

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



# 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
- 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

## 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

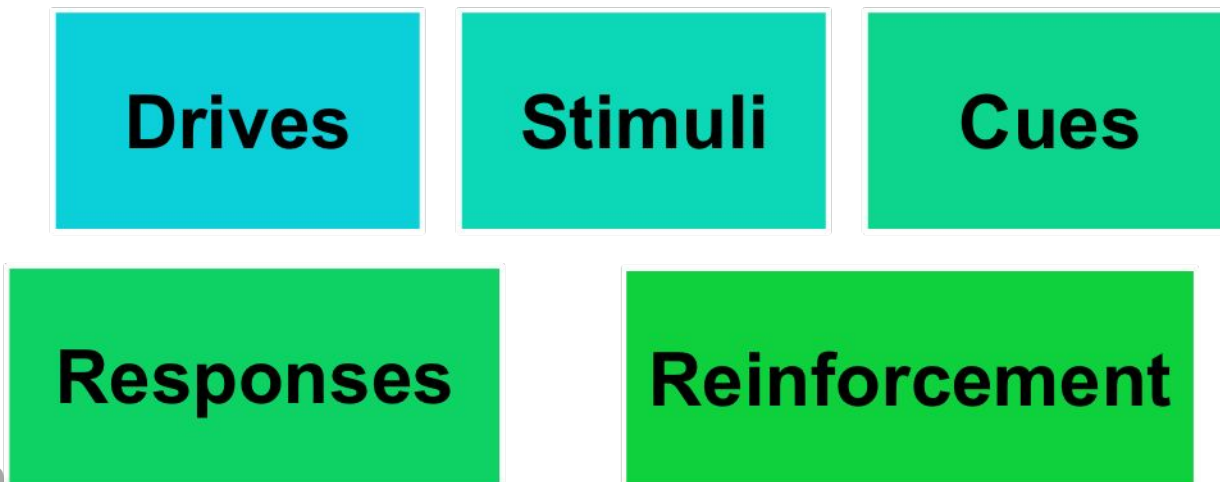
**Selective retention** is the tendency to remember good points made about a brand they favor and forget good points about competing brands



# 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



# 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

## Postpurchase 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 postpurchase 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

## Influence of Product Characteristics on Rate of Adoption

Relative advantage

Compatibility

Complexity

Divisibility

Communicability





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