4

Perspectives on Consumer Behavior

Advertising and Promotion

George E. Belch & Michael A. Belch
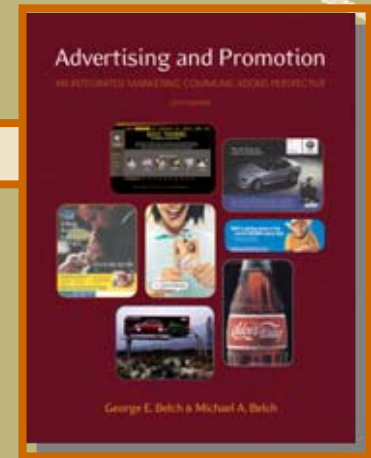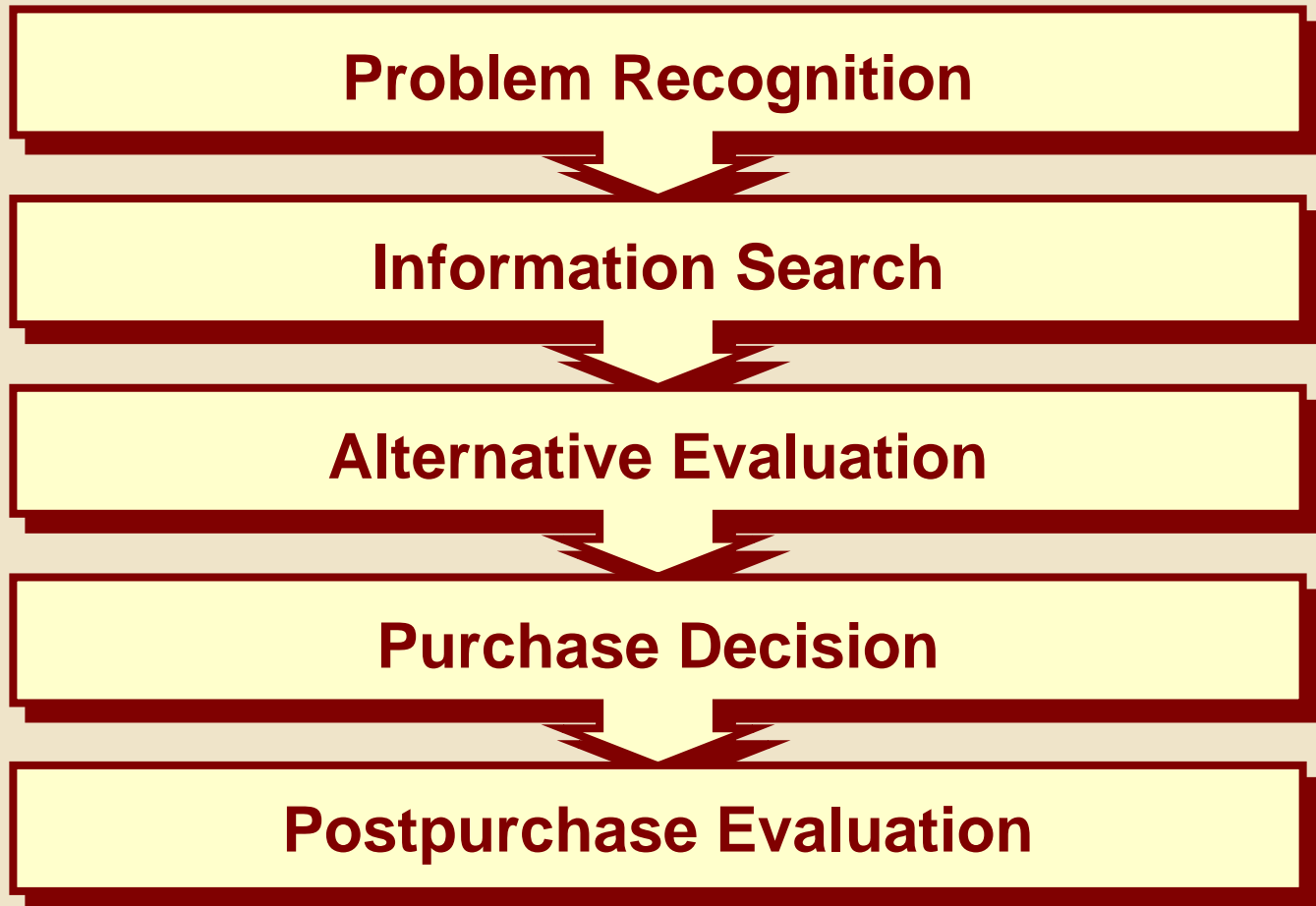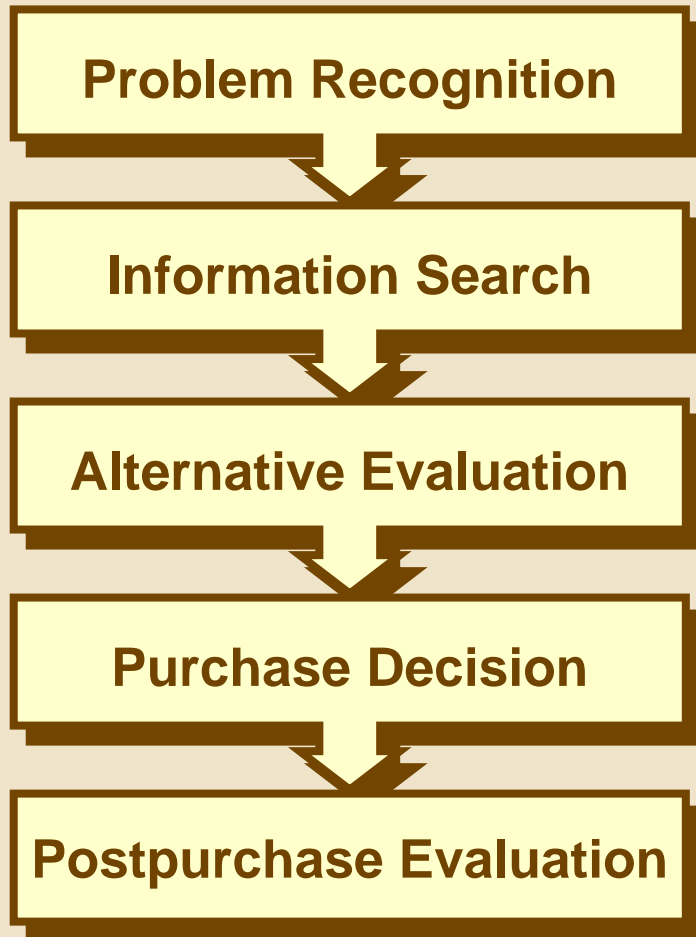
Consumer Behavior

The process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and services so as to satisfy their needs and wants.
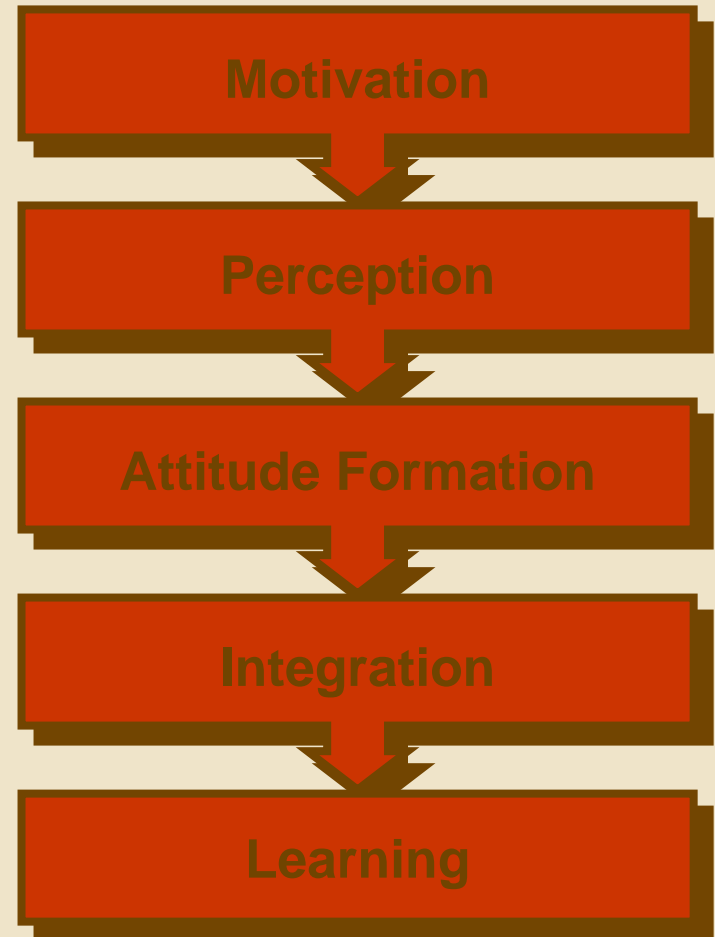
The Consumer Decision Process

Problem Recognition

Information Search

Alternative Evaluation

Purchase Decision

Postpurchase Evaluation

Consumer Decision Process and Relevant Internal Psychological Processes

Decision Process Stages

Problem Recognition

↓

Information Search

↓

Alternative Evaluation

↓

Purchase Decision

↓

Postpurchase Evaluation

Psychological Processes

Motivation

↓

Perception

↓

Attitude Formation

↓

Integration

↓

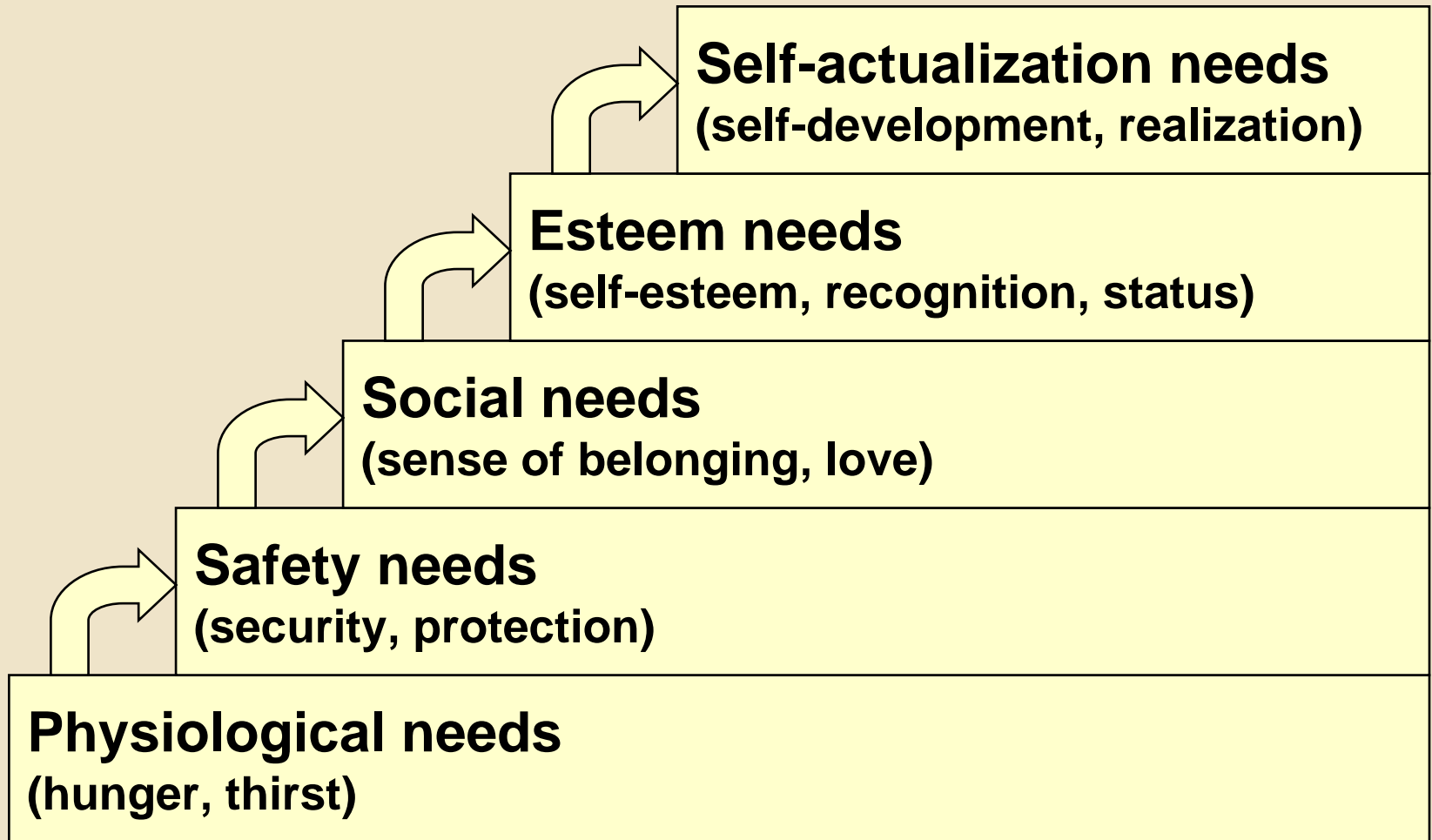**Learning**

- ➢ Out of stock

- ➢ Dissatisfaction

- ➢ New needs or wants

- ➢ Related product purchase

- ➢ Market-induced recognition

- ➢ New products

Maslow's Hierarchy of Needs

Self-actualization needs
(self-development, realization)

Esteem needs
(self-esteem, recognition, status)

Social needs
(sense of belonging, love)

Safety needs
(security, protection)

Physiological needs
(hunger, thirst)

Some things can be rough.

Her wipe shouldn't be one of them.
Do you think your wipe is gentle enough? Pampers is.
You can count on Pampers wipes to always be feathery soft.

Pamper the skin they're in.

➢In-Depth Interviews
- The consumer talks freely in an unstructured interview to obtain insights into his or her motives, ideas or opinions.

➢Projective Techniques
- Methods allowing consumers to project values, motives, attitudes or needs on some external object.

➢Association Tests
- Consumers respond with the first thing that comes to mind when presented with some verbal or pictorial stimulus.

➢Focus Groups
- A group of consumers with similar backgrounds or interests discuss a product, idea or issue.

Information Search

Internal Search– information stored in memory

External Search – actively seeking information from various sources

- Personal sources
  - Friends, relatives, co-workers

- Market-controlled sources
  - Ads, salespeople, in-store displays

- Public sources
  - Print articles, news reports

- Personal experience
  - Handling, examining, testing, using

Perception

The process by which an individual receives, selects, organizes and interprets information

Stages in the perception process:

➢ Sensation

➢ Attending to information

➢ Interpreting information

➢ Responding to information

The Selective Perception Process

Selective Exposure

Selective Attention

Selective Comprehension

Selective Retention

Evaluation of Alternatives

All available brands

Brand A | Brand B | Brand C | Brand D | Brand E

Brand F | Brand G | Brand H | Brand I | Brand J

Brand K | Brand L | Brand M | Brand N | Brand O

Evoked Set of Brands

Brand B | Brand E

Brand F | Brand I
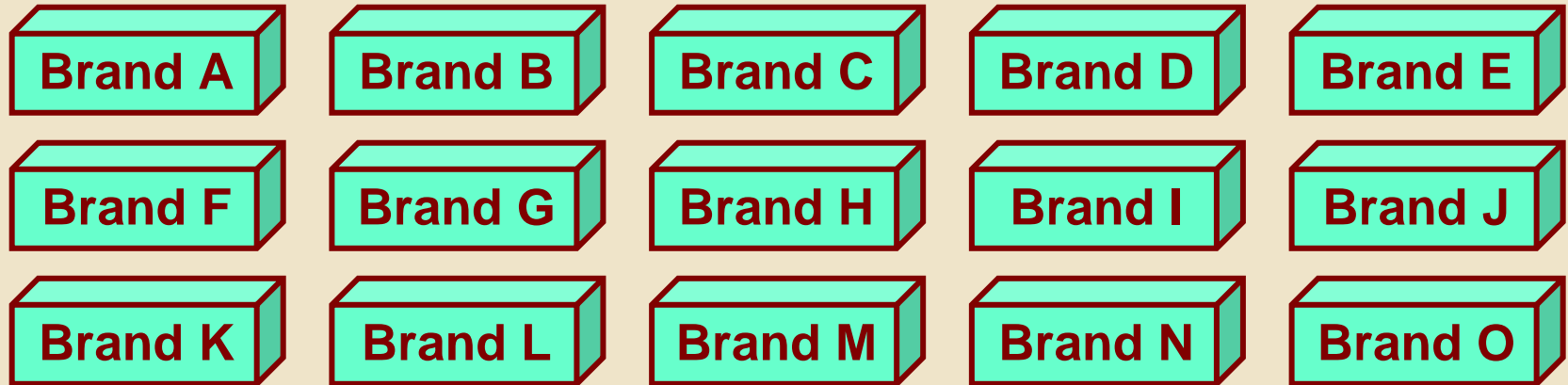
Brand M
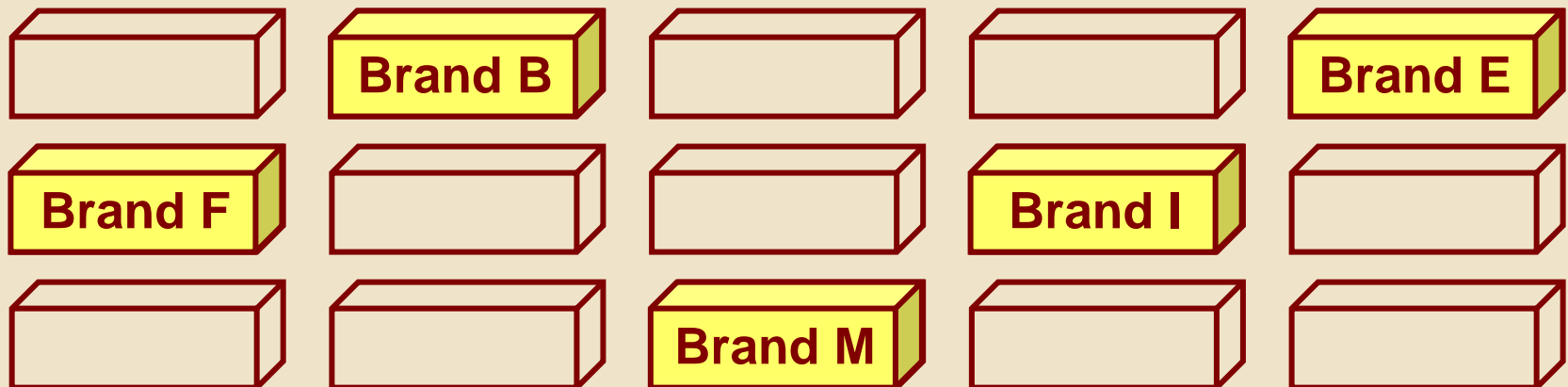
Evaluative Criteria

Criteria - Dimensions or attributes of a product or service used to compare various alternatives

- ➢ Objective criteria - price, warranty, color, size

- ➢ Subjective criteria - style, appearance, image

Consequences – outcomes that result from using a product or service

➢Functional consequences – concrete and tangible

➢Pyschosocial consequences – abstract, intangible

Consumer Attitudes

Learned predispositions to respond toward an object—an individual's overall feelings toward or evaluation of an object.

Consumers may hold attitudes toward:
- Individuals
- Brands
- Companies
- Organizations
- Product categories
- Retailers
- Advertisements
- Media

Attitudes are a function of:

A = $\sum B_i \times E_i$

A = Attitude

B_i = Beliefs about brands performance on attribute i

E_i = Importance attached to attribute i

N = Number of salient attributes considered by consumer

Ways to Influence or Change Attitudes

➢ Increase or change the strength or belief rating of a brand on an important attribute

➢ Change consumers' perceptions of the importance or value of an attribute

➢ Add a new attribute to the attitude formation process

➢ Change perceptions of belief ratings for a competing brand

Integration Processes and Decision Rules

Integration processes are the way product knowledge, meaning, and beliefs are combined to evaluate alternatives

Types of decision rules:

- Heuristics – simple rule of thumb rules that are easy to use and apply
  - Buy least expensive brand
  - Buy brand on sale or for which I have a coupon
- Affect referral rule – make decision on basis of overall affective impression or feelings about the brand
- Compensatory rules – evaluate the strengths and weaknesses of each brand

Market leaders such as Budweiser appeal to consumer affect in their advertising
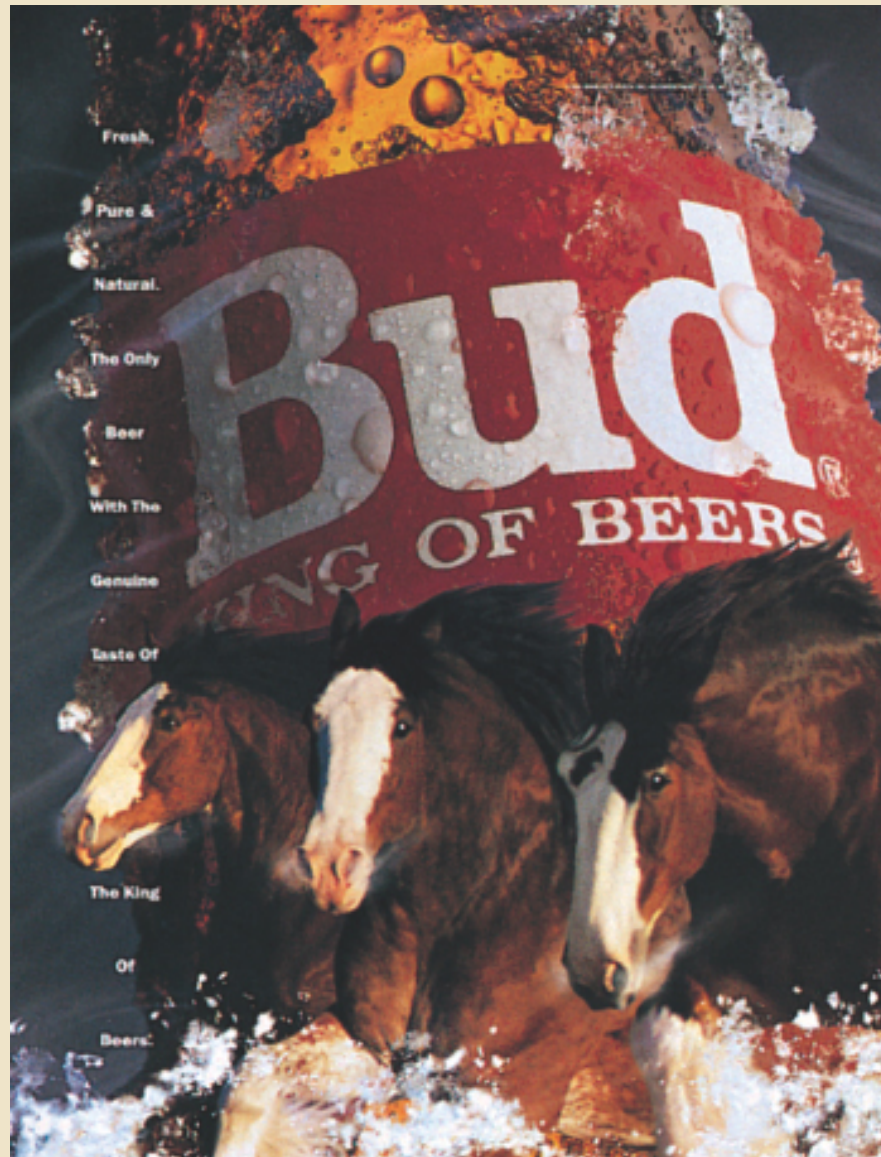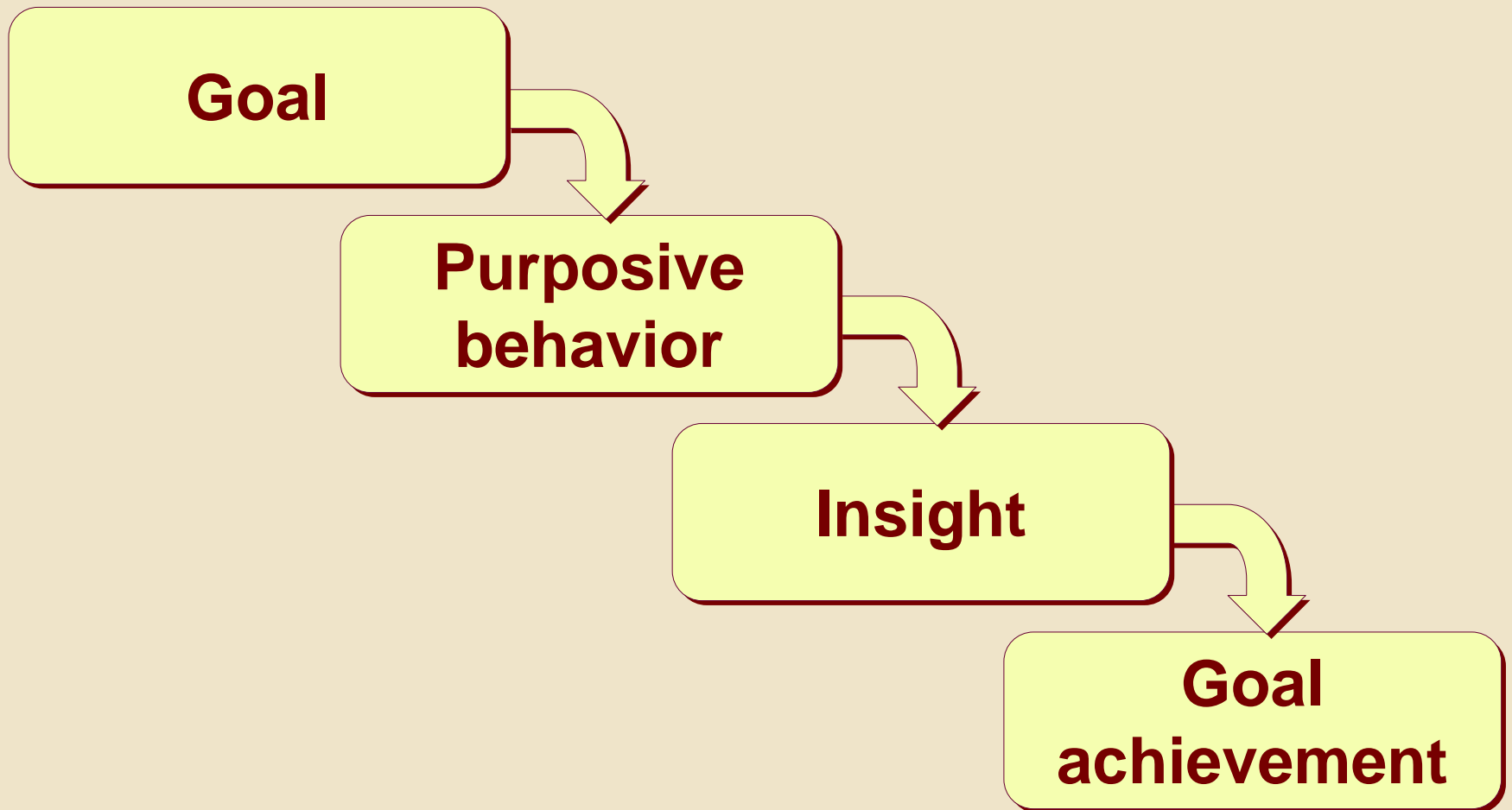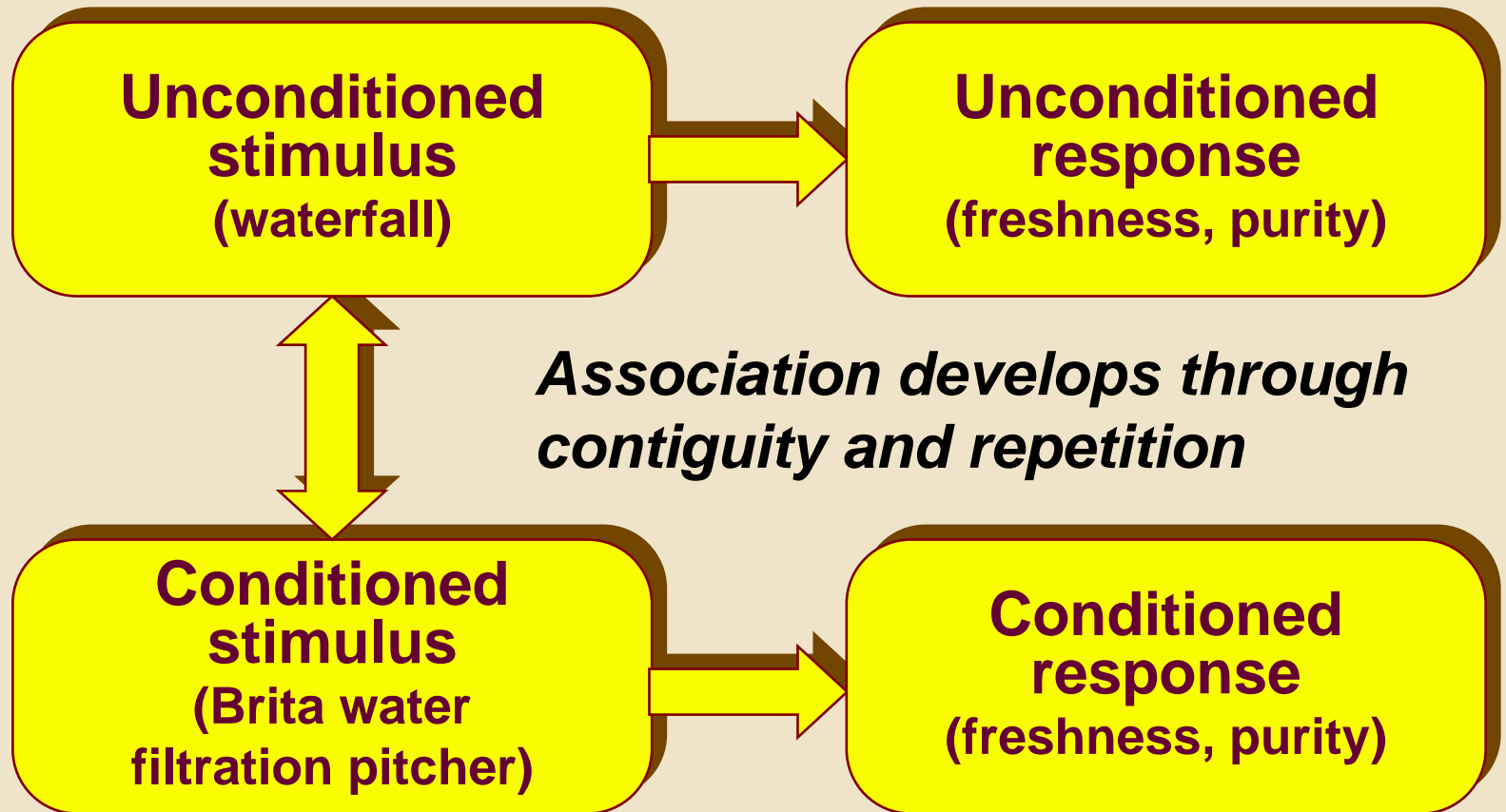
Consumer Learning Processes

- ## Cognitive Learning
  - Consumers learn through information processing and problem solving

- ## Behavioral Learning
  - Learning via association (classical conditioning)
  - Learning via reinforcement (instrumental cond.)

- ## Modeling Processes
  - Based on observation of outcomes and consequences experienced by others

Cognitive Learning Process

Goal

Purposive behavior

Insight

Goal achievement

Classical Conditioning Process

Unconditioned stimulus
(waterfall)

→

Unconditioned response
(freshness, purity)

Association develops through contiguity and repetition

Conditioned stimulus
(Brita water filtration pitcher)

→

Conditioned response
(freshness, purity)

Instrumental Conditioning Process

Behavior
(consumer uses product or service)

Positive or negative consequences occur
(reward or punishment)

Increase or decrease in probability of repeat behavior (purchase)
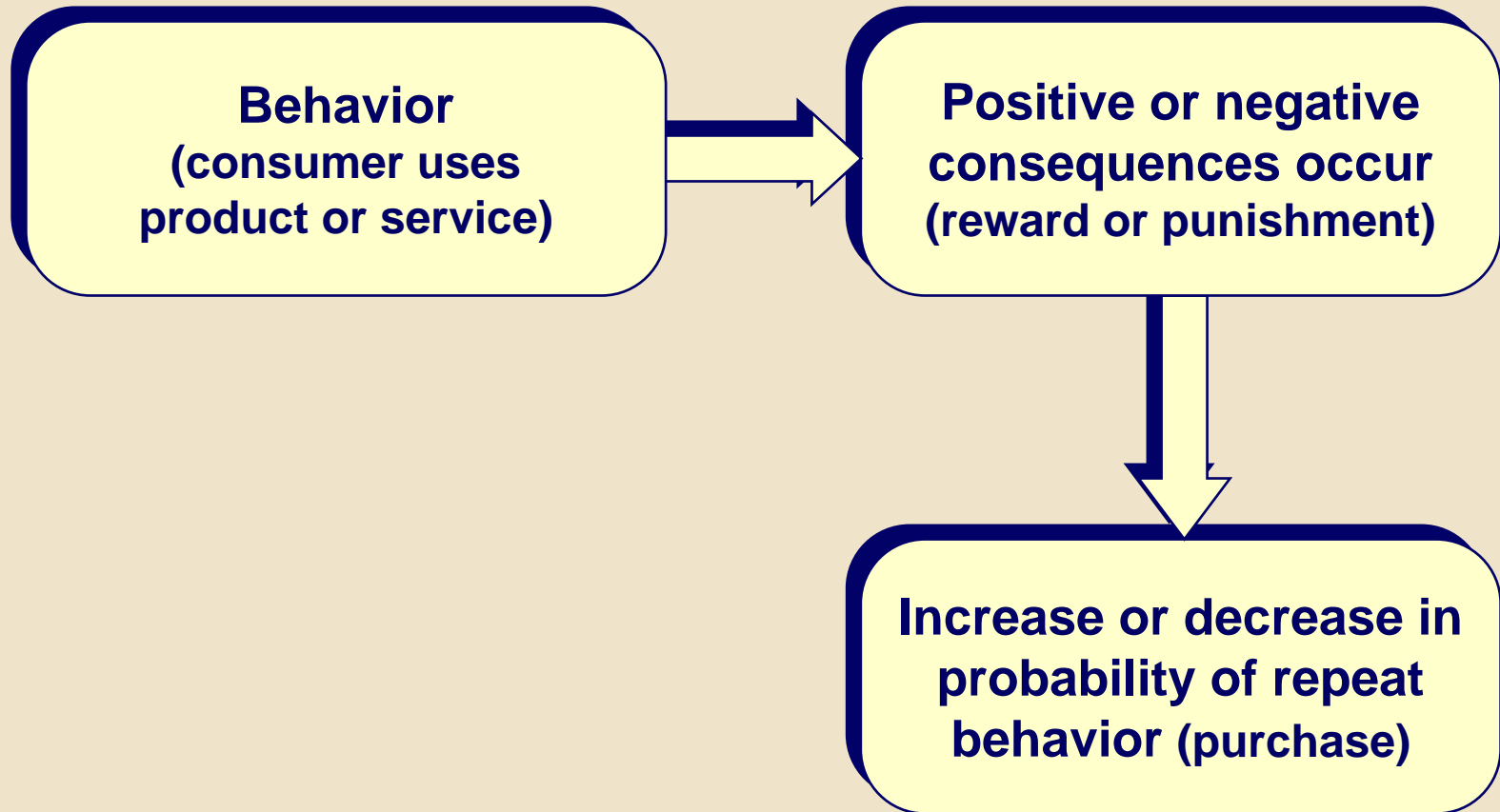
External Influences on Consumers
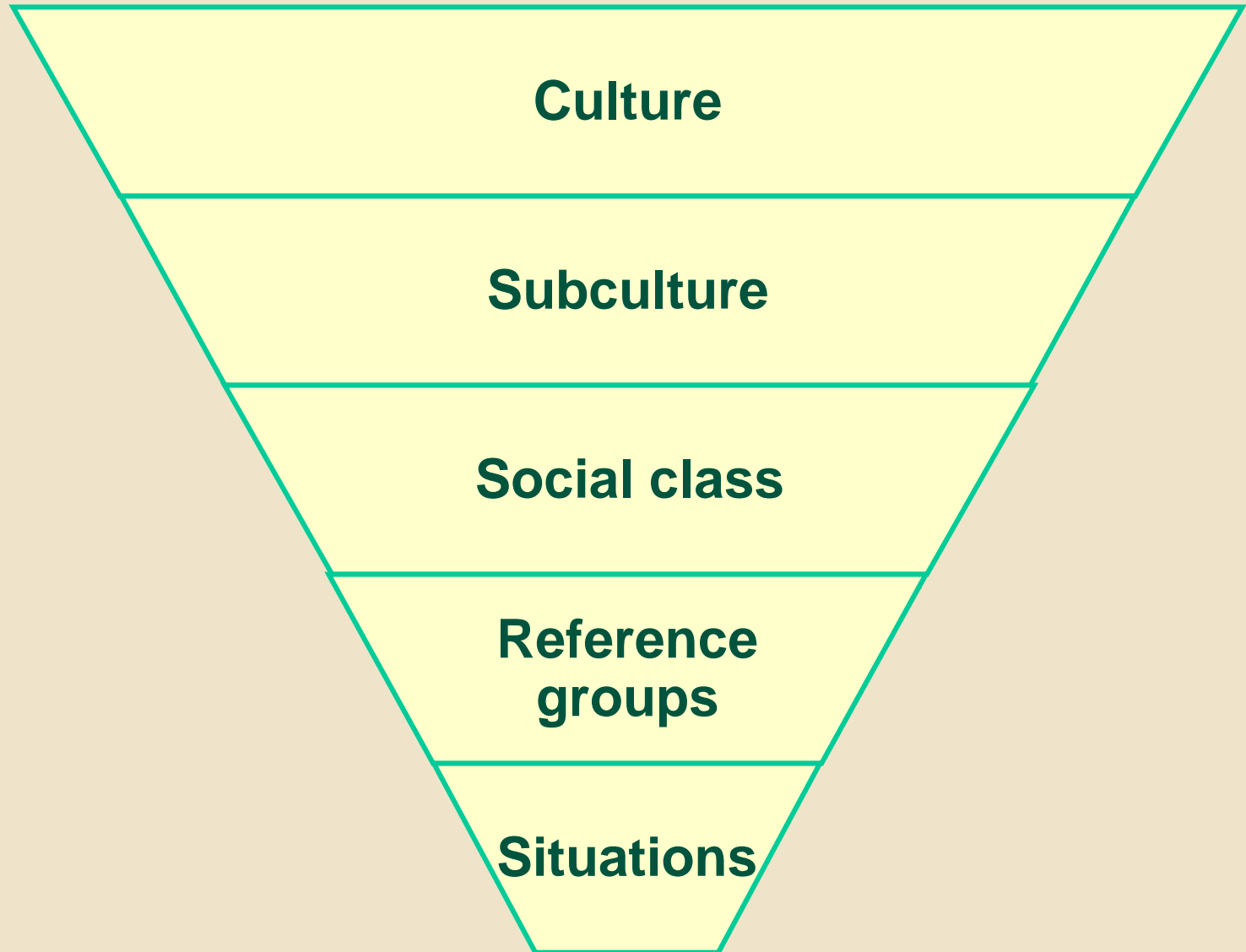
The Hispanic subculture is a very important market in many parts of the U.S.

hispanic growth
SAN DIEGO: THE 11TH LARGEST HISPANIC METRO IN THE U.S.

WHAT ARE SAN DIEGO HISPANICS LIKE?

There are 766,318 Hispanics in San Diego County

- 62% have a computer in their homes
- 63% access the Internet
- 195,900 own their own home
- 30% rented a car in the past year
- 58% have a cellular telephone
- 226,160 Hispanic adults are reached by a four-issue daily campaign in *The San Diego Union-Tribune*

Source: February 2001 - January 2002 San Diego Scarborough Report; 2001 MapInfo Corp.

COMPARED TO THE ENTIRE POPULATION OF SAN DIEGO, HISPANICS HERE:

- Are younger: Median age of 33
- Have children in the household: 62% have one or more children
- Are more likely to buy children's shoes, car stereo systems, home stereo systems and children's clothing.

Source: February 2001 - January 2002 San Diego Scarborough Report; 2001 San Diego Union-Tribune Continuing Analysis of Shopping Habits (C.A.S.H.) Study; 2001 MapInfo Corp.

METRO MARKET	TOTAL HISPANIC POPULATION
Los Angeles / Long Beach	4,310,900
New York, NY	2,373,400
Chicago, IL	1,462,100
Miami, FL	1,318,900
Houston, TX	1,293,900
Riverside / San Bernardino, CA	1,274,000
Orange County, CA	900,100
Phoenix / Mesa, AZ	855,900
Dallas, TX	847,600
San Antonio, TX	830,800
SAN DIEGO, CA	770,000
El Paso	541,200
McAllen / Edinburg / Mission, TX	516,700
Oakland, CA	454,700
Washington, D.C.	447,000

Source: Sales & Marketing Management 2001 Survey of Buying Power.

Source: Courtesy of The San Diego-Union Tribune

Variations in Consumer Decision Making

Types of Decision Processes:

- Extended Problem Solving

- Limited Problem Solving

- Routine Response Behavior

IMC Communications Task Grid

Decision Role	Communication Task	Target Audience	Where and When	IMC Options
Role in Decision Marking Process	Desired result or effect from communication	Primary group to reach at each stage	Best way to reach at each stage	Best IMC tool to accomplish communication task
Initiator				
Influencer				
Decider				
Purchaser				
User				