

CHAPTER 6

Why People Buy: Consumer Behaviour

CHAPTER OVERVIEW

The purpose of this chapter was to gain a better understanding of factors that influence consumer buying behaviour. Specifically, we considered a number of internal factors that influence consumer behaviour including perception, motivation and learning. We also examined how a consumer's attitude, which is a lasting evaluation of a person, object, or issue, can affect what they buy.

We reviewed other factors that influence consumer purchasing decisions and buying behaviour including personal, social, and situational issues. The personal influences on consumers are important determinants of their needs and wants. Such factors as age, income, family status, and chosen lifestyle are strongly related to the types of products people buy and the specific brands they select.

We examined the stages of the consumer decision-making process: problem recognition, information search, evaluation of alternatives, product choice and postpurchase evaluation. We also addressed the impact of the amount of effort expended and of perceived risk, factors associated with relative importance and perceived consequences of the purchase, from the consumer's perspective.

CHAPTER OBJECTIVES

1. Explain why understanding consumer behaviour is important to organizations.
2. Explain the prepurchase, purchase, and postpurchase activities consumers engage in when making decisions.
3. Describe how internal factors influence consumers' decision making processes.
4. Understand how situational factors can influence consumer behaviour.
5. Describe how consumers' relationships with other people influence their decision making processes.

CHAPTER OUTLINE

With reference to the textbook, please provide a brief description of each of the main elements listed in the Chapter Outline below. The page numbers will help guide you through the learning process.

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Lifestyle	(p.158)
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III. SITUATIONAL INFLUENCES ON CONSUMER DECISIONS

- A. Physical Environment _____ (p.159)
- B. Time _____ (p.159)

IV. SOCIAL INFLUENCES ON CONSUMER DECISIONS

- A. Culture _____ (p. 161)
- B. Subcultures _____ (p.162)
- C. Social Class _____ (p.162)
- Status Symbols _____ (p.162)
- D. Group Behaviour
 - 1. Reference Group _____ (p.164)
 - Conformity _____ (p.164)
 - Sex Roles _____ (p.164)
 - 2. Opinion Leaders
 - Opinion Leader _____ (p.165)

KEY TERMS

Select the correct term for each definition and write it in the space provided.

Learning
Social class
Consumer behaviour
Opinion leader
Evaluative criteria
Personality
Culture
Brand loyalty

Exposure
Subculture
Attitude
Motivation
Involvement
Perception
Family lifecycle

1. _____ The processes involved when individuals or groups select, purchase and use goods, services, ideas, or experiences to satisfy needs and desires. (p.146)
2. _____ The process by which people select, organize, and interpret information from the outside world. (p.151)
3. _____ The degree to which a marketing stimulus is within range of consumer's sensory receptors. (p.151)

4. _____ A pattern of repeat product purchases, accompanied by an underlying positive attitude toward the brand, which is based on the belief that the brand makes products superior to its competition. (*p.149*)
5. _____ An internal state that drives us to satisfy needs by activating goal-oriented behaviour. (*p.152*)
6. _____ A relatively permanent change in behaviour that is caused by experience or acquired information. (*p.153*)
7. _____ A learned predisposition to respond favourably or unfavourably to stimuli, based on relatively enduring evaluations of people, objects, and issues. (*p.154*)
8. _____ The psychological characteristics that consistently influence the way a person responds to situations in the environment. (*p.154*)
9. _____ A means of characterizing consumers based on different family stages they pass through as they grow older. (*p.157*)
10. _____ The values, beliefs, customs, and tastes that a group of people value. (*p.160*)
11. _____ The overall rank or social standing of groups of people within a society according to the value assigned to such factors as family background, education, occupation, and income. (*p.162*)
12. _____ A person who is frequently able to influence others' attitudes or behaviours by virtue of their active interest and expertise in one or more product categories. (*p.165*)

13. _____ A group within a society whose members share a distinctive set of beliefs, characteristics, or common experiences. (p.162)
14. _____ The relative importance of the perceived consequences of the purchase to a consumer. (p.147)
15. _____ The dimensions that consumers use to compare competing product alternatives. (p.148)

MULTIPLE CHOICE

Identify the most correct answer.

1. The stimulus that must be within range of people's sensory receptors to be noticed is called: (p.151)
 - a. perceptual selectivity.
 - b. exposure.
 - c. sensory overload.
 - d. adaptation.
2. Learning that occurs as the result of rewards or punishments is called: (p.153)
 - a. attitude conditioning.
 - b. behavioural conditioning.
 - c. classical conditioning.
 - d. operant conditioning.
3. According to Abraham Maslow's Theory of Motivation, there exists a/an: (p.153)
 - a. hierarchy of needs.
 - b. conscience.
 - c. referee in the subconscious struggle between temptation and virtue.
 - d. opposing force to the superid.
4. According to Maslow's Hierarchy of Needs, the need(s) at the lowest level of importance is/are: (p.153)
 - a. spiritual fulfillment.
 - b. food, clothing, and shelter.
 - c. social approval.
 - d. a sense of family.

5. Theories of learning that stress the importance of internal mental processes and that view people as problem-solvers who actively use information from the world around them to master their environment are known as: *(p.154)*
 - a. behavioural learning theories.
 - b. classical conditioning.
 - c. cognitive learning theories.
 - d. positive reinforcement.
6. The three components of attitude are: *(p.154)*
 - a. innovativeness, self confidence and sociability.
 - b. personality, self concept and lifestyle.
 - c. behavioural, classical and operant.
 - d. affect, cognition and behaviour.
7. Self concept is: *(p.155)*
 - a. an individual's self-image that is composed of a mixture of beliefs, observations, and feelings about personal attributes.
 - b. the degree to which a person has a positive evaluation of his/her abilities.
 - c. the degree to which a person enjoys social interaction.
 - d. none of the above.
8. The pattern of living that determines how people choose to spend their time, money, and energy and that reflects their values, tastes, and preferences is called: *(p.158)*
 - a. life cycle.
 - b. personality.
 - c. lifestyle.
 - d. self-esteem.
9. A group within a society whose members share a distinctive set of beliefs, characteristics, or common experiences is a: *(p.162)*
 - a. social class.
 - b. subculture.
 - c. reference group.
 - d. norm.
10. An actual or imaginary individual or group that has a significant effect on an individual's evaluations, aspirations and behaviour is called: *(p.164)*
 - a. an opinion leader.
 - b. a subculture.
 - c. a reference group.
 - d. a status symbol.

11. The importance of perceived consequences of a purchase to a consumer is called: *(p.147)*
 - a. involvement.
 - b. perceived risk.
 - c. attitude.
 - d. all of the above.
12. A product that is purchased to signal membership in a desirable social class is a: *(p.162)*
 - a. subculture.
 - b. social class.
 - c. culture.
 - d. status symbol.
13. The process whereby the consumer checks his or her memory and/or surveys his or her environment in order to collect the data required to make a reasonable decision is: *(p.148)*
 - a. problem recognition.
 - b. information search.
 - c. perceived risk.
 - d. habitual decision making.
14. A change in beliefs or actions as a reaction to real or imagined group pressure is called: *(p.164)*
 - a. opinion leadership.
 - b. an inference group.
 - c. conformity.
 - d. a social class.
15. Example(s) of heuristics include: *(p.149)*
 - a. the belief that price equals quality.
 - b. brand loyalty.
 - c. mental shortcuts that lead to a speedy decision.
 - d. all of the above.

CHAPTER IN REVIEW—WRITING TO LEARN

1. Discuss the role perception plays in influencing consumer behaviour.

2. Identify the factors that influence purchasing decisions and buyer behaviour.

3. Discuss the role motivation plays, as a factor that can influence consumer behaviour.

CASE ANALYSIS

Real People, Real Decisions: Robert Barnard, d~Code

Reread the three sections comprising the d~Code vignette in Chapter 6 and answer the following questions:

1. Who is the Nexus generation, and why is this segment important to Canadian marketers?
2. What did the research reveal about important distinguishing characteristics of Nexus buyers?
3. Which lifestyle elements distinguish Nexus consumers from the rest of the Canadian population?
4. How can insight into Nexus buying behaviour help d~Code's customers with marketing decisions?

SCENARIO

You are the Director of Marketing for a major car company. Your company has recently launched an inexpensive sport utility vehicle (SUV) whose target market is 18-29 year olds, earning \$25,000 to \$40,000 annually. You have been asked to speak at a convention of auto dealership owners. The dealers want to gain a better understanding of how this segment buys automobiles, and your boss has asked you to address the following questions in your presentation:

1. How does this segment conduct an information search—where do they seek information about SUVs?
2. What are this segment's evaluative criteria—on what basis do they evaluate the relative merits of SUVs?
3. Which of Maslow's needs is this segment attempting to fulfill through the purchase of an SUV?
4. Which situational and social influences have an impact on this segment's car purchasing decisions?

ANSWERS

Chapter Outline

I. DECISIONS, DECISIONS

Consumer Behaviour—The process individuals or groups go through to select, purchase, and use goods, services, ideas or experiences to satisfy their needs and desires.

Involvement—The relative importance of perceived consequences of the purchase to a consumer.

Perceived Risk—The belief that use of a product has potentially negative consequences, either financial, physical or social.

A. Problem Recognition—Occurs whenever the consumer sees a significant difference between his or her current state of affairs and some desired or ideal state; this recognition initiates the decision-making process.

B. Information Search—The process whereby a consumer searches for appropriate information to make a reasonable decision.

C. Evaluation of Alternatives

Evaluative Criteria—Dimensions used by consumers to compare competing product alternatives.

D. Product Choice

Heuristics—A mental rule of thumb that leads to a speedy decision by simplifying the process.

Brand Loyalty—A pattern of repeat product purchases, accompanied by an underlying positive attitude toward the brand, which is based on the belief that the brand makes products superior to its competition.

E. Postpurchase Evaluation

Consumer Satisfaction/Dissatisfaction—The overall feelings or attitude a person has about a product after purchasing it.

II. INTERNAL INFLUENCES ON CONSUMER DECISIONS

A. Perception—The process by which people select, organize and interpret information from the outside world.

Exposure—The stimulus that must be within range of people's sensory receptors to be noticed.

Perceptual Selection—Consumers choose to pay some attention to some stimuli but not to others.

Interpretation—Meaning that is assigned to stimulus.

B. Motivation—An internal state that drives us to satisfy needs by activating goal-oriented behaviour.

Hierarchy of Needs—An approach that categorizes motives according to five levels of importance, the more basic needs being on the bottom of the hierarchy and the higher needs at the top.

C. Learning—A relatively permanent change in the behaviour caused by acquired information or experience.

1. Behavioural Learning

Behavioural Learning Theories—Theories of learning that focus on how consumer behaviour is changed by external events or stimuli.

Classical Conditioning—The learning that occurs when the stimulus eliciting a response is paired with another stimulus that initially does not elicit a response on its own but will cause a similar response over time because of its association with the first stimulus.

Operant Conditioning—Learning that occurs as the result of rewards or punishments.

Stimulus Generalization—Behaviour caused by a reaction to one stimulus that occurs in the presence of another, similar stimulus.

2. Cognitive Learning

Cognitive Learning Theory—The theory of learning that stresses the importance of internal mental processes and that view people as problem-solvers who actively use information from the world around them to master their environment.

D. Attitude—A learned predisposition to respond favourably or unfavourably to stimuli based on relatively enduring evaluations of people, objects, and issues.

- E. Personality—The psychological characteristics that consistently influence the way a person responds to situations in the environment.
 Innovativeness—The degree to which a person likes to try new things.
 Self-Confidence—The degree to which a person has a positive evaluation of his or her own abilities.
 Sociability—The degree to which a person enjoys social interaction.
 Self-Concept—An individual's self-image that is composed of a mixture of beliefs, observations, and feelings about personal attributes.
 - F. Age Groups
 Family Life Cycle—A means of characterizing based on the different family stages people pass through as they grow older.
 - G. Lifestyles
 Lifestyle—The pattern of living that determines how people choose to spend their time, money, and energy that reflects their values, tastes, and preferences.
 Psychographics—Information about the activities, interests and opinions of consumers that is used to construct market segments.
- III. SITUATIONAL INFLUENCES ON CONSUMER DECISIONS
- A. Physical Environment—The impact of in-store displays and place-based media.
 - B. Time—Consumers' reactions to marketing innovations that help them save time.
- IV. SOCIAL INFLUENCES ON CONSUMER DECISIONS
- A. Culture—The values, beliefs and tastes valued by a group of people.
 - B. Subculture—A group within a society whose members share a distinctive set of beliefs, characteristics or common experience.
 - C. Social Class—The overall rank or social standing of groups of people within a society according to the value assigned to such factors as family background, education, occupation and income.
 Status Symbol—Products that are purchased to signal membership in a desirable social class.
 - D. Group Behaviour
 - 1. Reference Group—An actual or imaginary individual or group that has a significant effect on an individual's evaluation's, aspirations or behaviour.
 Conformity—A change in beliefs or actions as a reaction to real or imagined group pressure.
 Sex Roles—Society's expectations regarding the appropriate attitude, behaviours and appearance for men and women.
 - 2. Opinion Leaders
 Opinion Leader—A person who is frequently able to influence others' attitudes or behaviours by virtue of their active interests and expertise in one or more product categories.

Key Terms

1. Consumer behaviour
2. Perception
3. Exposure
4. Brand loyalty
5. Motivation
6. Learning
7. Attitude
8. Personality
9. Family lifecycle
10. Culture
11. Social class
12. Opinion leader
13. Subculture
14. Involvement
15. Evaluative criteria

Multiple Choice

1. b
2. d
3. a
4. b
5. c
6. d
7. a
8. c
9. b
10. c
11. a
12. d
13. b
14. c
15. d

Chapter in Review—Writing to Learn

1. Perception is the process by which consumers select, organize and interpret the marketing stimuli to which they are exposed. To prevent sensory overload, consumers practice perceptual selectivity by choosing which stimuli they will pay attention to and which they will ignore.
2. Consumer purchasing decisions and buying behaviour are influenced by many factors that include personal, social, and situational issues. The personal influences on consumers are important determinants of their needs and wants. Such factors as age, income, family status, and chosen lifestyle are strongly related to the types of products people buy and the specific brands they want.
3. Motivation is an internal state that drives us to satisfy needs. Once we activate a need, a state of tension exists that drives the consumer toward some goal that will reduce this tension by eliminating the need.

Case Analysis

1. The Nexus generation is defined as 18-34 year old Canadians. They are attractive to marketers because they account for approximately one third of the Canadian adult population.
2. In terms of buying behaviour, the Nexus segment can be described as experimental and less brand loyal than other people, although they are willing to develop loyalty to brands that can offer a strong identity that is consistent with their values. They view buying as fun, and are confident in their abilities as shoppers, but are wary of flashy marketing campaigns.
3. Lifestyle elements that distinguish the Nexus consumers from other segments of the population include a greater interest in leisure activities, such as movies and amusement parks, and an embracing of extreme sports, such as skateboarding, rock climbing and snowboarding. They are also the most well-travelled young generation to date.
4. Insight into the Nexus segment can assist marketers with a wide range of marketing decisions including new product development, advertising approach, and design of the retail environment.