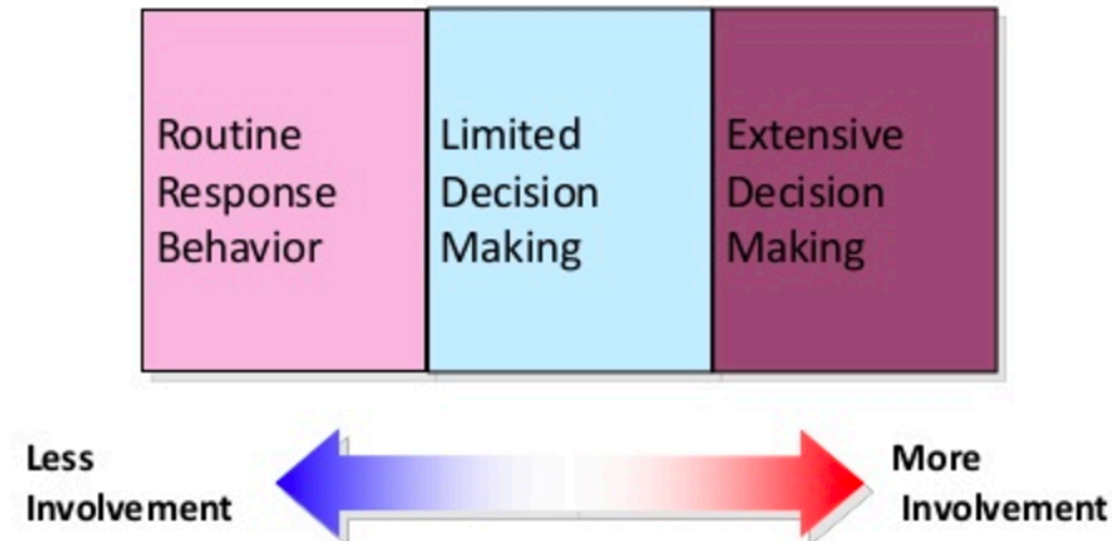


Consumer Behaviour

Chapter 5

Types of Consumer Buying Decisions



Two Basic Paradigms in Consumer Behaviour

- Cognitive/Affect View
- Behavioural View

Cognitive/Affect View

Consumers Decision Process

1. Problem Recognition
 - a. The consumer decision process begins when the consumer recognising they have an unsatisfied need they need to fulfil.
 - b. The consumer wants to go from their needy state to a desired state. The greater the discrepancy between these two stated, the greater the need recognition will be.
 - c. E.g. Hungry whilst in a shopping centre. The need – the difference between your actual (hungry) state and your desire (not hungry) state – is greater and you'll want to eat immediately to get to your desired state.
2. Information Search
 - a. The consumer is trying to find information of various options that exists to satisfy the need.
 - b. The consumer goes through an internal or external search for information:
 - i. Here the consumer goes though the options, the attribute sets are:
 - **Universal:** All the brand out there.
 - **Retrieval:** The ones we can recall.
 - **Evoked:** The ones we consider buying (this is where most firms want their product to be).
 - c. E.g. Looking at options.
3. Evaluate Alternatives
 - a. This is where the consumer assesses their options.
 - b. Ranking the attributes by importance, this is where branding is important.

- c. E.g. Line too long, price, food not good etc.
- 4. Product Purchase
 - a. The consumer is to make a decision and purchase their want or need.
 - b. Situational and individual characteristics (social, physical, surroundings etc.).
 - c. The shopping experience (on or off line).
 - d. Point of purchase stimuli.
 - e. Sales interactions
 - f. E.g. Deciding on what food to purchase.
- 5. Post-Purchase Outcome
 - a. The consumer evaluates the experience of their option.
 - b. Will they commit their loyalty, did they make a good decision, did they buy the right product, did they get good value?
 - c. E.g. Whether they will purchase food from the same place again.

Impact of Risk on Consumer Decision Making

- **Monetary Risk:** Expensive, financially burdened.
- **Functional Risk:** Will it do what it needs to do?
- **Psychological Risk:**
- **Social Risk:** What will people think?
- **Physical Risk:** Any potential to harm me?

Behavioural View

Influences on Decision

- Motivation
 - o The process that leads people to behave the way they do.
 - o Occurs when a need that arises that a consumer wishes to satisfy:
 - **Utilitarian need:** provides a functional or practical benefit.
 - **Hedonic need:** an experiential need involving emotional responses or fantasies.
 - o Goals: the end state that is desired by the consumer.
 - o Latent and Manifest Motives:
 - **Latent:** What you aren't telling people.
 - **Manifest:** What you're willing to tell people (recognised by self/society).
 - o Motivational Conflicts
 - **Approach-Approach Conflict:** a person must choose between two desirable alternatives.
 - **Approach-Avoidance Conflict:** exists when consumers desire a goal but wish to avoid it at the same time.
 - **Avoidance-Avoidance Conflict:** consumers face a choice between two undesirable alternatives.
- Perception
 - o **Selective Exposure/Attention:** a consumer notices certain stimuli and ignores others.
 - o **Selective Comprehension/Distortion:** a consumer changes or distorts information that conflicts with their feelings or beliefs.
 - o **Selective Retention:** consumer remembers only that information that supports personal beliefs.
- Learning
 - o **Learning:** a relatively permanent change in behaviour caused by experience.
 - o **Incidental Learning:** causal, unintentional acquisition of knowledge.
 - o Learning is an ongoing process
 - Knowledge is constantly being revisited.

- Can be either simple association (logo recognition) or complex cognitive activity (writing an essay).
- Attitudes
 - Persuasion involves an active attempt to change attitudes.
 - Basic psychological principle that influence people to change their minds or comply:
 - **Reciprocity:** more likely to give if first we receive.
 - **Scarcity:** items are more attractive when they aren't available.
 - **Authority:** more authoritative sources are more believable.
 - **Consistency:** people try not to contradict themselves.
 - **Liking:** we agree with those we like or admire.
 - **Consensus:** we consider others before we decide what to do.
- Groups
 - Theory of Planned Behaviour Model
 - Behavioural Attitude, subjective norms, perceived behavioural control:
 - Intention:
 - Behaviour.
 - We can influence:
 - Attitudes
 - Social Norms
 - Perceived Behavioural Control
 - Group Influences
 - **Groups:** we belong to | want to belong | avoid
 - **Provide:** information | rewards | identity
 - **Influence:** purchases | consumption | communication
 - Conformity
 - A change in beliefs or actions as a reaction to real or imagined group pressure.
 - **Norms:** informal rules that govern behaviour.
 - Factors influencing the likelihood of conformity
 - Cultural pressures
 - Fear of deviance
 - Commitment
 - Principle of Least Interest.
 - Group unanimity, size and expertise.
 - Susceptibility to interpersonal influence.