

CONSUMER MARKETS AND BUYER BEHAVIOR



MODEL OF CONSUMER BEHAVIOR

THE ENVIRONMENT

Marketing stimuli:
Product Price Place
Promotion
Other: Economic
Technological
Social Cultural

BUYER'S BLACK BOX

Buyer's
characteristics
Buyer's decision
process

BUYER RESPONSES

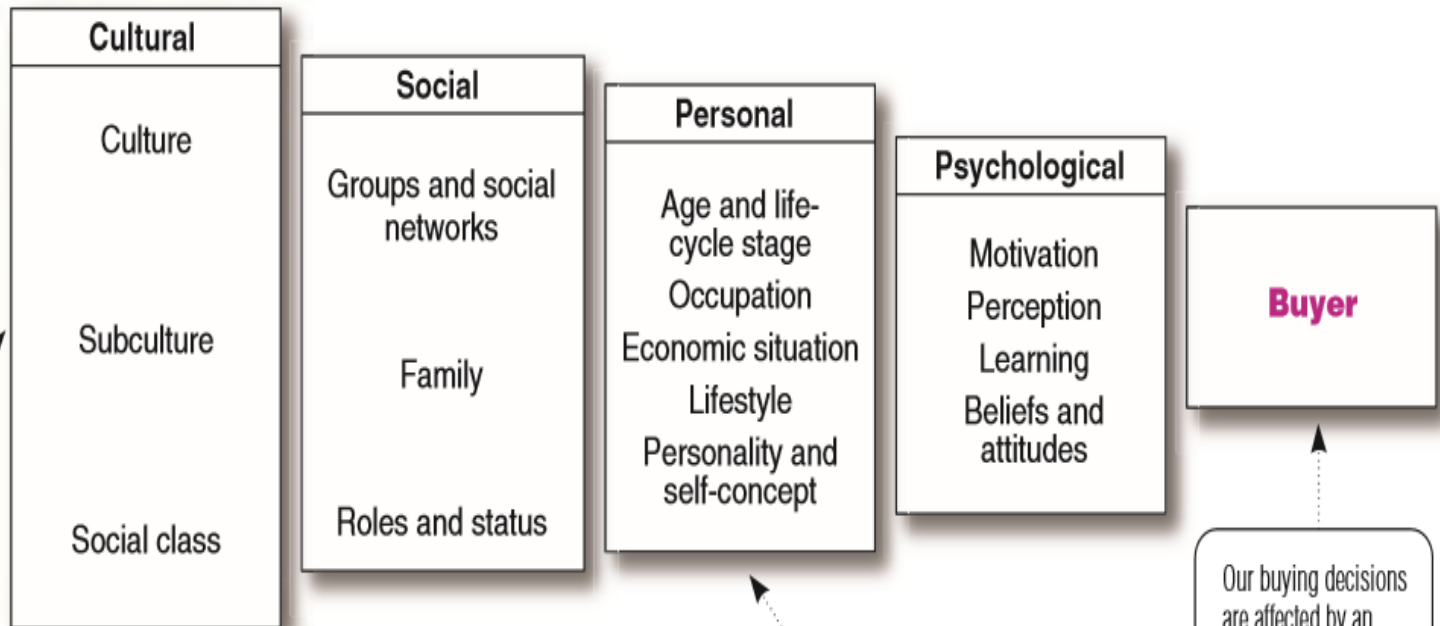
Buying attitudes
and preferences
Purchase behavior:
what the buyer
buys, when, where,
and how much
Brand engagements
and relationships



**CHARACTERISTICS
AFFECTING CONSUMER
BEHAVIOR**

FACTORS INFLUENCING CONSUMER BEHAVIOR

Consumer Behavior



Many brands now target specific subcultures—such as Hispanic American, African American, and Asian American consumers—with marketing programs tailored to their specific needs and preferences.

People's buying decisions reflect and contribute to their lifestyles—their whole pattern of acting and interacting in the world. For example, KitchenAid sells much more than just kitchen appliances. It sells an entire cooking and entertainment lifestyle to "Kitchenthusiasts."

Our buying decisions are affected by an incredibly complex combination of external and internal influences.

CULTURAL FACTORS

- Culture: The set of basic values, perceptions, wants, and behaviors learned by a member of society from family and other important institutions.
- Subculture: A group of people with shared value systems based on common life experiences and situations. Examples of three such important subculture groups are Hispanic American, African American, and Asian American consumers.
- Social Class: Relatively permanent and ordered divisions in a society whose members share similar values, interests, and behaviors.

SUB- CULTU RE

Hispanic American Consumers. Hispanics represent a large, fast-growing market. The nation's more than 55 million Hispanic consumers will have total annual buying power of \$1.5 trillion by 2015, accounting for 11 percent of the nation's total buying power. The U.S. Hispanic population will surge to more than 128 million by 2060, close to one-third of the total U.S. population.

African American Consumers. The U.S. African American population is growing in affluence and sophistication. The nation's more than 42 million black consumers have more than \$1 trillion of buying power. Although more price conscious than other segments, blacks are also strongly motivated by quality and selection. Brands are important.

Asian American Consumers. Asian Americans are the most affluent U.S. demographic segment. A relatively well-educated and affluent segment, they now number more than 18 million, with annual buying power expected to approach \$1 billion by 2017. Asian Americans are the second-fastest-growing subsegment after Hispanic Americans. And like Hispanic Americans, they are a diverse group.

The Major American Social Classes

America's social classes show distinct brand preferences. Social class is not determined by a single factor but by a combination of all of these factors.



Upper Class

Upper Uppers (1 percent): The social elite who live on inherited wealth. They give large sums to charity, own more than one home, and send their children to the finest schools.

Lower Uppers (2 percent): Americans who have earned high income or wealth through exceptional ability. They are active in social and civic affairs and buy expensive homes, educations, and cars.

Middle Class

Upper Middles (12 percent): Professionals, independent businesspersons, and corporate managers who possess neither family status nor unusual wealth. They believe in education, are joiners and highly civic minded, and want the "better things in life."

Middle Class (32 percent): Average-pay white- and blue-collar workers who live on "the better side of town." They buy popular products to keep up with trends. Better living means owning a nice home in a nice neighborhood with good schools.

Working Class

Working Class (38 percent): Those who lead a "working-class lifestyle," whatever their income, school background, or job. They depend heavily on relatives for economic and emotional support, advice on purchases, and assistance in times of trouble.

Lower Class

Upper Lovers (9 percent): The working poor. Although their living standard is just above poverty, they strive toward a higher class. However, they often lack education and are poorly paid for unskilled work.

Lower Lovers (7 percent): Visibly poor, often poorly educated unskilled laborers. They are often out of work, and some depend on public assistance. They tend to live a day-to-day existence.

SOCIAL FACTORS

A CONSUMER'S BEHAVIOR ALSO IS INFLUENCED BY SOCIAL FACTORS, SUCH AS THE CONSUMER'S SMALL GROUPS, SOCIAL NETWORKS, FAMILY, AND SOCIAL ROLES AND STATUS

Groups and Social Networks

MANY SMALL GROUPS INFLUENCE A PERSON'S BEHAVIOR

WORD-OF-MOUTH INFLUENCE

OPINION LEADERS

ONLINE SOCIAL NETWORKS

FAMILY

ROLES AND STATUS

PERSONALFACTORS

A BUYER'S DECISIONS ALSO ARE INFLUENCED BY PERSONAL CHARACTERISTICS SUCH AS THE BUYER'S AGE AND LIFE-CYCLE STAGE, OCCUPATION, ECONOMIC SITUATION, LIFESTYLE, AND PERSONALITY AND SELF-CONCEPT

AGE AND LIFE-CYCLE
STAGE

OCCUPATION

ECONOMIC
SITUATION

PERSONALITY AND
SELF-CONCEPT

LIFESTYLE

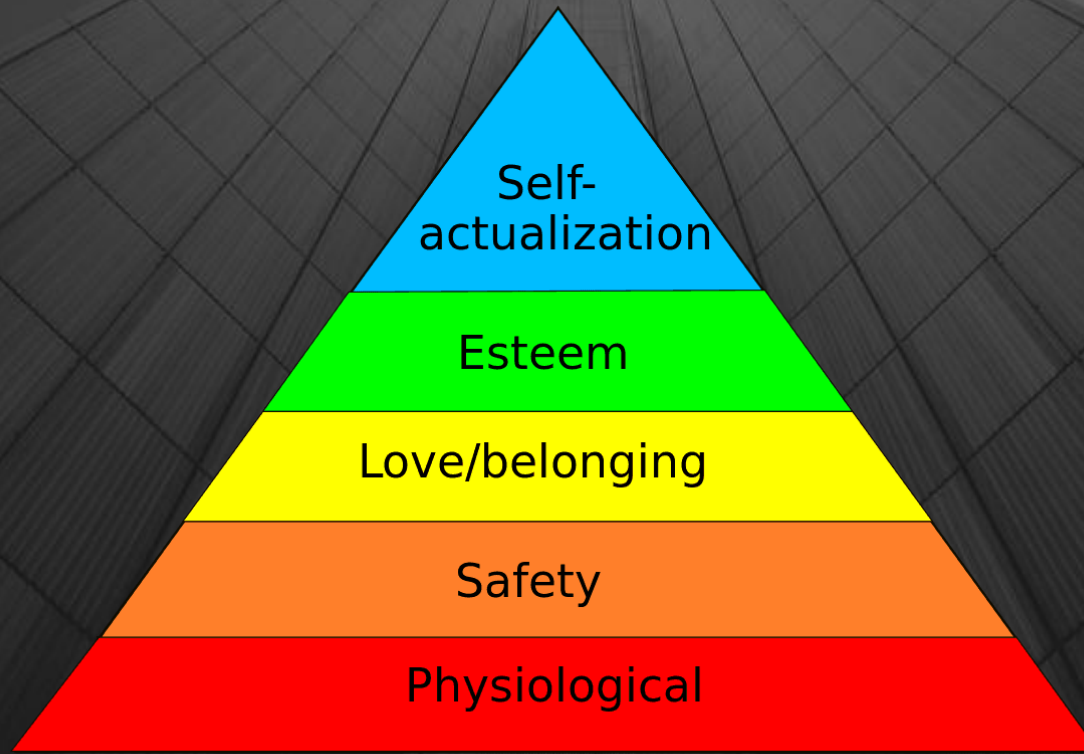


PSYCHOLOGICAL FACTORS

MOTIVATION

A person has many needs at any given time. Some are biological, arising from states of tension such as hunger, thirst, or discomfort. Others are psychological, arising from the need for recognition, esteem, or belonging. A need becomes a motive when it is aroused to a sufficient level of intensity. A motive (or drive) is a need that is sufficiently pressing to direct the person to seek satisfaction. Psychologists have developed theories of human motivation. Two of the most popular—the theories of Sigmund Freud and Abraham Maslow—carry quite different meanings for consumer analysis and marketing.

MASLOW'S HIERARCHY OF NEEDS





PERCEPTION

A motivated person is ready to act. How the person acts is influenced by his or her own perception of the situation. All of us learn by the flow of information through our five senses: sight, hearing, smell, touch, and taste. However, each of us receives, organizes, and interprets this sensory information in an individual way. Perception is the process by which people select, organize, and interpret information to form a meaningful picture of the world.

LEARNING

When people act, they learn. Learning describes changes in an individual's behavior arising from experience. Learning theorists say that most human behavior is learned. Learning occurs through the interplay of drives, stimuli, cues, responses, and reinforcement.

BELIEFS AND ATTITUDES

Through doing and learning, people acquire beliefs and attitudes. These, in turn, influence their buying behavior. A belief is a descriptive thought that a person holds about something. Beliefs may be based on real knowledge, opinion, or faith and may or may not carry an emotional charge. Marketers are interested in the beliefs that people formulate about specific products and services because these beliefs make up product and brand images that affect buying behavior. If some of the beliefs are wrong and prevent purchase, the marketer will want to launch a campaign to correct them.



TYPES OF BUYING DECISION BEHAVIOR



COMPLEX BUYING
BEHAVIOR

VARIETY-SEEKING
BUYING
BEHAVIOR

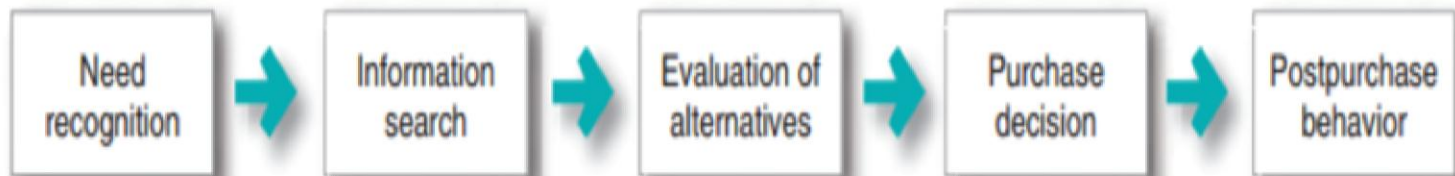
DISSONANCE-
REDUCING
BUYING
BEHAVIOR

HABITUAL
BUYING
BEHAVIOR

The Buyer Decision Process

The buying process starts long before the actual purchase and continues long after. In fact, it might result in a decision not to buy. Therefore, marketers must focus on the entire buying process, not just the purchase decision.

Figure 5.6 because it shows all the considerations that arise when a consumer faces a new and complex purchase situation.





The Product *Adoption Process* Is Made Up Of Five Stages

- Awareness
- Interest
- Evaluation
- Trial, and
- Adoption

CREATE ANY
SPARKLING
DRINK
YOU CAN IMAGINE
WITH SODASTREAM

\$20
REBATE OFFER
CASH BACK

Rebate valid only on new machines purchased between May 18 - August 31, 2014.
Download rebate form at www.sodastreamusa.com/20rebate for rules and restrictions.

sodastream
YOUR BUBBLES YOUR WAY

● The adoption process: To help get tentative consumers over the buying decision hump, SodaStream offers sales at retail, rebates, and other buying incentives—here a \$20 cash-back rebate offer.

SodaStream

Stages in the Adoption Process

Consumers go through five stages in the process of adopting a new product:

Awareness. The consumer becomes aware of the new product but lacks information about 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 to improve his or her estimate of its value.

Adoption. The consumer decides to make full and regular use of the new product.

This model suggests that marketers should think about how to help consumers move through these stages. ● For example, if SodaStream finds that many consumers are evaluating its home soda makers favorably but are still tentative about buying one, it might offer sales at retail, rebates, or other price incentives that help get consumers over the decision hump.

To help car buyers past purchase-decision hurdles following the economic meltdown in 2008, Hyundai offered a unique Hyundai Assurance Plan. It promised buyers who financed or leased new Hyundais that they could return them at no cost and with no harm to their credit rating if they lost their jobs or incomes within a year. Sales fell 85 percent in the month following the announcement. ● Chevrolet offered a similar “Love It or Leave It” program to help offset the still-tight economy. It allowed buyers up to 60 days to return a car for a full refund on buyers up to 4,000 miles and had no damage



A dark, low-angle photograph of a skyscraper, likely the Burj Khalifa, viewed from a low perspective looking up. The building's structure is silhouetted against a dark sky. A teal square is positioned at the top center of the frame. The text "THANK YOU!" is centered in the middle of the image in a bold, white, sans-serif font.

THANK YOU!