Definitions

- **Consumer Buying Behavior**
  - Buying behavior of individuals and households that buy products for personal consumption.
- **Consumer Market**
  - All individuals/households who buy products for personal consumption.

**Figure 5-1:** Model of Buyer Behavior

- **Stimulus Response Model**
  - Marketing and other stimuli enter the buyer’s “black box” and produce certain choice / purchase responses.
  - Marketers must figure out what is inside of the buyer’s “black box” and how stimuli are changed to responses.

**Figure 5-2:** Factors Influencing Consumer Behavior

- **Key Factors**
  - **Cultural**
  - **Social**
  - **Personal**
  - **Psychological**
  - **Characteristics Affecting Consumer Behavior**
  - Culture
  - Subculture
  - Hispanic consumers
    - African Americans
    - Asian Americans
  - Mature consumers
  - Social Class
Culture

- The set of basic values, perceptions, wants and behaviors learned by a member of society from family and other important institutions.
  - product of social life
  - related with human
  - social heritage of human race
  - bridge from past to the future

Elements of Culture

- Language
- Beliefs and Values
- Nonverbal Communication
  - Body Language
  - Time
  - Esthetic
- Religion
- Social Institution
- Material Culture
- Education

Culture is dynamic

Elements of Culture: Religion

Barbie
India

Subculture

- A group of people with shared value systems based on common life experiences and situations.

- African Americans
  - 35 million consumers purchase $527 billion worth of goods and services.
  - Growing more affluent / sophisticated.
  - Price and brand name conscious, quality and selection are important.
  - Certain media target this group.

Hallmark offers an Afrocentric line of greeting cards called Mahogany.
Social Class

• Social Class: Relatively permanent and ordered divisions in a society whose members share similar values, interests and behaviors.
  - Social class is not determined by single factor, such as income,
  - but is measured as a combination of occupation, income, education, wealth and other variables.

Social Classes

• Class Structure in the United States:
  – Warner’s six social classes:
    • (1) Upper Upper
    • (2) Lower Upper
    • (3) Upper Middle
    • (4) Lower Middle
    • (5) Upper Lower
    • (6) Lower Lower

• Class Structure Around the World:
  – Every society has some type of hierarchical class structure.

In Turkey

<table>
<thead>
<tr>
<th>Status Groups</th>
<th>Number of Families</th>
<th>Share of Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>567,470</td>
<td>19.17</td>
</tr>
<tr>
<td>B</td>
<td>1,235,066</td>
<td>18.47</td>
</tr>
<tr>
<td>C1</td>
<td>2,029,326</td>
<td>22.22</td>
</tr>
<tr>
<td>C2</td>
<td>1,655,926</td>
<td>12.40</td>
</tr>
<tr>
<td>D</td>
<td>4,395,747</td>
<td>22.41</td>
</tr>
<tr>
<td>E</td>
<td>2,142,386</td>
<td>5.33</td>
</tr>
<tr>
<td>Total</td>
<td>12,025,841</td>
<td>100</td>
</tr>
</tbody>
</table>


This ad implies that there are social class differences in leisure activities and preferred beverages.

Characteristics Affecting Consumer Behavior

<table>
<thead>
<tr>
<th>Key Factors</th>
<th>Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>Groups</td>
</tr>
<tr>
<td>Social</td>
<td>– Membership</td>
</tr>
<tr>
<td>Personal</td>
<td>– Reference</td>
</tr>
<tr>
<td>Psychological</td>
<td>– Aspirational groups</td>
</tr>
<tr>
<td></td>
<td>– Opinion leaders</td>
</tr>
<tr>
<td></td>
<td>– Family</td>
</tr>
<tr>
<td></td>
<td>– Kids can influence</td>
</tr>
<tr>
<td></td>
<td>– Roles and Status</td>
</tr>
</tbody>
</table>

Groups

• Group: Two or more people who interact to accomplish individual or mutual goals.

• Groups that have a direct influence and to which a person belongs are called membership groups.

• Reference groups (A Person does not belong) serve as a direct or indirect points of comparison or reference in forming a person’s attitude or behavior.

• Aspirational group is one to which the individual wishes to belong.
Opinion Leaders

• People who are knowledgeable about products and whose advice is taken seriously by others.

Opinion leadership is a big factor in the marketing of athletic shoes. Many styles first become popular in the inner city and then spread by word-of-mouth.

FAMILY

• Although many men still wear the pants in the family, it’s women who buy them.

• Family Size is important factor for purchasing decision

Role and Status

• Role consists of the activities people are expected to perform according to the persons around them
  • Ebru Şallı
    – In her family: she plays the role of wife
    – With her parents: she plays the role of daughter
    – In her job: She plays the role of model
  • Each role carries a status reflecting the general esteem given to it by society
    – Achieved status: Status earned through hard work or diligent study
    – Ascribed status: Status one is born with
    – Status hierarchy: Structure in a social group in which some members are better off than others

Children may also have a strong influence on family buying decision
Characteristics Affecting Consumer Behavior

**Key Factors**

- Cultural
- Social
- Personal
- Psychological

- Age and life-cycle
- Occupation
- Economic situation
- Lifestyle
  - Activities, interests, and opinions
  - Lifestyle segmentation
- Personality and self-concept
  - Brand personality

Lifestyles: 
Jeep targets people who want to “leave the civilized world behind”

What other types of images could be used to appeal to this lifestyle?

Characteristics Affecting Consumer Behavior

**Key Factors**

- Motivation
  - Needs provide motives
  - Motivation research
  - Maslow’s hierarchy of needs
- Perception
  - Selective attention, selective distortion, selective retention
- Learning
  - Drives, stimuli, cues, responses and reinforcement
- Beliefs and attitudes

Maslow’s Hierarchy

Motive (Drive): A need that is sufficiently pressing to direct the person to seek satisfaction

Perception

- The process by which people select, organize, and interpret information to form a meaningful picture of the world
- **Selective Attention**: the tendency for people to screen out most of the information to which they are exposed.
  - I will start to learn tennis. I have selective attention for tennis shoes.
- **Selective Distortion**: The tendency of people to interpret information in a way that will support what they already believe.
  - Ads that focused on the health damage effects of cigarette are not perceived easily by heavy smoker.
- **Selective Retention**: People also will forget much that they learn. They tend to retain information that supports their attitudes and beliefs.
  - I have got favorable attitude to “Toshiba” brand. I am likely to remember good points about Toshiba.
Learning

- Changes in an individual’s behavior arising from experience
  - Behavioral Learning
    - Classical Conditioning
    - Instrumental Learning
  - Cognitive Learning

Attitude

- A person’s consistently favorable or unfavorable evaluations, feelings, and tendencies toward object or idea.

The milk moustache campaign changed attitudes toward milk.

Involvement:

- is defined as the degree of personal relevance which the product holds for the consumer.
  - Low involvement → Purchases were considered of minimal personal relevance
  - High involvement → As opposed to more complex, search-oriented purchases

- is a low involvement media (provides passively storage the info for people mind)
- is a high involvement media (cause the complex information storage)

Types of Buying Behavior

- Consumer buying behavior in situations characterized by high consumer involvement in a purchase and significant perceived differences among brands.
  - Consumer has much to learn about the product.

Marketers need to

- differentiate their product specifications.
- describe the brands benefits using print media with long copy.
- motivate store sales people (because it effects the final brand choice)
Dissonance-Reducing Buying Behavior

Consumer buying behavior in situations characterized by high consumer involvement but few perceived differences among brands.

- **Product**
  - Expensive, risky and infrequently purchase

- **Buyer**
  - There is a post purchase dissonance
  - Buying activity is relatively quickly
  - There is a purchase convinience.

- **Marketer**
  - After sale comminication is important in order to create the perception differences among brands.

Habitual Buying Behavior

Consumer buying behavior in situations characterized by low consumer involvement in a purchase and few significant perceived differences among brands.

- **Low Involvement**
  - Low cost
  - Frequently purchase product

- **“No evaluation or search before of purchase”**
  - Consumer passively receive the information as they watch TV or read magazines
  - Ad repetition create brand familiarity

Marketers can try to convert low-involvement products into high involvement products.

Variety-Seeking Buying Behavior

Consumer buying behavior in situations characterized by low consumer involvement in a purchase and significant perceived differences among brands.

- **Consumer often do a lots of brand switching.**
  - Brand switching occurs for the sake of variety rather than because of dissatisfaction

- **The market leader**
  - Will try to encourage variety-seeking buying behavior by dominating self space, keeping shelves fully stocked, and running frequent reminder advertisement

- **The challenger firms**
  - Will encourage variety seeking by offering lower prices, special deles, coupons, free samples

The Buyer Decision Process

- **Stages**
  - Need recognition
  - Information search
  - Evaluation of alternatives
  - Purchase decision
  - Postpurchase behavior

- **Needs can be triggered by:**
  - Internal stimuli
    - Normal needs become strong enough to drive behavior
  - External stimuli
    - Advertisements
    - Friends of friends
The Buyer Decision Process

**Stages**
- Need recognition
- Information search
- Evaluation of alternatives
- Purchase decision
- Postpurchase behavior

- Consumers exhibit heightened attention or actively search for information.
- Sources of information:
  - Personal
  - Commercial
  - Public
  - Experiential
  - Word-of-mouth

**Stages**
- Evaluation procedure depends on the consumer and the buying situation.
- Most buyers evaluate multiple attributes, each of which is weighted differently.
- At the end of the evaluation stage, purchase intentions are formed.

- Two factors intercede between purchase intentions and the actual decision:
  - Attitudes of others
  - Unexpected situational factors

**Stages**
- Satisfaction is key:
  - Delighted consumers engage in positive word-of-mouth.
  - Unhappy customers tell on average 11 other people.
  - It costs more to attract a new customer than it does to retain an existing customer.
  - Cognitive dissonance

The Buyer Decision Process for New Products

**New Product**
A good, service or idea that is perceived by some potential customers as a new innovation.

**Adoption Process**
The mental process through which an individual passes from the first hearing about an innovation to final adoption.

**Awareness:** The consumer become aware of the new product, but lacks of information on it.

**Interest:** The consumer seeks information about the new product

**Evaluation:** The consumer considers whether trying the new product makes sense.

**Trial:** The consumer tries the new product on a small scale.

**Adoption:** The consumer decides to make full and regular use of the new product.
Buyer Decision Process for New Products

• Individual Differences in Innovativeness
  – Consumers can be classified into five adopter categories, each of which behaves differently toward new products.

Figure 6-7: Adopter Categories Based on Relative Time of Adoption

Buyer Decision Process for New Products

• Product Characteristics and Adoption
  – Five product characteristics influence the adoption rate.
    • Relative Advantage
    • Compatibility
    • Complexity
    • Divisibility
    • Communicability

Product Characteristics

- Relative Advantage
- Compatibility
- Complexity
- Divisibility
- Communicability

Discussion Question

Describe how each of the five product-related innovation characteristics will influence the rate of the adoption for this product.

Buyer Decision Process for New Products

• International Consumer Behavior
  – Values, attitudes and behaviors differ greatly in other countries.
  – Physical differences exist that require changes in the marketing mix.
  – Customs vary from country to country.
  – Marketers must decide the degree to which they will adapt their marketing efforts.