

Marketing Management

MGM612

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Lecture - 5- Consumer Buyer Behavior



Consumer Buyer Behavior

Lecture -5

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Learning Outcomes

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**

Model of Consumer Behavior

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

Consumer Behavior Involves Attitudes Towards

- ☐ 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. Cultural Factors**
- 2. Social Factors**
- 3. Personal Factors**
- 4. Psychological Factors**

Characteristics Affecting Consumer Behavior

• Cultural Factors

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

• Social Factors

- Reference groups
- Family
- Roles and status

Characteristics Affecting Consumer Behavior

• Personal Factors

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

• Psychological Factors

- Motivation
- Perception
- Learning
- Beliefs and attitudes

Characteristics Affecting Consumer Behavior

Cultural Factors

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

Characteristics Affecting Consumer Behavior

Cultural Factors

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

Characteristics Affecting Consumer Behavior

Cultural Factors

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

Characteristics Affecting Consumer Behavior

Social Factors

Groups

Membership groups have a direct influence and to which a person belongs

Aspirational groups are groups to which an individual wishes to belong

Reference groups are groups that form a comparison or reference in forming attitudes or behavior

Opinion leaders are people within a reference group with special skills, knowledge, personality, or other characteristics that can exert social influence on others



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 to which a person belongs that can define role and social status

Characteristics Affecting Consumer Behavior

Personal Factors

Personal characteristics

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

Characteristics Affecting Consumer Behavior

Personal Factors

Age and life-cycle stage

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 (activities, interests, and 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

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

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

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:



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

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

- Drives
- Stimuli
- Cues
- Responses
- Reinforcement



Characteristics Affecting Consumer Behavior

Psychological Factors

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



Types of Buying Decision Behavior

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

Types of Buying Decision 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

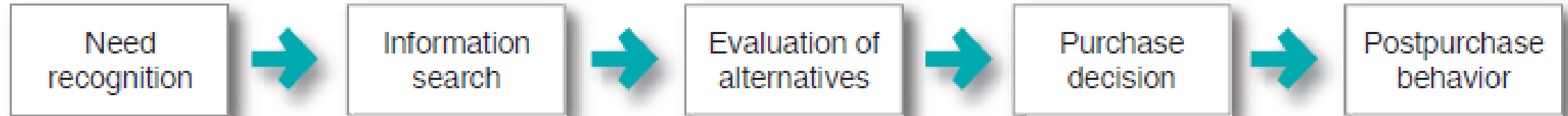
Post-purchase dissonance occurs when the consumer notices certain disadvantages of the product purchased or hears favorable things about a product not purchased

Types of Buying Decision Behavior

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

Need recognition occurs when the buyer recognizes a problem or need triggered by:

- Internal stimuli
- External stimuli



Need

- Desires
- Need hierarchy

The Buyer Decision Process

Information Search

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



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

Evaluation of alternatives is how the consumer processes information to arrive at brand choices



The Buyer Decision Process

Purchase Decision

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



Purchase

- Promotions
- Experience

The Buyer Decision Process

Post-Purchase Decision

The post-purchase decision is the satisfaction or dissatisfaction the consumer feels about the purchase

Relationship between:

- Consumer's expectations
- Product's perceived performance



Evaluation

- Expectations
- Context

The Buyer Decision Process

Post-Purchase Decision

The larger the gap between expectation and performance, the greater the consumer's dissatisfaction

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

Stages in the Adoption Process

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

Consumer Behavior Across International Borders

Differences can include:

- Values
- Attitudes
- Behaviors

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

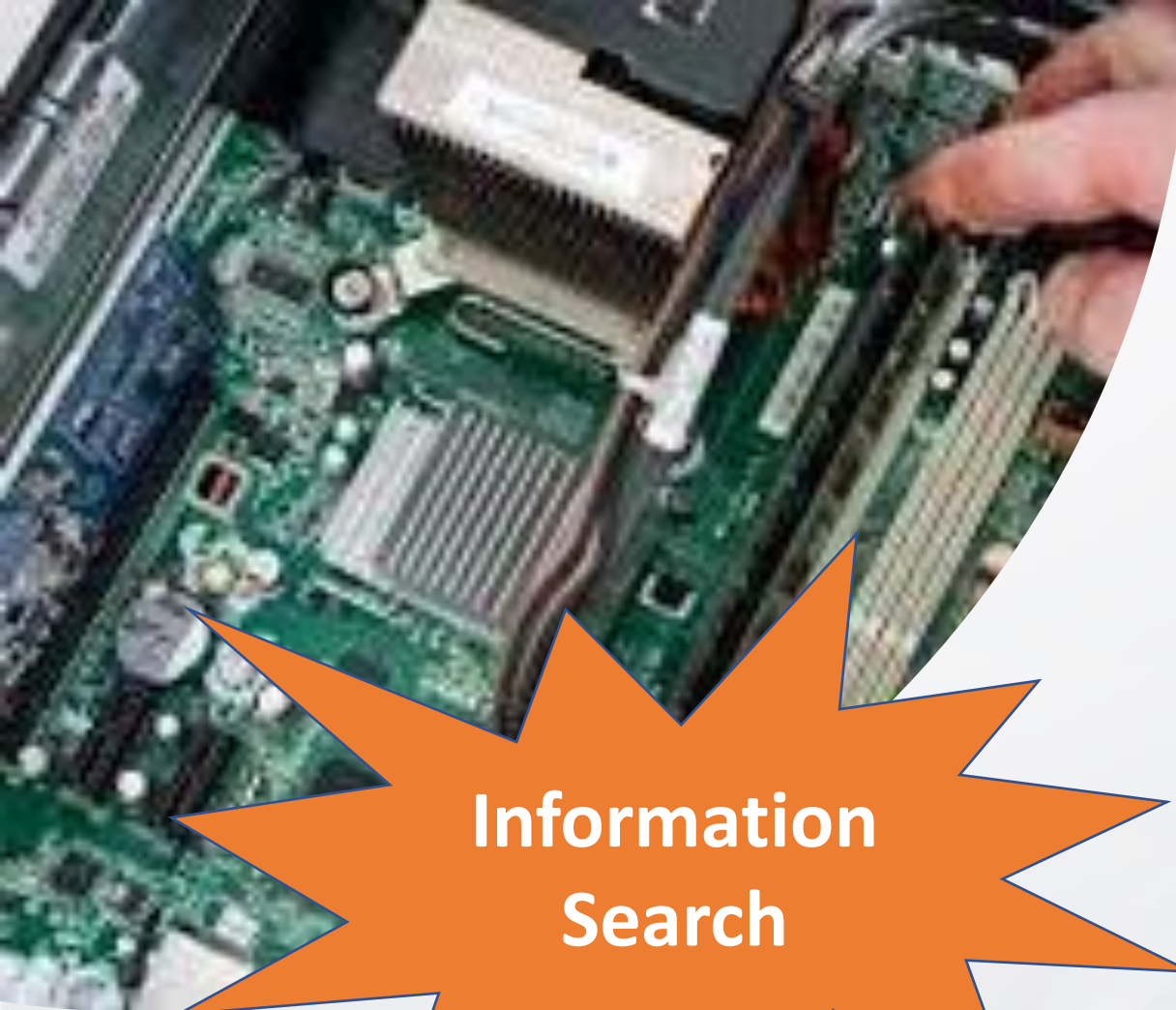


Applying The Buyer Decision Process

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

**Need
recognition**

**Recognizing unfulfilled needs
Attract Customers
Arouse latent desires**



Information Search

Leila 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**

Evaluation of alternatives

Leila 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...

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





Purchase Decision

- Now that Leila 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 she buy it for sure? May be....

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

When Leila 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**



Thank You