

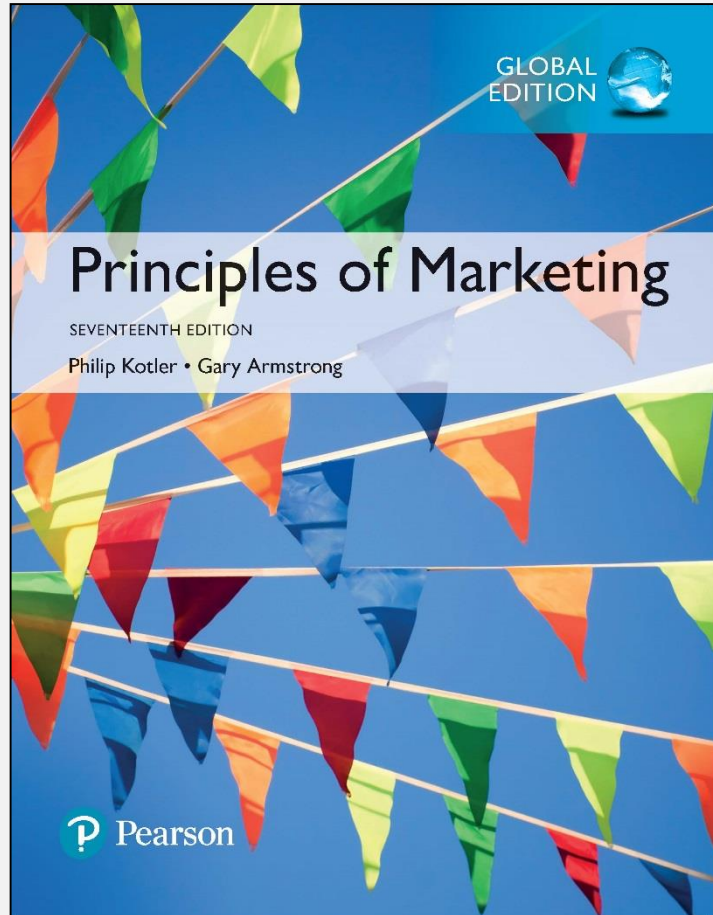


MK 201 Principles of Marketing Consumer Behavior

By Ajarn Suwalya K.
September 8, 2020

Principles of Marketing

Seventeenth Edition



Chapter 5

Consumer Markets and Buyer Behavior

Learning Objectives

- 5-1** Define the consumer market and construct a simple model of consumer buyer behavior.
- 5-2** Name the four major factors that influence consumer buyer behavior.
- 5-3** List and define the major types of buying decision behavior and the stages in the buyer decision process.
- 5-4** Describe the adoption and diffusion process for new products.

Learning Objective 1

Define the consumer market and construct a simple model of consumer buyer behavior.

Consumer Markets and Buyer Behavior

Consumer buyer behavior is the buying behavior of final consumers—individuals and households that buy goods and services for **personal consumption**.

Consumer markets are made up of all the **individuals and households that buy or acquire goods and services** for personal consumption.

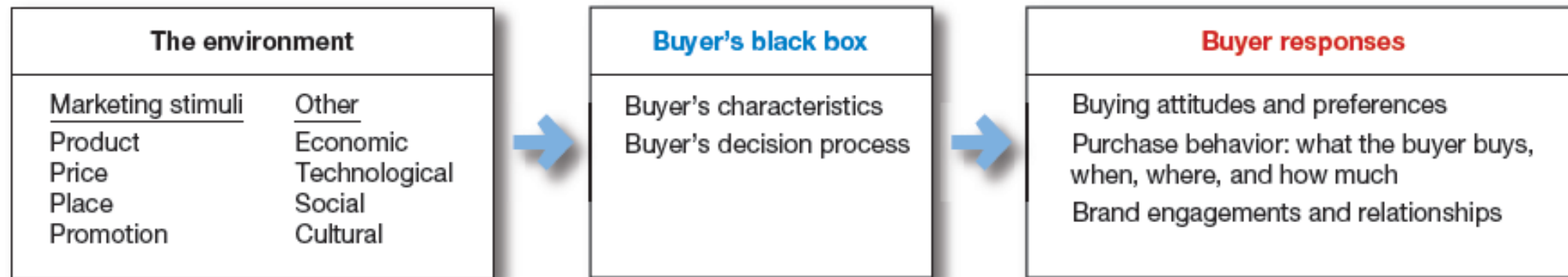
Markets

- B2C = Business to Consumer
- B2B = Business to Business



Consumer Markets and Buyer Behavior

● FIGURE | 5.1
The Model of Buyer Behavior



We can measure the whats, wheres, and whens of buyer behavior. But it's difficult to "see" inside the consumer's head and figure out the whys (that's why it's called the black box).

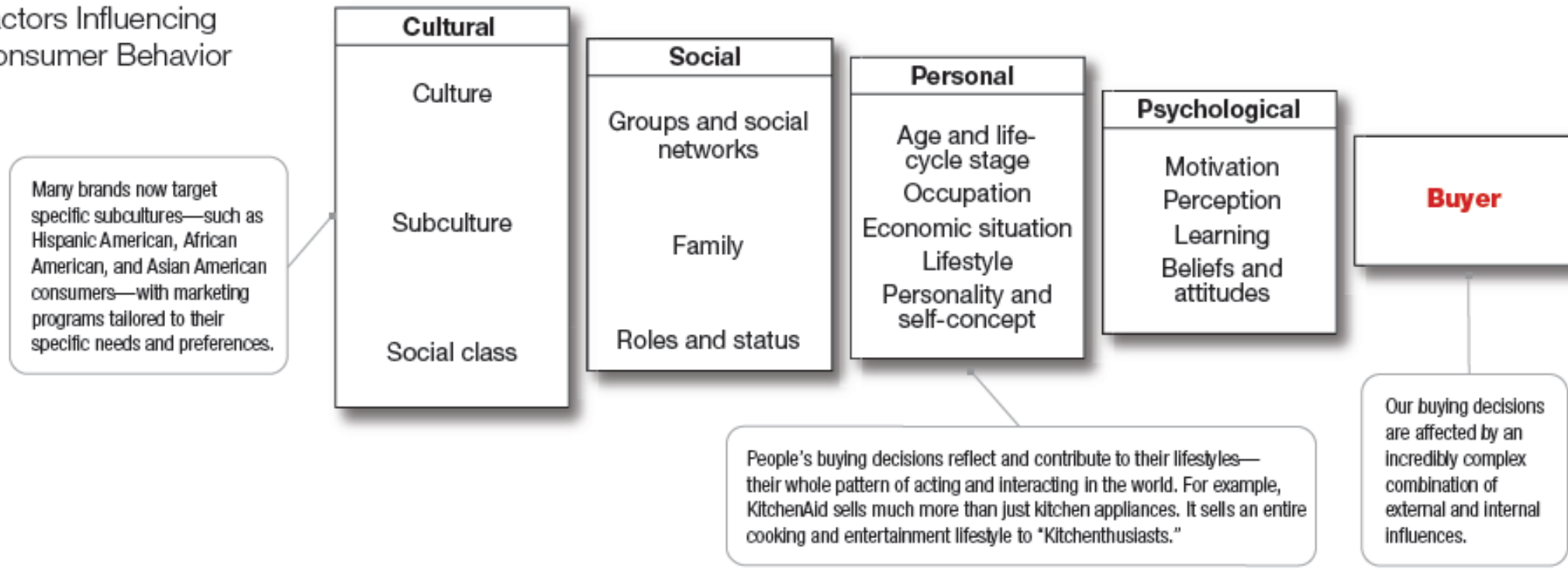
We look first at buyer characteristics as they affect buyer behavior and then discuss the buyer decision process.

Learning Objective 2

Name the four major factors that influence consumer buyer behavior.

Characteristics Affecting Consumer Behavior

● FIGURE | 5.2
Factors Influencing
Consumer Behavior



Characteristics Affecting Consumer Behavior

Cultural Factors

Culture is the set of basic values, perceptions, wants, and behaviors learned by a member of society from family and other important institutions.



Characteristics Affecting Consumer Behavior

Cultural Factors

Subcultures are groups of people within a culture with shared value systems based on common life experiences and situations.



● Targeting Hispanic consumers: Toyota's award-winning "Más Que un Auto" campaign created a strong emotional connection between Hispanics and their Toyotas with free, official-looking, personalized nameplates for their much-loved cars— here, Pepe.

Toyota Motor Sales, U.S.A. Inc.

Characteristics Affecting Consumer Behavior

Cultural Factors

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

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



Characteristics Affecting Consumer Behavior

Cultural Factors

Major American Social Classes

- Upper Class
- Middle Class
- Working Class
- Lower Class

Characteristics Affecting Consumer Behavior

Social Factors

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

Types of Membership Groups

- Economic (private interest)
 - Are primarily interested in benefits for members
 - Example: Labor Unions --> The economic security of the group's members are directly at stake
- Public interest groups
 - Seek to create broad benefits for everyone
 - Example: environmental groups
 - ***Non-members of public interest groups are free-riders
- Other types of groups
 - Churches, for example



What is a Reference Group

- **Reference group:** any person or group of people who significantly influences an individual's behavior

Eg. Individuals (Celebrities, Athletes, or Political leaders)

Groups of individuals with similarities (Musical groups or Sports teams)

Why Reference Groups are Important?

- **Social Power:**
 - The capacity to alter the actions of others
- **Referent Power:**
 - When consumers imitate qualities by copying behaviors of a prominent person they admire.
- **Information Power:**
 - Able to influence consumer opinion by virtue of their (assumed) access to the "truth"
- **Legitimate Power:**
 - Granted to people by virtue of social agreements



Aspirational/Dissociative Groups

- **Aspirational group** – one in which a consumer desires to become a member.
 - Often appeals to the consumer's *ideal* self.
- **Dissociative group** – one to which a consumer does not want to belong.

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consumer does not want to belong



Characteristics Affecting Consumer Behavior

Groups and Social Networks

- Online social networks
- Buzz marketing
- Social media sites
- Virtual worlds
- Word of mouth
- Opinion leaders



• **Harnessing the power of online social networking: Dunkin' Donuts uses Vine personality Logan Paul to promote its Dunkin' Donuts app and DD Perks loyalty program with posts on Vine and other social media.**

Courtesy Logan Paul

Characteristics Affecting Consumer Behavior

Social Factors

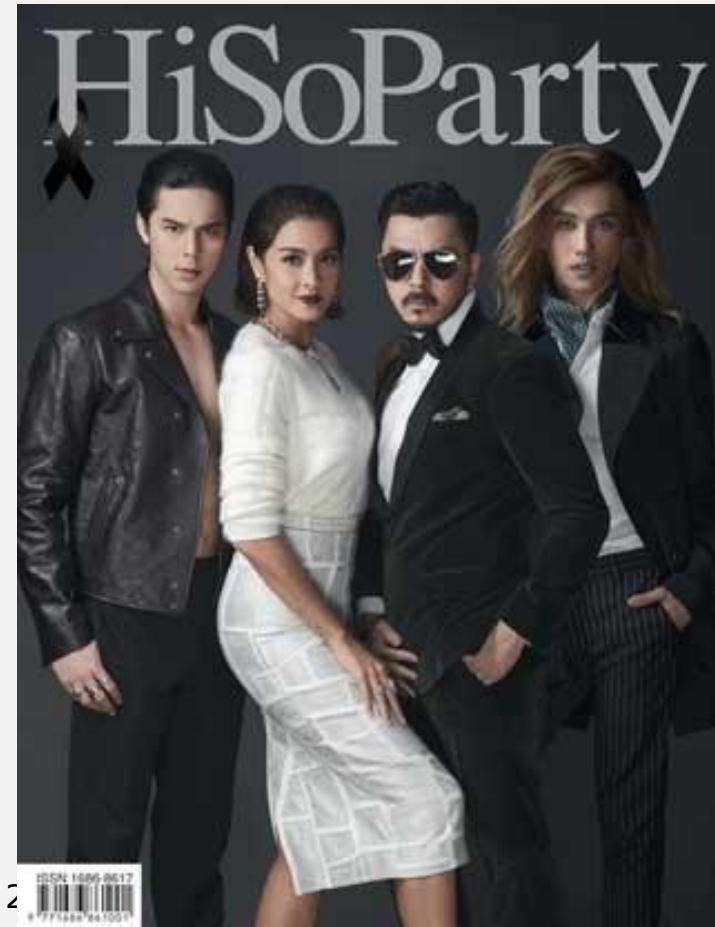
- Family is the **most important consumer-buying** organization in society.



Characteristics Affecting Consumer Behavior

Social Factors

- Role and status **can be defined by a person's position in a group.**



Characteristics Affecting Consumer Behavior

Personal Factors

- Age and life-cycle stage
- PRIZM Lifestage Groups system
 - 66 segments
 - 11 life-stage groups



Characteristics Affecting Consumer Behavior

Personal Factors

Occupation affects the goods and services bought by consumers.

Economic situations include trends in:

Spending

Personal
income

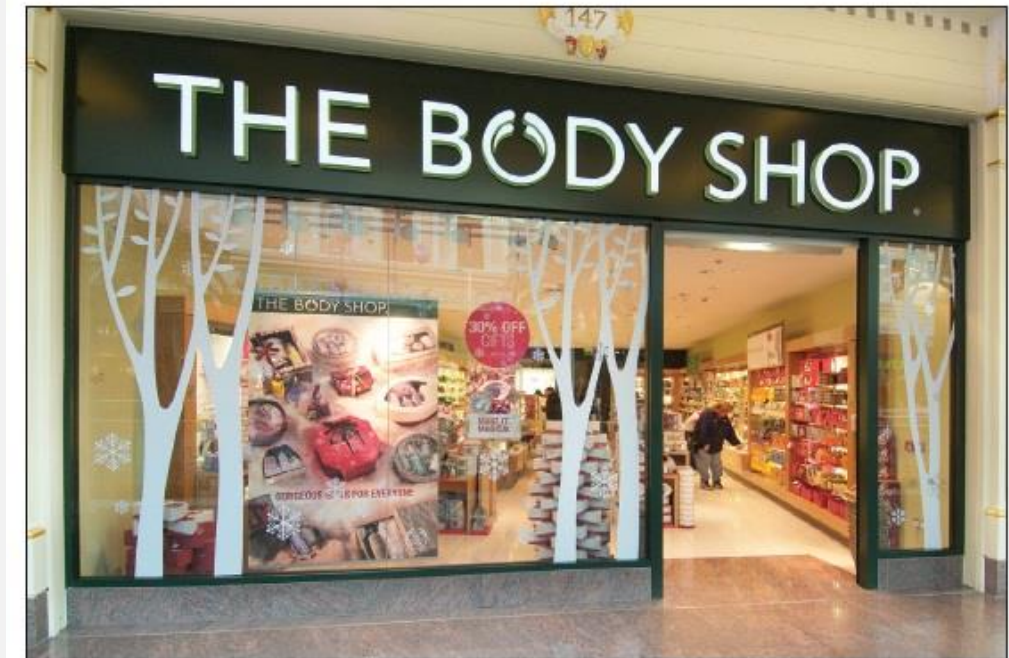
Savings

Interest
rates

Characteristics Affecting Consumer Behavior

Personal Factors

Lifestyle is a person's pattern of living as expressed in his or her psychographics.



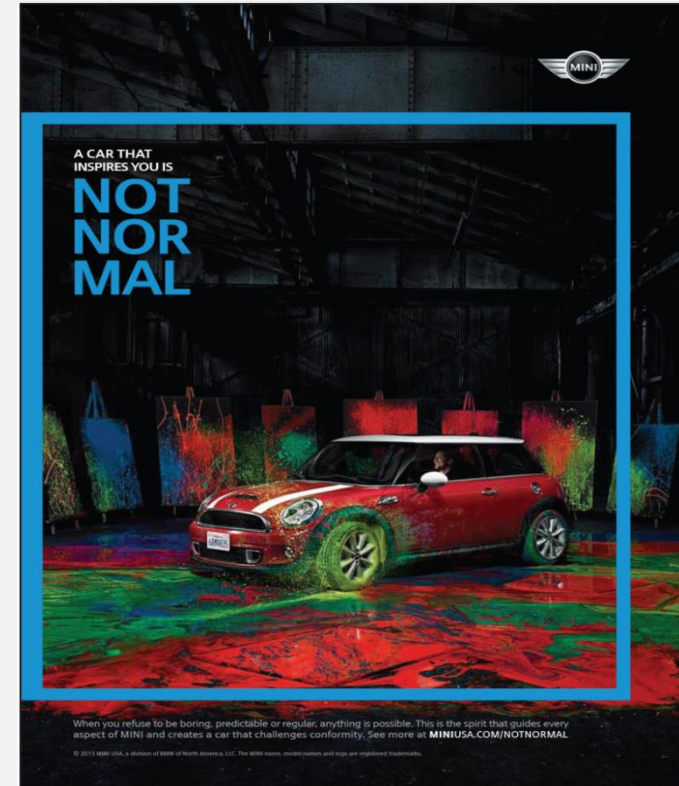
● **Lifestyles:** The Body Shop markets much more than just beauty products. Its cosmetics embody the ethical consumerism lifestyle.

UK retail Alan King/Alamy Stock Photo

Characteristics Affecting Consumer Behavior

Personal Factors

Personality refers to the unique psychological characteristics that distinguish a person or group.



● **Brand personality: MINI markets to personality segments of people who are “adventurous, individualistic, open-minded, creative, tech-savvy, and young at heart” — anything but “normal” — just like the car.**

Used with permission of MINI Division of BMW of North America, LLC

Characteristics Affecting Consumer Behavior

Brand Personality Traits

Sincerity

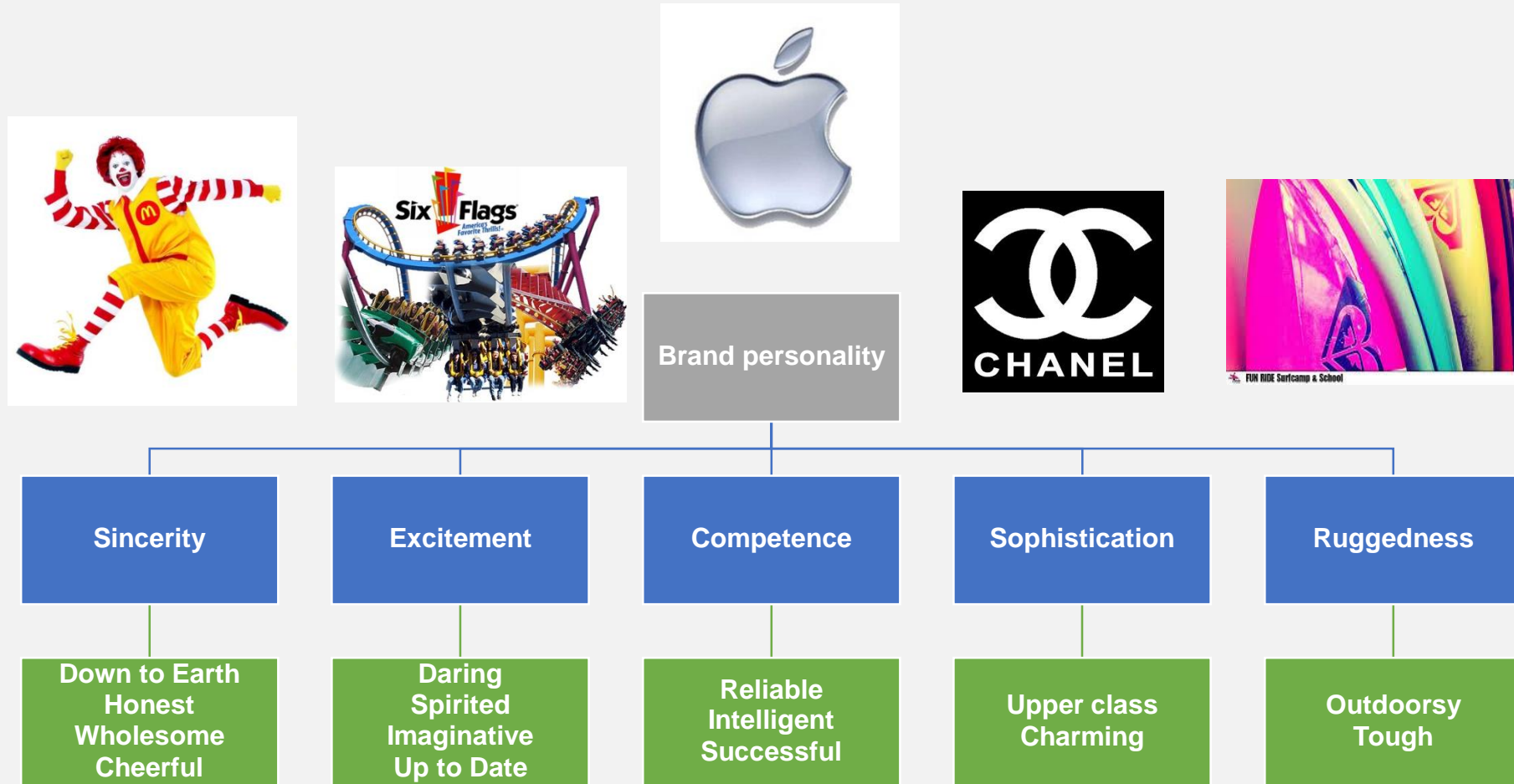
Excitement

Competence

Sophistication

Ruggedness

Dimensions of Brand Personality



Developing Marketing Information

Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes

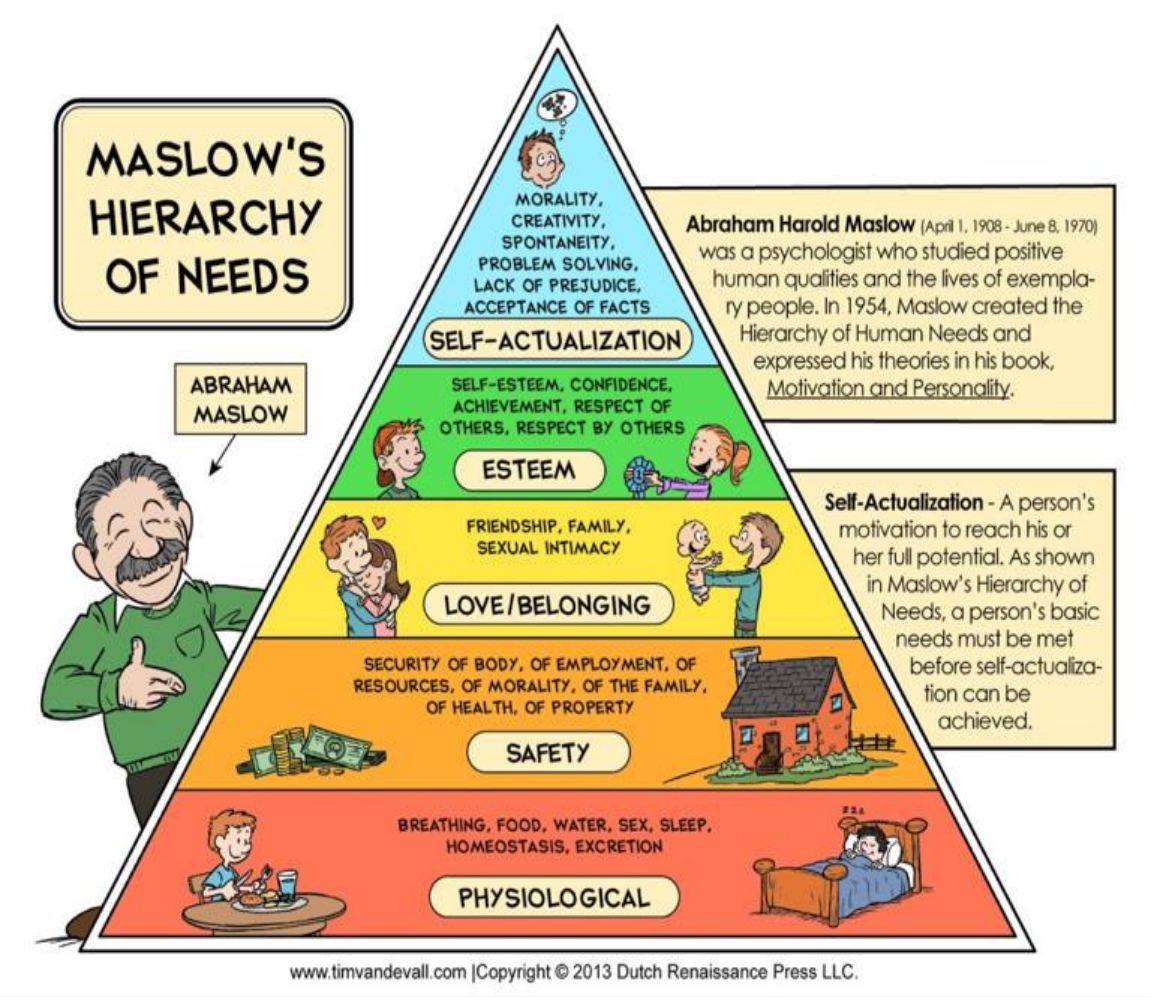
Characteristics Affecting Consumer Behavior

Psychological Factors

A **motive** (or **drive**) is a need that is sufficiently pressing to direct the person to seek satisfaction of the need.

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

Developing Marketing Information



Developing Marketing Information



Developing Marketing Information

Unit - 3

Perception

Concept

Perception play very important role in determination of individual behaviour. It is simply the process or way to understand about any object or event. It differs with individuals. How people 'see' things , is perception. Perception depends expectation , needs and background as well.



Characteristics Affecting Consumer Behavior

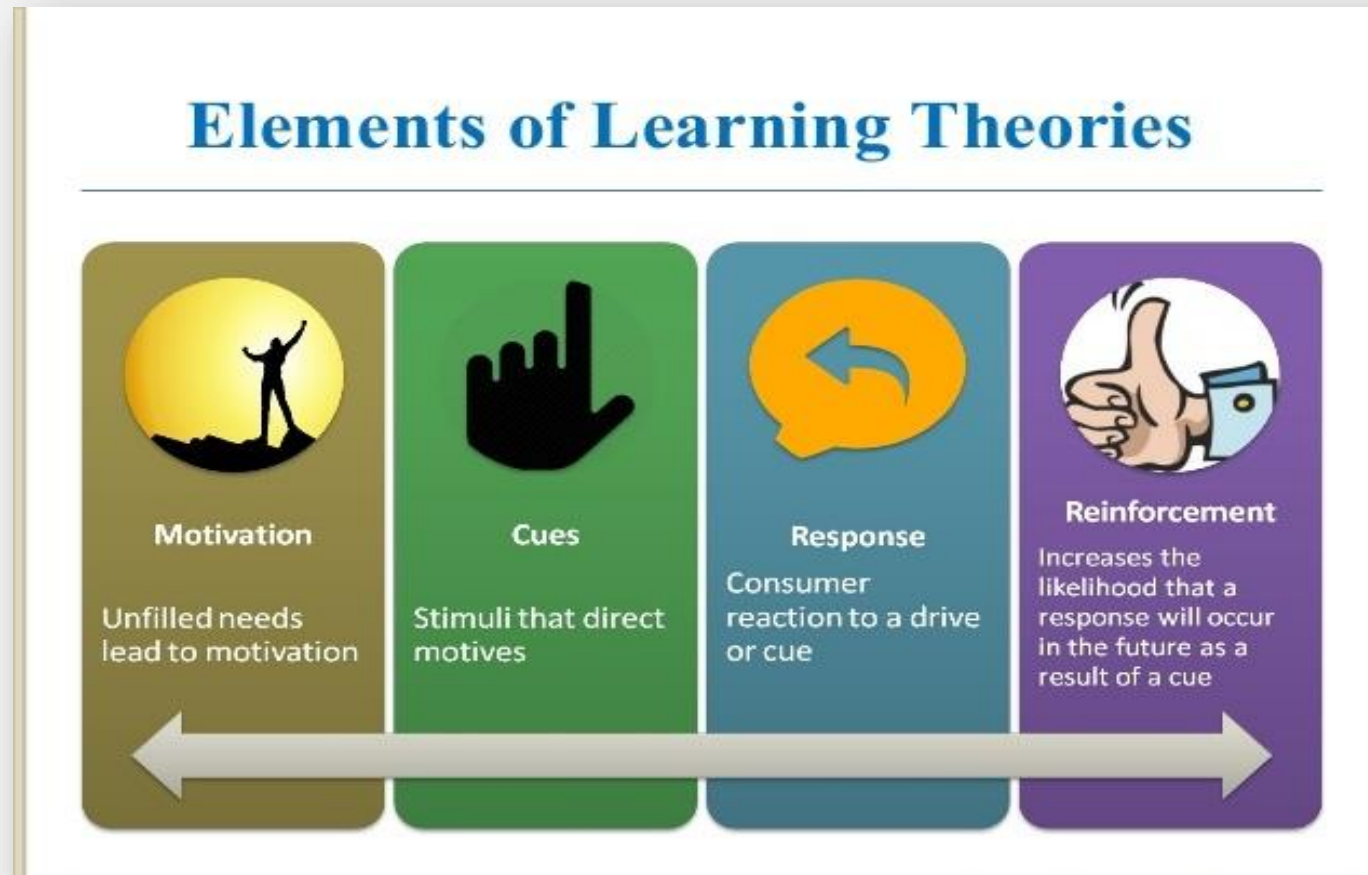
Psychological Factors

Learning is the change in an individual's behavior arising from experience and occurs through the interplay of:



Characteristics Affecting Consumer Behavior

Psychological Factors



Characteristics Affecting Consumer Behavior

Psychological Factors

A **belief** is a descriptive thought that a person has about something based on:

- knowledge
- opinion
- faith

An **attitude** describes a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea.

Characteristics Affecting Consumer Behavior

Psychological Factors



Beliefs, Values and Attitudes

A belief is an internal feeling that something is true, even though that belief may be unproven or irrational

I believe that there is life after death.

A value is a measure of the worth or importance a person attaches to something; our values are often reflected in the way we live our lives.

I value freedom of speech, or I value my family.

An attitude is the way a person expresses or applies their beliefs and values, and is expressed through words and behaviour.

I hate school.

Pratima Nayak, KV, FW

Learning Objective 3

List and define the major types of buying decision behavior and the stages in the buyer decision process.

Types of Buying Decision Behavior

Complex buying behavior

Example: Car, computer

Dissonance-reducing buying behavior

Example: Lawn mower, diamond ring

Habitual buying behavior

Example: Milk, bread

Variety-seeking buying behavior

Example: Potato chips, coffee

Types of Buying Decision Behavior

● FIGURE | 5.4 Four Types of Buying Behavior

Source: Adapted from Henry Assael, *Consumer Behavior and Marketing Action* (Boston: Kent Publishing Company, 1987), p. 87. Used with permission of the author.

involvement in this product category—they simply go to the store and reach for a brand. If they keep reaching for the same brand, it is out of habit rather than strong brand loyalty. Consumers appear to have low involvement with most low-cost, frequently purchased products.

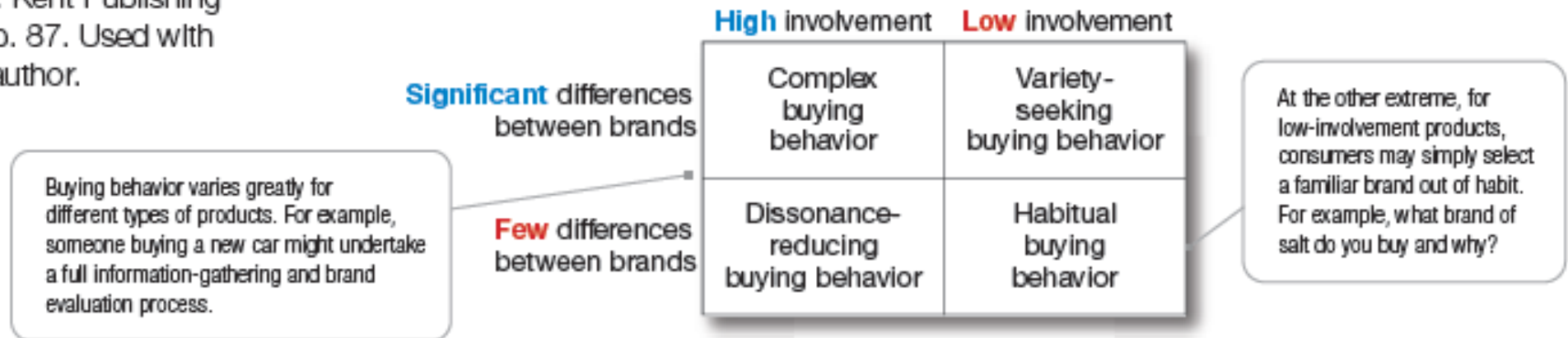
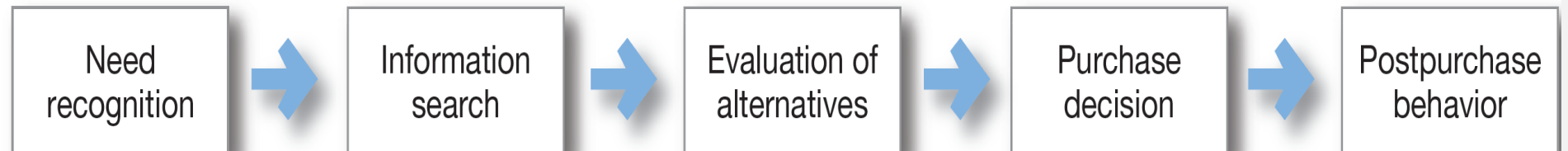


Figure 5.5 The Buyer Decision Process

The buying process starts long before the actual purchase and continues long after. Therefore, marketers must focus on the entire buying process, not just the purchase decision.

chase decision, and postpurchase behavior. Clearly, the buying process starts long before the actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on the purchase decision only.



The Buyer Decision Process

Need Recognition

Need recognition is the first stage of the buyer decision process, in which the consumer recognizes a problem or need triggered by:

- Internal stimuli
- External stimuli



The Buyer Decision Process

Information Search

Information search is the stage of the buyer decision process in which the consumer is motivated to search for more information.

Sources of information:

- Personal sources
- Commercial sources
- Public sources
- Experiential sources



The Buyer Decision Process

Evaluation of Alternatives

Alternative evaluation is the stage of the buyer decision process in which the consumer uses information to evaluate alternative brands in the choice set.



The Buyer Decision Process

Purchase Decision

Purchase decision is the buyer's decision about which brand to purchase.

The purchase **intention** may not be the purchase **decision** due to:

- Attitudes of others
- Unexpected situational factors



The Buyer Decision Process

Postpurchase Behavior

Postpurchase behavior is the stage of the buyer decision process in which consumers take further action after purchase, based on their satisfaction or dissatisfaction.



The Buyer Decision Process

Postpurchase Behavior

Cognitive dissonance is buyer discomfort caused by postpurchase conflict.

(to reduce create after sales vdo,
connect with consumers on feedback)



Customer Satisfaction

Excellent

Good

Average

Poor

● Postpurchase cognitive dissonance: Postpurchase customer satisfaction is a key to building profitable customer relationships. Most marketers go beyond merely *meeting* the customer expectations—they aim to *delight* customers.

Dusit/Shutterstock

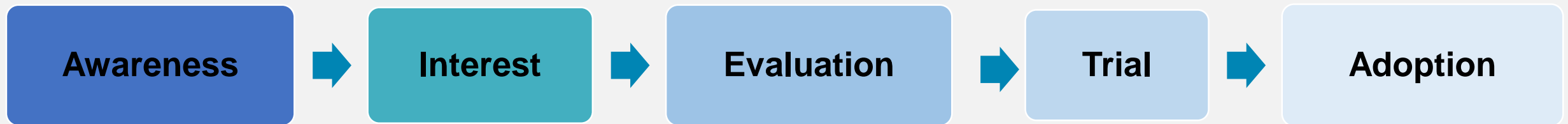
Learning Objective 4

Describe the adoption and diffusion process for new products.

The Buyer Decision Process for New Products

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

- Stages in the adoption process include:



The Buyer Decision Process for New Products

Individual Differences in Innovativeness

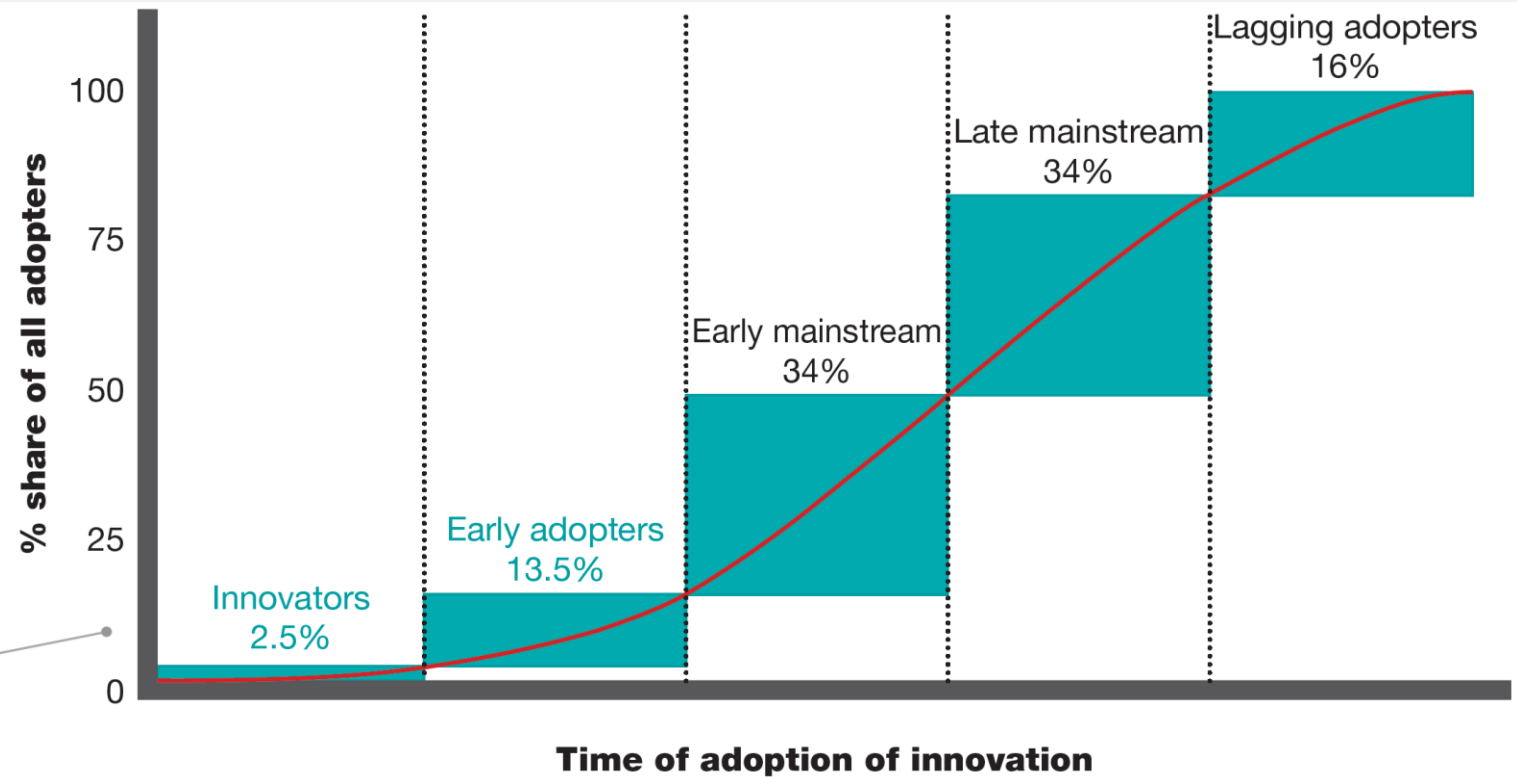
- Innovators
- Early Adopters
- Early Mainstream
- Late Mainstream
- Lagging Adopters



The Buyer Decision Process for New Products

● FIGURE 5.6
Adopter Categories Based on
Relative Time of Adoption of
Innovations

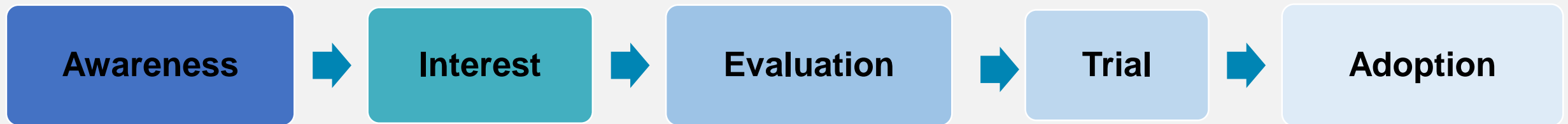
New product marketers often target innovators and early adopters, who in turn influence later adopters.



The Buyer Decision Process for New Products

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

- Stages in the adoption process include:



Group Assignment

You are to map down the buyer decision process of your brand
Due September 15, 2020

- Figure 5.5 The Buyer Decision Process

