

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

Consumer behavior = HOW

consumers make purchase decisions

consumers use and dispose of product

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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

1 Need recognition

2 Information search

3 Evaluation of alternatives

4 Purchase

5 Postpurchase behavior

Cultural, social, individual, and psychological factors affect all steps

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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

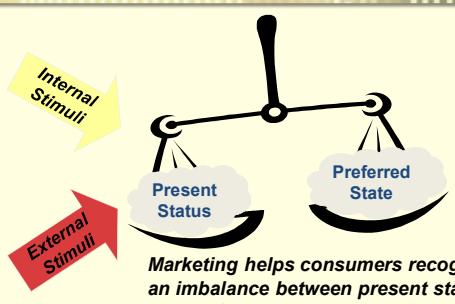
Any unit of input affecting one or more of the five senses:

- Sight
- Smell
- Taste
- Touch
- Hearing

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Need Recognition



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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

The diagram illustrates the relationship between consumer information needs and various characteristics. It features two main columns: 'Need Less Information' on the left and 'Need More Information' on the right, separated by a double-headed arrow. Each column contains three items:

- 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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Evoked Set

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

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Evaluation of Alternatives and Purchase

The diagram illustrates the process of evaluation and purchase. It shows a funnel starting with the 'Evoked Set' at the top, which narrows down through three stages: 'Analyze product attributes', 'Use cutoff criteria', and 'Rank attributes by importance', leading to the final stage: 'Purchase!'

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Purchase

To buy or not to buy...

Ultimately, the consumer has to decide whether to buy or not to buy.

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Postpurchase Behavior

Explain the consumer's postpurchase evaluation process

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Cognitive Dissonance

Inner tension that a consumer experiences after recognizing an inconsistency between behavior and values or opinions.

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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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6-4

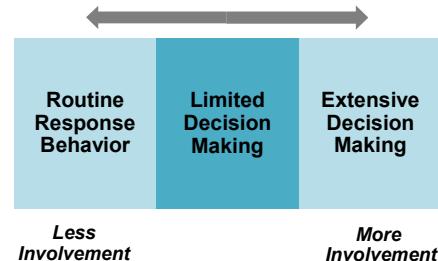
Types of Consumer Buying Decisions and Consumer Involvement

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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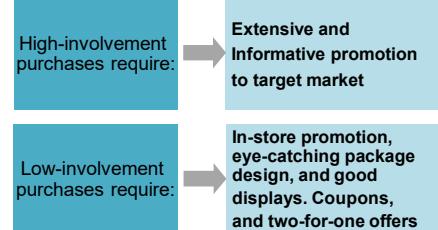
Not All Involvement Is The Same



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Marketing Implications of Involvement



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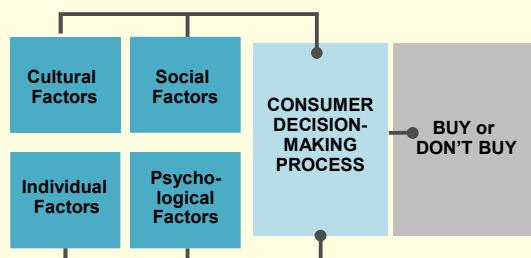
6-5

Cultural Influences on Consumer Buying Decisions

Identify and understand the cultural factors that affect consumer buying decisions

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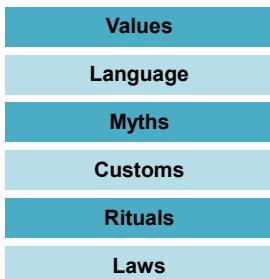
Factors Influencing Buying Decisions



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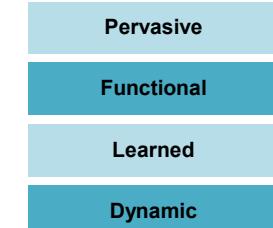
Components of Culture



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Culture is. . .



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Value

An enduring belief that a specific mode of conduct is personally or socially preferable to another mode of conduct.

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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

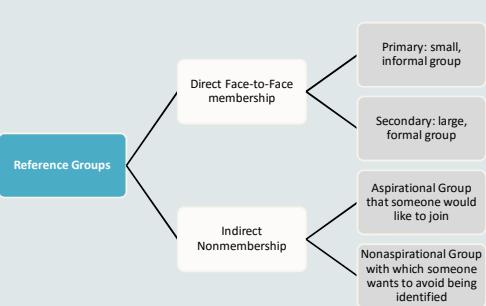
Family Members

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6.5

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 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

Beliefs & Attitudes

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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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6.6

Maslow's Hierarchy of Needs



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Types of Learning

Experiential	An experience changes behavior
Conceptual	Not learned through direct experience

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Beliefs and Attitudes

Belief	An organized pattern of knowledge that an individual holds as true about his or her world.
Attitude	A learned tendency to respond consistently toward a given object.

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Changing Beliefs

A marketer may want to...

- turn a neutral, negative, or incorrect belief about a product attribute into a positive one.
- change the relative importance of a belief.
- add a new belief.

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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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