

Principles of Marketing

15th ed

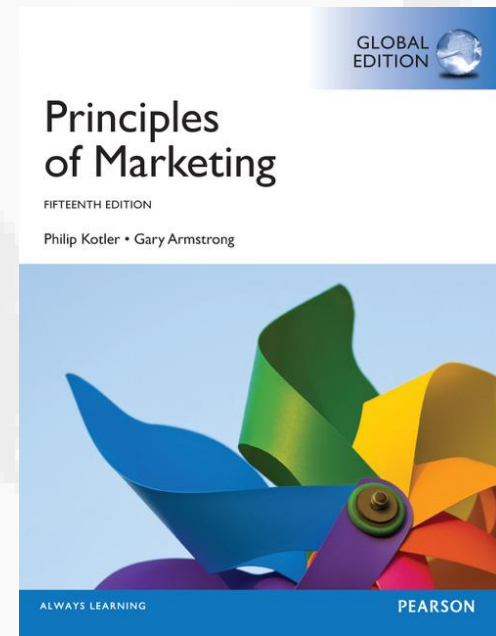
Phillip Kotler & Gary Armstrong

CHAPTER FIVE

Consumer markets & consumer buying behavior

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Mkt: 202 (Section 3,4)



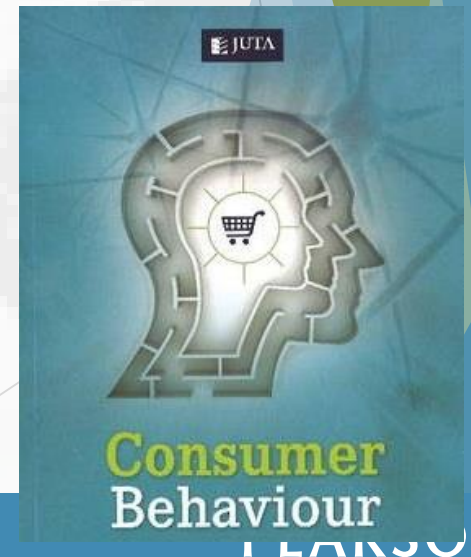
Chapter Learning Outcomes

- ▶ 5.1 Model of Consumer Behavior
- ▶ 5.2 Characteristics Affecting Consumer Behavior
- ▶ 5.3 Types of Buying Decision Behavior
- ▶ 5.4 The Buyer Decision Process
- ▶ 5.5 The Buyer Decision Process for New Products

Consumer Behavior

Consumer buyer behavior refers to the buying behavior of final consumers—individuals and households who buy goods and services for personal consumption.

Consumer market refers to all of the personal consumption of final consumers.



Model of Consumer Behavior

STIMULI PROCESSING RESULT

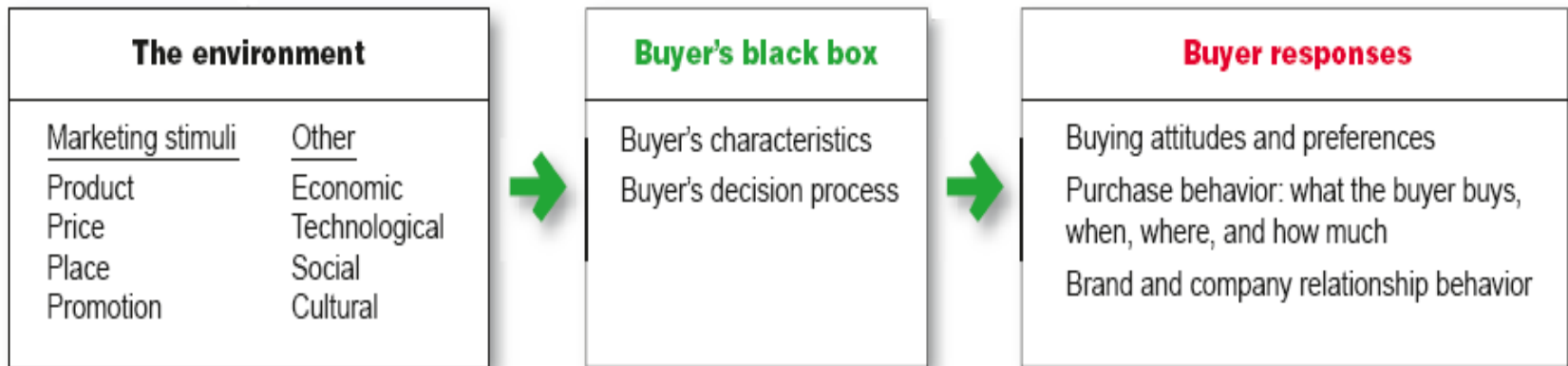
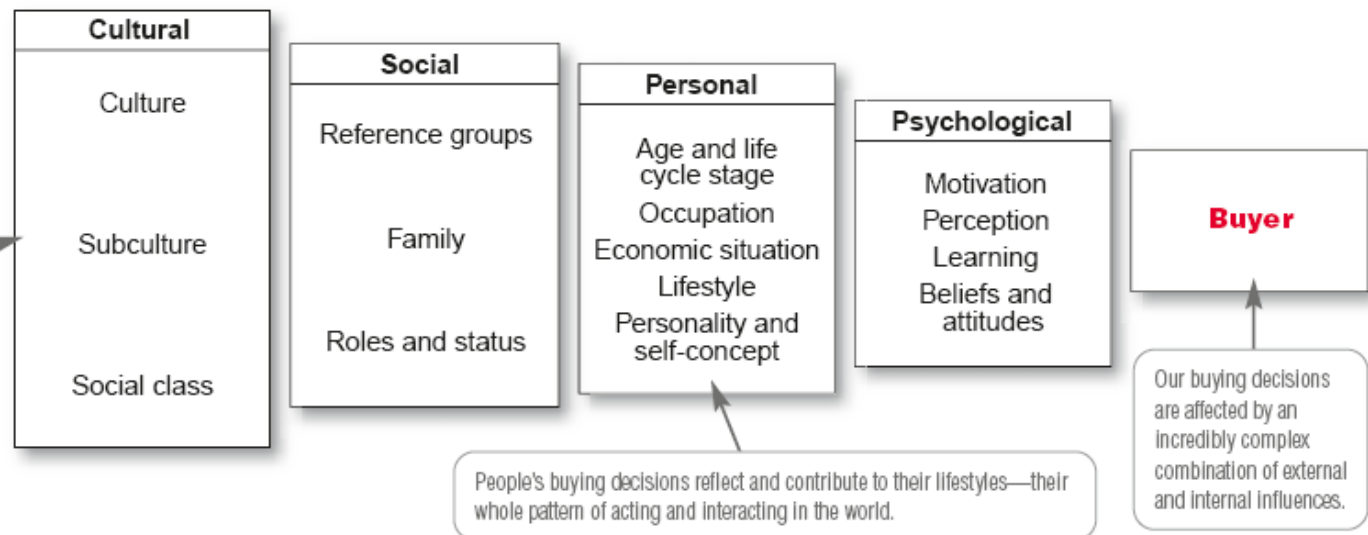


FIGURE | 5.1 Model of Buyer Behavior

Characteristics Affecting Consumer Behavior

FIGURE | 5.2
Factors Influencing
Consumer Behavior



Characteristics Affecting Consumer Behavior

Cultural factors

Culture is the set of basic values, perceptions, wants, and behavior learned from family and other important institutions.

e.g: Asian Culture

African Culture

Arab Culture

American Culture

Chinese Culture etc.



▶ **Subculture** are groups of people within a culture with shared value systems based on common life experiences and situations.

▶ e.g: Hispanic Subculture in American culture

Cultural Factors

Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests, and behaviors.

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

▶ **Cross cultural marketing** is the practice that includes ethnic themes & cross cultural perspectives within their mainstream marketing.



Characteristics Affecting Consumer Behavior

Social Factors

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 behavior

Characteristics Affecting Consumer Behavior

Social Factors

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

Buzz Marketing

- ▶ Enlisting / creating opinion leaders & use them as brand ambassadors

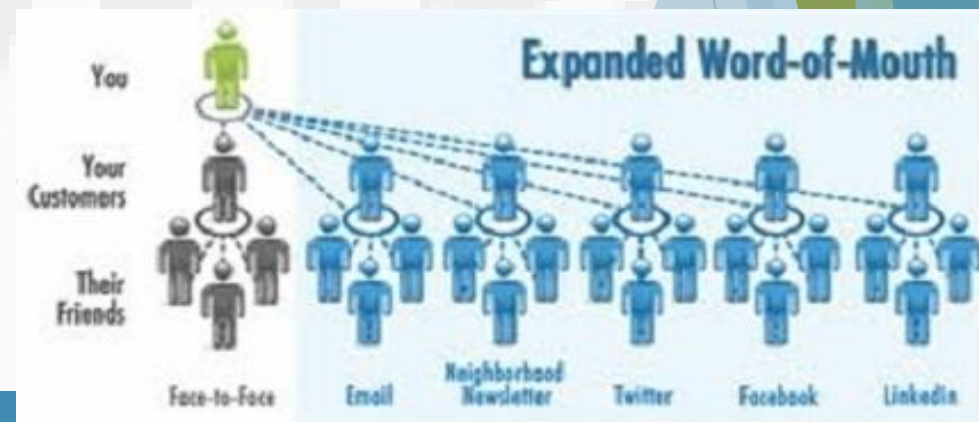
Word of Web

Testimonials [See more](#)

“ I would recommend Appointment-Plus to any business. It's customizable, affordable, and reliable.”

Danielle Julian
Plumbing Medic

[Watch the video](#)



Characteristics Affecting Consumer Behavior

Social Factors

► **Online Social Networks** are online communities where people socialize or exchange information and opinions:

- Blogs
- Social networking sites (Facebook)
- Virtual worlds (Second Life)

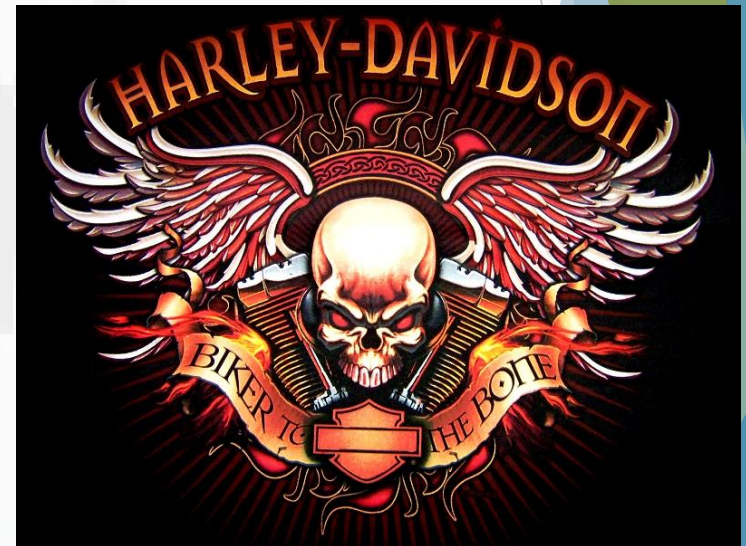


Characteristics Affecting Consumer Behavior

Social Factors

- ▶ **Family** is the most important consumer-buying organization in society.

- ▶ **Social roles and status** are the groups, family, clubs, and organizations that a person belongs to that can define role and social status.



Characteristics Affecting Consumer Behavior

Personal Factors

► Age and life-cycle stage:

- People change the goods and services they buy over their lifetimes
- Tastes in food, clothes, furniture, and recreation are often age related
- Buying is also shaped by the stage of the family life-cycle—the stages through which families might pass as they mature over time



Characteristics Affecting Consumer Behavior

Personal Factors

Occupation affects the goods and services bought by consumers.

Economic situation includes trends in:

Personal
income

Savings

Interest rates

Characteristics Affecting Consumer Behavior

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 Behavior

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: Self-confidence, Sociability, Autonomy, Defensiveness, Adaptability, Aggressiveness.
- **Self-concept** or self-image premise is that people's possessions contribute to and reflect their identities—that is, 'we are what we have'.



Characteristics Affecting Consumer Behavior

Brand Personalities

Sincerity: Down-to-earth, honest, wholesome, and cheerful

Excitement: Daring, spirited, imaginative, and up-to-date

Competence: Reliable, intelligent, and successful

Sophistication: Upper class and charming

Ruggedness: Outdoorsy and tough



Characteristics Affecting Consumer Behavior

Psychological Factors

Motivation

Perception

Learning

Beliefs and attitudes

Characteristics Affecting Consumer Behavior

Psychological Factors

Motivation

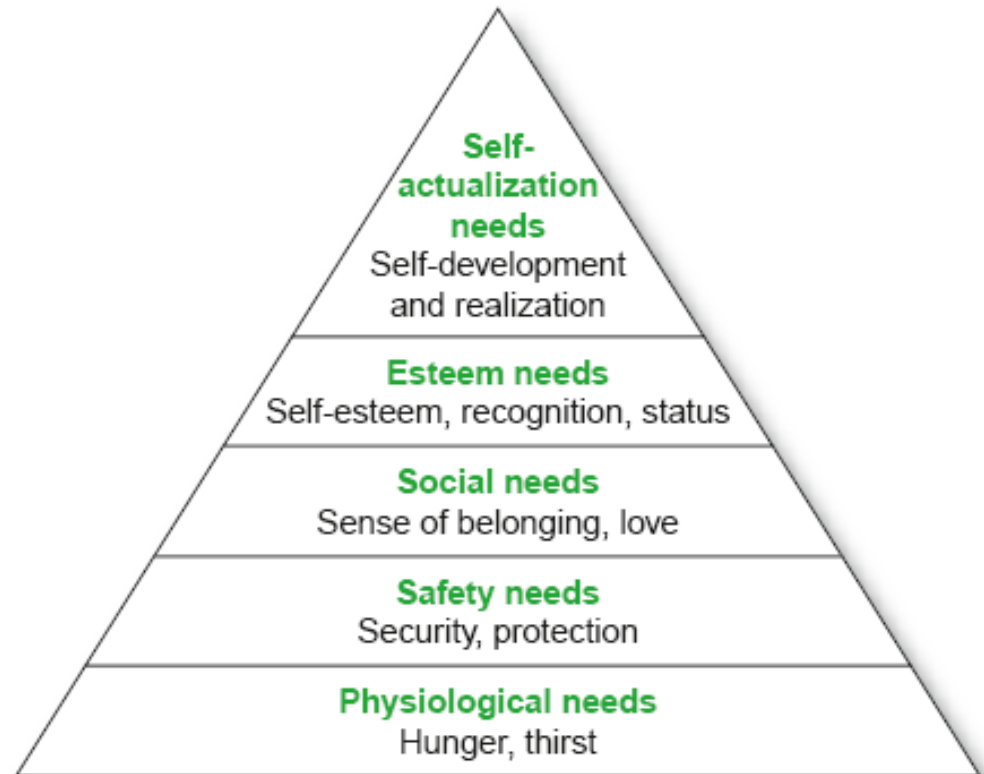
A **motive** is a need that is sufficiently pressing to direct the person to seek satisfaction.

Motivation research refers to qualitative research designed to probe consumers' hidden, subconscious motivations.



Characteristics Affecting Consumer Behavior

FIGURE | 5.4
Maslow's Hierarchy of Needs



Characteristics Affecting Consumer Behavior

Psychological Factors

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

- Selective attention
- Selective distortion
- Selective retention

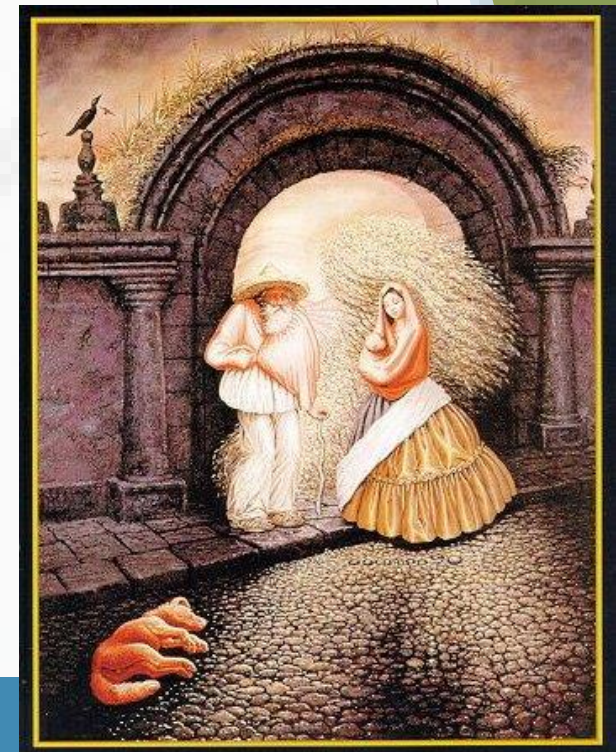
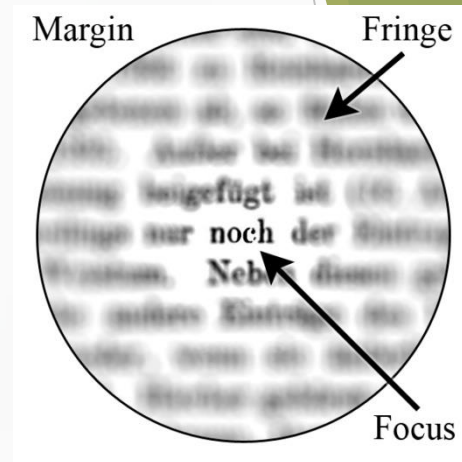
Characteristics Affecting Consumer Behavior

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.

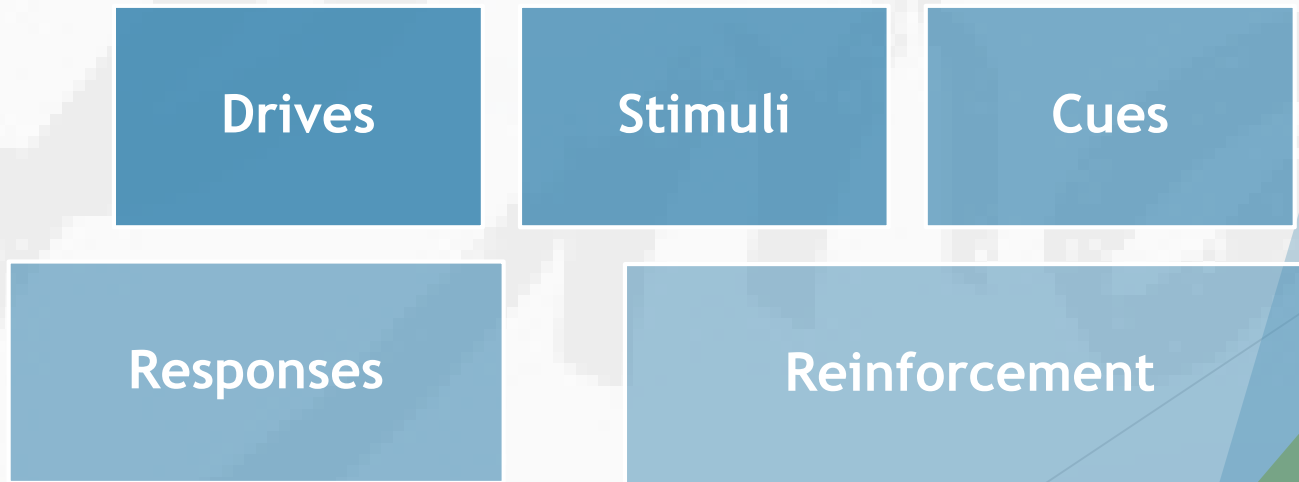
Selective retention is the tendency to remember good points made about a brand they favor and forget good points about competing brands.



Characteristics Affecting Consumer Behavior

Psychological Factors

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



Characteristics Affecting Consumer Behavior

Psychological Factors

► Beliefs and Attitudes

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

- Knowledge
- Opinion
- Faith



Characteristics Affecting Consumer Behavior

Psychological Factors

► Beliefs and Attitudes

Attitudes describe a person's relatively consistent evaluations, feelings, and tendencies toward an object or idea.

Types of Buying Decision Behavior

Complex buying behavior

Dissonance-reducing buying behavior

Habitual buying behavior

Variety-seeking buying behavior

Types of Buying Decision Behavior

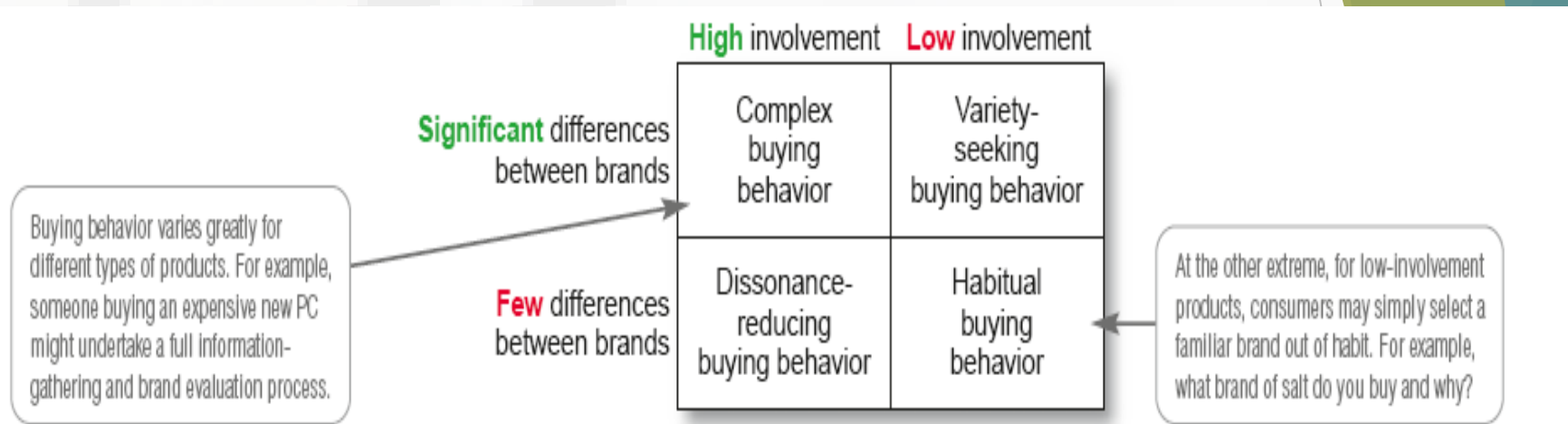


FIGURE | 5.5 Four Types of Buying Behavior

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The Buyer Decision Process

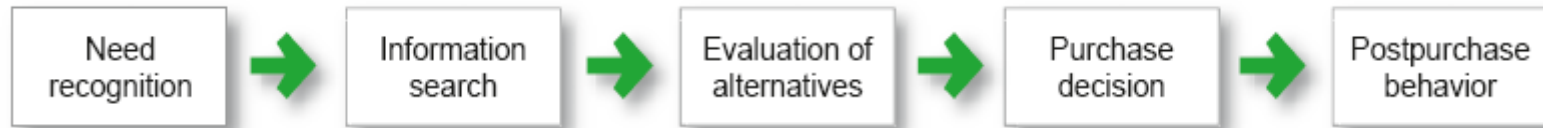


FIGURE | 5.6 Buyer Decision Process

Need Recognition

Occurs when the buyer recognizes a problem or need triggered by:

- **Internal** stimuli
- **External** stimuli

The Buyer Decision Process

Information Search

- ▶ **Sources of Information**
- ▶ **Personal sources**—family and friends
- ▶ **Commercial sources**—advertising, Internet
- ▶ **Public sources**—mass media, consumer organizations
- ▶ **Experiential sources**—handling, examining, using the product

The Buyer Decision Process

Evaluation of Alternatives

- ▶ How the consumer processes information to arrive at brand choices.
- ▶ Depends on the individual consumer and the specific buying situation.



The Buyer Decision Process

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.

Post-Purchase Decision

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

The Buyer Decision Process

Post-Purchase Decision

- ▶ **Customer satisfaction** is a key to building profitable relationships with consumers—to keeping and growing consumers and reaping their customer lifetime value.
- ▶ **Cognitive dissonance** is the discomfort caused by a post-purchase conflict.

The Buyer Decision Process for New Products

New Product and Adoption Process

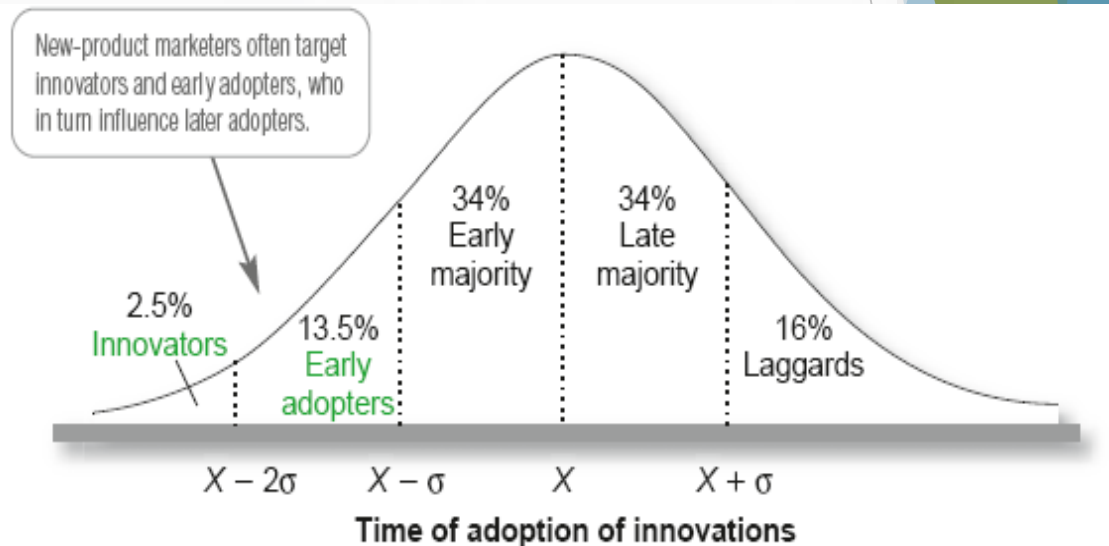
A **New Product** is a good, service, or idea that is perceived by some potential customers as new.

Adoption process is the mental process an individual goes through from first learning about an innovation to final regular use.

FIGURE | 5.7

Adopter Categorization on the Basis of Relative Time of Adoption of Innovations

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Polaroid

The Buyer Decision Process for New Products

Stages in the Adoption Process



Stage	Buyer's response
Awareness	The buyer becomes aware of the product
Interest	The buyer seeks information and is receptive to learning about the product
Evaluation	The buyer considers the product's benefits and decides whether to try the product
Trial	The buyer examines, tests, or tries the product to determine if it meets his or her needs
Adoption	The buyer purchases the product and can be expected to use it again whenever the need for this general type of product arises

Influence of Product Characteristics on Rate of Adoption

Relative
advantage

Compatibility

Complexity

Divisibility

Communicability



Thank You