

Chapter 4 & 5

Prospective on consumer behavior & The communication process



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Mkt 337 (sections 3)

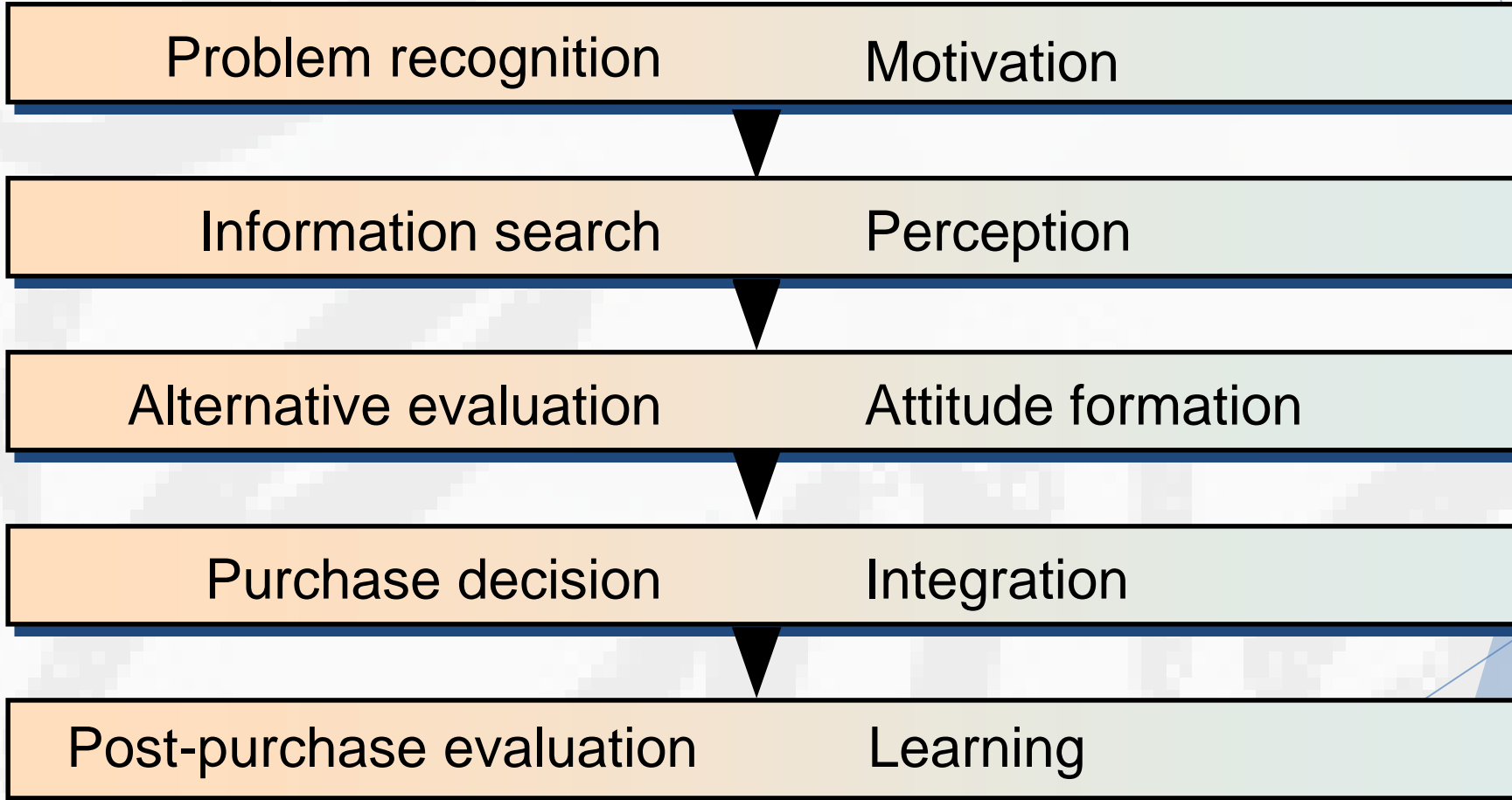
Consumer behavior

- ▶ Defines as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services to satisfy their needs and desires

Consumer decision making process

Decision Stage

Psychological Process

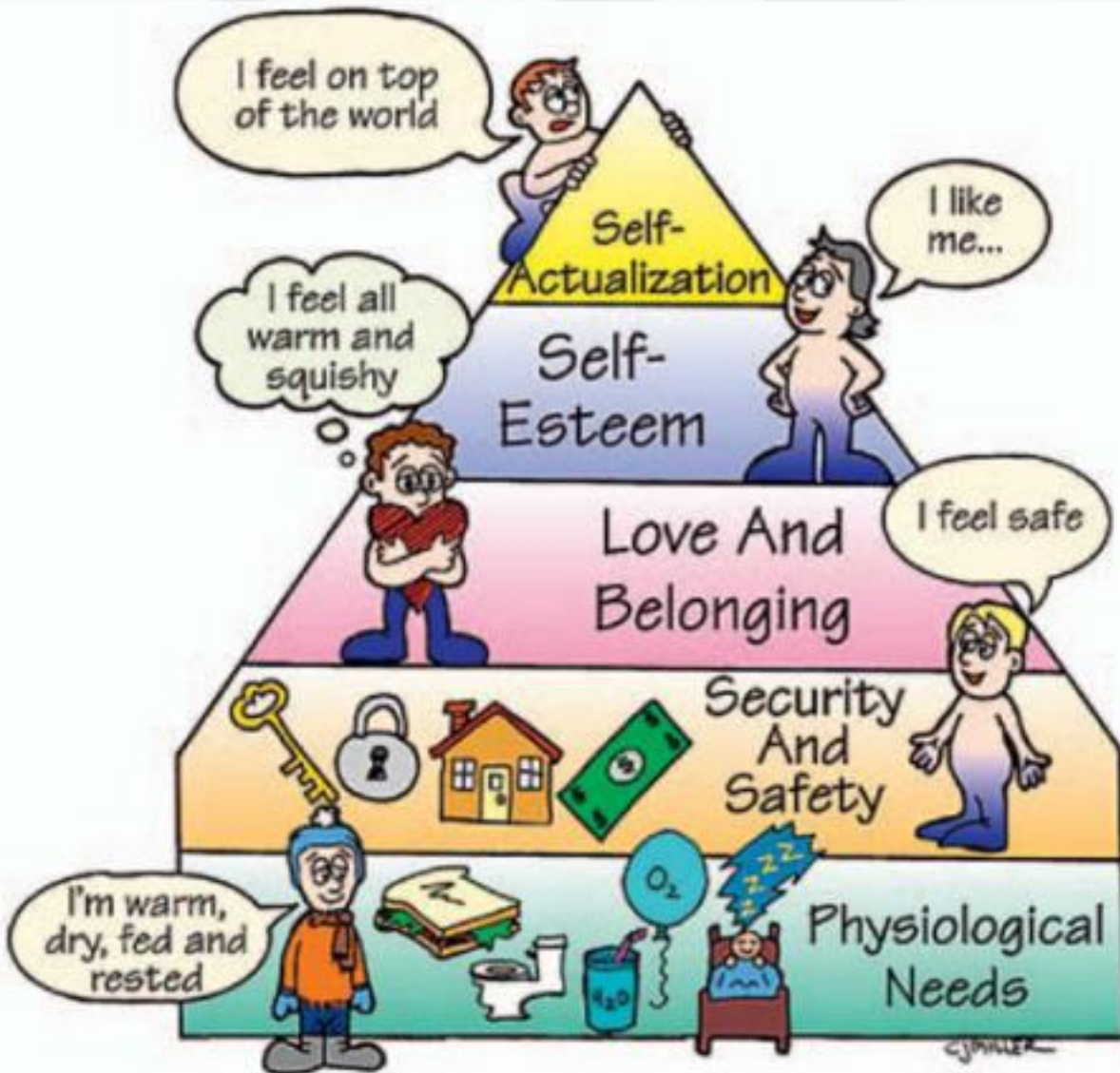


Problem recognition

- ▶ Sources:
 - ▶ Out of stock
 - ▶ Dissatisfaction
 - ▶ New needs wants and changes
 - ▶ Related to the product/purchases
 - ▶ Marketer induced problem recognition
 - ▶ New products



Motivation: The tool for solving a problem/need

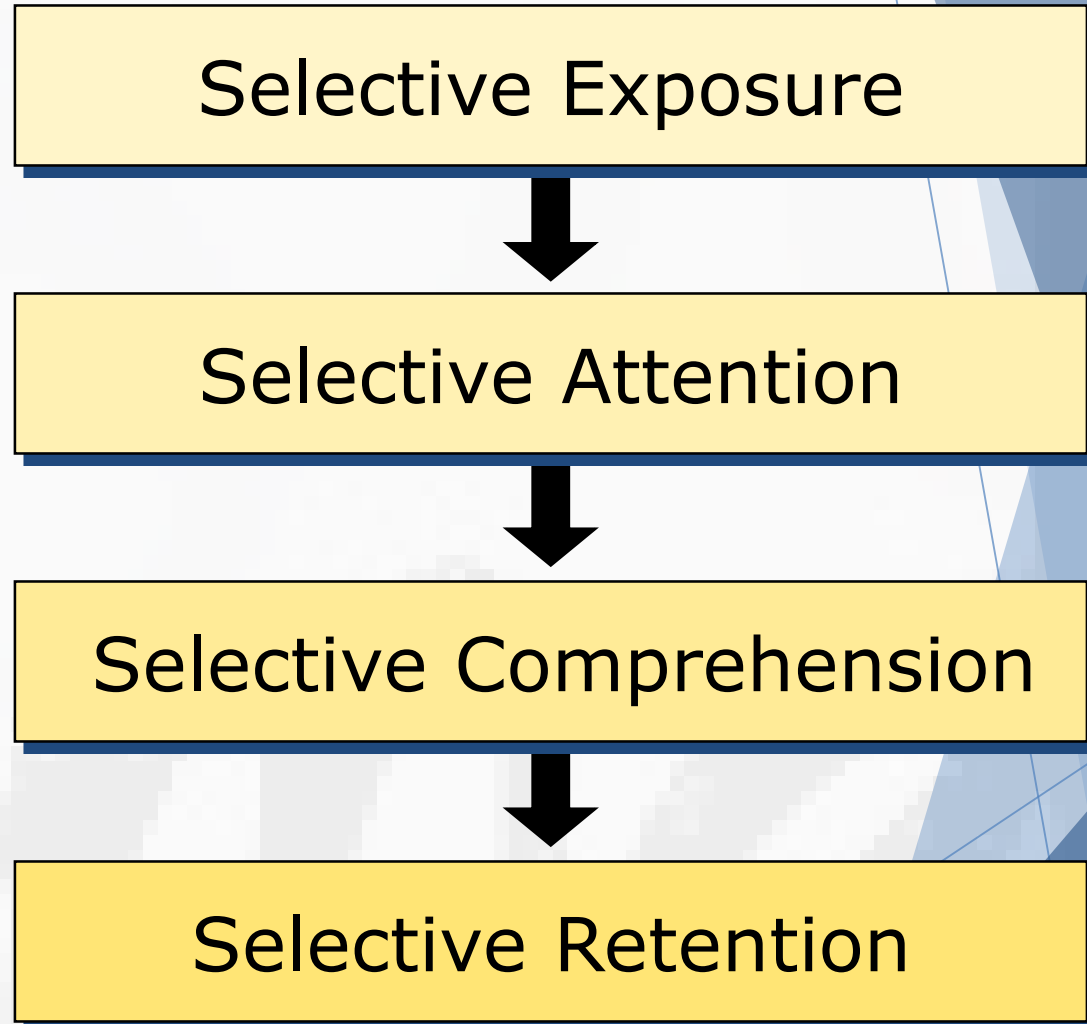


Information search

- ▶ Internal source
 - ▶ Attempt to scan information stored in memory due to repetitive purchase, previously acquired information etc.
- ▶ External source
 - ▶ Personal: Friends & Family
 - ▶ Internet: Website, blogs, social media
 - ▶ Marketer controlled: Commercials

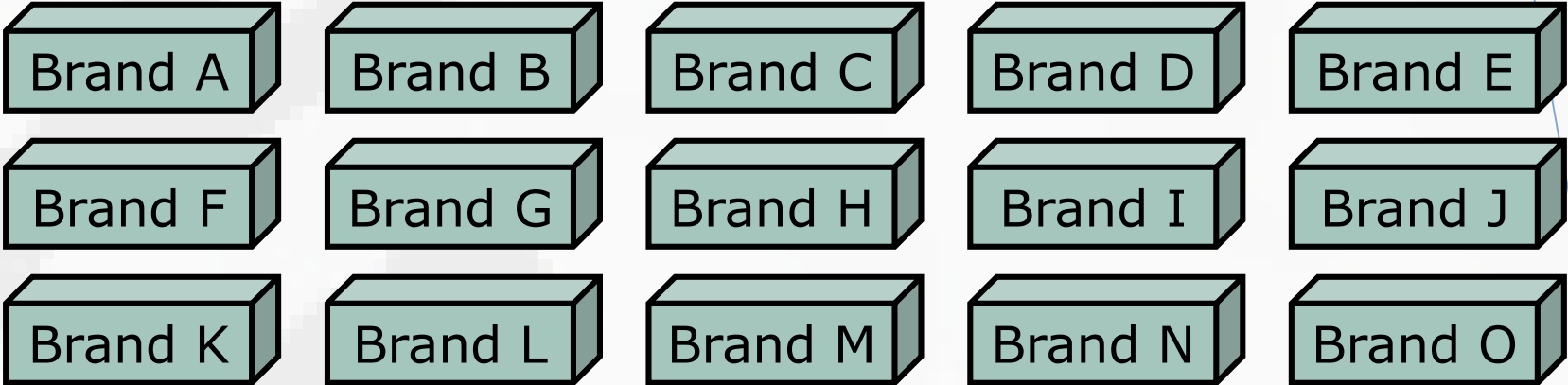
Perception: How consumers interpret information

- ▶ Involves
 - ▶ Sensation
 - ▶ Selecting information
 - ▶ Interpreting information
 - ▶ Selective perception

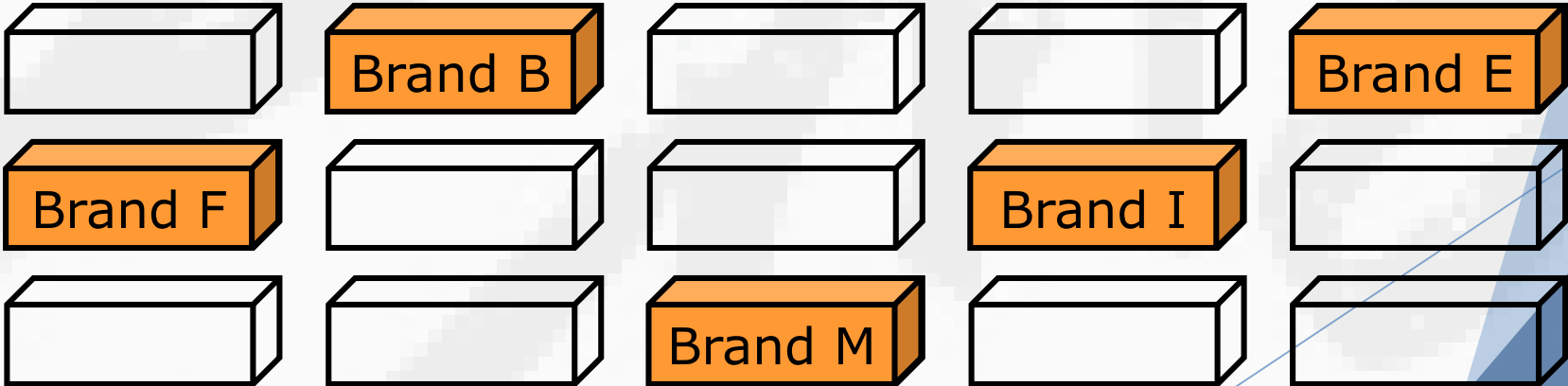


Evaluation of alternative

All Available Brands



Evoked Set of Brands



Purchase decision & Post-purchase evaluation

- ▶ Not the same as an actual purchase as the consumer still needs to perform the action of purchase after taking the decision.

- ▶ Post purchase decision:

- ▶ Expectation met/exceeded: Satisfied
- ▶ Expectation not met: Dissatisfied

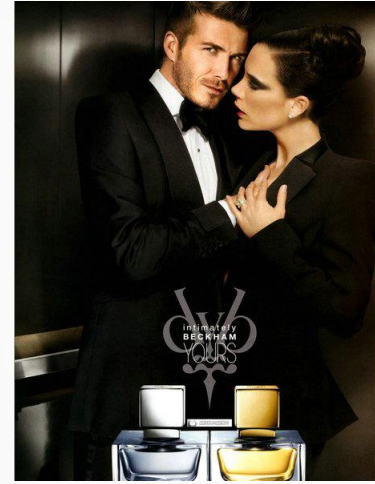


Behavioral learning theory

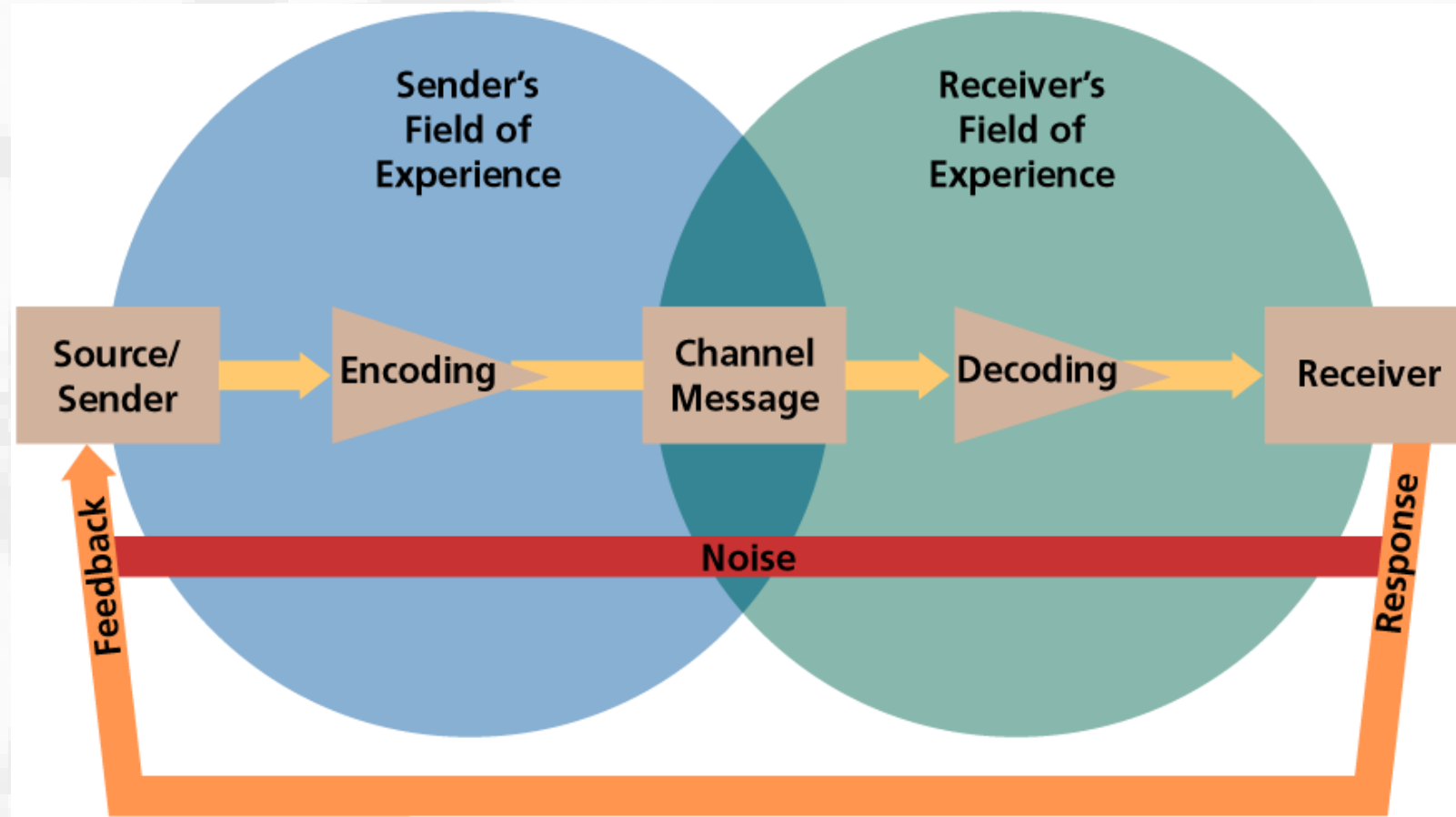
- ▶ Classical conditioning: Assumes that learning is an associative process with an already existing relationship between a stimulus and a response.
- ▶ Operant conditioning: Assumes that individuals must actively operate or act upon aspect of the environment for learning to occur.

Environmental influence on consumer behavior

- ▶ Culture
- ▶ Subculture
- ▶ Reference Group
- ▶ Situational determinants
 - ▶ Usage situation
 - ▶ Purchase situation
 - ▶ Communication situation



The nature of communication



The nature of communication

- ▶ **Encoding:** putting thoughts ideas or information into a symbolic form in such a way that is understandable by the receiver e.g Starbucks & Gap
- ▶ **Message:** Contains information or meaning that the source hopes to convey
 - ▶ Verbal
 - ▶ Non-verbal
 - ▶ Oral
 - ▶ Written
- ▶ **Channel:**
 - ▶ Non-personal channel (mass media)
 - ▶ Personal channel (Direct/face to face)
- ▶ WOM
- ▶ Buzz marketing



Viral marketing

- ▶ Refers to the act of propagating marketing relevant message through the help of corporations and individual customers
- ▶ Seeding involves identifying and choosing the initial group of customers who'll be used to start the diffusion / spreading of the message.
- ▶ Companies that uses viral marketing must develop a 'seeding strategy'



The nature of communication

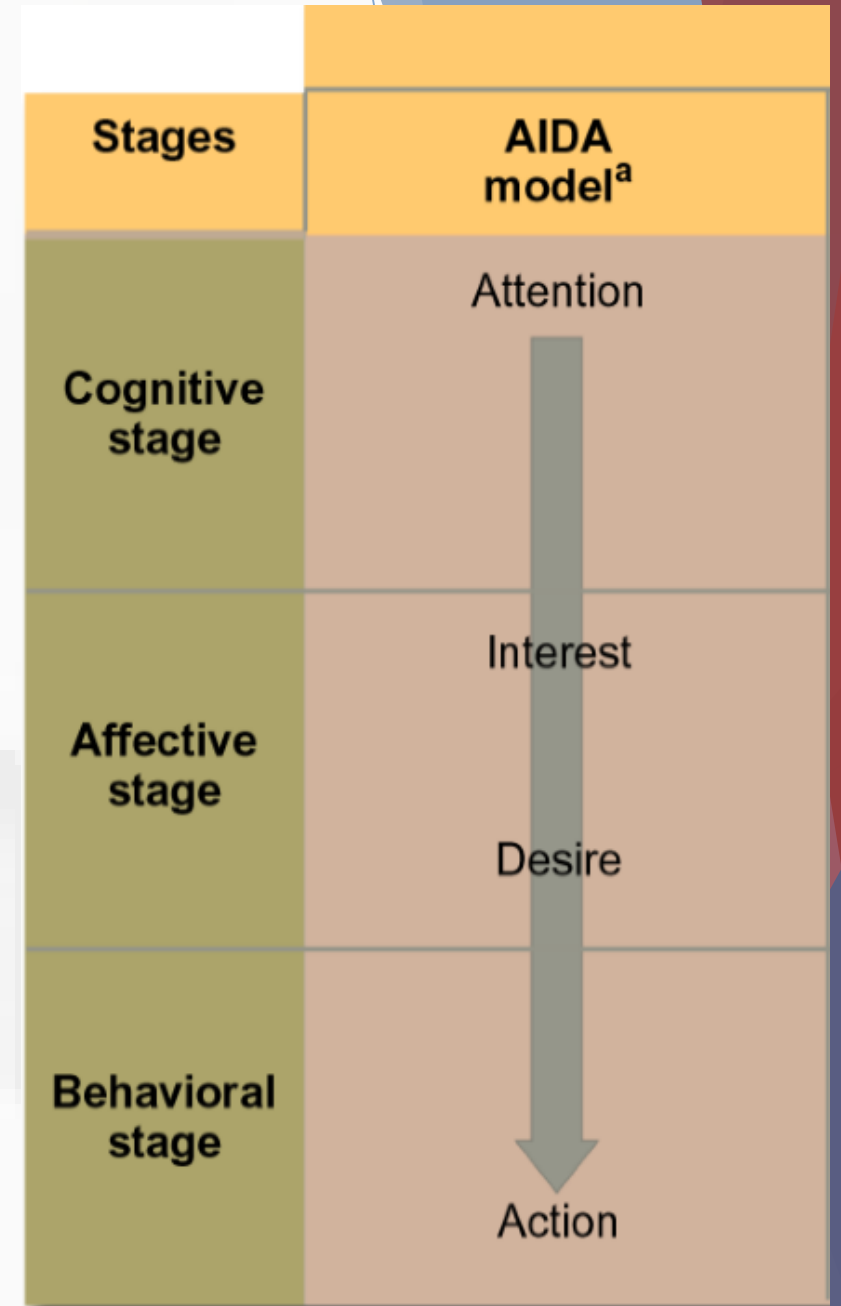
▶ Receiver/decoding

- ▶ Transforming the senders message back into thought

	Models			
Stages	AIDA model ^a	Hierarchy of effects model ^b	Innovation adoption model ^c	Information processing model ^d
Cognitive stage	Attention	Awareness	Awareness	Presentation
	Affective stage	Interest	Knowledge	Interest
Desire		Liking	Evaluation	
Behavioral stage	Action	Preference	Trial	Yielding
		Conviction		Adoption
		Purchase		Behavior

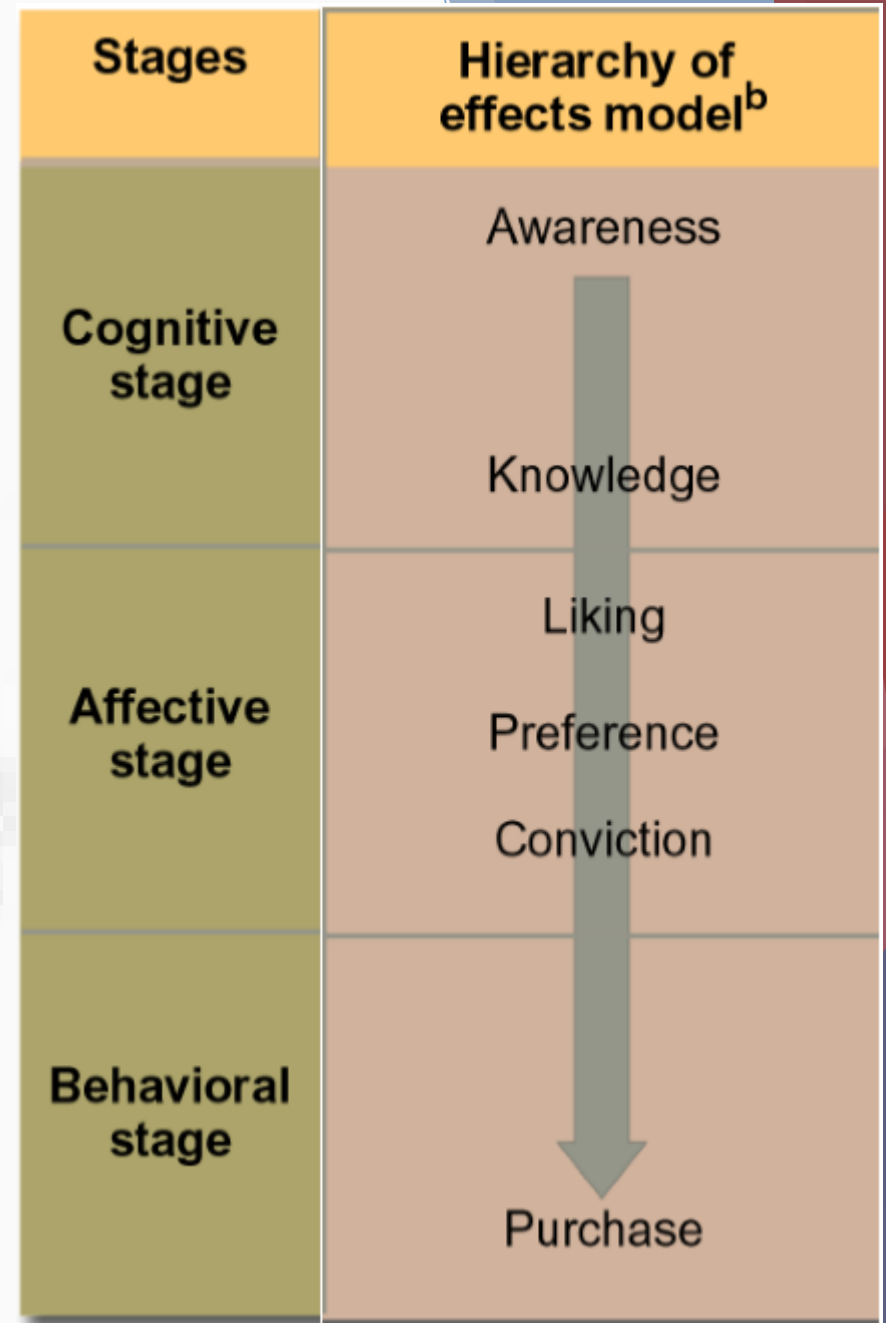
AIDA model

- ▶ Represents the stages a salesperson must take a customer through in the personal selling process.
- ▶ Most important stage in the selling process but it can also be the most difficult



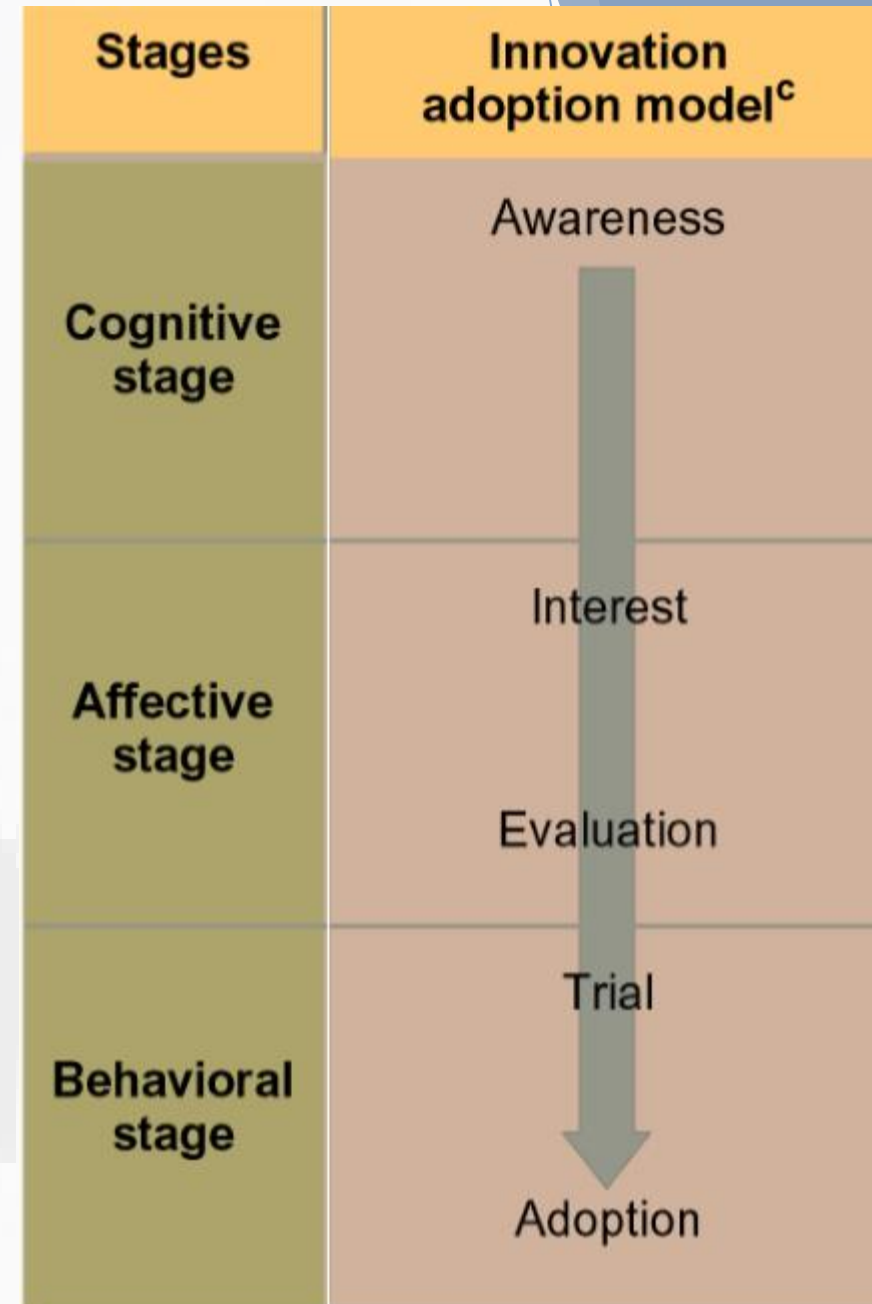
Hierarchy of effects model

- ▶ Shows the process of how advertising works
- ▶ Assumes that consumers pass through a series of sequential steps in sequential order from awareness to purchase
- ▶ Also depicts the 'classic purchase funnel' metaphor.



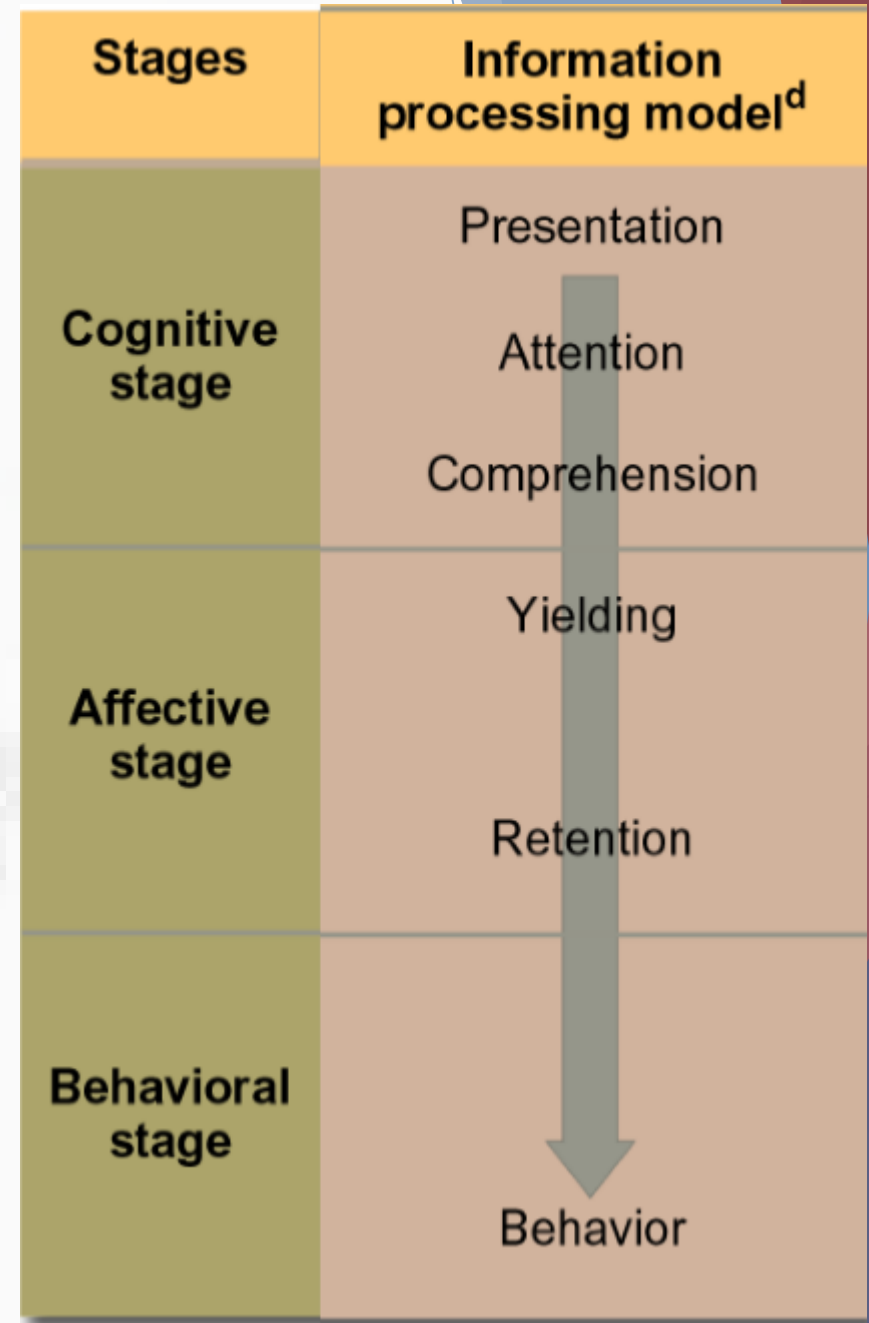
Innovation adoption model

- ▶ Represents stages that a consumer passes through in adopting a new product or service



Information processing model

- ▶ Assumes the receiver in a persuasive communication situation like advertising is an information processor or problem solver



Alternative response hierarchy

- ▶ Standard learning hierarchy
 - ▶ For complex buying decisions
 - ▶ Ads are thus more detail
- ▶ Dissonance/ attribution hierarchy
 - ▶ In case of dissonance reducing decisions
 - ▶ Also applicable for post purchase situations
- ▶ Low involvement hierarchy
 - ▶ Low brand significance and brand difference, ads are the influencers.

The Cognitive response approach

Product/Message Thoughts

Counterarguments

Support arguments

Source-Oriented Thoughts

Source derogation

Source bolstering

Ad Execution Thoughts

Thoughts about
the ad itself

Affect attitude
toward the ad



Thank You

