

Marketing Management

MGM612

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Lecture - 5 - Consumer Buyer Behavior



Chapter
4

Consumer Buyer Behavior

Lecture 5

Dr. Ayman Hassan

We have discussed

- ❖ **The principles of socially responsible marketing.**
- ❖ **The role of ethics in marketing.**
- ❖ **The major social criticisms of marketing.**
- ❖ **Ethical issues in marketing**

After studying this chapter you should be able to:

1. **Define the consumer market and construct a simple model of consumer buyer behavior**
2. **Name the four major factors that influence consumer buyer behavior**
3. **List and understand the major types of buying decision behavior and the stages in the buyer decision process**

Consumer behavior

- Reflects totality of consumer's decisions with respect to the acquisition, consumption, and disposition of goods, services, time, and ideas by (human) decision-making units (over time).

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

- **Products**
- **Services**
- **Activities**
- **People**
- **Ideas**

Model of Consumer Behavior

Marketing stimuli consists of the 4 Ps

- ❖ **Product**
- ❖ **Price**
- ❖ **Place**
- ❖ **Promotion**



Other stimuli include

- **Economic forces**
- **Technological forces**
- **Political forces**
- **Cultural forces**

Characteristics Affecting Consumer Behavior

1. Personal Factors

2. Psychological Factors

3. Social Factors

4. Cultural Factors

Personal

Occupation

Age

Financial
situation

Lifestyle

Psychological

Perception

Motivation

Learning

Beliefs and
attitude

Social

Societal
roles

Status

Groups

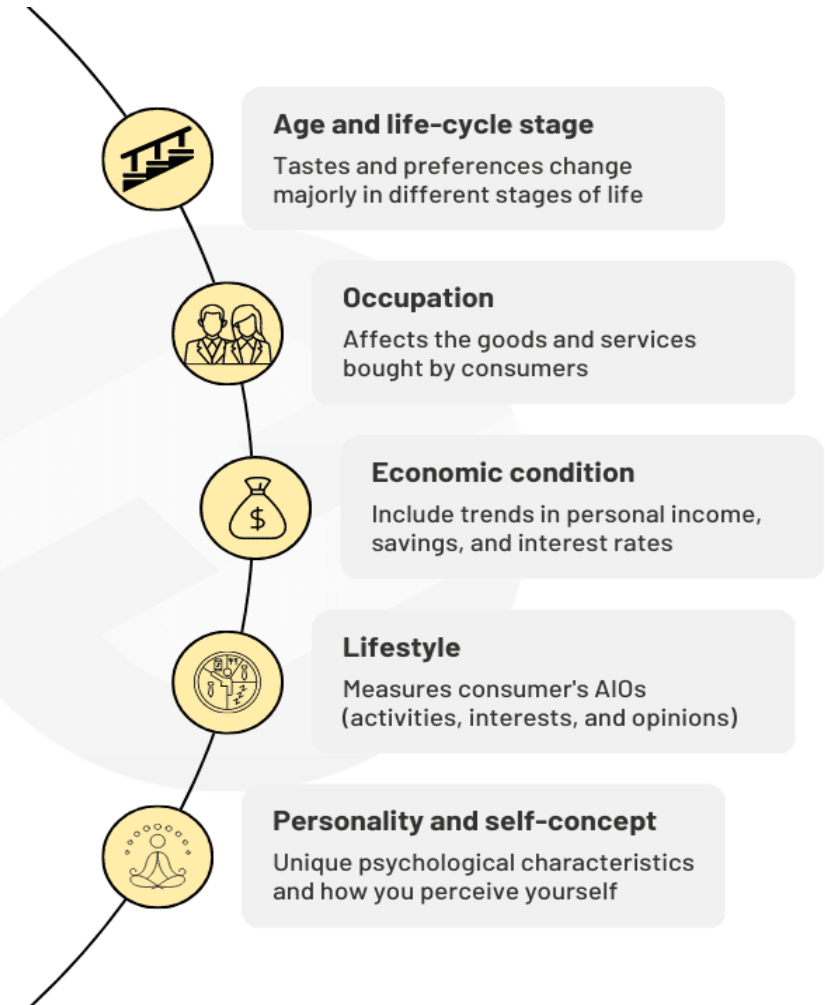
Cultural

Culture

Subculture

- **Age and life-cycle stage**
- **Occupation**
- **Economic situation**
- **Lifestyle**
- **Personality and self-concept**

**Personal
factors
affecting
consumer
behavior**



Personal characteristics

- Age and life-cycle stage
- Economic situation
- Lifestyle
- Personality and self-concept



Personality and Self-Concept

Personality

refers to the unique psychological characteristics that lead to consistent and lasting responses to the consumer's environment

Personality and Self-Concept

Brand personality

Refers to the specific mix of human traits that may be attributed to a particular brand

Self-concept

Refers to people's possessions that contribute to and reflect their identities

There are four main aspects of human personality, the arrangements and combinations of which form the sixteen distinct personality types. Let us look at these four aspects first -

● **Extraversion (E) or Introversion (I)?**

Extroversion refers to the element in an individual's personality that makes him or her outgoing, talkative, social in nature, lively and active. On the other hand, introversion defines the quiet, reserved, shy, passive, calm and strict nature of a person.

● **Sensing (S) or Intuition (N)?**

Sensing relies exclusively on the five senses (sight, hearing, smell, taste and touch) of humans and the sensory details they receive. Intuition, on the other hand, relies more on instinct or the sixth sense than anything else and is mostly unexplainable.

● **Thinking (T) or Feeling (F)?**

Thinking is when the brain works and logic is sifted through the test of reason. Feeling, on the other hand, is a matter of the heart where vibrations and perhaps non-verbal cues take precedence.

● **Judging (C) or Perceiving (B)?**

Judging is an aspect of human nature that generates structure, organization and fine calibration but may not always rely on logic and rationality. People with the ability to perceive rely on observation, spontaneity and flexibility and are therefore not fans of routine and structure.

C.A.C.B, Psychological Factors

- ✓ **Motivation**
- ✓ **Perception**
- ✓ **Learning**
- ✓ **Beliefs and attitudes**

Motivation

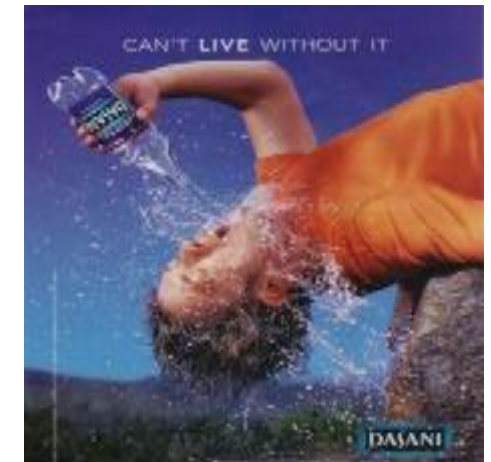
- A motive
- is a need that is sufficiently pressing to direct the person to seek satisfaction
- Motivation research refers
- to qualitative research designed to probe consumers' hidden, subconscious motivations

Abraham Maslow's Hierarchy of Needs

- People are driven by particular needs at particular times
- Human needs are arranged in a hierarchy from most pressing to least pressing
 - Psychological
 - Esteem
 - Social(love/belonging
 - Safety
 - Self-actualization



What type of needs are used in each one of the following ads:



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**

Learning

Is the changes in an individual's behavior arising from experience and occurs through interplay of:

- Drives
- Stimuli
- Cues
- Responses
- Reinforcement



Beliefs and Attitudes

❖ Attitudes

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

❖ Belief

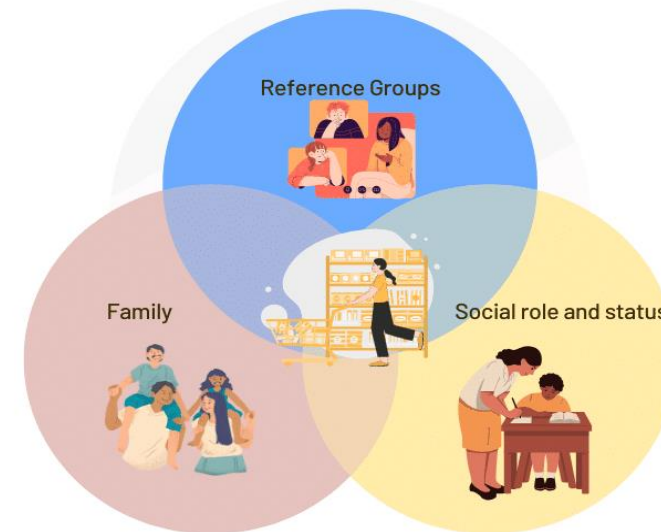
- ✓ Is a descriptive thought that a person has about something based on:

- Knowledge
- Opinion
- Faith



- Reference groups
- Family
- Roles and status

Social factors affecting consumer behavior



 Super Heuristics



Groups

Reference groups

Philip Kotler defines reference groups as “groups that form a comparison or reference in forming attitudes or behavior.”

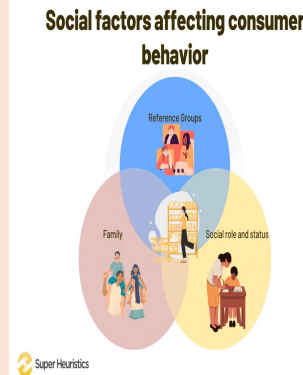
Examples of reference groups include:

- ✓ relatives
- ✓ neighbours
- ✓ colleagues
- ✓ seniors at work
- ✓ your classmates, etc.

There are two types of reference groups. Let us discuss them briefly.

a. Primary groups

Primary groups are the groups of people you interact with on a regular basis, like your family, friends, colleagues, etc. These groups play a huge role in influencing your consumer behavior because they talk to you directly about the products and services they consume, if they are satisfied with these products and services, if the products or services can satisfy your needs, etc.



b. Secondary groups

Includes groups with which the consumer has indirect relationships.

Unlike primary groups, secondary groups are more formal and interaction is not regular. Secondary groups include political parties, clubs, NGOs, etc. For example, you might join an online protest against a brand of instant noodles because the political party you support is trying to ban the brand.

Some other types of groups that fall under the social factors influencing consumer behavior include

C. Membership groups

According to Kotler, membership groups “have a direct influence and belong to which the person belongs.” For example, family.

Family Philip Kotler says that “family is the most important consumer-buying organization in society.”

Your family starts shaping your consumer behavior right from your childhood.

You observe the consumer behavior of your family members and try to imitate it as a child.

D. Aspirational groups.

a sub-category of a reference group, consisting of individuals (not necessarily known personally) with whom a person desires to be associated.

Are “groups to which the individual desires to belong.” For example, celebrities you admire.



Social roles and status

- **Philip Kotler defines** social roles and status as “the influence of social class on consumer behavior.”
- So, as a marketing student, you are expected to actively participate in class, participate in competitions and webinars, and take internships and projects.
- As their child, your parents expect you to do well in your studies, and be a dutiful son.
- As part of the circle of friends, you are expected to join your friends at their parties, throw a party on your birthday, and spend time with them.
- Similarly, every other person also has multi-dimensional roles in society, depending on who the role is associated with. These roles are also part of the social factors that influence consumer behavior because an individual spends most of his time trying to successfully navigate between each of his roles.

C.A.C.B, Cultural Factors

Cultural factors significantly influence marketing strategies as they shape consumer behaviour and preferences in different countries.

Cultural factors are a crucial aspect of the marketing mix, as they directly impact how consumers perceive and interact with a brand. These factors include language, religion, values, attitudes, customs, and social norms, which vary significantly from one country to another.

Therefore, understanding these cultural nuances is essential for marketers to effectively communicate with their target audience and influence their purchasing decisions.

For instance, colour symbolism varies across cultures. In Western societies, white is often associated with purity and innocence, while in some Asian cultures, it symbolizes mourning and death.

Therefore, a global brand would need to consider these cultural differences when designing their packaging or advertising campaigns to ensure they convey the intended message and evoke the desired emotional response.

- Language is another critical cultural factor.
- Religion also plays a significant role in shaping consumer behaviour. It influences dietary habits, clothing preferences, and even spending patterns. For example, in predominantly Muslim countries, products and services must comply with Islamic law (Halal)

• Cultural Factors

- Buyer's culture
- Buyer's subculture
- Buyer's social class

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

❖ Chinese and Western consumers are deeply influenced by their different cultures and have different consumption habits. Among them, in the Western worldview, individualism prevails.

Their consumption behavior is closer to their own needs.

However, Eastern consumers are deeply influenced by Confucian culture, hierarchy and collectivism, and many of their purchasing behaviors are for the purpose of revealing their social status and establishing a social image.

Subculture

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

- Hispanic
- African American
- Asian
- Mature consumer



Social classes

Are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors

Social class is measured by a combination of occupation, income, education, wealth, and other variables



Types of Buying Decision Behavior

- **Complex buying behavior**
- **Dissonance-reducing buying behavior**
- **Habitual buying behavior**
- **Variety-seeking buying behavior**

Complex Buying Behavior

When consumers are highly motivated in a purchase and perceive significant differences among brands

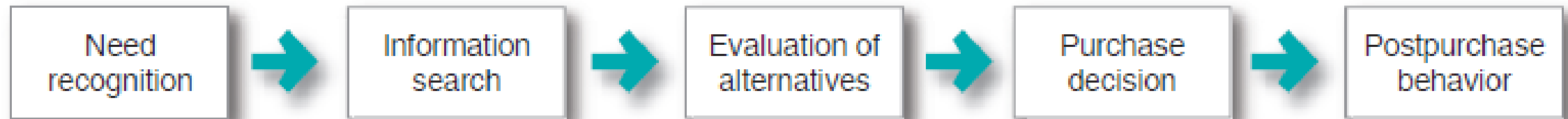
Purchasers are highly motivated when:

- **Product is expensive**
- **Product is risky**
- **Product is purchased infrequently**
- **Product is highly self-expressive**

Types of Buying Decision Behavior

- **Dissonance-reducing buying behavior**
 - ✓ Occurs when consumers are highly involved with an expensive, infrequent, or risky purchase, but see little difference among brands
- **Post-purchase dissonance**
 - ✓ Occurs when the consumer notices certain disadvantages of the product purchased or hears favorable things about a product not purchased
- **Habitual buying behavior**
 - ✓ Occurs when consumers have low involvement and there is little significant brand difference
- **Variety-seeking buying behavior**
 - ✓ Occurs when consumers have low involvement and there are significant brand differences

The Buyer Decision Process



Buyer Decision Process



The Buyer Decision Process

Five stages in the buyer decision process

1. **Need recognition**
2. **Information search**
3. **Evaluation of alternatives**
4. **Purchase decision**
5. **Post-purchase behavior**



The Buyer Decision Process

❖ Need Recognition

✓ Occurs when the buyer recognizes a problem or need triggered by:

- Internal stimuli
- External stimuli



Need

- Desires
- Need hierarchy

❖ Information search

✓ Is the amount of information needed in the buying process and depends on the strength of the drive, the amount of information you start with, the ease of obtaining the information, the value placed on the additional information, and the satisfaction from searching



Information Search

- Internal
- External

The Buyer Decision Process

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

Is how the consumer processes information to arrive at brand choices



❖ The purchase decision

Is 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

❖ The post-purchase decision

Is the satisfaction or dissatisfaction the consumer feels about the purchase

Relationship between:

- Consumer's expectations
- Product's perceived performance

❖ Post-Purchase Decision

- The larger the gap between expectation and performance, the greater the consumer's dissatisfaction
- Customer satisfaction is a key to building profitable relationships with consumers—to keeping and growing consumers and reaping their customer lifetime value



Evaluation

- Expectations
- Context

Stages in the Adoption Process

1. **Awareness**
2. **Interest**
3. **Evaluation**
4. **Trial**
5. **Adoption**

5 Stages of Consumer Adoption Process

Product Awareness.

Product Interest.

Product Evaluation.

Product Trial.

Product Adoption.

iEduNote.com

Differences can include:

- **Values**
- **Attitudes**
- **Behaviors**

The question for marketers is whether to adapt or standardize the marketing?

1- Applying the decision making process “Nana”

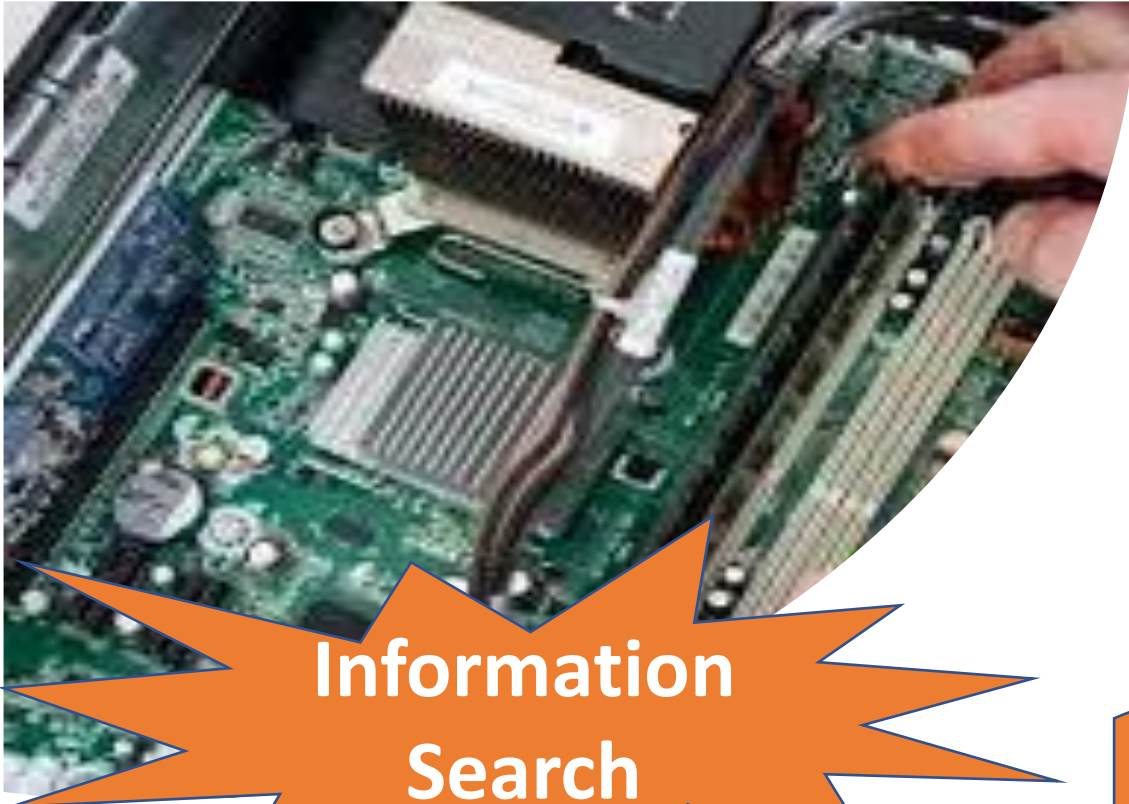


Need recognition

- Scenario:
- A college student, Nana, who has a computer that is starting to run slowly.
- Nana is getting ready to start the semester and needs a computer that will efficiently help her with her assignments.

Recognizing unfulfilled needs
Attract Customers
Arouse latent desires

2- Applying the decision making process “Nana”



Information
Search

Nana, may start seeking information to help resolve her immediate problem, which is speeding up her computer.

Depending on what she finds, she may also begin searching for options for purchasing a new computer. She may ask a repairing technician, or an online community, a friend or a family member.

Get products in front of customers eyes
Explain and convince of products benefits

3- Applying the decision making process “Nana”

Nana, may decide that buying a new computer is the better option and might be making a comparison list of multiple computers.

The list may include prices, features, and reviews...

**Evaluation of
alternatives**



**Make information available to customers
(buyer's guide, brochures...)**

4- Applying the decision making process “Nana”



**Purchase
Decision**

Now that Nana has decided to buy, she is likely eager to make the purchase and get her computer. She may, therefore, be more likely to buy the computer if she gets free and expedited shipping.

Will Nana buy it for sure? May be....

Make it easy to buy
Give information to corroborate buying decision (In-store (website) advertisements, salespersons pitches...)

5- Applying the decision making process “Nana”

When Nana makes it to this phase of her buying decision process, she is using the computer and discovering what she likes and doesn't like.

Reading resources that show her how to better utilize the computer could make her like it more.

Reduce Cognitive dissonance
Build Customer relationship
Cross-selling if possible



**Post-Purchase
Evaluation**

- [Chapter 4 – What are the Social Factors Affecting Consumer Behavior? - Super Heuristics](#)
- [Aspirational Group - Monash Business School](#)
- [What is Consumer Decision Making Process? Steps, Example - The Investors Book](#)
- [5 Stages of Consumer Adoption Process \[Buyer Decision Process for New Products\] \(iedunote.com\)](#)

