

# Chapter 6: Consumer Behavior

## The Consumer Decision Process

\*Figure 6.0\*

### Step 1: Recognition

The consumer decision process begins when consumers recognize they have a unsatisfied need and want to go from their actual needy state to a different, desired state. The intensity is the “need for recognition”

#### Functional Needs

Pertain to the performance of a product or service.

Example: Andey's High Quality Notes.

#### Psychological Needs

Personal gratification consumers associate with a product and / or service.

Example: Andey's Stylish Shoes

### Step 2: Search for Information

Search for information about the various options that exist to satisfy that need. The length and intensity of the search are based on the degree of perceived risk and costs associated with purchasing the product or service.

- internal
- external

#### Factors Affecting Consumer's Search Processes

- The perceived benefits versus perceived costs of search: car vs. pop purchase
- The locus of control: internal or external locus of control for purchase
- Actual or perceived risk
  - Performance Risk: is it going to work?
  - Financial Risk: do i need car insurance?
  - Psychological Risks: Am i going to look like a fag?
- Type of product or service
  - Specialty Goods: usually a lot of researching
  - Shopping Goods: you go to the mall and compare shoes at different stores
  - Convenience Goods: minimal effort to evaluate purchase

### Step 3: Evaluation of Alternatives

Consumers usually base their evaluation on a set of important attributes or evaluate criteria.

- Evaluative Criteria: important attributes like style, price, features
- Determinant Attributes: the dominant attribute
- Consumer Decision Rules: consciously or subconsciously choices made
- Compensator Decision Rule: when evaluating alternatives, trades off one characteristic against another, such that good characteristics compensate for the bad characteristics.
- Noncompensatory Decision Rule: choose a product regardless of the other attributes, for example a vegetarian will take a bitch salad versus the Andey burger, even if Andey BBQ'd it.
- Decision Heuristics: mental shortcuts to help narrow down selection
  - Price: Looking for the cheapest, cause your Asian.
  - Brand: Tylenol vs. Advil
  - Product Presentation: Consumers want to see some effort into the selling process

#### Step 4: Purchase and Consumption

The buy it and use it. But a special type of consumption is called ritual consumption, which refers to a pattern of behavior tied to life events that affect what and how we consume. For example, it's a ritual to go to Tim Horton's in the morning.

#### Step 5: Post Purchase

Are the customer's satisfied? Will they spread the word positively or negatively? Loyalty?

##### Customer Satisfaction

You can sell it once to someone, but if their not satisfied, they may not come back.

- Build realistic expectations
- Demonstrate correct product use, if they don't know how to use it, they will become dissatisfied with the product.
- Stand behind the product by providing money-back guarantees and warranties
- Encourage customer feedback, which cuts down negative word of mouth
- Periodically make contact with customers to show the company cares, and possibly correct any problems.

##### Post Purchase Dissonance

Psychologically uncomfortable with the purchase. The movie makes me sad, but i like the actors. What you do is reinforce their choice, by sending them surveys to say the positives about their purchase, the feedback from others, and why he didn't buy the alternatives.

##### Loyalty

They will buy certain brands or shop at certain stores

##### Undesirable Consumer Behavior

Companies don't want bad word of mouth from their customers. Marketers should encourage customers to complain to them directly since this could help them improve

their product.

## Types of Consumer Buying Decisions

### Complex Buying Behavior

when a consumer is highly involved in the purchase and perceives significant differences among the available brands. This usually the case when the product or service is expensive, risky, bought infrequently, and is highly self-expressive.

### Dissonance-Reducing Buying Behavior

occurs when a consumer wants to buy an expensive, infrequent, or risky product that is very self-expressive, BUT for which there are few perceived differences among the brands. This will create tension, anxiety, and second-guessing in their minds.

### Habitual Buying Behavior

You go to Tim Horton's instead of Starbucks, because that's what you always do. Price, sales promotion, and advertising help reinforce brand effectiveness for habitual purchase behavior.

### Variety-Seeking Buying Behavior

Low customer involvement but significant perceived differences among brands. For example if you try Burger King instead of McDonald's, just to try something new. You want to try to get them into habitual buying. Or you can try and make them switch with promotions, samples, trials, and advertising for their brand.

## Factors Influencing Consumer Buying Decisions

### Psychological Factors

#### Motives

A need or want that is strong enough to cause the person to seek satisfaction. Maslow's hierarchy of needs is best known paradigms for explain these motive types.

- Physiological Needs: Food, bring, rest, and shelter. But marketers try to make these needs into product wants. For example drinking water, versus drinking pop.
- Safety Needs: pertain to protection and physical well-being
- Social needs: relate to our interactions with others. Your haircut and makeup help you look more attractive.
- Personal Needs: allow people to satisfy their inner desires. Yoga, meditation, books.

#### Attitude

a person's enduring evaluation of his or her feelings about and behavior tendencies toward an object or idea. They are usually long term, but can change any moment. An example is, I like marketing, but I hate the douche teacher when he failed me.

Cognitive Component, what we believe

Affective Component, what we feel

Behavior Component, what actions we undertake

### **Perception**

process in which we interpret information such as color, symbols, taste, and packaging.  
Your mom might think a Volvo is a safe family car, while you think it's a lame car ladies.

### **Learning**

refers to the change in a person's thought process or behavior that arises from experience.  
Maybe you didn't know you have to pay more tax in a Toronto house, then a brown town house.

## **Social Factors**

### **Family**

When families make decisions, they often consider the needs of all the family members.  
When choosing a restaurant, you choose something that all will like.

### **Reference Groups**

family, friends, coworkers, Andey, or celebrities the consumer would like to emulate.  
They can offer information, provide rewards for specific purchasing, and enhancing a consumer's self image.

## **Culture**

the set of values, guiding beliefs, understandings, and ways of doing things shared by members of the society

## **Situational Factors**

Factor affecting the consumer decision process those that are specific to the situation that may override, or at least influence, psychological and social issues.

### **Purchase Situation**

I would normally pick up some McDonald's for dinner, but since I'm going out with a smoke show, I'll probably go to a nice sit down restaurant.

### **Shopping Situation**

Consumers might be ready to purchase a product or service but be completely derailed they arrived in the store.

- Shopping Situation: A high end store, shouldn't have loud EMO music, and random movie posters on the wall.
- Salespeople: a personnel can influence the sale at the point of purchase by pointing out advantages
- Crowding: If the store is too crowded, or the line is too long, some might leave.
- In-Store Demonstrations: demonstrations might get people to get something they might not normally get.
- Promotions: Retailers employ various promotions like buy one get one free

- Packaging: Help make the product stand out from the others on the shelf.

### **Temporal State**

People have mood swings that affect their decisions to buy things. As well some people might be morning or night people, affecting their willingness to purchase at certain times. Andey doesn't want food now, but maybe later?