

# Theory and Process of Buyer Behaviour

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## Topic List

- **Introduction to Consumer Behaviour**
- **Motivation, Ability and Opportunity**
- **Exposure, Attention and Perception**
- **Learning, Memory and Knowledge**
- **Attitude Formation**
- **Problem Recognition and Information Search**
- **Judgement and Decision-Making**
- **Post-Decision Processes**
- **Consumer Diversity and Segmentation**
- **Social Influence, Household and Social Class**
- **Personality, Self-Concept and Symbolic Consumer Behaviour**
- **Consumer Adoption of New Products**

## Introduction to Consumer Behaviour

**Consumer Behaviour** reflects the totality of consumers' decisions with respect to the acquisition, consumption and disposition of an offering by decision-making units over time.



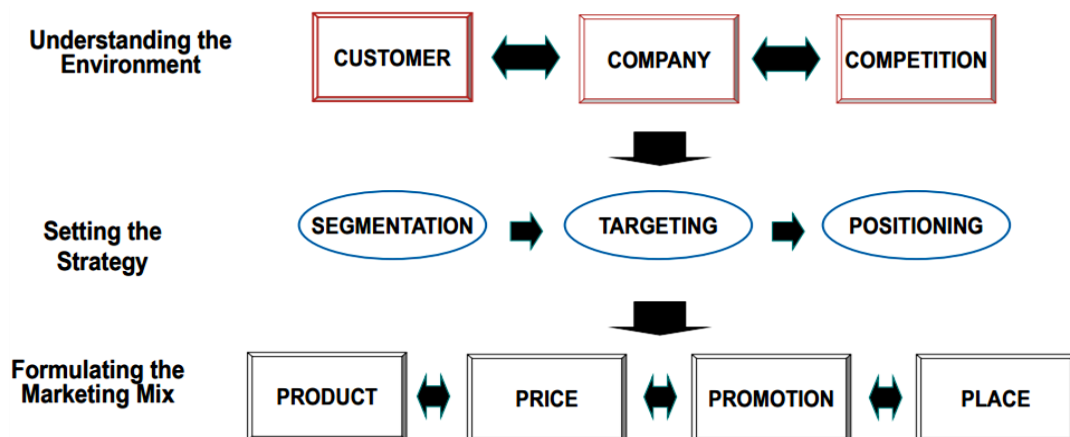
An **Offering** is a good, service, activity, experience or idea offered by an organisation to consumers.

- *Acquisition*: Obtaining, purchasing or borrowing an offering
- *Consumption*: Using an offering
- *Disposition*: Discarding, selling or lending an offering

### Four domains of Consumer Behaviour

1. **Psychological Core**
  - *Motivation, Ability and Opportunity*
  - *Exposure, Attention, Perception and Comprehension*
  - *Learning, Memory and Knowledge*
  - *Attitude Formation*
2. **Process of Making Decisions**
  - *Problem Recognition and Information Search*
  - *Judgement and Decision-Making*
  - *Post-Decision Processes*
3. **Consumer's Culture**
  - *Diversity Influences*
  - *Social, Household and Social Class Influences*
  - *Self-Concept and Personality*
4. **Consumer Behaviour Outcomes**
  - *Adoption, Resistance and Diffusion*

## The Marketing Process



## Consumer Behaviour research methods

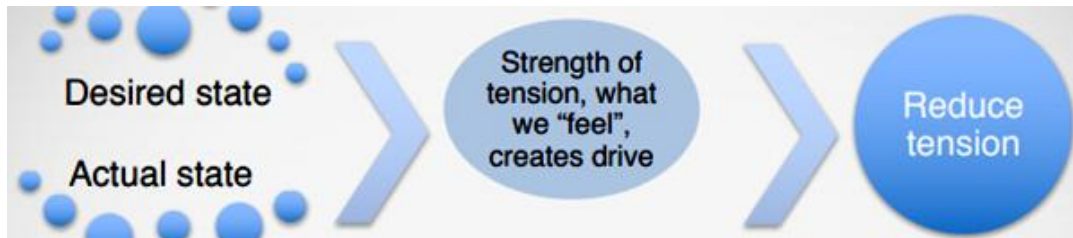
- Surveys
- Focus Groups
- Interviews
- Storytelling
- Photography, Pictures
- Diaries
- Experiments
- Field Experiments
- Conjoint Analysis
- Observations
- Purchase Panels
- Database Marketing

## Psychological Core

### Motivation, Ability and Opportunity

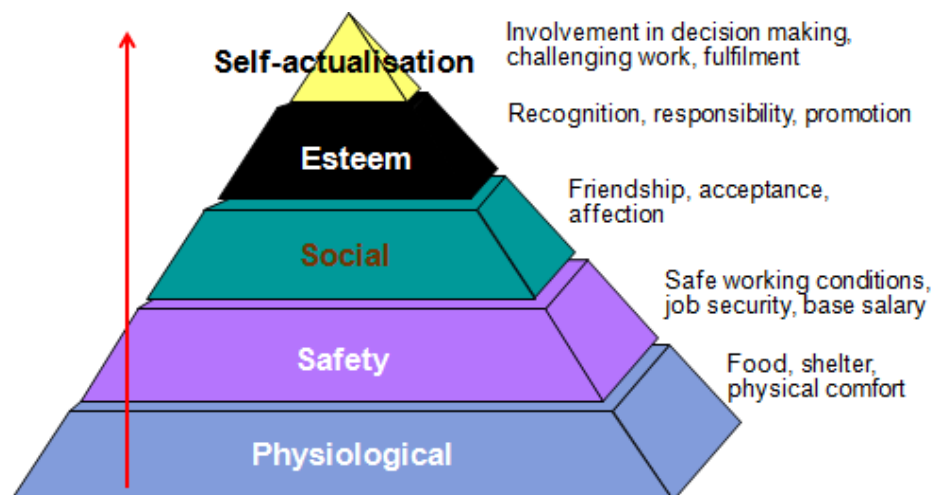
#### Motivation

**Motivation** is an inner state of drive that provides the energy to achieve a goal.



#### Factors that affect Motivation

- **Needs:** Any human requirement or an internal state of tension caused by disequilibrium from a desired state
  - Maslow's Hierarchy of Needs

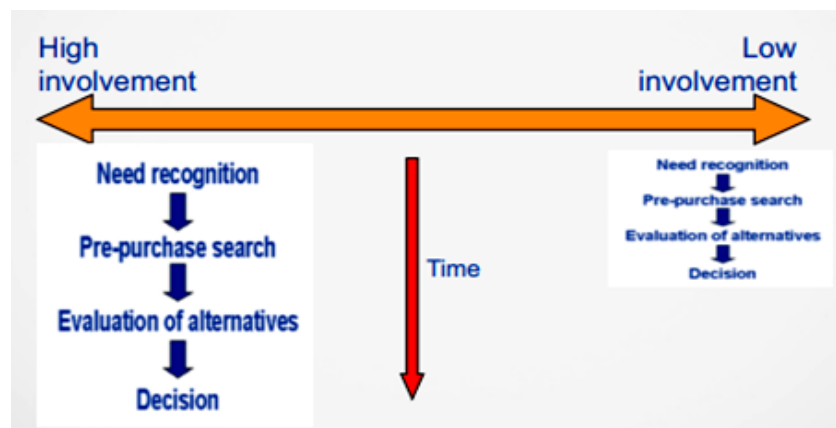


- **Wants:** Needs shaped by a person's knowledge or culture
  - Identifying consumer needs/wants
    - Surveys
    - Focus groups, interviews
    - Experiments, observations
- **Goals:** Outcomes that a person would like to achieve
  - Goal setting
  - Goal progress and monitoring
  - Focus of goal
    - Promotion-focussed goal → approaching positive outcomes
    - Prevention-focussed goal → avoiding negative outcomes
- **Values:** Beliefs about what is right, important or good

- **Personal Relevance:** Something that has a direct bearing on the self and has potentially significant consequences for our lives
- **Perceived Risk:** Extent to which a consumer is uncertain about the consequences of acquiring, using or disposing an offering
  - Performance risk
  - Financial risk
  - Physical risk
  - Social risk
  - Psychological risk
  - Time risk
- Inconsistency with attitudes
  - When inconsistency with attitudes occurs, we try to remove or at least understand the inconsistency

#### Outcomes of Motivation

- High-effort behaviour
  - Willingness to spend time and energy
- High-effort information processing and decision making
  - Understanding and evaluating information critically
    - **Motivated Reasoning:** Processing information in a way that allows consumers to reach the conclusion that they want to reach
- Involvement
  - Level of interest in an offering/activity/decision
    - **Enduring Involvement:** Exists when we show interest in an offering/activity over a long period of time
    - **Situational Involvement:** Temporary interest in an offering/activity caused by situational circumstances
    - **Cognitive Involvement:** Interest in thinking about and learning information related to an offering/activity
    - **Affective Involvement:** Interest in expending emotional energy and evoking deep feelings about an offering/activity



- **Objects of Involvement**
  - *Involvement with Product Categories*
  - *Involvement with Experiences*
  - *Involvement with Brands*
  - *Involvement with Ads*
  - *Involvement with a Medium*
  - *Involvement with Decisions and Behaviors*

### **Ability**

**Consumer Ability** is the extent to which consumers have the resources needed to reach an outcome.

- Financial resources
- Physical resources
- Cognitive resources e.g. product knowledge → educating consumers
- Social/Cultural resources
- Education and age

### **Opportunity**

**Consumer Opportunity** refers to the extent to which the presence or absence of external constraints restricts a given behaviour.

- Time available
- Amount and complexity of information e.g. technical/quantitative information
- Distraction (diverting consumer's attention away)
- Repetition of information
- Control of information (print, radio)

## Exposure, Attention and Perception

### Exposure

**Exposure** occurs when a consumer comes into physical contact with a marketing stimulus.

**Marketing Stimuli** are messages/information about products or brands and other offerings communicated by either the marketer (via ads, salespeople, brand symbols, packages, signs, prices etc.) or by non-marketing sources (via the media, word of mouth).

What affects Exposure?

- Factors under marketers' control
  - Ad position/location within a medium e.g. magazine back cover, beginning/end of a TV program
  - Product placement e.g. within a movie
  - Product distribution and shelf placement
    - Products displayed at end of aisles and at eye level get more exposure
- Factors under consumers' control
  - Zipping (recording program and fast-forwarding ad)
  - Zapping (switching to other channels during ads)
  - Software to block ads

Maximising Exposure

- Targeted coverage
  - More relevant to target market
  - Fewer people reached
- Broad coverage by using different channels
  - Reaches more people
  - Higher costs

Effects of Exposure

- Increases awareness
  - Brings a brand into consumer's consideration set
- Increases liking
  - Initially, repeated exposure increases liking
  - After a certain point, additional exposures become boring
- Increases perceived truthfulness
  - The more we hear something, the more we believe it to be true