



*it's good and
good for you*

Chapter 5

Consumer markets and consumer buyer behaviour

Consumer markets and consumer buyer behaviour

Topic outline

- Model of consumer behaviour
- Characteristics affecting consumer behaviour
- Types of buying decision behaviour
- The buyer decision process
- The buyer decision process for new products



Model of consumer behaviour

Consumer buyer behaviour: the buying behaviour of final consumers—individuals and households that buy goods and services for personal consumption.

Consumer market: all the individuals and households that buy or acquire goods and services for personal consumption.



Model of consumer behaviour (Continued)

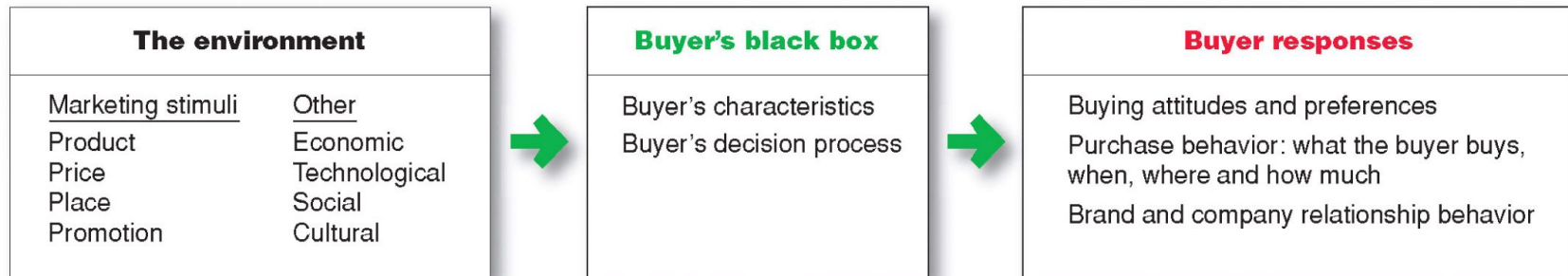


Figure 5.1 Model of buyer behaviour



Characteristics affecting consumer behaviour

Factors influencing consumer behaviour

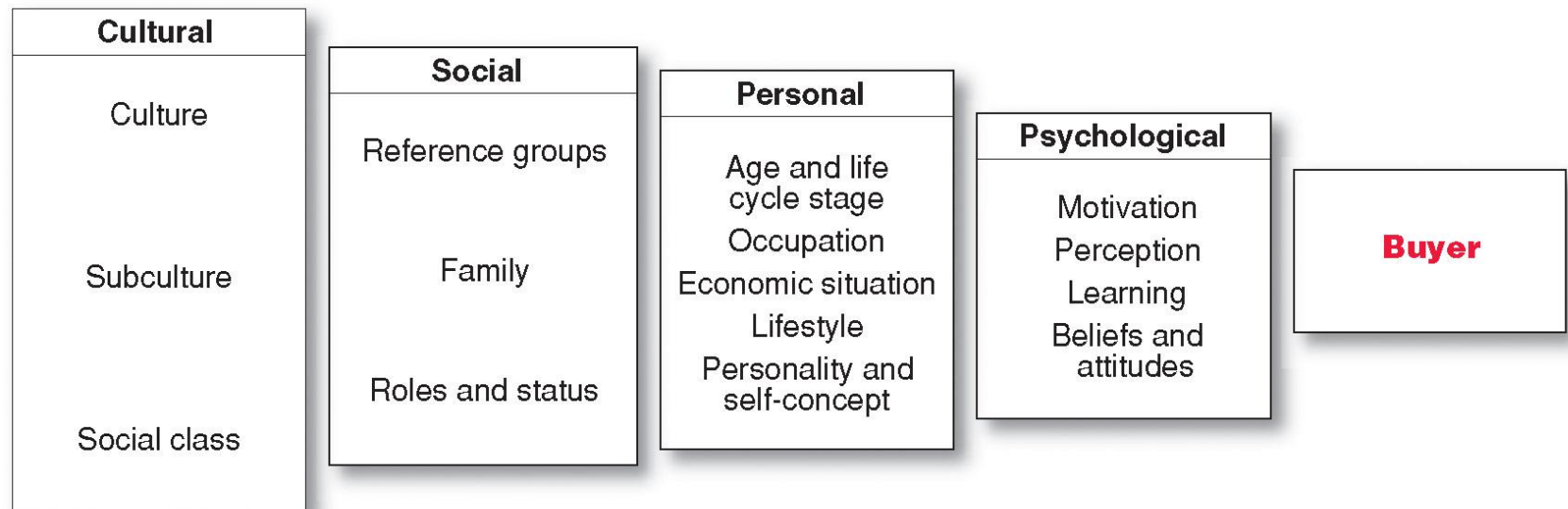


Figure 5.2 Factors influencing consumer behaviour



Characteristics affecting consumer behaviour (Continued)

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



Characteristics affecting consumer behaviour (Continued)

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



Characteristics affecting consumer behaviour (Continued)

Social classes are relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviours.

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



Characteristics affecting consumer behaviour (Continued)

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 behaviour



Characteristics affecting consumer behaviour (Continued)

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 behaviour (Continued)

Groups and social networks

- Online social networks are online communities where people socialise or exchange information and opinions.
- Include blogs, social networking sites (Facebook) and virtual worlds (second life).



Characteristics affecting consumer behaviour (Continued)

Social factors

- Family is the most important consumer-buying organisation in society.
- Social roles and status are the groups, family, clubs and organisations that a person belongs to that can define role and social status.



Characteristics affecting consumer behaviour (Continued)

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 behaviour (Continued)

Personal factors

Occupation affects the goods and services bought by consumers.

Economic situation includes trends in:

Personal
income

Savings

Interest
rates



Characteristics affecting consumer behaviour (Continued)

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 behaviour (Continued)

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 behaviour (Continued)

Personal factors

Dominance

Autonomy

Defensiveness

Adaptability

Aggressiveness



Characteristics affecting consumer behaviour (Continued)

Psychological factors

Motivation

Perception

Learning

Beliefs and attitudes



Characteristics affecting consumer behaviour (Continued)

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 behaviour (Continued)

Maslow's hierarchy of needs

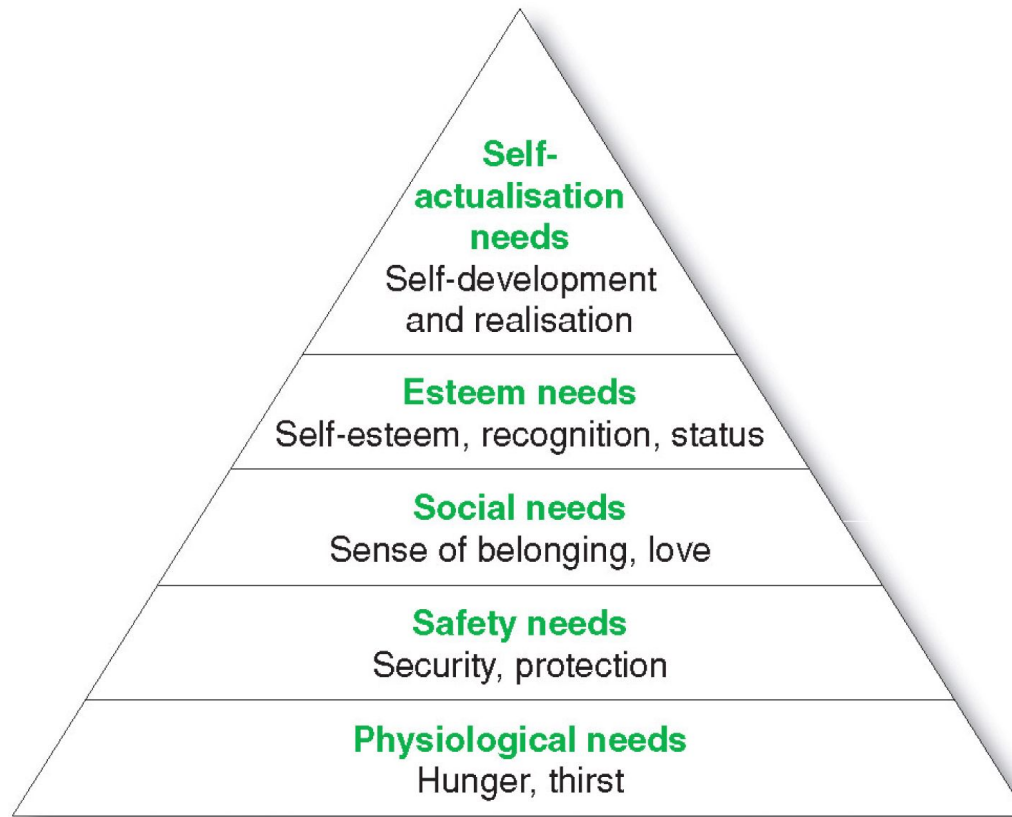


Figure 5.4 Maslow's hierarchy of needs



Characteristics affecting consumer behaviour (Continued)

Psychological factors

Perception is the process by which people select, organise and interpret information to form a meaningful picture of the world from three perceptual processes:

- Selective attention
- Selective distortion
- Selective retention



Characteristics affecting consumer behaviour (Continued)

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 favour and forget good points about competing brands.



Characteristics affecting consumer behaviour (Continued)

Psychological factors

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

Drives

Stimuli

Cues

Responses

Reinforcement



Characteristics affecting consumer behaviour (Continued)

Psychological factors beliefs and attitudes

Belief is a descriptive thought that a person holds about something based on:

- Knowledge
- Opinion
- Faith



Characteristics affecting consumer behaviour (Continued)

Psychological factors

Attitudes describe a person's consistently favourable or unfavourable evaluations, feelings and tendencies toward an object or idea.



Types of buying decision behaviour

Complex buying behaviour

Dissonance-reducing buying behaviour

Habitual buying behaviour

Variety-seeking buying behaviour



Types of buying decision behaviour (Continued)

Four types of buying behaviour

	High involvement	Low involvement
Significant differences between brands	Complex buying behaviour	Variety-seeking buying behaviour
Few differences between brands	Dissonance-reducing buying behaviour	Habitual buying behaviour

Figure 5.5 Four types of buying behaviour

Source: Adapted from Henry Assael, *Consumer Behavior and Marketing Action* (Boston, MA: Kent Publishing Company, 1987), p. 87. Copyright © 1987 by Wadsworth, Inc. Printed by permission of Kent Publishing Company, a division of Wadsworth, Inc.



The buyer decision process

Buyer decision making process



Figure 5.6 Buyer decision process



The buyer decision process (Continued)

Need recognition

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



The buyer decision process (Continued)

Information search sources of information

- Personal sources—family and friends
- Commercial sources—advertising, Internet
- Public sources—mass media, consumer organisations
- Experiential sources—handling, examining, using the product.



The buyer decision process (Continued)

Evaluation of alternatives

- How the consumer processes information to arrive at brand choices.



The buyer decision process (Continued)

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 (Continued)

Postpurchase behaviour

- 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 buyer discomfort caused by postpurchase conflict.



The buyer decision process (Continued)

Postpurchase 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 (Continued)

Influence of product characteristics
on rate of adoption

Relative
advantage

Compatibility

Complexity

Divisibility

Communicability

