

# Lecture 5

- Factors affecting consumer behavior
- The buyer decision process

# Consumer behaviour



The central question for marketing managers is:  
*how do consumers respond to various  
marketing stimuli that the company might use?*

Understanding how consumers will respond to different product features, prices and advertising appeals gives a company a great advantage over its competitors.

It is important to comprehend the relationship between marketing stimuli (product, price, place and promotion) and consumer behaviour.



*In international marketing those stimuli may require adaptation!*

# Factors affecting consumer behaviour

Consumers behave differently in base on several factors which make consumer behaviour heterogeneous and sometimes difficult to be completely identified.

The main factors affecting the way customers choose and purchase are the following:

- CULTURAL FACTORS
- SOCIAL FACTORS
- PERSONAL FACTORS
- PSYCHOLOGICAL FACTORS



# Cultural factors

## Culture

Marketers are always trying to spot *cultural shifts* in order to imagine new products that might be wanted.

For example, the cultural shift towards greater concern about *health* and *fitness* has created a huge industry for exercise equipment and clothing, lower-calorie and more natural food, and health and fitness services.

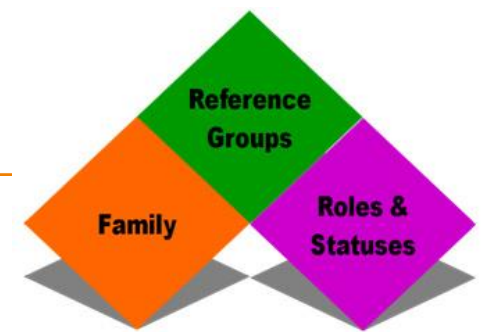
## Subculture

Cultural groups of people with shared value systems based on common life experiences and situations. Subcultures include nationalities, religions, racial groups and geographic regions. They can represent important segments for a company.

## Social class

Social classes are society's relatively permanent and ordered divisions, whose members share values, interests and behaviours. They vary in various part of the world and in base of the degree of countries' prosperity.

# Social factors



## Groups

**Primary groups** – regular but informal interaction, such as family, friends, neighbours.

**Secondary groups** – more formal and less regular interaction, like religious groups, professional associations and trade unions.

**Reference groups** – serve as point of comparison on reference in forming a person's attitude or behaviour.

## Family

Parents make up the *family orientation* towards religion, politics and economics, and a sense of personal ambition, self-worth and love.

Buyer's wife/husband and children are the most important consumer buying organization society because they purchase a large variety of products. Therefore it has been researched extensively.

**Role** – the activities that people are expected to perform accordingly to the people around them.

**Status** – carried by the role, it reflects the general esteem given to it by society.

# Consumers' buying roles (social factors)

## INITIATOR

The person who first suggests or thinks of the idea of buying a particular product or service.

## INFLUENCER

A person whose view or advice influences the buying decisions.

## DECIDER

The person who ultimately makes a buying decision or any part of it (whether to buy, what to buy, how to buy or where to buy).

## BUYER

The person who makes an actual purchase, while maybe somebody else make the buying decision.

## USER

The person who consumes or uses a product or service.



# Personal factors

## Age and life-cycle stage

People change the goods and services they buy over their lifetimes. Taste in food, clothes, furniture and recreation are often age related (e.g. *family life cycle*).

## Occupation

The type of job affect the goods and services bought (e.g. vacations, interests).

## Economic circumstances

Especially for income-sensitive goods, it is important to watch the trends in personal income, savings and interest rates. In case of recession, marketers may need to redesign, reposition and reprice their products.

## Lifestyle

It is a person's pattern of living as expressed in activities, interests and opinions.

## Personality and self-concept

It refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment (e.g. self-confidence, sociability, adaptability).

# Psychological factors (I)

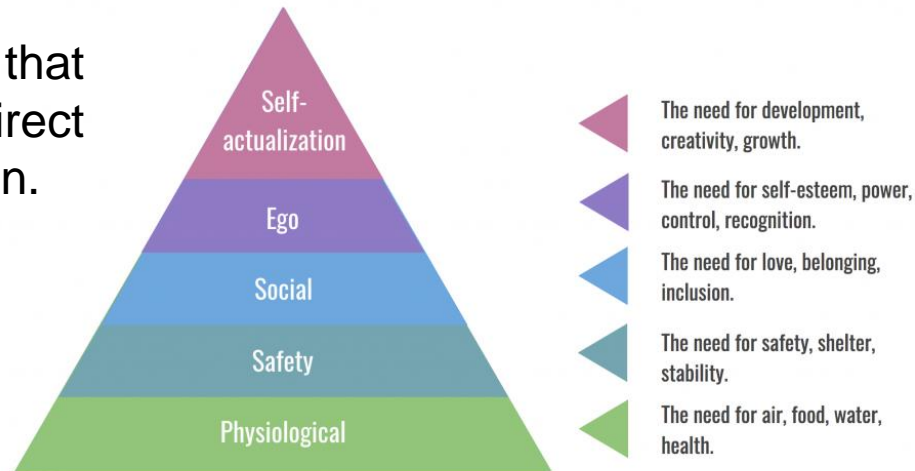
## Motivation

A *motive* (or *drive*) is a need that is sufficiently pressing to direct the person to seek satisfaction.

McClelland's  
Motivational Needs



## Maslow's Hierarchy of Needs



# Psychological factors (II)



## Perception

It is the process by which people *select*, *organise* and *interpret* information to form a meaningful picture of the world. How the person acts is influenced by his/her perception of the situation.

‘Same motivation/stimulus, different actions’ because there are three diverse perceptual processes: **SELECTIVE ATTENTION** (screen), **SELECTIVE DISTORTION** (adapt) and **SELECTIVE RETENTION** (retain/forget).

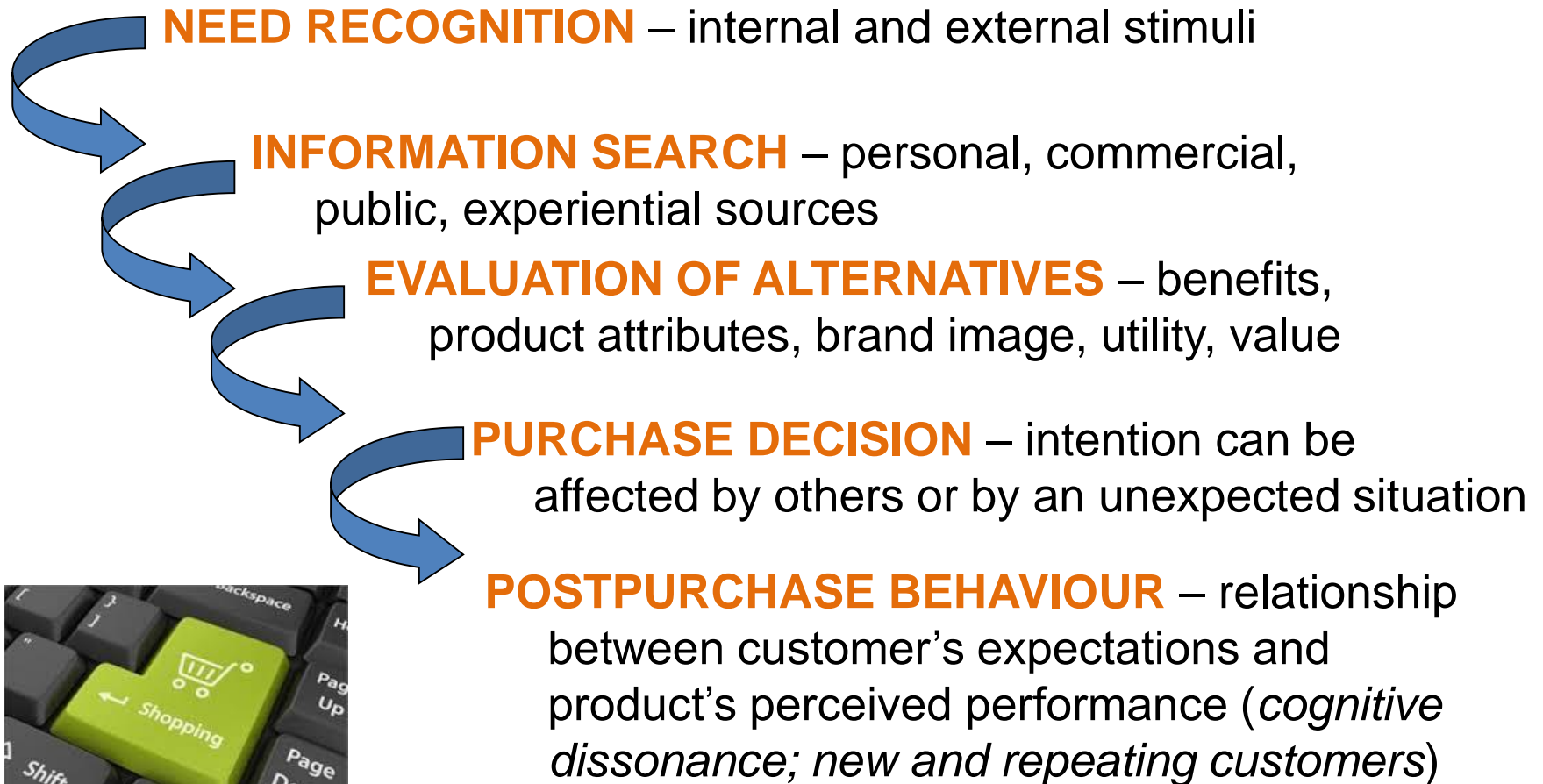
## Learning

It describes changes in an individual’s behaviour arising from experience. It occurs through the interplay of drivers, stimuli, and responses.

## Beliefs and attitudes

People acquire their beliefs in learning and growing up, therefore it is difficult to change them.

# The five stages of the buyer decision making process



## **Class exercise: The Consumer Decision Making Process**

- a) Choose one of the following items and describe the five steps in the consumer decision-making process about your choice:
- pair of dress shoes
  - restaurant for a dinner date
  - graduate school
  - dentist
- b) Give at least one example of how the marketer could favorably impact the consumer decision each step of the way.
- c) How do these variables impact consumer decision-making?
- d) How does knowing the decision-making process increase marketing effectiveness?

(Class discussion in the next lecture on Thursday 30<sup>th</sup>)