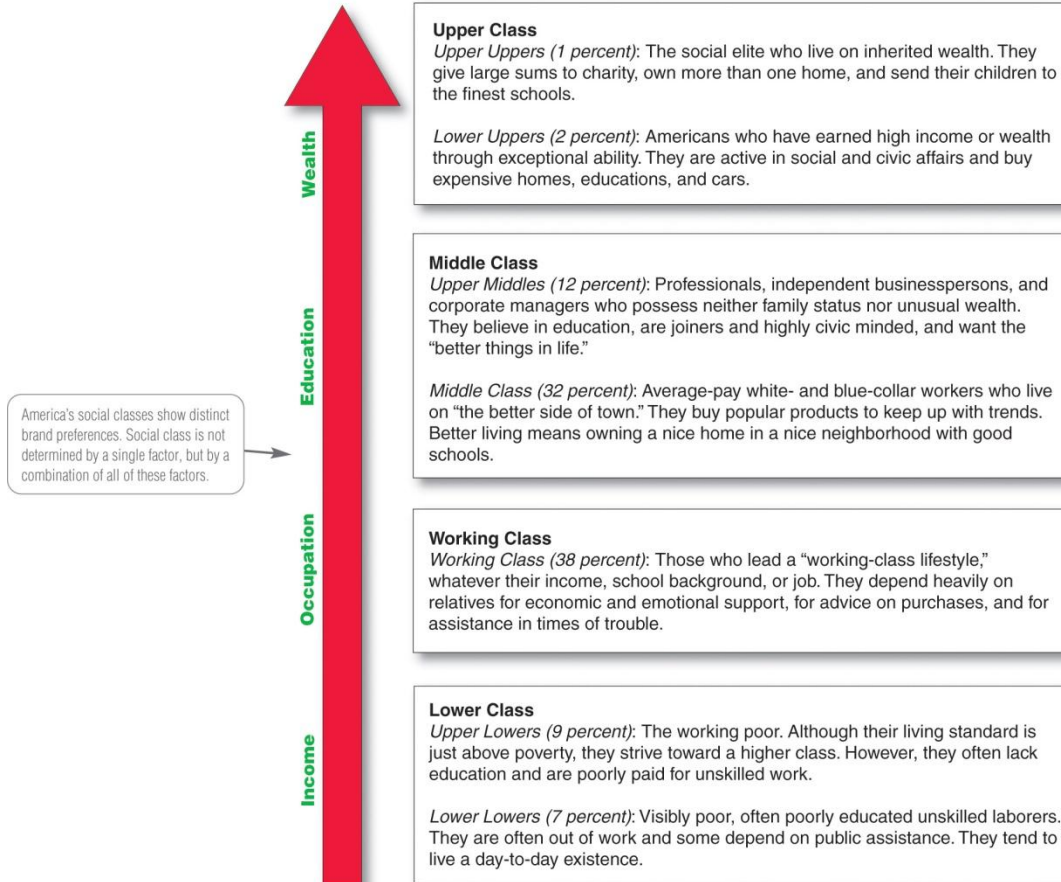
**Social classes** are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors

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





# Characteristics Affecting Consumer Behavior



# 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

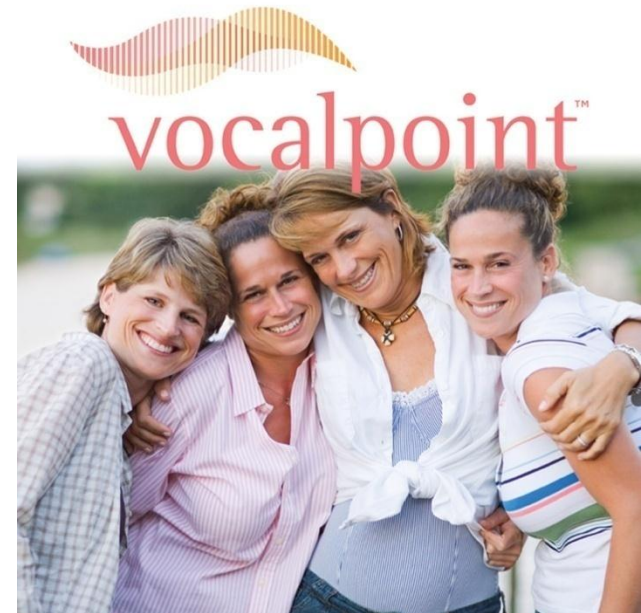
- Groups that form a comparison or reference in forming attitudes or behavior



# 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)

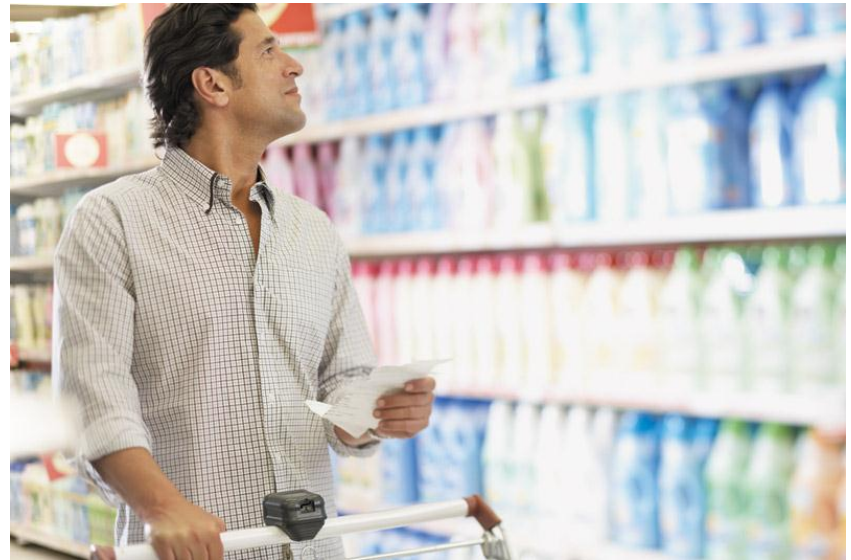
The screenshot shows the Yub.com website interface. At the top, it displays the Yub.com logo and navigation links. Below the header is a banner with a cartoon illustration of people and text: "Or meet others who like what you like." and "If a Yubber helps you, or if you help another Yubber you both get cash back!". Below the banner are three numbered steps: "1. Smart Shopping", "2. Get Cash Back", and "3. Do it with Friends". At the bottom, there is a section titled "Shop the Stores in our Cash Back Mall:" followed by a grid of store logos and their respective cash back percentages, such as 1-800-PetMed, COMPUSA, and many others.



# 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
- RBC Royal Band stages
  - Youth: younger than 18
  - Getting started: 18–35
  - Builders: 35–50
  - Accumulators: 50–60
  - Preservers: over 60



# 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

**Personal Factors**

**Dominance**

**Autonomy**

**Defensiveness**

**Adaptability**

**Aggressiveness**



# Characteristics Affecting Consumer Behavior

## Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes



# Characteristics Affecting Consumer Behavior

## Psychological Factors Motivation

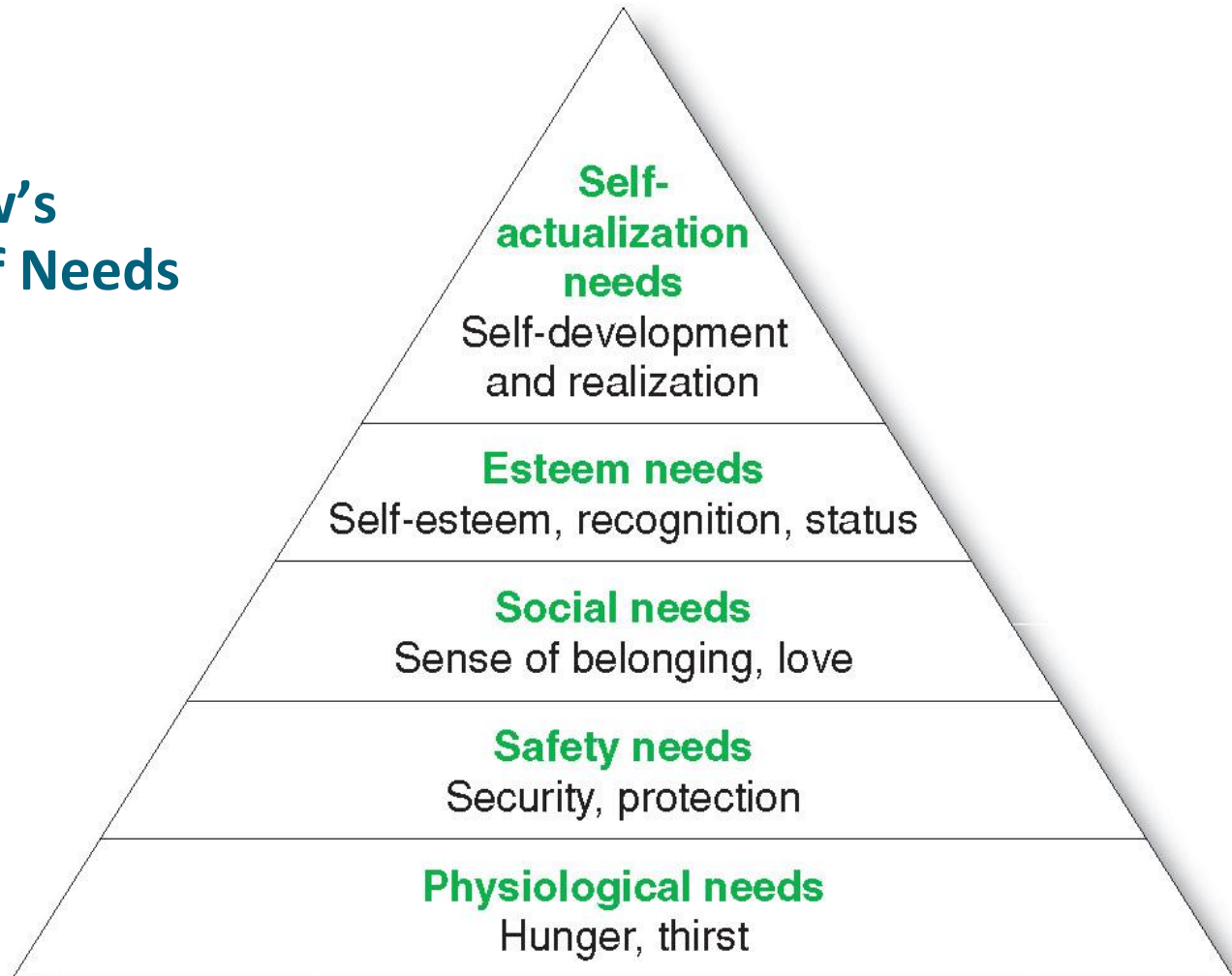
A **motive** is a need that is sufficiently pressing to direct the person to seek satisfaction

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



# Characteristics Affecting Consumer Behavior

## 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

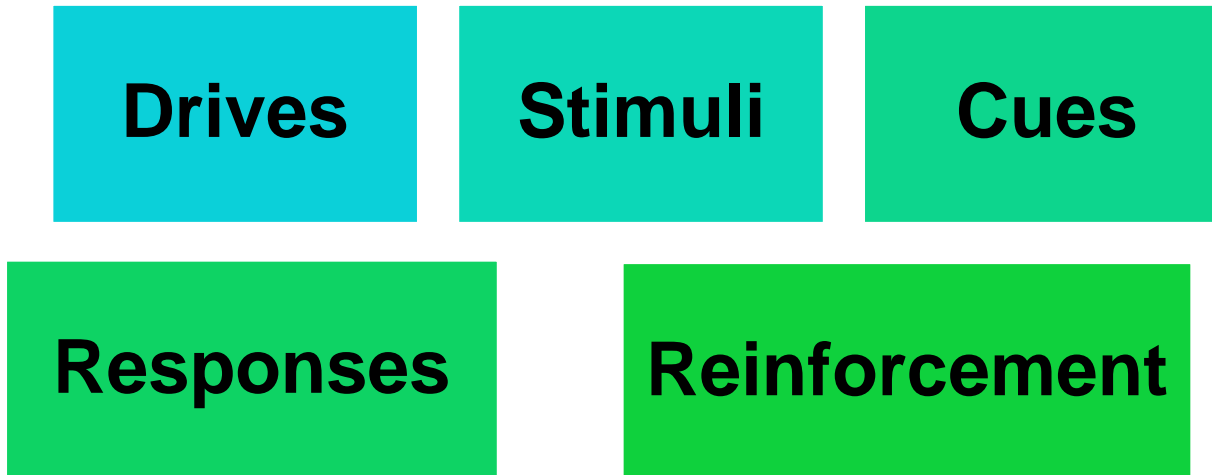
**Selective retention** is the tendency to remember good points made about a brand they favor and forget good points about competing brands



# 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:

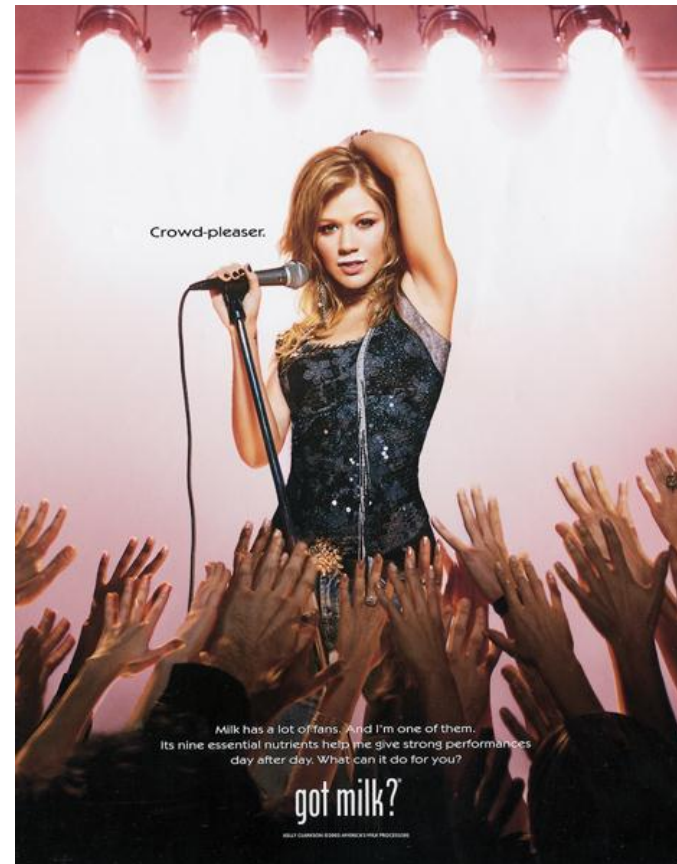
- Knowledge
- Opinion
- Faith



# 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
Significant differences between brands	Complex buying behavior	Variety-seeking buying behavior
Few differences between brands	Dissonance-reducing buying behavior	Habitual buying behavior



# The Buyer Decision Process

## Buyer Decision Making Process



# The Buyer Decision Process

## Need Recognition

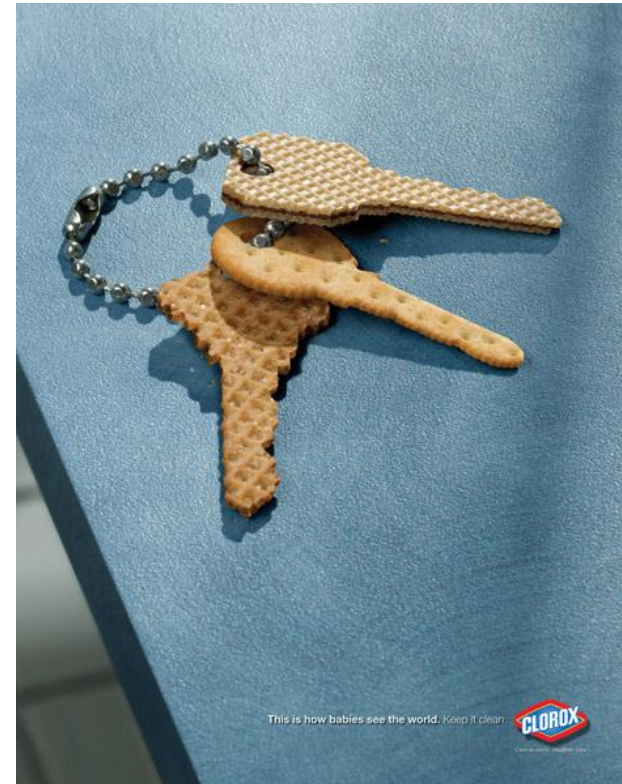
- Occurs when the buyer recognizes a problem or need triggered by:
  - Internal stimuli
  - External stimuli



# 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:

**Awareness**



**Interest**



**Evaluation**



**Trial**



**Adoption**



# The Buyer Decision Process for New Products

## Influence of Product Characteristics on Rate of Adoption

Relative advantage

Compatibility

Complexity

Divisibility

Communicability





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