

### week 3 – consumer behavior and decision making

**Consumer behavior:** processes used to make purchasing decisions and to use/ dispose of purchased G&S



#### **Step 1: recognition (triggered by stimulus)**

- a current product is not performing adequately
- about to run out of sth.
- A product appears superior to use

**Perceived need:** sth you feel is essential but is a want instead of a need

#### **Step 2: info search**

- **Internal:** recalling info. that stored in their memory
- **External:** seeking info. In outside environment

Types of info sources

- Non-marketing controlled: not related to advertising. Involves personal/ public sources eg consumer reports
- Marketing controlled: advertising and promotion

#### **Step 3: evaluation of alternatives**

**Evoked set (consideration set):** a customer that seriously consider your product

**Inert set:** backup alternatives

**Inept set:** avoided alternatives

Awareness set Vs Evoked set	
Brands which a consumer is aware of	Brands which a buyer considers buying

#### **Stage 4: purchase**

## Stage 5: post-purchase

*Reduce cognitive dissonance:* inner tension occurs after recognizing an inconsistency b/w behavior and values (after big purchases → consumers feel doubt)

Marketer	Consumer
Offer warranties/guarantees	Seek new info to conform decision made
Send post-purchase letter	Change overpayment to conspicuous consumption signal

	Routine-decision making	Limited decision making	Extensive decision making
Involvement	low	Low-moderate	High
time	short	Short-moderate	Long
Cost	Low	Low-moderate	High
Info search	Internal	Internal	Internal and external
Alternative	One	Few	Many
Example	Sugar	Purchased regularly	house

## Factors determining level of involvement

**Previous experience:** good → involvement decreases since you are familiar w/ the product

**Interest:** involvement increases with the interest increases

**Perceived risk of negative consequences:** involvement increases with the risk increases

**Situation:** involvement changes due to the change of situation eg buying better wine to give to your boss vs buying low-brand wine as usual

**Social visibility (carry social risk):** involvement increases with the social visibility increases

## Factors affecting decision-making

<b>Cultural</b>	<b>Social</b>	<b>Individual</b>	<b>psychological</b>
Culture and value	Reference group	gender	perception
Subculture	Opinion leader	Age, family cycle	Motivation
Social class	Family	Personality	Learning attitudes

## Social

**Opinion leader:** individual influences others' opinions

**Reference group:** group influences individual's purchasing behaviors