Housekeeping

- Turn off your cell phones and put them away; Put your Name Cards out.
- Let’s review Assignment 1 - **Due March 10** in class
- We will have a quiz on March 8th. Covers Chapters 3 and 4. There is no make-up for quizzes or exams
- Guest Speaker Arturo Litwak will be here on March 10th.
- Exam 1 is March 22nd. It will cover Chapters 1-8 (incl). Open book; no technology; will not cover my notes.
  - You will need a #2 Pencil and a Scantron
  - There is no make-up for exams!
- On March 8th I am going to cover elevator pitches and Marketing Plans (not textbook content)
Assignment 1

• Suggestions for success:
  ¤ Look at all the material before beginning
  ¤ Review the grading rubric and sample assignments carefully.
  ¤ Choose something you are truly interested in
  ¤ Start a portfolio of your work – you can use this for internships and job interviews.
Consumer Buying Behavior Video

“Buying Behavior” Defined

- Decision processes and actions of people involved in buying and using products
- What do marketers mean when they talk about “consumer buying behavior”?
  - Buying behavior of ultimate consumers
  - What affects a consumer’s desire to buy?
  - What are the key influences?
    - Situational
    - Psychological
    - Social
- Not all decision processes lead to a purchase
Buying Decision Process and Possible Influences on the Process

Not all consumer decisions include all five stages!!!!!
Problem Recognition – need new car

• Consumer has owned the his current car for 10 years. (Situational Influence)
• Currently owns an Mercedes C55 AMG. (Psychological Influence)
• Did well at work last year, has extra disposable income. (Psychological Influence)
• Mercedes is breaking down a lot. (Situational Influence)
• His friends and co-workers are buying new cars. (Situational and Social Influence)
Information Search

• **Internal Search:**
  • What do I want?
  • What do I need?
  • What do I like?
  • What have I seen that I have liked in the past few years?

• **External Search:**
  • Online
  • Visits dealerships
  • Talks to friends
  • Reads reviews
  • Test drives

How to Marketers Influence this process?
Evaluation of Alternatives

- **Consideration set:**
  - Group of brands within a product category that a buyer views as possible alternatives
    - What are some?

- **Evaluative criteria:**
  - Objective and subjective product characteristics that are important to a buyer
    - What are they?
Cognitive dissonance:
- Doubts in buyer’s mind about whether decision to buy certain product was right
  • Cause - Purchase of expensive, high-involvement product lacking desirable features of competing brands
  • Lessened by contacting recent customers regarding the purchase

Good marketers manage this part of the chain effectively!
WHY?
HOW?
Identify the Stage

In which stage of the consumer buying decision process is each of the following people?

1. A recent college graduate reads *Consumer Reports* to compare automobile ratings.
2. On the first day of class, a student finds out that a programmable calculator is needed for the course, but she doesn’t own one.
3. After purchasing an evening gown, a woman decides that it is not quite appropriate for her special occasion.
4. A teenager compares numerous MP3 players and narrows the choice down to two players.
5. While on the way to work, a person’s automobile stalls and doesn’t start again.
6. At an open-house party, a guest realizes that the host already owns the gift he plans to give.
7. A person receives a sample package of laundry detergent in the mail and uses it to wash a load of clothes.
Level of Involvement

- Degree of interest in a product and the importance the individual places on that product
  - High-involvement products: *visible to others and are expensive*
  - Low-involvement products: *less expensive and have less associated social risk*

Are these products high or low involvement?
Consumer Decision Making

- **Routinized response behavior**
  - Buying frequently purchased, low-cost items that require very little search-and-decision effort. Examples?

- **Limited decision making**
  - Purchasing products occasionally or from unfamiliar brands in a familiar product category. Examples?

- **Extended decision making**
  - Occurs with high-involvement, unfamiliar, expensive, or infrequently-purchased items. Examples?

- **Impulse buying**
  - No conscious planning and stems from a powerful urge to buy something immediately. Examples?
Discussion Point - Low-Involvement Products

- Soft drinks are low-involvement products because they are inexpensive and purchased frequently. When buying soft drinks, consumers usually employ routinized response behavior.
- Do you think the level of involvement changes with consumer income level for some products?
- What else might impact consumer purchase behavior?
In Class Activity

Look at the scenarios below. After each one, write how your group would respond to the purchase situation.

1. At work you are informed there is a “Secret Buddy” gift buying program for the holiday party. Each person’s name is entered into a hat and each person will draw one name. You choose the name of a person who works in another department that you do not know. Questions to ask: What type of gift do you purchase? How much do you spend? How much time do you take choosing this gift?

2. In the mail you receive an invitation to a favorite cousin’s surprise birthday party. You will not be able to attend, so you decide to send a gift. Questions to ask: What type of gift would you send? How much do you spend? How much time do you take choosing this gift?

3. You got engaged recently and have received an invitation to your future spouse’s mother’s birthday party. This will be the first family party you attended. Questions to ask: What type of gift do you bring? How much do you spend? How much time did you take choosing this gift?

4. You eat a turkey sandwich for lunch every day. You are at the grocery store to buy bread and turkey. There is a new brand of turkey prominently displayed at the end of the shelf. Questions to ask: Would you spend more? How much time would you spend making this decision?
Classification of Situational Factors

How you buy is based on the situation you are in!

Situational Factors

Physical surrounding
- Location, Atmosphere, Sound, Light, Layout

Social surrounding
- Interaction with others, sales people, “like you”

Time perspective
- Holidays, convenience, end-caps

Reason for purchase
- You, gift, physical need, mood boost

Momentary mood and condition
- How do you feel at the particular moment
Partly determine people’s general behavior and influence their behavior as consumers
   – Strongly affected by external social and cultural forces

Consumer behavior based psychological influences
   – **Perception** – what does this product mean to me, how to I experience it, how do I feel about it?
   – **Motives** – Intensity of behavior (hunger!), what will it do for me?
   – **Learning** – Changes in an individual’s thought process based on info.
   – **Attitudes and personality** – longer-term feeling about the product in general
   – **Self-concept and lifestyles** – A view of yourself, and how you live
Perception

- Process of selecting, organizing, and interpreting information inputs to produce meaning
- **Information inputs**: Sensations received through sight, taste, hearing, smell, and touch
- Perception process
  - **Selective exposure**: Selecting some sensory inputs and ignore others
  - **Perceptual organization**: Organizing and integrating new information with what is stored in memory
  - **Interpretation**: Assigning meaning to what has been organized
Selective Exposure

Selective distortion

- Changing or twisting of information that is inconsistent with personal feelings or beliefs (political beliefs, ideology)

Selective retention

- Remembering information inputs that support personal feelings and beliefs and forgetting inputs that do not
Internal energizing force that directs a person’s activities toward satisfying needs or achieving goals
– Physical feelings, states of mind, or emotions

Maslow’s hierarchy of needs: Humans seek to satisfy five levels of needs from most to least basic to survival

Patronage motives: Influence which establishments a customer frequents
Maslow’s Hierarchy of Needs

- Physiological needs
- Safety needs
- Social needs
- Esteem needs
- Self-actualization needs
Changes in thought processes and behavior caused by information and experience

Consequences of behavior influences learning behavior

Customers learn about products through experience
  – Indirect experience - Salespeople, advertisements, websites, friends, and relatives
Enduring evaluation of feelings about and behavioral tendencies toward an object or idea

Develops toward something that is:
- Tangible or intangible
- Living or nonliving

Acquired through:
- Experience
- Interaction with other people
Personality

- Internal traits and behavioral tendencies resulting in consistent patterns of behavior in certain situations
- Influences types and brands of products purchased
  - Marketers aim advertising for specific personality types
- **Self concept**: Perception or view of oneself
  - Buyers purchase products that reflect and enhance their self-concepts
  - Purchase decisions are important to the development and maintenance of a stable self-concept
- MBTI
Lifestyle

- Individual’s pattern of living expressed through:
  - Activities
  - Interests
  - Opinions

- Influences:
  - Consumers’ product needs
  - Brand preferences
  - Choice of media
  - How and where individual shop
### Types of Social Influences

**Social influences:** Forces other people exert on one’s buying behavior

<table>
<thead>
<tr>
<th>Roles</th>
<th>- Actions and activities performed based on expectations of the individual and surrounding persons</th>
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</table>
| Family influences                       | - Directly impact consumer buying decision process  
|                                         | - **Consumer socialization:** Acquiring the knowledge and skills to function as a consumer         |
| Reference groups                        | - A group that a person identifies with so strongly that he or she adopts the values, attitudes, and behavior of group members |
Types of Social Influences

• Imagine that you are going out tonight. Which of the following social influences will determine what you wear, where you go, what you do, and what you will buy or consume?

• You want to pick a movie to see this weekend

• You are interested in trying a new restaurant for a date?

• Have any of you been in other cultures where you saw people doing things that would never be accepted in the United States or vice versa?
Examples of Opinion Leaders and Topics

<table>
<thead>
<tr>
<th>Opinion Leader</th>
<th>Possible Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local religious leader</td>
<td>Charities to support, political ideas, lifestyle choices</td>
</tr>
<tr>
<td>Sorority president</td>
<td>Clothing and shoe purchases, hair styles, nail and hair salons</td>
</tr>
<tr>
<td>“Movie buff” friend</td>
<td>Movies to see in theaters, rent, or buy, television programs to watch</td>
</tr>
<tr>
<td>Family doctor</td>
<td>Prescription drugs, vitamins, health products</td>
</tr>
<tr>
<td>“Techie” acquaintance</td>
<td>Computer and other electronics purchases, software purchases, Internet service choices, video game purchases</td>
</tr>
</tbody>
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Best Buy Video Analysis

- Target market and segmentation?
- What did they learn about consumer buying behavior?
- What type of purchase decision happens at Best Buy (routine, extended..)
- What type of situational forces apply to women shoppers?
- What are the psychological forces?
  - perception
  - motive
  - learning
  - attitude and personality
  - self-concept and lifestyle