

ELEVENTH EDITION

# MARKETING

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CHAPTER

5

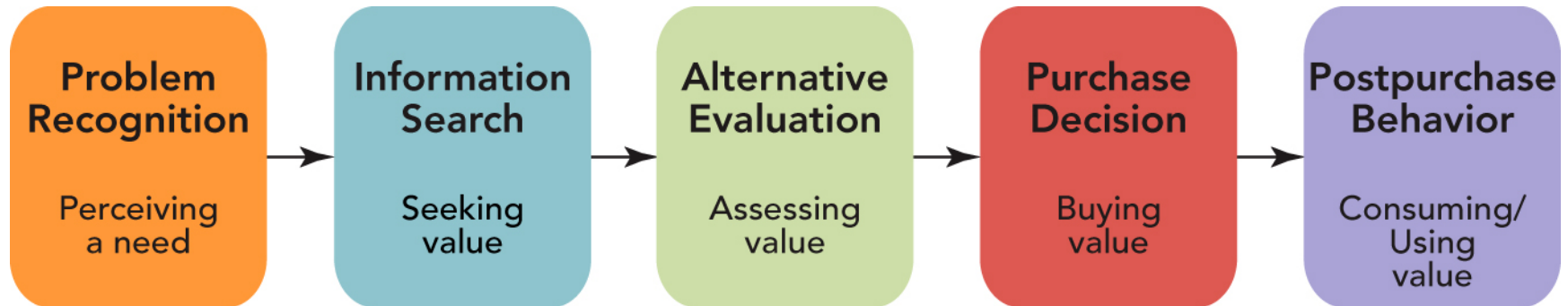
UNDERSTANDING  
CONSUMER  
BEHAVIOR

# ENLIGHTENED CARMAKERS KNOW WHAT CUSTOM(H)ERS VALUE

- **The Sense of Styling**
- **The Need for Speed**
- **The Substance of Safety**
- **The Shopping Experience**



## FIGURE 5-1 The purchase decision process consists of five stages



# CONSUMER PURCHASE DECISION PROCESS

## INFORMATION SEARCH

### ➤ Internal Search



### ➤ External Search

- Personal Sources






































- Public Sources



- Marketer-Dominated Sources



## FIGURE 5-2 *Consumer Reports'* evaluation of smart phones

BRAND	MODEL	PRICE	DISPLAY	VOICE QUALITY	MESS-AGING	WEB BROWSING	BATTERY LIFE
Apple	iPhone 4S	\$200					
BlackBerry	Torch 9810	50					
HTC	HD7S	100					
LG	Quantum	50					
Motorola	Atrix 4G	100					
Samsung	Galaxy S II	200					
Rating:							
			Excellent	Very Good	Good	Fair	Poor

\*Alphabetical list (abridged) of smartphones for AT&T customers only, not in the order of their Rankings

# CONSUMER PURCHASE DECISION PROCESS ALTERNATIVE EVALUATION

- **Evaluative Criteria**
- **Consideration Set**





# CONSUMER PURCHASE DECISION PROCESS

## PURCHASE DECISION

### ➤ Decide from Whom to Buy



### ➤ Decide When to Buy



### ➤ **Customer Satisfaction Studies**

- **Satisfied Customers  
Tell 3 People**
- **Dissatisfied Customers  
Tell 9 People**

### ➤ **Cognitive Dissonance**



### ➤ Involvement

- **Extended Problem Solving**
- **Limited Problem Solving**
- **Routine Problem Solving**

# CONSUMER PURCHASE DECISION PROCESS INVOLVEMENT & MARKETING STRATEGY

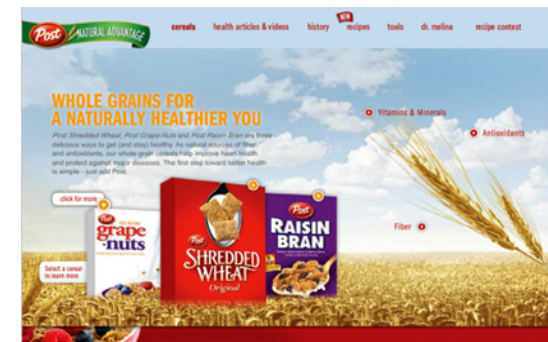
## ➤ Low Involvement

- Maintain Product Quality
- Avoid Stockouts
- Reduce Cognitive Dissonance with Ads



## ➤ High Involvement

- Use Comparative Ads
- Use Personal Selling



### ➤ **Situational Influences**

- **Purchase Task**
- **Social Surroundings**
- **Physical Surroundings**
- **Temporal Effects**
- **Antecedent States**

# PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR MOTIVATION

## ➤ Motivation

## ➤ Hierarchy of Needs

- Physiological Needs
- Safety Needs
- Social Needs
- Personal Needs
- Self-Actualization Needs

# PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR

## PERSONALITY

➤ **Personality**

➤ **Traits**

➤ **Self-Concept**



# PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR PERCEPTION

## ➤ Perception

- **Selective Perception**
- **Selective Exposure**
- **Selective Comprehension**
- **Selective Retention**

## ➤ Subliminal Perception

# PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR

## PERCEIVED RISK

- **Strategies to Reduce Perceived Risk**
  - **Obtain Seals of Approval**
  - **Secure Endorsements**
  - **Provide Free Trials/Samples**
  - **Give Extensive Instructions**
  - **Provide Warranties/Guarantees**



# PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR LEARNING

## ➤ Behavioral Learning

- Stimulus Generalization
- Stimulus Discrimination

## ➤ Cognitive Learning

## ➤ Brand Loyalty



# PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR VALUES, ATTITUDES AND BELIEFS

## ➤ **Attitude Change**

- **Change Beliefs About a Brand's Attributes**
- **Change Perceived Importance of Attributes**
- **Add New Product Attributes**

# SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR

## PERSONAL INFLUENCE

### ➤ Opinion Leaders

Dove Video

### ➤ Word of Mouth



### • Buzz



# SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR REFERENCE GROUPS

## ➤ Reference Groups

- **Membership Group**
- **Aspiration Group**
- **Dissociative Group**

# SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR

## CULTURE AND SUBCULTURE

Nissan Ad



### ➤ Culture

- Hispanic Buying Patterns



- African American Buying Patterns



### ➤ Subcultures

- Asian American Buying Patterns



# VIDEO CASE 5

## GROUPON: HELPING CONSUMERS WITH PURCHASE DECISIONS

DEAL OF THE DAY **TIME LEFT TO PURCHASE: 11h 33m 14s**

[Share on Facebook](#) [Tweet this!](#) [Quick! Email a friend!](#)

### \$50 to Sail with Chicago Sailboat Charters (\$90 Value)



tipped

**\$50 to Sail with  
Chicago Sailboat  
Charters (\$90  
Value)**

560 groupons bought

If we reach at least 50 groupons by midnight CDT, **then** we will all get the discount

Your credit card is only charged if we reach 50 groupons!

1

quantity

@

**\$50**

**BUY**

powered by the point



## VIDEO CASE 5

### GROUPON

1. How has an understanding of consumer behavior helped Groupon grow from 400 subscribers in Chicago in 2008 to 60 million subscribers in 40 countries today?



## VIDEO CASE 5

### GROUPON

2. What is the Groupon Promise?  
How does the Promise affect a consumer's perceived risk and cognitive dissonance?

## VIDEO CASE 5

### GROUPON

3. Describe the five-stage purchase decision process for a typical Groupon user.

## VIDEO CASE 5

### GROUPON

4. What are possible psychological and sociological influences on the Groupon consumer purchase decision process?

## VIDEO CASE 5

### GROUPON

5. What challenges does Groupon face in the future? What actions would you recommend related to each challenge?

# Consumer Behavior

**Consumer behavior** consists of the actions a person takes in purchasing and using products and services, including the mental and social processes that come before and after these actions.



# Purchase Decision Process

The **purchase decision process** consists of the five stages a buyer passes through in making choices about which products and services to buy: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) postpurchase behavior.



# Evaluative Criteria

**Evaluative criteria** are the factors that represent both the objective attributes of a brand and the subjective ones a consumer uses to compare different products and brands.





# Consideration Set

A **consideration set** is the group of brands that a consumer would consider acceptable from among all the brands in the product class of which he or she is aware.



# Cognitive Dissonance

**Cognitive dissonance** is the feeling of postpurchase psychological tension or anxiety consumers may experience when faced with two or more highly attractive alternatives.



# Involvement

**Involvement** is the personal, social, and economic significance of the purchase to the consumer.



# Situational Influences

**Situational influences** are the five aspects of the purchase situation that impacts the consumer's purchase decision process: (1) the purchase task, (2) social surroundings, (3) physical surroundings, (4) temporal effects, and (5) antecedent states.



# Motivation

**Motivation** is the energizing force that stimulates behavior to satisfy a need.



# Personality

**Personality** is a person's consistent behaviors or responses to recurring situations.



# Self-Concept

**Self-concept** is the way people see themselves and the way they believe others see them.





# Perception

**Perception** is the process by which an individual selects, organizes, and interprets information to create a meaningful picture of the world.



# Subliminal Perception

**Subliminal perception** involves seeing or hearing messages without being aware of them.



# Perceived Risk

**Perceived risk** is the anxiety felt because the consumer cannot anticipate the outcomes of a purchase but believes that there may be negative consequences.



# Learning

**Learning** consists of those behaviors that result from  
(1) repeated experience and  
(2) reasoning.



# Brand Loyalty

**Brand loyalty** is a favorable attitude toward and consistent purchase of a single brand over time.



# Attitude

An **attitude** is a learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable way.



# Beliefs

**Beliefs** are a consumer's subjective perception of how a product or brand performs on different attributes based on personal experience, advertising, and discussions with other people.



# Lifestyle

**Lifestyle** is a mode of living that is identified by how people spend their time and resources, what they consider important in their environment, and what they think of themselves and the world around them.





# Opinion Leaders

**Opinion leaders** are individuals who exert direct or indirect social influence over others.



# Word of Mouth

**Word of mouth** involves the influencing of people during conversations.



# Reference Groups

**Reference groups** consists of people to whom an individual looks as a basis for self-appraisal or as a source of personal standards.



# Consumer Socialization

**Consumer socialization** is the process by which people acquire the skills, knowledge, and attitudes necessary to function as consumers.



# Family Life Cycle

A **family life cycle** consists of the distinct phases that a family progresses through from formation to retirement, each phase bringing with it identifiable purchasing behaviors.



# Social Class

**Social class** is the relatively permanent, homogeneous divisions in a society into which people sharing similar values, interests, and behavior can be grouped.



# Subcultures

**Subcultures** are the subgroups within the larger, or national, culture with unique values, ideas, and attitudes.

