

MKF2111: Buyer Behaviour

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Introduction to Buyer Behaviour (Topic 1)

Consumer behaviour is about products, services, ideas, people and experiences.

Consumer Behaviour	<p>“Consumer behaviour reflects the totality of consumers’ decisions with respect to the acquisition, usage, and disposition of an offering by human decision-making units (over time).” Hoyer et al. (2018). <i>Consumer Behavior</i>.</p> <p>“Consumer behaviour entails all consumer activities associated with the purchase, use, and disposal of marketing offerings, including the consumer’s emotional, mental and behavioural responses that precede, determine, or follow these activities.” Kadres, Cronley, Cline (2011). <i>Consumer Behavior</i>.</p>
Acquisition	Whether or not to purchase, rent, borrow, lease etc.
Usage	Whether to use, how to use, where, when, how often, for how long etc.
Disposal/Disposition Behaviour	Whether to throw, recycle, store, give away, resell, rent, lend out etc.

The Psychological Core

Motivation, Ability, Opportunity
 Personal relevance: values, needs, goals and the self-concept, High v Low Involvement behaviour
 Exposure, Attention, Perception
 How can we increase consumers’ awareness of their products?
 Learning and Memory
 Why are we more likely to remember certain brands, products or experiences?
 Attitudes
 Cognitive v Affect-based attitudes
 Theory of Reasoned Action (TORA)
 Systematic v Peripheral route to persuasion

The Process of Judgment and Decision Making

Problem Recognition and Information Search
 Judgement and Decision Making
 Post-Purchase Evaluation

Consumer Culture

Demographics, Social class and household influences, Personality characteristics
 Reference groups, opinion leaders and other social influences
 Word-of-mouth, Social Media

Consumer Behaviour Outcomes and Issues

Consequences of Consumption
 Ethical Issues
 Unethical advertising, Consumer privacy issues

A marketing offering is personally relevant to the extent that it is consistent with consumers’ needs, wants, goals, values and self-concept.

Marketing Implications: Provides insights into consumer psychology and behaviour that can help companies develop more effective marketing strategies.

Choice provides a sense of freedom, higher likelihood of satisfying preferences, but also:

- Cognitive overload
- Regret over rejected options
- Blurred differences among options

Implications for Consumers and Society: Provides insights about consumer behaviour that can improve consumer welfare

Implications for Public Policy Makers and Regulators: Helps legislators and government agencies in developing policies and rules that:

- encourage consumers to engage in healthier behaviours ([posting calorie information on restaurant menus](#))
- protect customers from unfair, unsafe or inappropriate marketing practices ([restrictions on alcohol advertising, regulating advertising to children](#))

Implications for Academics: Allows academics to generate and disseminate knowledge about consumer behaviour through research

Motivation, Ability, and Opportunity (Topic 2)

Motivation	“An inner state of arousal that provides energy needed to achieve a goal” (Hoyer et al. 2018)
Ability	The extent to which consumers have the resources needed to make an outcome happen Financial, cognitive, emotional, physical resources, culture, education, age
Opportunity	Factors external to the consumer that may limit or facilitate the pursuit of his/her desired outcome Reflects the extent to which a situation is conducive to achieving an outcome

Motivation	Ability	Opportunity
Personal Relevance - Needs and wants - Goals - Values - Self-concept	- Financial, cognitive, emotional, physical, and social and cultural resources - Education and age	- Time - Distractors - Complexity, amount, repetition, and control of information

Consumer Motivation

Consumer Behaviour

An offering is motivating to the extent that is personally relevant: has a direct bearing on the self and has potentially significant consequences and implications for our lives.

Marketing implication of ability:

- Provide information and advice to consumers when products are complex or consumers lack knowledge/experience (e.g. financial products, technology, electronics)
- Provide payment options (lease, credit lines, etc.)

Needs and Wants

Need	An internal state of tension caused by a disequilibrium from an ideal or desired state
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Maslow’s Hierarchy of Needs

- Five key types of needs
- Common across individuals, cultures, etc.
- Hierarchical: lower-level needs have priority and have to be addressed before higher level needs

- Self-actualisation**
- Egoistic**
- Social**
- Safety**
- Physiological**

Shortcomings:

- Hierarchical order may not be fixed
- Does not include some important types of needs

Alternative classifications of needs:

Social	Functional	Non-social
Modelling Support		Safety Order Physical well-being
Status Affiliation Belonging Achievement		Self-control Independence
Reinforcement Sex Play	Symbolic	
	Hedonic	Sensory stimulation Cognitive stimulation Novelty

Needs	Wants
More abstract, fundamental Physiological or psychological basis Social need, esteem need	More concrete and specific A desire for a particular means to satisfy the need Shaped by an individual's specific culture, knowledge and context

The purpose of any organisation should be the satisfaction of its customer needs... The organisation should define its business in terms of the customer needs it satisfies, not in terms of the products it sells. An organisation that lacks such an orientation suffers from "marketing myopia" and will likely fail in the long run." T. Levitt, HBR 1960.

Marketing Implications of Needs

Segmenting the market:

Felt Involvement	The psychological experience of the motivated consumer that includes psychological states such as interest, excitement, anxiety, passion, and engagement
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Goals and Emotions

Goals	End states or desired outcomes that an individual would like to achieve Either concrete or abstract
Promotion	Focused on achieving desired outcomes
Prevention	Focused on avoiding undesired outcomes

Appraisal Theory

Whether consumers feel good or bad about an offering depends on whether the offering is judged to be consistent or inconsistent with the consumer's goals.

A consumer will feel good about an offering if they perceive it to be consistent with his/her goals.

A consumer will feel bad about an offering if he/she perceives it to be inconsistent with his/her goals.

Appraisals/judgements of the offering (cognitive) → Emotional reaction towards the offering

Consumers' perceptions of the effectiveness of the offering as a means of reaching a goal determine how the consumer will feel about the offering.

Marketing Implications of Goals

Enhancing communication effectiveness

Promotion-focused ad: Our brand of cereal will help you improve digestion and cholesterol levels

Prevention-focused ad: Our brand of cereal will help you lower your risk of heart disease

Creating new wants and goals

The Self-Concept

The Self-Concept	Our mental view of who we are Defines who we are and guides our behaviour
Actual Self	A person’s realistic appraisal of the qualities they do and do not possess
Ideal Self	A person’s conception of how he or she would like to be Partially moulded by elements of a consumer’s culture
Ought Self	A person’s conception of how he or she should be Shaped by an individual’s duties and obligations

The Self-Concept in a Consumption Context

“We are what we have [...] and our possessions are a major contributor to and reflection of our identities.”
Russel Belk. “Possessions and the Extended Self”. (1988). *Journal of Consumer Research*.

Implications for marketing:

- Consumers can use products/services to communicate information about themselves
- People choose products/brands that are consistent with their self-concept
- Products/services or persuasion messages that are consistent with a consumer’s self-view are more favourably evaluated
- Consumers can use products/services to bridge the gap between their actual self and ideal self

Values

Beliefs about what is right, important, or good

Offerings that are consistent with consumers’ values are more personally relevant

Persuasive messages that appeal to consumers’ values are more effective

Consumer Motivation Effects

Felt involvement

- Enduring
 - Situational
 - Cognitive
 - Affective
- Objects of involvement: any marketing offering or message can be an object of involvement (i.e. product/service, experience, brand, product category ad, etc.).

Exposure, Attention and Perception (Topic 3)

The Psychological Core

Motivation
 Exposure, Attention, Perception
 Learning and Memory
 Attitudes

The Process of Judgment and Decision Making

Problem Recognition and Information Search
 Judgement and Decision Making
 Post-Purchase Evaluation

Consumer Culture

Consumer Behaviour Outcomes and Issues

Exposure

Exposure	The process by which consumers come into contact with a stimulus
Mere exposure	A phenomenon whereby repeated exposure to a stimulus (i.e. a commercial, a brand, a song, etc.) increases liking for that stimulus The relationship between exposure and liking can be described by an “inverted U function: repeated exposure increases liking only up to a point. After that, additional repetitions decrease liking (as boredom sets in)

Exposure creates awareness and increases the perceived truthfulness of a statement (the more we hear something, the more we believe it to be true.

Selective exposure: Zipping, zapping, skipping etc.

Solution: Targeted exposure

Factors influencing exposure:

- Personal relevance
- Position of an ad
- Product distribution
- Shelf placement

Attention

Attention	The process by which we devote mental activity to a stimulus Necessary for information to be processed
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Characteristics of attention:

- Selective
- Limited
- Capable of being divided – Latest research suggest attention is not actually “divided”, rather it can be switched from one object to another

Focal Attention	Conscious, Requires considerable mental effort
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Non-focal Attention	Automatic, requires little mental resources Results in pre-attentive processing (non-conscious processing of stimuli in the peripheral vision) Can still have an impact on consumers (influence awareness, influence liking (mere exposure effect))
Personally Relevant	Needs, goals, wants, values and self-concept
Pleasant	Attractiveness, Music, Humour

Stimuli is easiest to process when prominent, contrasting or concrete, and when there is a limited amount of competing information.

Perception

Absolute thresholds	Minimum level of stimulus intensity needed to detect a stimulus/Lowest point at which an individual can experience a sensation
Just noticeable difference	The intensity difference needed between two stimuli before they are perceived to be different
Weber's Law	The stronger/bigger the initial stimulus, the greater the additional intensity needed for the second stimulus to be perceived as different

$$K = \frac{\Delta s}{S}$$

K = A constant of proportionality

Δs = Smallest change in a stimulus capable of being detected

S = Initial stimulus value

Vision:

- Size and shape
- Lettering
- Colour (colour and liking, colour and symbolic meaning, colour and mood)

Hearing:

- Sonic identity
- Sonic symbolism

Taste:

- Varying perceptions of what "tastes good"
- Culture backgrounds
- In-store marketing

Touch (haptic):

- Touch and physiological responses/moods
- Liking

Smell:

- Smell and physiological response/moods
- Product trial
- Liking
- Buying

Perception is subjective, and not always accurate.

- Context effects
- The t-illusion
- The different senses influence each other

Sonic Identity Occurs when an auditory portion of an ad is associated with a brand

<p>Comprehension The Pringle tin is more effective in terms of comprehension as viewers understand what the image is.</p> <ul style="list-style-type: none"> - Habituation - Colours – Brand colours recognisable, exciting warm colours - No risk on misunderstanding - Selective attention - Non focal - Easy to process 	<p>Attention The Pringle shaped table tennis table is more effective at grabbing attention because it is unusual and unexpected.</p> <ul style="list-style-type: none"> - Consumers are not habituated to a Pringle shaped table tennis table - Cooler colours - Limited attention to the Pringles - Focal
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