

Chapter 6
**Consumer Decision
Making**

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LEARNING OUTCOMES

- 6-1** Explain why marketing managers should understand consumer behavior
- 6-2** Analyze the components of the consumer decision-making process
- 6-3** Explain the consumer's postpurchase evaluation process
- 6-4** Identify the types of consumer buying decisions and discuss the significance of consumer involvement

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LEARNING OUTCOMES

- 6-5** Identify and understand the cultural factors that affect consumer buying decisions
- 6-6** Identify and understand the social factors that affect consumer buying decisions
- 6-7** Identify and understand the individual factors that affect consumer buying decisions
- 6-8** Identify and understand the psychological factors that affect consumer buying decisions

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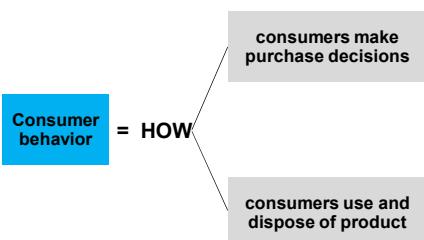
6-1

The Importance of Understanding Consumer Behavior

Explain why marketing managers should understand consumer behavior

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Understanding Consumer Behavior



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Value

- Value is a personal assessment of the net worth one obtains from making a purchase
- Purchases are made based upon perceived value, which is what you *expect* to get
- Utilitarian value is derived from a product or service that helps the consumer solve problems and accomplish tasks
- Hedonic value is an end in itself rather than as a means to an end

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6-2

The Consumer Decision-Making Process

Analyze the components of the consumer decision-making process

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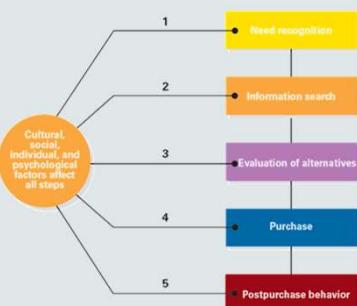
Consumer Decision-Making Process

A five-step process used by consumers when buying goods or services.

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6.1

The Consumer Decision-Making Process

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Need Recognition

Result of an imbalance between actual and desired states.

Need recognition is the first stage in the decision-making process

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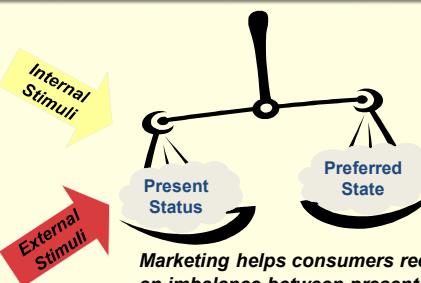
Stimulus

Any unit of input affecting one or more of the five senses:

- Sight
- Smell
- Taste
- Touch
- Hearing

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Need Recognition

Marketing helps consumers recognize an imbalance between present status and preferred state.

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Understanding Needs and Wants

- If marketers don't understand the target market's needs, the right good or service may not be produced.
- An excellent way to understand needs is to view them as job statements or outcome statements.
- Marketers selling their products in global markets must observe the needs and wants of consumers in various regions.

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Information Search

Internal Information Search

- Recall information in memory

External Information search

- Seek information in outside environment
 - *Nonmarketing-controlled*
 - *Marketing-controlled*

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External Information Searches

Need Less Information

- Less Risk
- More knowledge
- More product experience
- Low level of interest
- Confidence in decision

Need More Information

- More Risk
- Less knowledge
- Less product experience
- High level of interest
- Lack of confidence

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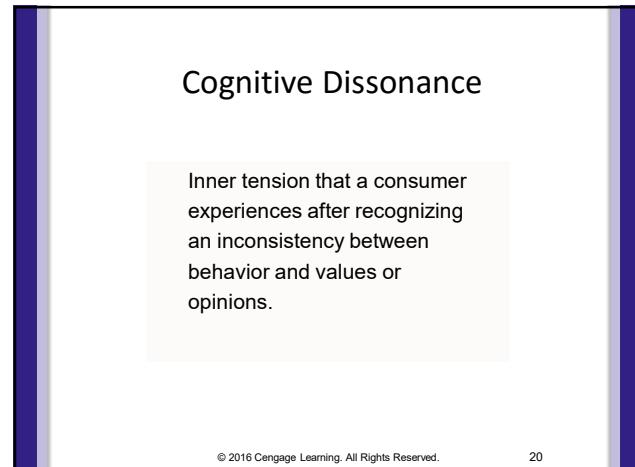
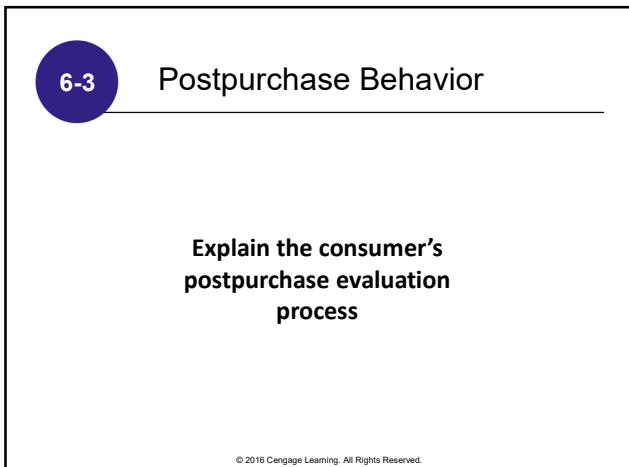
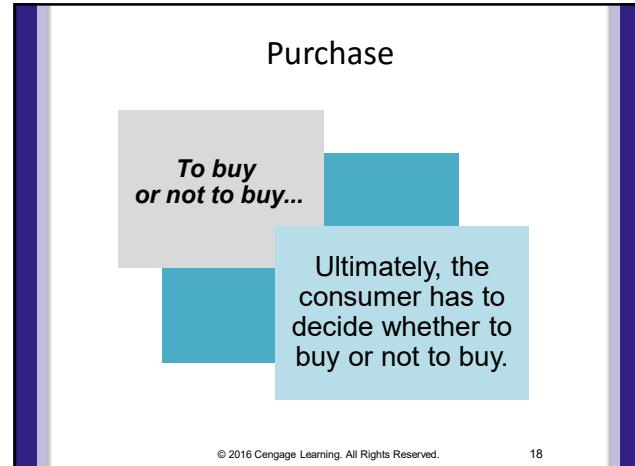
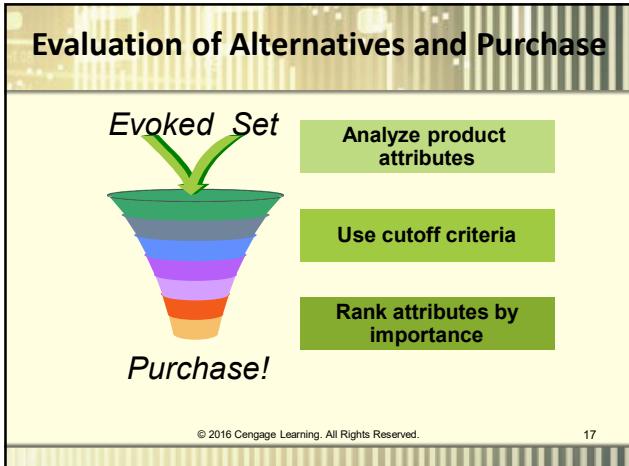
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Evoked Set

Group of brands, resulting from an information search, from which a buyer can choose

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Postpurchase Behavior

Consumers can reduce dissonance by:

- Seeking information that reinforces positive ideas about the purchase
- Avoiding information that contradicts the purchase decision
- Revoking the original decision by returning the product

Marketing can minimize dissonance through effective communication with purchasers.

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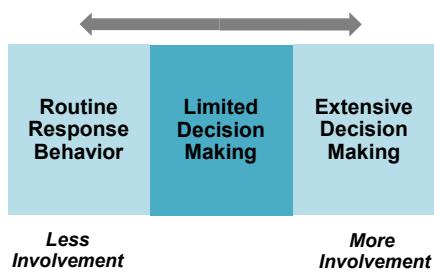
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Types of Consumer Buying Decisions and Consumer Involvement

Identify the types of consumer buying decisions and discuss the significance of consumer involvement

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Consumer Buying Decisions and Consumer Involvement



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Involvement

The amount of time and effort a buyer invests in the search, evaluation, and decision processes of consumer behavior.

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6.2

Continuum of Consumer Buying Decisions

	Routine	Limited	Extensive
Involvement	Low	Low to Moderate	High
Time	Short	Short to Moderate	Long
Cost	Low	Low to Moderate	High
Information Search	Internal Only	Mostly Internal	Internal and External
Number of Alternatives	One	Few	Many

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Routine Response Behavior

- Little involvement in selection process
- Frequently purchased low cost goods
- May stick with one brand
- Buy first/evaluate later
- Quick decision

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Limited Decision Making

- Low levels of involvement
- Low to moderate cost goods
- Evaluation of a few alternative brands
- Short to moderate time to decide

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Extensive Decision Making

- High levels of involvement
- High cost goods
- Evaluation of many brands
- Long time to decide
- May experience cognitive dissonance

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Factors Determining the Level of Consumer Involvement

Previous Experience

Interest

Perceived Risk of Negative Consequences

Social Visibility

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Not All Involvement Is The Same

Product Involvement

Situational Involvement

Shopping Involvement

Enduring Involvement

Emotional Involvement

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Marketing Implications of Involvement

High-involvement purchases require:

Extensive and Informative promotion to target market

Low-involvement purchases require:

In-store promotion, eye-catching package design, and good displays. Coupons, and two-for-one offers

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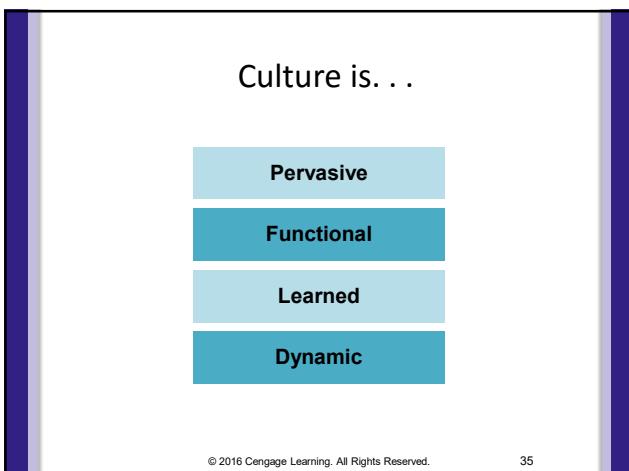
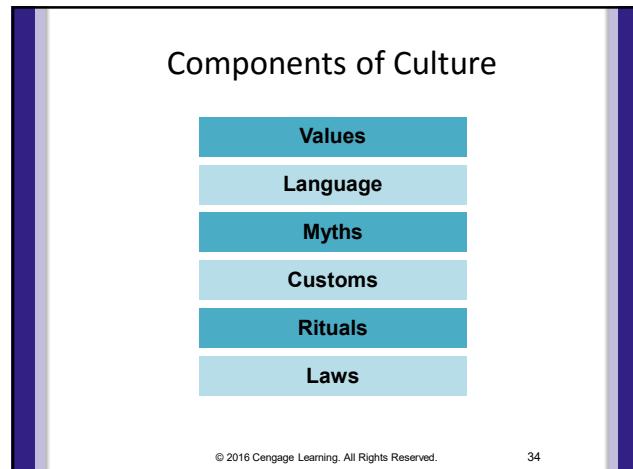
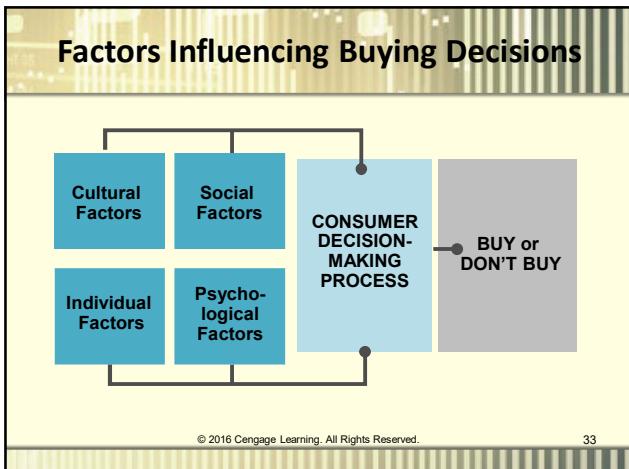
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6-5

Cultural Influences on Consumer Buying Decisions

Identify and understand the cultural factors that affect consumer buying decisions

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Subculture

A homogeneous group of people who share elements of the overall culture as well as cultural elements unique to their own group.

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Social Class

A group of people in a society who are considered nearly equal in status or community esteem, who regularly socialize among themselves both formally and informally, and who share behavioral norms.

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6.4 U.S. Social Classes

Upper Classes

Capitalist Class	1%	People whose investment decisions shape the national economy; income mostly from assets, earned or inherited; university connections
Upper Middle Class	14%	Upper-level managers, professionals, owners of medium-sized businesses; well-to-do, stay-at-home homemakers who decline occupational work by choice; college educated; family income well above national average

Middle Classes

Middle Class	33%	Middle-level white-collar, top-level blue-collar; education past high school typical; income somewhat above national average; loss of manufacturing jobs has reduced the population of this class
Working Class	32%	Middle-level blue-collar, lower-level white-collar; income below national average; largely working in skilled or semi-skilled service jobs

Lower Classes

Working Poor	11-12%	Low-paid service workers and operatives; some high school education; below mainstream in living standard; crime and hunger are daily threats
Underclass	8-9%	People who are not regularly employed and who depend primarily on the welfare system for sustenance; little schooling; living standard below poverty line

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Social Class Measurements

Occupation

Income

Education

Wealth

Other Variables

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The Impact of Social Class on Marketing

- Indicates which medium to use for advertising
- Helps determine the best distribution for products

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Social Influences on Consumer Buying Decisions

Identify and understand the social factors that affect consumer buying decisions

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Social Influences

Reference Groups

Opinion Leaders

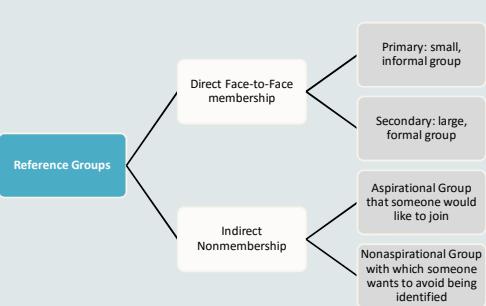
Family Members

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Types of Reference Groups



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Influences of Reference Groups

- They serve as information sources and influence perceptions.
- They affect an individual's aspiration levels.
- Their norms either constrain or stimulate consumer behavior.

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Opinion Leaders

The first to try new products and services out of pure curiosity.

May be challenging to locate.

Marketers are increasingly using social media to determine and attract opinion leaders.

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Family

Purchase Process Roles in the Family

- Initiators
- Influencers
- Decision Makers
- Purchasers
- Consumers

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6-7

Individual Influences on Consumer Buying Decisions

Identify and understand the individual factors that affect consumer buying decisions

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Individual Influences

Gender

Age/Family Life Cycle

Personality, Self-Concept, and Lifestyle

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Gender

- Physiological differences between men and women often result in different needs, such as health and beauty products.
- Trends in gender marketing are influenced by the changing roles of men and women in society.

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Age and Family Life Cycle Stage

- Consumer tastes in food, clothing, cars, furniture, and recreation are often age-related.
- Marketers define target markets according to life cycle stages such as “young singles” and “young married with children.”

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Personality, Self-Concept, and Lifestyle

- Personality combines psychological makeup and environmental forces
- Human behavior depends largely on self-concept
- Self-concept combines ideal self-image and real self-image.

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6-8

Psychological Influences on Consumer Buying Decisions

Identify and understand the psychological factors that affect consumer buying decisions

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Psychological Influences

Perception

Motivation

Learning

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Perception

Selective Exposure

Consumer notices certain stimuli and ignores others

Selective Distortion

Consumer changes or distorts information that conflicts with feelings or beliefs

Selective Retention

Consumer remembers only that information that supports personal beliefs

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Marketing Implications of Perception

- Important attributes
- Price
- Brand names
- Quality and reliability
- Threshold level of perception
- Product or repositioning changes
- Foreign consumer perception
- Subliminal perception

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Motivation

A motive is the driving force that causes a person to take action to satisfy specific needs

- Physiological
- Safety
- Social
- Esteem
- Self-actualization

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6.6

Maslow's Hierarchy of Needs

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Learning

Experiential

An experience changes behavior

Conceptual

Not learned through direct experience

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*Chapter 6 Video***Ski Butternut**

Ski Butternut is a ski and snowboard mountain in the Berkshires. Because the mountain is a "soft" mountain, Ski Butternut collects large amounts of data based on rentals and Web traffic to make sure that they understand who the customer is and to whom they need to market.

Matt Sawyer also discusses how they change the mountain itself to meet the needs of the customer.

[**CLICK TO PLAY VIDEO**](#)

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