Chapter 5
Analyzing Consumer Markets

Chapter Questions
• How do consumer characteristics influence buying behavior?
• What major psychological processes influence consumer responses to marketing?
• How do marketers analyze consumer decision making?

What Influences Consumer Behavior?
• Consumer behavior—the study of how individuals, groups, and organizations select, buy, and dispose of goods, services, ideas, or experiences to satisfy their needs and desires.
• Influences:
  • Cultural factors
  • Social factors
  • Personal factors
Cultural Factors

- **Culture** is the most fundamental determinant of a person’s wants and behavior.
- **Consists of subcultures** that provide more specific identification and socialization for their members.
- **Social class**—relatively homogeneous and enduring divisions in a society.

Social Classes

- Upper uppers
- Lower uppers
- Upper middles
- Middle class
- Working class
- Upper lowers
- Lower lowers

Social Factors

- **Reference groups**—consist of all of the groups that have a direct or indirect influence on a person’s attitudes or behavior.
  - **Membership groups** (primary and secondary)—groups having direct influence.
  - **Aspirational groups**—those a person hopes to join.
  - **Dissociative groups**—those whose values or behavior an individual rejects.
  - **Opinion leader**—the person who offers informal advice or information about a specific product or product category.
Social Factors

- Family
  - Family of orientation—parents and siblings.
  - Family of procreation—spouse and children.
- Roles and Status
  - Role—the activities a person is expected to perform.
  - Status—each role carries a status.

Personal Factors

- Age
- Life cycle stage
- Occupation
- Economic circumstances
- Personality
- Self-concept
- Lifestyles
- Values

Key Psychological Processes

- Motivation
- Perception
- Learning
- Memory
Motivation
- Freud's Theory
  - Behavior is guided by subconscious motivations.
- Maslow's Hierarchy of Needs Theory
  - Human needs are arranged in a hierarchy from most to least pressing—physiological, safety, social, esteem, and self-actualization.
  - Behavior is driven by lowest unmet need.
- Herzberg's Two-Factor Theory
  - The absence of dissatisfiers is not enough to motivate a purchase; satisfiers must be present.

Perception
- Perception—the process by which we select, organize, and interpret information inputs to create a meaningful picture of the world.
  - Selective attention
  - Selective distortion
  - Selective retention

Learning
- Learning induces changes in our behavior arising from experience.
- Drive—a strong internal stimulus that impels action.
- Cues—minor stimuli that determine when, where, and how a person responds.
Memory

- Short-term memory (STM)—a temporary and limited repository of information.
- Long-term memory (LTM)—a more permanent, essentially unlimited repository.
  - **Associative network memory model**—views LTM as a set of nodes and links.
    - Nodes—stored information.
    - Links—connections between nodes and vary in strength.
- **Memory encoding**—describes how and where information gets into memory.
- **Memory retrieval**—the way information gets out of memory.
- **Brand Associations**—all brand related thoughts, feelings, perceptions, images, experiences, beliefs, attitudes, and so on that becomes linked to the brand node.
- **Mental map**—Figures 5.2.

The Buying Decision Process

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

Information Sources

- Personal
- Commercial
- Public
- Experiential

Successive Sets

- Total set
- Awareness set
- Consideration set
- Choice set
- Decision
Basic Concepts Underlying the Consumer Evaluation Process

- Consumer is trying to satisfy a need.
- Consumer is looking for certain benefits.
- Consumer sees each product as a bundle of attributes with varying abilities for delivering the benefits to satisfy this need.
- Belief—a descriptive thought a person holds about something.
- Attitude—enduring favorable or unfavorable evaluations, feelings, and action tendencies toward some object or idea.
- Expectancy-value model—consumers evaluate products and services by combining their brand beliefs according to importance.

Purchase Decision

- Consumer forms preferences among brands in the choice set and may also form an intention to buy the most preferred brand.
- Intervening factors:
  - Attitudes of others
  - Unanticipated situational factors

Postpurchase Behavior

- Postpurchase satisfaction
- Postpurchase actions
- Postpurchase product uses