



*It's good and  
good for you*

## Chapter Five

### Consumer Markets and Consumer Buyer Behavior

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## 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



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## Model of Consumer Behavior

**Consumer buyer behavior** : the buying behavior of final consumers, individuals and households, who buy goods and services for personal consumption

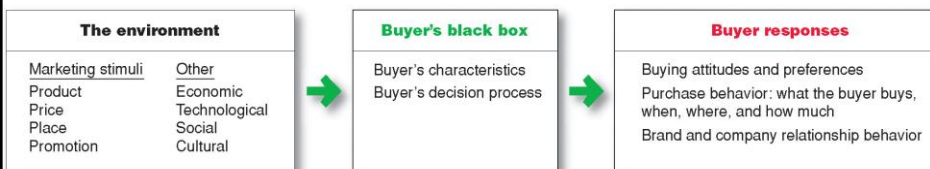
**Consumer market** : all of the personal consumption of final consumers



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## Model of Consumer Behavior



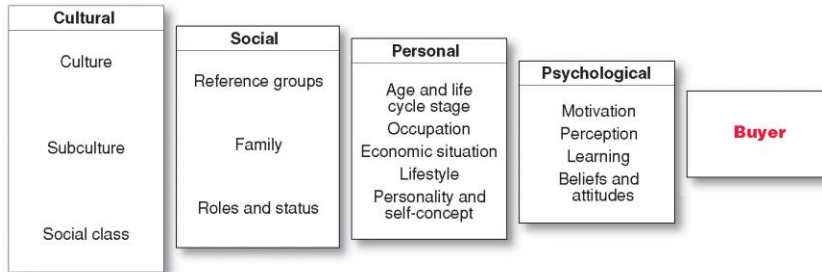
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# Characteristics Affecting Consumer Behavior

## Factors Influencing Consumer Behavior



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# Characteristics Affecting Consumer Behavior

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



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## Characteristics Affecting Consumer Behavior

**Subculture** are groups of people within a culture with shared value systems based on common life experiences

and situations

- Hispanic American
- African American
- Asian American
- Mature consumers



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## Characteristics Affecting Consumer Behavior

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

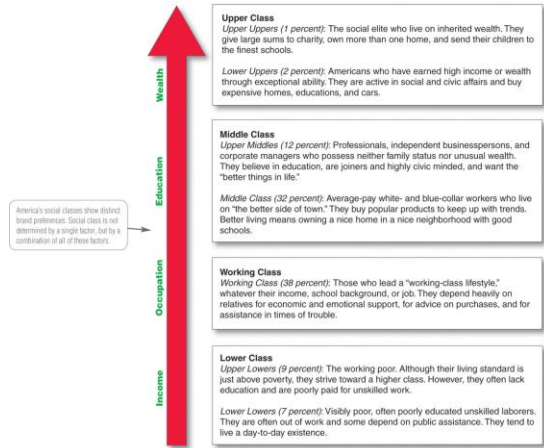
- Measured by a combination of occupation, income, education, wealth, and other variables



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# Major American Social Classes

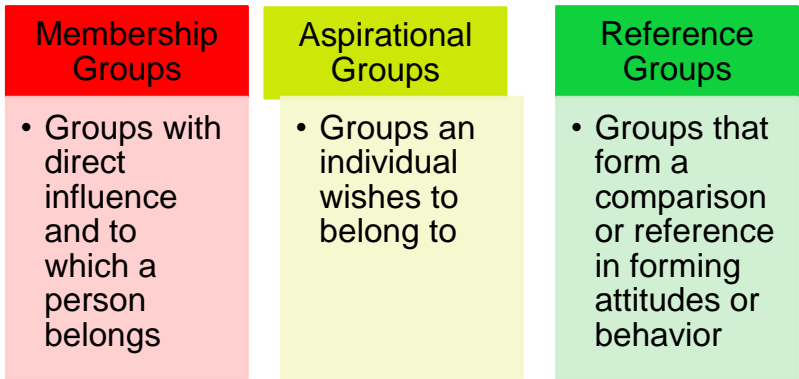


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# Characteristics Affecting Consumer Behavior

## Groups and Social Networks



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# 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



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# 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)



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# 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



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# 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



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# 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



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# 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



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# 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



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# Characteristics Affecting Consumer Behavior

**Personal Factors**

**Dominance**

**Autonomy**

**Defensiveness**

**Adaptability**

**Aggressiveness**



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# Characteristics Affecting Consumer Behavior

## Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes



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# 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

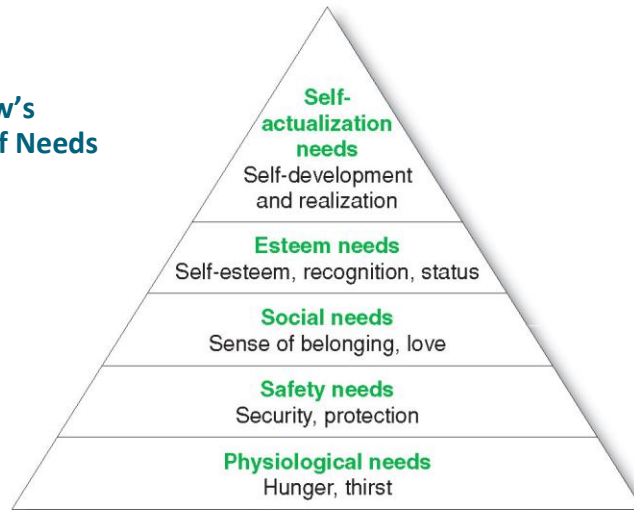


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## Characteristics Affecting Consumer Behavior

### Maslow's Hierarchy of Needs



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## 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



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# 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



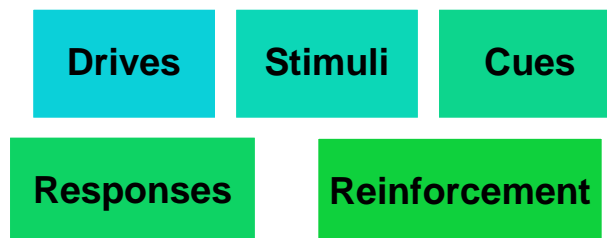
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# Characteristics Affecting Consumer Behavior

## Psychological Factors

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



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# 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



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# Characteristics Affecting Consumer Behavior

## Psychological Factors

### Attitudes

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



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## Types of Buying Decision Behavior

Complex buying behavior

Dissonance-reducing buying behavior

Habitual buying behavior

Variety-seeking buying behavior



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## 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



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# The Buyer Decision Process

## Buyer Decision Making Process



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# The Buyer Decision Process

## Need Recognition

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



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# 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



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# The Buyer Decision Process

## Evaluation of Alternatives

- How the consumer processes information to arrive at brand choices



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# 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



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# 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



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## 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



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## 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:



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# 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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