Chapter 6

Objectives

- Be able to define the consumer market and construct a simple model of consumer buyer behavior.
- Know the four major factors that influence consumer buyer behavior.

Objectives

- Understand the major types of buying decision behavior and the stages in the buyer decision process.
- Be able to describe the adoption and diffusion process for new products.

Harley-Davidson

- Harley “Hogs” account for 1/5 of U.S. cycle sales
- Sales have exceeded supply for years
- 1986-2000: Four stock splits, increase of 7,100%
- Fiercely loyal clientele revolves around 7 core customer types
- Harley owners use their bikes to express their lifestyle and attitudes
- Advertising reflects the Harley mystique
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 6-1:
Model of Buyer Behavior

Figure 6-2:
Factors Influencing Consumer Behavior

Characteristics Affecting Consumer Behavior

Key Factors

- Cultural
- Social
- Personal
- Psychological

- Culture
- Subculture
  - Hispanic consumers
  - African Americans
- Asian Americans
  - Mature consumers
- Social Class
Characteristics Affecting Consumer Behavior

Key Factors
- Cultural
- Social
- Personal
- Psychological

Groups
- Membership
- Reference
- Aspirational groups
- Opinion leaders
- Buzz marketing

Family
- Kids can influence
- Roles and Status

Characteristics Affecting Consumer Behavior

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

Characteristics Affecting Consumer Behavior

Brand Personality Dimensions
- Sincerity
- Excitement
- Ruggedness
- Competence
- Sophistication

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

Characteristics Affecting Consumer Behavior

Perception
- Selective attention, selective distortion, selective retention
- Learning
- Beliefs and attitudes
**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

**Sources of information:**
- Personal
- Commercial
- Public
- Experiential
- Word-of-mouth

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**The Buyer Decision Process**

**Stages**
- Need recognition
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The Buyer Decision Process

**Stages**

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

- 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.

The Buyer Decision Process

**Stages**

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

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

The Buyer Decision Process

**Stages**

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

- 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.

The Buyer Decision Process for New Products

**New Products**

- Good, service or idea that is perceived by customers as new.
Buyer Decision Process for New Products

Stages in the Adoption Process
- Marketers should help consumers move from awareness to adoption.

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.

Buyer Decision Process for New Products

Product Characteristics and Adoption
- Five product characteristics influence the adoption rate.
Buyer Decision Process for New Products

Product Characteristics
- Relative Advantage
- Compatibility
- Complexity
- Divisibility
- Communicability

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.