

Chapter 12 Notes Consumer Behavior

Consumer Behavior

Consumer behavior is classified as the processes and activities that consumers go through in acquiring, using, and disposing of products to satisfy their wants and needs. To make a decision, consumers go through a five stage process.

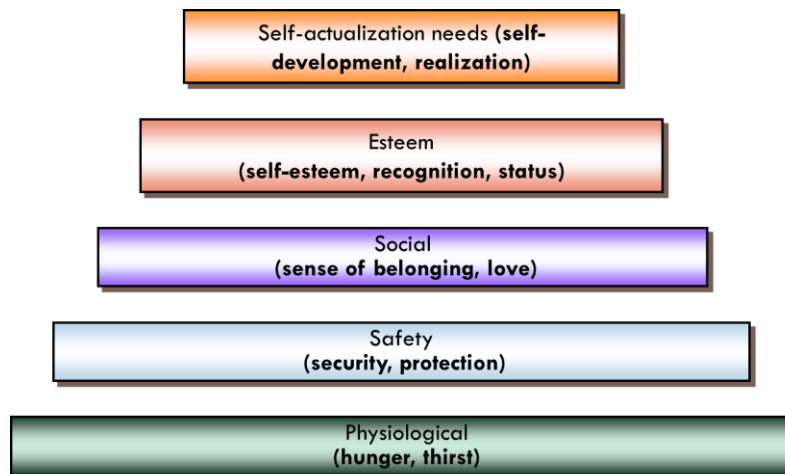
Problem Recognition > Information Search > Alternative Evaluation > Decision > Evaluation

It is important to note that the duration of each stage depends on the type of decision being made. For example, routine decisions like what to eat for lunch often involve limited information search and a quick evaluation of choices. However, major decisions like buying a car might involve months of information search and careful evaluations of each option.

Problem Recognition

Problem recognition begins the decision making process and may come from a variety of sources such as being out of stock, dissatisfaction with existing products, new needs or wants, the need for related products, market induced recognition, or the introduction of new products.

Maslow's hierarchy of needs explains when certain needs may be more or less important.



Some important things to keep in mind:

- Lower-level needs are an ongoing source of motivation.
- People are unlikely to move through the needs hierarchy in a stair-step manner.
- Marketers often target consumers' higher-level needs in order to sell products.

Other approaches to problem recognition suggest that consumers may be motivated by factors outside of their conscious awareness, such as strong inhibitions, complex and unclear motives, and surrogate behaviors.

Information Search

The second stage in the consumer decision making process is information search. Once consumers recognize they have a problem, they begin to search for information about ways to alleviate that problem. Sources of information include:

- Personal sources – friends, relative, co-workers
- Market sources – information from advertisers, salespeople, and the Internet
- Public sources, etc. – articles in magazines or newspapers
- Personal experience – handling, examining, or using the product

Information search is a selective process. As consumers, we have a limited amount of attention that we can devote to our environment. This means that we must select what information we care about/is important to us, and ignore information that is unimportant.

Our interpretation of information during the search stage is impacted by our experience. We each have unique and individual frames of reference that impact how we interpret information. Furthermore, our mood can impact whether we are accepting of information (typically when we are in a good mood) or whether we are more challenging and less trustworthy of what we learn (typically when we are in a bad mood).

Perception, or the process by which we collect information and determine its meaning, is impacted by four factors:

1. Selective exposure – do we make ourselves available to information?
2. Selective attention – do we focus attention on the information?
3. Selective comprehension – how do we interpret information?
4. Selective retention – what do we remember?

Risk can also impact the amount of information search that occurs. Performance, financial, social, physiological, and psychological risks can all lead to consumers spending more time during the information stage search of decision making.

Alternative Evaluation

Once consumers have collected information about various alternatives, they make evaluations of each option. Consumers typically do not consider every available option in the marketplace, but rather an evoked set which is a manageable number of brands that can be closely compared.

During the evaluation stage, a disconnect often exists between marketers and consumers. Marketers often try to emphasize the objective attributes of a product, but consumers make evaluations based on subjective characteristics.

Attitudes can be formed toward various products in one of three ways:

1. Multiattribute Attitude Model – consumers attach an importance weight to each product attribute. Then, consumers provide scores for each alternative across each attribute. The scores are summed for each product, and the option with the highest score is chosen. This approach is time consuming and is typically used before making a major purchase.

2. Decision Heuristics – heuristics are mental shortcuts or simple rules of thumb that help individuals make choices. Common heuristics include price (select the lowest priced product) or brand name (I only purchase brand X). Heuristics help consumers make quick decisions and are commonly used for routine purchases like groceries.

3. Affect Referral Decision Rules – these rules are based on how the consumer feels. Rather than making comparisons across objective information, the consumer trusts their emotions and how they feel at a given moment. This is often referred to as intuition or “going with your gut”.

Decision

The fourth step of the decision making process is the decision itself. Here, the consumer integrates everything from the previous stages and makes a choice.

Postpurchase Evaluation

Once consumers have made a choice, they often review and determine whether their choice was satisfactory. This leads to learning and knowledge that can be used in the future. Learning can occur in one of two ways:

1. Conditioning and Behavioral Learning

Here, the consumer learns by linking objects together in memory. Much like Pavlov’s dogs linked the ringing of a bell to food, consumers link their evaluations of a product to the stimuli (e.g. images, brand names, slogans, jingles) that a marketer uses. For example, the McDonald’s “I’m Loving It” slogan and jingle gets linked to the positive or negative experience that a consumer has at McDonald’s. The next time they hear the jingle, it brings about those positive or negative feelings and impacts whether the consumer is likely to purchase.

2. Cognitive Learning

Cognitive learning is more deliberate in nature. Consumers will think carefully about what they have learned in order to use that information in the future. This occurs in four steps:

Goal – what we initially set out to do

Purposive Behavior – the learning and evaluations processes that led us to a choice

Insight – our experiences and knowledge that we gained throughout the process

Achievement – accomplishment of a goal and knowledge for future use

External Influences on the Consumer Decision Making Process

Culture – meanings, values, norms, and customs shared by a society

Subcultures – smaller groups whose beliefs, values, norms, and patterns of behavior set them apart from the larger cultural mainstream

Social class – homogenous divisions in a society into which people sharing similar lifestyles, values, norms, interests, and behaviors

Reference groups – a group whose presumed perspectives or values are being used by an individual as the basis for his or her judgments, opinions, and actions

Situational determinants – the specific situation in which consumers make a purchase decision or plan to use the product or brand